

Beyond the Theory of Imperialism: Global Capitalism and the Transnational State

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Abstract

Theories of a “new imperialism” assume that world capitalism in the 21st century is still made up of “domestic capitals” and that distinct national economies and world political dynamics are driven by US efforts to offset the decline in hegemony amidst heightened inter-imperialist rivalry. These theories ignore empirical evidence on the transnationalization of capital and the increasingly salient role of transnational state apparatuses in imposing capitalist domination beyond the logic of the inter-state system. I argue here that US interventionism is *not* a departure from capitalist globalization but a *response to its crisis*. The class relations of global capitalism are now so deeply internalized *within* every nation-state that the classical image of imperialism as a relation of external domination is outdated. The end of the extensive enlargement of capitalism is the end of the imperialist era of world capitalism. The implacable logic of global accumulation is now largely internal to the complex of fractious political institutions through which ruling groups attempt to manage those relations. We need a *theory of capitalist expansion* – of the political processes and the institutions through which such expansion takes place, the class relations and spatial dynamics it involves.

Mas all de la teoría del imperialismo: capitalismo global y estado transnacional

Las teorías del nuevo imperialismo asumen que el capitalismo mundial del siglo 21 se compone aún de “capitales nacionales” y economías nacionales distintas y que la dinámica política internacional están dirigidas por el esfuerzo de US para contrarrestar su declive hegemónico como consecuencia de la rivalidad internacional. Estas teorías ignoran la evidencia empírica acerca de la transnacionalización del capital y el papel crecientemente preponderante de los mecanismos del Estado transnacional para imponer una dominación capitalista más allá de la lógica del sistema Interestatal. Aquí argumento que el intervencionismo americano no es una desviación de la globalización capitalista sino una respuesta a su crisis. Las relaciones de clase del capitalismo global están hoy tan profundamente internalizadas dentro de cada Estado nacional que la imagen clásica del imperialismo como una relación de dominación externa está pasada de moda. El fin de la ampliación extensiva del capitalismo es el fin de la era imperialista del capitalismo mundial. La lógica implacable de la acumulación global es ahora principalmente

interna al complejo de instituciones políticas fragmentadas a través de las que los grupos de poder tratan de gestionar esas relaciones. Necesitamos una teoría de la expansión capitalista de los procesos políticos y las instituciones a cuyo través se produce esa expansión, de las nuevas relaciones entre clase y dinámicas espaciales.

A travers la frontière de la théorie de l'impérialisme: le capitalisme global et l'état transnational

Les théories d'un 'nouvel impérialisme' supposent que le capitalisme mondial au 21^{ème} siècle se compose toujours des capitaux domestiques et des économies nationaux distinctes. Ils supposent aussi que la dynamique politique mondiale est mené par l'effort américain pour reconstituer sa propre hégémonie dans la rivalité intensifiée interimpérialiste. Ces théories ignorent l'évidence empirique sur la mondialisation du capital et le rôle de plus en plus saillant des appareillages transnationaux d'état d'imposer la domination capitaliste au-delà de la logique du système transnational. Je constate du fait ici que l'interventionnisme des Etats-Unis n'est pas un départ de la mondialisation capitaliste mais, contrairement, elle est une réponse à sa crise. Les relations de classe du capitalisme mondial sont maintenant si profondément internalisées dans chaque État-nation que l'image classique de l'impérialisme comme relation de la domination externe est démodée. La fin de l'agrandissement étendu du capitalisme est la fin de l'ère impérialiste du capitalisme du monde. La logique implacable de l'accumulation globale est maintenant en grande partie interne au complexe des corps politiques grincheux par lesquels les groupes puissants essaient de contrôler ces relations. Nous avons besoin d'une théorie d'expansion capitaliste – des processus politiques et des institutions par lesquels une telle expansion a lieu, des relations de classe et de la dynamique spatiale qu'elle implique.

