

The war in Afghanistan, world politics and the perspective for socialism

Part 2

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At the beginning of the 21st century, far from belonging to some distant past, or being consigned to a by-gone age, imperialism has become the central defining and determining feature of world politics.

In probing this phenomenon, I want to underscore a point that has always been central to the Marxist movement's analysis. Imperialism is not the product of policy decisions of this or that government, or of certain politicians. Rather, the political decisions made by governments to commit troops, launch wars and overthrow governments etc., are themselves the outcome, in the final analysis, of processes rooted deep within the global capitalist economy. Furthermore, the past century demonstrates that the eruption of imperialist violence—of the type we are now witnessing—is the expression of a deep-going crisis within world economy.

This has profound and far-reaching political implications. It signifies that the struggle against imperialism cannot be waged as a protest—attempting to pressure this or that government—or be directed to some international body such as the United Nations. The struggle must be aimed at the very root of the problem—the capitalist profit system itself. Let me demonstrate this point by examining imperialism in its historical development.

The epoch of what has become known as “classical imperialism” began in the latter quarter of the 19th century. Over a period of just three decades, the major capitalist powers effected a division of the world. This process, which reached its high point in the so-called “scramble for Africa,” was rooted in what economic historians used to call the Great Depression.

The period of capitalist growth that had begun in the middle of the 19th century, spurred on by the expansion of the railway system and the use of steam power, had given way, from around 1875, to a major depression of prices and profits. The fall in the rate of profit drove a colossal re-organisation of capitalist industry. The modern corporate structure was born, banks and other organisations of finance capital arose and the major powers, representing the interests of the growing industrial and financial conglomerates, scrambled for colonies to secure access to raw materials, markets and outlets for investment.

The 19th century had seen the rise of capitalist economy and the formation and consolidation of the nation-state. This provided a tremendous impetus to the development of the productive forces, replacing isolated regional and even city-economies with a national market, giving greater scope for the development of industry and commerce.

But capitalist expansion did not stop at the national borders. The inherent dynamism of the capitalist economy—the incessant drive for markets and profits—propelled the capitalist powers onto the world arena, and consequently into collision with each other.

British capitalism had, up to this point, dominated the world economy. Now, at the end of the 19th century, the other capitalist powers sought their “place in the sun.” The conflict was to lead inexorably to the outbreak of World War I.

In the deepest sense, the historical significance of the war lay in the fact that it demonstrated the breakdown of the nation-state system. Each capitalist power tried to resolve the economic problems it confronted by transforming itself from a great power into a hegemonic world power. The outcome was the violent military conflict of each against all.

The capitalist politicians maintained that the war was fought to establish democracy, that it was a “war to end all wars.” In opposition to these claims, the revolutionary Marxists explained that the war signified the definitive end of a progressive epoch of capitalist development. The very growth of the productive forces under capitalism had now come into irreconcilable conflict with the social relations—the nation-state and profit system—within which they had hitherto developed.

In his analysis of imperialism, Lenin drew out that whatever the immediate outcome of the war, there could no longer be a peaceful development of capitalism. Any peace that was established, either in the present war or those of the future, would merely be a truce before the outbreak of the next conflict. Any peace would rest upon a certain relationship of economic and military forces. But the very dynamic and uneven development of capitalism meant that the economic foundations of such a “peace” would inevitably change. New economic relations would emerge as a result of the development of capitalist economy itself. These would come into conflict with the existing political relations, leading sooner or later to a new imperialist conflagration.

Lenin's analysis established the objective historical necessity for the socialist revolution. The Russian Revolution of 1917 was not conceived as a Russian or national event. It was the opening shot in the world revolution, the necessity for which has been established, not just theoretically, but in the barbarism unleashed by the breakdown of the capitalist system and the outbreak of imperialist war.

At the conclusion of the war, two opposed perspectives confronted each other: the re-organisation of the world under the hegemony of the dominant capitalist power, the United States, which had emerged as the only real victor, or the extension of the Russian Revolution on an international scale, beginning with the conquest of political power by the working class in the advanced capitalist countries of Europe.

The perspective of international socialist revolution was not realised. The ruling classes, with the assistance of the social democratic parties and

trade union apparatuses, were able to cling to power. The socialist revolution remained isolated to a single backward country and the workers' state underwent a terrible degeneration, leading eventually to the usurpation of political power by the Stalinist bureaucracy.

But neither could the United States effect a re-organisation of the world. Confronted by the socialist revolution, the US could not overturn the old order in Europe lest this lead to Bolshevism. Consequently, the Versailles Treaty, in which the US played the central role, only succeeded in deepening the crisis of the European nation-state system. None of the problems were resolved. They continued to fester, assuming the most malignant forms—the conquest of fascism across most of continental Europe—and eventually erupted in World War II, barely two decades after the signing of the peace treaty.

