

# Questions on globalization and Aboriginal rights

16 October 1998

You may not remember but I have contacted you before and you replied that I should read over Nick Beams's article. I have done so, but I am still left with the same questions and I hope that you can clarify some of these. The two questions I asked before were:

(1) Have we seen a new stage of capitalism develop after imperialism? (Lenin's characterisation of capitalism as being in an Imperialist stage of development is still being taught in classes at my uni.)

(2) Is the talk of the movement of productive capital in your book *Globalization and the International Working Class* referring to some sort of movement of factories in a physical sense around the world and thus justifying a new stage of capitalism? I thought that productive capital is the plant and machinery? I would have thought that the movement of finance capital characterises the period we live in today not the movement of productive capital, the biggest movers of capital today are the money markets, (still finance capital).

Also I would have thought that the Koories of Australia have a right of self determination, something that you seem not to support, that is the right to have their culture and traditions taught in their schools and to control their communities (law, services, land, health ...) why is this not part of your platform in the last Australian elections? If this is not achievable under capitalism is not the point, do they or do they not have the right to self determination?

Regards,

MC

Looking forward to hearing from you.

Dear MC,

The answer to your first question is no. For Lenin the essential characteristic of imperialism was the development of monopoly capitalism out of the competitive capitalism of the nineteenth century. The

historical significance of this transformation was that it laid the objective foundations for the establishment of a planned socialist economy on an international scale. The development of banks, industrial corporations and financial institutions was a further development of the socialisation of production. But this process came into conflict with the system of private appropriation, based on the private ownership of the means of production and the division of the world into rival nation-states. Lenin's analysis of imperialism demonstrated that the First World War arose not from mistaken policies of the capitalist politicians, but was an inevitable consequence of the struggle by the major capitalist powers to divide and re-divide the world. He explained that this destructive struggle would continue until capitalism was overthrown on an international scale. The basic tendencies which Lenin revealed are in operation today. However this does not mean that capitalism has not changed in the eight decades since Lenin wrote his *Imperialism*. In *Globalization and the International Working Class* we have sought to examine those changes and draw the implications for the political strategy which must be adopted by the working class.

One of the most significant of these changes--and here we come to your second question--is the globalization of productive capital. This is not simply the movement of factories around the world, but the development of production processes which transcend national borders. Capital, as Marx explained, exists in three forms: money capital, commodity capital and productive capital. In its productive form capital augments itself through the extraction of surplus value from the working class in the production process. In the past, this process generally took place within the confines of a given nation-state, whether or not the factory was foreign- or domestically-owned. Today, the

production process involved in the manufacture of a particular commodity--say a car, a piece of electronic equipment, clothing, etc.--will take place in many different parts of the world. In other words, the extraction of surplus value no longer takes place within the confines of a given national state. This has decisive political implications. It underlies the complete disintegration of the program of social reformism which was based on using the power of the national state to extract reforms. In the final analysis, these reforms represented a deduction from the surplus value which had been extracted by capital from the working class. To the extent that productive capital remained confined to the boundaries of a given nation-state that program had a certain limited viability. But the situation is transformed once capital is globally mobile. Instead of the national state appropriating surplus value from capital (through taxes, etc.), globally mobile capital demands of the national state that it furnish it with ever-more 'competitive' conditions for the extraction of surplus value.

The best way of viewing the relationship between our analysis and the work of Lenin in *Imperialism* is to consider the historical development of capitalist economy this century. Though he did not use the term, Lenin was considering the impact of the first phase of globalization from 1870 to 1914. The next three decades were characterised by economic contraction--the erection of tariff barriers, national blocs, leading again to war. The post-war reconstruction organised under the hegemony of the United States saw the restoration of the world market and free trade. But while international trade was expanded, the post-war order was also based on the imposition of tight controls on the movement of capital. However the very growth of world economy led to the undermining of these controls and in 1973 the system of fixed currency exchange rates was abandoned. The past 25 years have seen a new phase of globalization, characterised by the globalization of productive capital, the development of truly global financial markets, and so on. Consequently, all the contradictions of the capitalist economy have been intensified, laying the objective foundations for a new period of social revolution. That was the basis of our analysis in the book *Globalization and the International Working Class*, developed in the form of a polemic against the

national-reformist orientation of the Spartacists, who have sought at every stage to deny the profound significance of the changes in world economy by telling us that not much had really changed since Lenin's day.

In answer to your question on self determination for Koories we have always insisted that the answer to the terrible problems they face lies in a unified struggle with the working class for a socialist society. Let me refer you to our statement 'Build the Socialist Equality Party' issued in 1996: 'The Socialist Equality Party opposes the black nationalism of the Aboriginal leaders who claim that 'white society', not the profit system, is the source of the oppression of Aborigines. Their proposals to replace white police and judges with black ones, to create services restricted to Aborigines, and to separate black communities on Aboriginal-owned land, only serve to split and divide the working class. They speak for the tiny minority of Aboriginal land-owners, entrepreneurs and well-paid government bureaucrats who have advanced their social and economic position at the expense of the majority of Aboriginal people. While they strike lucrative deals with the mining magnates under the guise of 'defending land rights', ordinary Aborigines continue to suffer appalling conditions, and to die at record rates in prisons and police lockups.

'The Socialist Equality Party opposes all discrimination against Aborigines and calls for whatever resources are necessary to be spent on creating well-paid jobs and decent housing, medical and educational facilities for all Aboriginal workers and youth.'

I hope this reply begins to answer your questions.

Nick Beams

WSWS Editorial Board



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://www.wsws.org/contact)**