Keywords

globalization, imperialism, capitalism, transnational state, David Harvey

Introduction

Theories of a “new imperialism” that have proliferated in the years following the events of September 2001 assume that the United States has set about to extend global empire and offset the decline in its hegemony amidst heightened inter-imperialist rivalry. Some argue that unilateral US interventionism belies earlier claims that we are moving towards a globalized world order and refute misguided theories of globalization.¹ These theories rest on a crustaceous bed of assumptions that need to be peeled back if we are to get at the root of 21st century global social and political dynamics. Grounded in the classical statements of Lenin and Hilferding, they are based on the assumption of a world of rival national capitals and economies, conflict among core

¹) See, e.g., Pozo 2006; Henwood 2003.

capitalist powers, the exploitation by these powers of peripheral regions, and a nation-state centered framework for analyzing global dynamics. Hilferding, in his classic study on imperialism, *Finance Capital*, argued that national capitalist monopolies turn to the state for assistance in acquiring international markets and that this state intervention inevitably leads to intense political-economy rivalries among nation-states.² Lenin, in his 1917 pamphlet *Imperialism: The Latest Stage of Capitalism*, stressed the rise of *national* financial-industrial combines that struggle to divide and redivide the world amongst themselves through their respective nation-states. The rivalry among these competing national capitals led to inter-state competition, military conflict and war among the main capitalist countries.

Hilferding, Lenin, and others analyzing the world of the early 20th century established this Marxist analytical framework of rival national capitals that was carried by subsequent political economists into the latter 20th century via theories of dependency and the world system, radical international relations theory, studies of US intervention, and so on. This outdated framework of competing national capitals continues to inform observers of world dynamics in the early 21st century. The following assertion by Klare is typical: “By geopolitics or geopolitical competition, I mean the contention between great powers and aspiring great powers for control over territory, resources, and important geographical positions, such as ports and harbors, canals, river systems, oases, and other sources of wealth and influence. Today we are seeing a resurgence of unabashed geopolitical ideology among the leadership cadres of the major powers . . . the best way to see what’s happening today in Iraq and elsewhere is through a geopolitical prism.”³ Such thinking provides the scaffolding for a torrent of “new imperialism” literature that has appeared since 2001.⁴

But capitalism has changed fundamentally since the days of Lenin, Hilferding, and Bukharin. We have entered a qualitatively new transnational stage in the ongoing evolution of world capitalism, which is marked by a number of fundamental shifts in the capitalist system, among them: the rise of truly transnational capital and the integration of every country into a new global production and financial system; the appearance of a new transnational

²) Hilferding 1910, p. 322.

³) Klare 2003, pp. 51–52.

⁴) See, inter-alia, Foster 2003, 2006; Wood 2003; Harvey 2005; Pozo 2006; Kiely 2006; Henwood 2003; Brenner 2002; Arrighi 2005; Gowan 1999; Klare 2003; Bello 2005; Monthly Review 2003).

capitalist class (TCC), a class group grounded in new global markets and circuits of accumulation, rather than national markets and circuits; the rise of transnational state (TNS) apparatuses, and the appearance of novel relations of power and inequality in global society. The dynamics of this emerging stage in world capitalism cannot be understood through the lens of nation-state centric thinking. This is not to say that the nation-state is no longer important but that the system of nation-states as discrete interacting units – the inter-state system – is no longer the organizing principle of capitalist development, or the primary institutional framework that shapes social and class forces and political dynamics.⁵

The Myth of National Economies and the Reality of Transnational Capital

The hallmark of “new imperialism” theories is the assumption that world capitalism in the 21st century is made up of “domestic capitals” and distinct national economies that interact with one another, and a concomitant “realist” analysis of world politics as driven by the pursuit by governments of their “national interest.” Gowan, for instance, in his oft-cited study *The Global Gamble: Washington’s Bid for World Dominance*,⁶ refers incessantly to an “American capitalism,” a “German capitalism,” an “Italian capitalism,” a “French capitalism,” and so on, each a discernible and discrete economic system featuring distinctly organized national capitalist classes involved in sets of national competitive relationships. In another leading treatise on the “new imperialism,” *Empire of Capital*, Ellen Meiksins Wood asserts that “the national organization of capitalist economies has remained stubbornly persistent.”⁷

Are we to *assume*, as Wood, Gowan, and others do, although they provide not a shred of empirical evidence, that capital remains organized, as it was in earlier moments of the world capitalist system, along national lines and that the development of capital has stopped frozen in its nation-state form? The inter-state/nation-state framework obliges “new imperialism” scholars to

⁵) For elaborations on these propositions, see, inter-alia, Robinson 2006b, 2007, 2005a, 2005b, 2004, 2003, 2002, 1996.

⁶) Gowan 1999, and see also 2003.