Two factors enabled a certain reorganisation of the world economy in the aftermath of World War II, in contrast to the situation at the end of the first. In the first place, the United States was able to establish its military and economic hegemony over its rivals in a way that had not been possible before. Secondly, and no less significantly was the rise to power of the Stalinist bureaucracy, with its deep hostility to the spread of socialist revolution, lest it threaten its own position in the USSR. The bureaucracy provided the capitalist powers with a vital resource in the suppression of the political struggles of the working class in the immediate aftermath of the war. Any examination of the record will show that it was the Stalinist parties—with their insistence that fascism in Europe be followed not by socialism but by the re-establishment of bourgeois democracy—that, quite literally, hoisted the discredited European ruling classes back into the saddle.

The US was able to introduce more efficient methods of production, raising the profit rate as a whole. At the same time, the development of common economic arrangements overcame, to some extent, the constrictions of the European nation-state system, leading eventually to the establishment of the Common Market. Furthermore, there was a push to dismantle the old empires. Political power was handed to the national bourgeoisie in the colonies and the old forms of imperialist rule were disbanded.

A certain expansion took place. Indeed, for three decades after World War II, world capitalism enjoyed the greatest period of sustained economic growth in its history. Living standards for the working class in the advanced countries rose and social welfare concessions were introduced. In the former colonies, there seemed to be some prospect of national economic development. Meanwhile, the conflicts between the major powers that had given rise to two world wars in the space of just one generation were regulated within the political framework of the Cold War.

A new equilibrium was established that seemed to relegate the turmoil of the first five decades of the century to the distant past. But the economic and political reconstruction of the world capitalist economy did nothing to resolve its central contradictions. In fact, the new stabilisation brought them to the surface once again. By the end of the 1960s, the tendency of the rate of profit to fall—the driving force behind the development of “classical imperialism” at the turn of the 20th century—began to re-emerge. And, as in the earlier period, this led to a profound reorganisation and restructure of the global economy.

In 1971, the US, in a unilateral decision, shattered the basis of the monetary arrangements made in 1944 under the Bretton Woods agreement. That system rested upon a series of fixed relationships between the major world currencies, and regulation by governments and central banks of the flows of international finance capital. Its foundation was an agreement by the US to guarantee to redeem US dollars circulating in the rest of the world at the rate of \$35 per ounce of gold. On August 15, 1971 President Nixon declared that henceforth the gold window was closed.

Nixon's action, which sent a shock wave around the world, was precipitated by the worsening financial position of the US under the old system. The US could simply no longer redeem the growing pool of dollars that had accumulated outside its borders. To do so would have meant cutting back its expenditure internationally, particularly military spending on the Vietnam War, and reducing the flow of investment capital from the US to the rest of the world. In short, the US would have had to severely weaken its own economic and political position. Nixon's decision constituted an attempt by the US to establish a new global economic order in which it could maintain its dominance.

The scrapping of the Bretton Woods system was only the start of a vast and ongoing reorganisation of the world economy. Broadly speaking, it can be summed up as follows: the replacement of the system of national regulation with the program of what has become known as neo-liberalism, where the world economy is dominated by the global financial market and the drive for profit accumulation on a world scale.

In the final analysis, neo-liberalism arose from the drive by capital to overcome the tendency of the rate of profit to fall.

The re-emergence of this tendency was to have major political, as well as economic, consequences. From the end of the 1970s, the “free-market” agenda was accompanied by a marked shift in the relationship of the US, as the leading imperialist power, towards the Soviet Union.

The policy framework of the immediate post-war period was based on the doctrine of containment and, later, even of co-existence and détente. Not, it should be said, without opposition from sections of the US military. In the last days of World War II, General Patton, among others, favoured a military confrontation to “roll back” the Soviet Union. In the Korean War, MacArthur pressed for a nuclear attack on China. This led to a tense battle in the administration, finally resulting in the dismissal of MacArthur by Truman in the spring of 1951. But the dispute was not over. It erupted again in the Cuban missile crisis of 1962 and then in the Vietnam War.

During the Carter administration, a far more aggressive policy towards the Soviet Union was undertaken. A provocation was launched in Afghanistan, with the aim of dragging the Soviet Union into a war, and the CIA stepped up its activity in Eastern Europe.

The Reagan administration, which came to power in 1980, vastly increased military spending with the aim of applying intense pressure against the USSR. The policy of détente was scrapped and the objective was increasingly to roll back the Soviet Union.

When the Soviet Union eventually collapsed in 1991, bourgeois politicians of all stripes, together with innumerable pundits and academics, proclaimed the final triumph of the capitalist market and the defeat of socialism. A decade later, it is clear that the free market agenda has not introduced peace and tranquility, much less a new stability for global capitalism.

It is not possible here to trace out the vast economic changes over the past three decades. But we can address the central question: has the transformation in the global economy produced a new equilibrium in the same way that the post-war order established a basis for capitalist expansion? There are innumerable figures that show it has not. Let me cite just some of them.