⁷) Wood 2003, p. 23.

advance this unproblematic notion of “national interests” to explain global political dynamics. What does “national interests” mean? Marxists have historically rejected notions of “national interests” as an ideological subterfuge for class and social group interests. What is a “national economy”? Is it a country with a closed market? Protected territorially-based production circuits? The predominance of national capitals? An insulated national financial system? No capitalist country in the world fits this description.

There is a mounting body of empirical evidence that demonstrates the *transnationalization* of capital. This evidence strongly suggests that the giant conglomerates of the *Fortune 500* ceased to be “US” corporations in the latter part of the 20th century and increasingly represented transnational capitalist groups.⁸ This reality of transnationalization can no longer be disputed, nor can its significance for macro-social theories and for analysis of world political-economic dynamics. One need only glean daily headlines from the world media to discover endless reams of anecdotal evidence to complement the accumulation of systematic data on transnationalization. IBM’s chair and CEO, Samuel Palmisano, affirms in a June 2006 article in the *Financial Times* of London, for instance, that use of the very word “multinational corporation” suggests “how antiquated our thinking about it is.” He continues:

The emerging business model of the 21st century is not, in fact ‘multinational’. This new kind of organization – at IBM we call it ‘the globally integrated enterprise’ – is very different in its structure and operations... In the multinational model, companies built local production capacity within key markets, while performing other tasks on a global basis... American multinationals such as General Motors, Ford and IBM built plants and established local workforce policies in Europe and Asia, but kept research and development and product design principally in the ‘home country’.⁹

The spread of multinationals in this way constituted internationalization, in contrast to more recent transnationalization:

The globally integrated enterprise, in contrast, fashions its strategy, management and operations to integrate production – and deliver value to clients – worldwide. That has been made possible by shared technologies and shared business standards, built on top

⁸) For summaries and assessments of this evidence, see Robinson 2004; Sklair 2001, 2002; Kentor 2005; Kentor and Jang 2003; UNCTAD various years; Carroll and Carson 2003; Carroll and Fennema 2002; Dicken 2003.

⁹) Palmisano 2006, p.19.

of a global information technology and communications infrastructure.... Today, innovation is inherently global.¹⁰

In turn, IBM is one of the largest investors in India, which has become a major platform for transnational service provision to the global economy. If the decentralization and dispersal around the world of manufacturing processes represented the leading edge of an earlier wave of globalization, the current wave involves the decentralization and global dispersal of such services as data processing, insurance claims, phone operators, call centers, software production, marketing, journalism and publishing, advertising, and banking – which are now undertaken through complex webs of outsourcing, subcontracting and transnational alliances among firms. IBM went from 9,000 employees in India in 2004 to 43,000 (out of 329,000 worldwide) in 2006, and this does not include thousands of workers in local firms that have been subcontracted by IBM or by Indian IBM partner firms.¹¹ Some of IBM's growth in India has come from mergers between IBM and companies previously launched by Indian investors as outsourcing firms, such as Dagsh eServices of New Delhi, which went from 6,000 to 20,000 back-office employees after its merger with IBM. In this way, and in countless other examples across the globe, national capitalist groups become swept up into global circuits of accumulation and into TCC formation.

My global capitalism approach shares little or nothing with Karl Kautsky's earlier "ultraimperialism" or "superimperialism" thesis. Kautsky, in his 1914 essay *Ultra-Imperialism*,¹² assumed capital would remain *national* in its essence and suggested that *national* capitals would *collude internationally* instead of compete, whereas my theory on the TCC emphasizes that conflict among capitals is endemic to the system but that such competition takes on new forms in the age of globalization not necessarily expressed as national rivalry. The TCC thesis does not suggest there are no longer national and regional capitals, or that the TCC is internally unified, free of conflict, and consistently acts as a coherent political actor. Nonetheless, the TCC has established itself as a class group without a national identity and in competition with nationally-based capitals. There is conflict between national and transnational fractions of capital. Moreover, rivalry and competition are

¹⁰) Palmisano 2006, p. 19.

¹¹) Rai 2006.

¹²) Kautsky 1914.

fierce among transnational conglomerations that turn to numerous institutional channels, including multiple national states, to pursue their interests. For instance, IBM and its local Indian shareholders and partners compete for service outsourcing contracts, explains Rai, with Cognizant Technology Solutions, a company based in Teaneck, New Jersey and of IBM's chief rivals in the Indian subcontinent. The rivalry between IBM and Cognizant cannot be considered competition between national capitals of distinct countries and both groups turn to the US and the Indian state to seek advantage over competitors.

Reification and Theoreticism in “New Imperialism” Theories: The Antinomies of David Harvey

Most “new imperialism” theorists acknowledge to varying degrees that changes have taken place, and particularly, that capital has become more global. Yet capital in these accounts has not transnationalized; it has “internationalized.” These accounts are concerned with explaining the *international* order, which by definition places the focus on inter-state dynamics exclusive of the *trans*-national. This need to accommodate the reality of transnationalizing capital within a nation-state centric framework for analyzing world political dynamics leads “new imperialism” theories to a dualism of the economic and the political.

David Harvey, in perhaps the landmark treatise among this literature, *The New Imperialism*, argues that capital is economic and globalizes but states are political and pursue a self-interested territorial logic.¹³ Harvey's theory starts with the notion that

the fundamental point is to see the territorial and the capitalist logic of power as distinct from each other. . . . The relation between these two logics should be seen, therefore, as problematic and often contradictory . . . rather than as functional or one-sided. This dialectical relation sets the stage for an analysis of capitalist imperialism in terms of the intersection of these two distinctive but intertwined logics of power.¹⁴

Harvey's is *not*, however, a dialectical but a mechanical approach. The different dimensions of social reality in the dialectical approach do not have an “independent” status insofar as each aspect of reality is constituted by, and is

¹³) Harvey 2003.

¹⁴) Harvey 2003, pp. 29–30.

constitutive of, a larger whole of which it is an *internal* element. Distinct dimensions of social reality may be *analytically distinct* yet are *internally interpenetrated* and *mutually constitutive* of each other as internal elements of a more encompassing process, so that, for example, the economic/capital and the political/state are *internal* to capitalist relations.

It is remarkable that Harvey proposes such a separation since the history of modern critical thought – from Polanyi to Poulantzas and Gramsci, among others, not to mention 50 years of historical materialist theorizing on the state – has demonstrated both the *formal* (apparent) separation of the economic and the political under the capitalist mode of production and the illusion that such a separation is organic or real.¹⁵ This separation has its genealogy in the rise of the market and its apparently “pure” economic compulsion. This separation appears in social thought with the breakup of political economy, the rise of classical economics and bourgeois social science, and disciplinary fragmentation.¹⁶ Such a separation of the economic from the political was a hallmark of the structural functionalism that dominated much of mid-20th century social science. Structural functionalism separated distinct spheres of the social totality and conferred a functional autonomy to each subsphere which was seen as *externally* related to other subspheres in a way similar to Harvey’s notion of separate state and capital logics that may or may not coincide.

Harvey offers no explicit conception of the state but he acknowledges that state behavior has “depended on how the state has been constituted and by whom.”¹⁷ Yet dual logics of state and capital ignore the real-world policy-making process in which the state extends backward, is grounded in the forces of civil society, and is fused in a myriad of ways with capital itself. It is incumbent to ask in what ways transnational social forces may influence a reconstitution of state institutions. To the extent that civil society – social forces – and capital are transnationalizing our analysis of the state cannot remain frozen at a nation-state level. The essential problematic that should concern us in attempting to explain phenomena associated with the “new imperialism” is the political management – or rule – of global capitalism. The theoretical gauntlet is how to understand the exercise of political domination in relation to the institutions available to dominant groups and sets of

¹⁵) For a discussion, see Robinson 1996.

¹⁶) See, inter-alia, Therborn 1985, 1999; Zeitlin 2000.

¹⁷) Harvey 2003, p. 91.

changing historical relations among social forces – that is, how are the political and the economic articulated in the current era? This requires a conception of agency and institutions.

But instead of offering an ontology of agency and how it operates through historically constituted institutions, much of the “new imperialism” literature reifies these institutions. Institutions are but institutionalized – that is, codified – patterns of interaction among social forces that structure different aspects of their material relations. When we explain global dynamics in terms of institutions that have an existence or agency independent of social forces we are reifying these institutions. Critical state theories and Gramscian IPE¹⁸ have taught us, despite their limitations, that the story starts – and ends – with historically situated social forces as collective agents. To critique a nation-state framework of analysis as I do, is not, as my critics claim¹⁹ to dismiss the nation-state but to dereify it. Reifying categories leads to realist analyses of state power and the inter-state system. Realism presumes that the world economy is divided up into distinct national economies that interact with one another. Each national economy is a billiard ball banging back and forth on each other. This billiard image is then applied to explain global political dynamics in terms of nation-states as discrete interacting units (the inter-state system).