For the advanced countries in the OECD, the average annual per capita income growth in the years between 1960 and 1979 was 3.4 per cent and for developing countries 2.5 per cent. In the period from 1980 to 1998 the corresponding figures were 1.8 per cent and 0.

One study has found that in 116 countries during the periods 1960-1980 and 1980-2000, the growth rate fell in every quintile in the later period compared to the earlier one. Among the poorest countries in the lowest quintile, growth rates over the 1980-2000 period actually turned negative.

In the 1970s, the rate of profit in the US declined markedly. It began to recover in the 1980s as a result of attacks on the social position of the

working class and the restructuring of the economy. But even though real wages have not increased in the US since 1973, profit rates have only been restored to around two thirds of their levels during the 1960s. And how much of the profits in the latter half of the 1990s were the product of “creative accounting” remains to be seen, but it is estimated that, since 1997, they have been overstated by at least 20 per cent.

Then there is the growth of financial parasitism, itself an indication of significant difficulties in the accumulation process. From 1945 to 1980, total debt in the US remained around the same level, expressed as a percentage of gross domestic product. But from 1980, it swung upwards. After remaining almost stationary for 35 years, total US debt has almost doubled during the last 20. On a global scale, growing speculation has provoked storms that have ripped through financial markets in the past two decades.

Social inequality is increasing in every part of the world. The richest 1 percent of the world’s population has the same income as the 2.7 billion poorest people. That is, the top 1 percent has the same income as the bottom 57 percent. In 1980, median income in the richest 10 percent of countries was 77 times greater than in the poorest 10 percent. By 1999, that gap had grown to 122 times. Nearly 37 million people in the US go without basic necessities—food, shelter and medical care. For one out of every three families with children, income alone is not enough to sustain them.

Sub-Saharan Africa’s debt increased 3.4 times between 1980 and 2000—from \$60 billion to \$206 billion, in spite of the \$229 billion paid in debt servicing. Sub-Saharan Africa has paid off its 1980 debt fourfold, but is now three times more in debt. Each year Sub-Saharan Africa spends four times more on debt servicing than it does on health care and education combined.

Today, more than 35 million people are fleeing war or persecution. The last time the number was this high was just after World War II. At the same time, growing social inequality, declining living standards and the consequent social tensions have created the conditions for right wing, anti-immigrant and even neo-fascist organisations to emerge.

Our task here is not merely to list a series of terrible events, but to grasp their historical meaning and, on the basis of our analysis, develop a perspective for the international working class.

In the immediate aftermath of World War II, the US led a profound reorganisation of the global economy. The old constrictions that had produced the 30-year conflict from 1914 to 1945 were removed and a new period of capitalist expansion ensued. To be sure, American capitalism effected the changes in its interests, but the new system did provide the framework for the other powers to expand, and even for the so-called underdeveloped economies to grow.

That is no longer the case. Continuous downward pressure on profit rates and the failure to establish a new equilibrium has meant that the accumulation of profit by each section of capital no longer occurs through a general expansion of the economy as a whole. Rather, it takes the form of a ferocious struggle of each against all. This, in the final analysis, is the source of the growth of militarism.

After the Soviet Union collapsed, we were told there would be a “peace dividend” with the end of the Cold War—namely, a reduction in militarism. But precisely the opposite has taken place. In 1992, the Pentagon, in a major assessment of US strategic objectives, explained that policy would have to be directed to preventing the emergence of any new power, or group of powers, capable of challenging the US. The past decade has been marked by the Gulf War, the wars over Bosnia, the war against Serbia and now the global “war against terror”.

As bombs started dropping on Serbia, US president Clinton declared: “If we’re going to have a strong economic relationship that includes our ability to sell around the world, Europe has got to be a key. ... That’s what this Kosovo thing is all about.”

And that is what the war in Afghanistan is all about, as well as the plans for the conquest of Iraq, the establishment of bases in Central Asia, the movement of US forces on the other side of the Caspian into Georgia, the deployment of forces in the Philippines, the push to renew military ties with Indonesia, the attempted coup in Venezuela and the deployment of troops in the so-called drugs war in Colombia.

In the struggle for markets and profits, American imperialism is employing its military capacity to attempt to maintain its economic security. But this brings it into conflict with the other major powers, which, sooner rather than later, discover that their interests do not always coincide with those of the US.

In the period of capitalist expansion—the 25-year period after the war—the economic interests of the major capitalist powers could be accommodated within the framework of an expanding global economy. But in the present situation, when the world economy is afflicted by downward pressure on profits, global deflation and an acute struggle for markets and resources, the accumulation of capital—the driving force of capitalist economy—takes two forms: a relentless attack on the living standards and social conditions of the working class and a ruthless struggle of each against all, using economic and, increasingly, military measures.

To be continued



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