The state, says Harvey, in reverting to the realist approach, “struggles to assert its interests and achieve its goals in the world at large.”²⁰ But Harvey does not stop with this reification of the state. He introduces an additional territorial reification, so that territorial relations become immanent to social relations. “The wealth and well-being of particular territories are augmented at the expense of others,” writes Harvey.²¹ This is a remarkably reified image – “territories” rather than social groups have “wealth” (accumulated values) and enjoy “well being.” Harvey gives space in this way an independent existence as a social/political force in the form of territory in order to advance his thesis of the “new imperialism.” It is not how social forces are organized both in space and through institutions that is the focus. Rather, for Harvey, territory acquires a social existence of its own, an agentic logic. We are told that “territorial entities” engage in practices of production, commerce, and

¹⁸) See inter-alia Cox 1987; Simon 1991.

¹⁹) See inter-alia, Pozo 2006; Kiely 2006.

²⁰) Harvey 2003, p. 26.

²¹) Harvey 2003, p. 32.

so on. Do “territorial entities” really do these things? Or is it not that in the real world, individuals and social groups engage in production, commerce, and so on? And *they do so via institutions* through which they organize, systematize, and demarcate their activities as agents. Social groups became aggregated and organized in the modern era through the particular institutional form of the territorial-based nation state. But this particular institutional form does not acquire a life of its own and neither is it immutable. Nation-states continue to exist but their nature and meaning evolve as social relations and structures become transformed; particular, as they transnationalize.

Drawing on insights from Lefebvre, Marx, Luxemburg, and others, Harvey earlier introduced the highly fertile notion of spatial (or spatial-temporal) fixes to understand how capital momentarily resolves contradictions (particularly, crises of overaccumulation) in one place by displacing them to other places through geographic expansion and spatial reorganization. Following Marx’ famous observation that the expanded accumulation of capital involves the progressive “annihilation of space through time,” he also coined the term “time-space compression” in reference to globalization as a process involving a new burst of time-space compression in the world capitalist system.²²

But “places” have no existence or meaning in and of themselves. It is people living in particular spaces that do this dis-placing (literally), these spatio-temporal fixes. The “asymmetric exchange relations” that are at the heart of Harvey’s emphasis on the territorial basis of the “new imperialism” must be for Harvey territorial exchange relations. But not only that: they must be nation-state territorial exchanges. But exchange relations are social relations, exchanges among particular social groups. There is nothing in the concept of asymmetric exchanges that by fiat gives them a territorial expression; no reason to *assume* that *uneven exchanges* are *necessarily* exchanges that take place between distinct territories, much less specifically between distinct nation-states. That they do or do not acquire such an expression is one of historical, empirical, and conjunctural analysis. Certainly spatial relations among social forces have historically been mediated in large part by territory; spatial relations have been territorially-defined relations. But this territorialization is in no way immanent to social relations and may well be fading in significance as globalization advances.

²²) Harvey 1982, 1990.

Any theory of globalization must address the matter of place and space, including changing spatial relations among social forces and how social relations are spatialized. This has not been satisfactorily accomplished, despite a spate of theoretical proposition, ranging from Castell's "space of flows" replacing the "space of place."²³ and Giddens "time-space distanciation" as the "lifting" of social relations from territorial place and their stretching around the globe in ways that may eliminate territorial friction.²⁴ This notion of ongoing and novel reconfigurations of time and social space is central to a number of globalization theories. It in turn points to the larger theoretical issue of the relationship of social structure to space, the notion of space as the material basis for social practices, and the changing relationship under globalization between territoriality/geography, institutions, and social structures. The crucial question here is the ways in which globalization may be transforming the spatial dynamics of accumulation and the institutional arrangements through which it takes place. *The subject – literally, that is, the agents/makers of the social world – is not global space but people in those spaces.* What is central, therefore, is a spatial reconfiguration of social relations beyond a nation-state/inter-state framework, if not indeed even beyond territory.

States are institutionalized social relations and territorial actors to the extent that those social relations are territorialized. Nation-states are social relations that have historically been territorialized but those relations are not by definition territorial. To the extent that the US and other national states promote deterritorializing social and economic processes they are *not* territorial actors. The US state can hardly be considered as acting territorially when it promotes the global relocation of accumulation processes that were previously concentrated in US territory. Harvey's approach is at odds to explain such behavior since by his definition the US state must promote its own territorial aggrandizement. Harvey observes that as local banking was supplanted by national banking in the development of capitalism "the free flow of money capital across the national space altered regional dynamics."²⁵ In the same vein we can argue that the free flow of capital across global space alters these dynamics on a worldwide scale.

Let us return to the question: why would Harvey propose separate logics for the economic and the political – for capital and the state? By separating

²³) Castells 1996.

²⁴) Giddens 1990.

²⁵) Harvey 2003, p. 106.

the political and the economic he is able to claim that indeed globalization has transformed the spatial dynamics of accumulation – hence capital globalizes – but that the institutional arrangements of such global accumulation remain territorial as nation-states. The state has its own independent logic that brings it into an external relation to globalizing capital. Here we arrive at the pitfall of theoreticism. If one *starts* with the theoretical assumption that the world is made up of independent, territorial-based nation states and that this particular institutional-political form is something immanent to the modern world – Wood makes the assumption explicit, a *law* of capitalism; for Harvey it seems implicit – then the changing world of the 21st century *must* be explained by theoretical fiat in these terms. Reality must be made to conform to the theoretical conception of an immutable nation-state based, inter-state political and institutional order. But since Harvey acknowledges the reality of globalizing capital he is therefore forced to separate the logic of that globalizing capital from that of territorially-based states; he is forced either to abandon the theoretical construct altogether or to build it upon a dualism of the economic and the political, of capital and the state.

Theory needs to illuminate reality, not make reality conform to it. The pitfall of this *theoreticism* is to develop analyses and propositions to fit theoretical assumptions. Since received theories establish a frame of an inter-state system made up of competing national states, economies and capitals then 21st century reality must be interpreted so that it fits this frame one way or another. Such theoreticism forces theorists of the “new imperialism” into a schizophrenic dualism of economic and political logics. In any event Harvey has trapped himself in a blind alley that underscores the pitfall. Despite his acknowledgement of capital’s transnationalization he concludes that the US state’s political/territorial logic is driven now by an effort to open up space vis-à-vis competitor nation-states for unloading national capital surplus, hence the new US imperialism. This inconsistency in Harvey’s argumentation reflects a general contradiction in the “new imperialism” literature: the dualism of the economic and political, of capital and the state, is negated by the claim that the US state functions to serve (US national) capital.

Global Capitalism and the TNS

“New imperialism” theories analyze US foreign policy in relation to the realist assumption of competition among national capitals and consequent political and military rivalry among core nation-states. “The US forces open capital markets around the world [to bring] specific advantages... to US

financial institutions,” asserts Harvey. The United States engages in heightened interventionism to offset its hegemonic decline, says Arrighi²⁶ “Inter-capitalist rivalry remains the hub of the imperialist wheel,” claims Foster. “In the present period of global hegemonic imperialism the United States is geared above all to expanding its imperial power to whatever extent possible and subordinating the rest of the capitalist world to its interests.”²⁷ Henwood insists that US foreign policy in recent years has been singularly aimed at the restoration of the relative strength of “American” capitalists;²⁸ and “The European Union,” writes Wood, “is potentially a stronger economic power than the U.S.”²⁹

Yet, to interrogate Wood’s affirmation, empirical study of the global economy reveals that *transnational* corporations operate both inside as well outside of the territorial bounds of the EU, that transnational investors from all countries hold and trade in trillions of euros and dollars each day, that European investors are as deeply integrated into transnational circuits of accumulation that inextricably pass through the “US” economy as are US investors into such circuits that pass through the “EU” economy. These transnational capitalists operate across US–EU frontiers and have a material and political interest in stabilizing the “US” and the “EU” economy and “their” financial institutions. Once we belie the realist notion of a world of national economies and national capitals then the logical sequence in “new imperialism” argumentation collapses like a house of cards since the whole edifice is constructed on this notion. By coming to grips with the reality of transnational capital we can grasp US foreign policy in its organic relation to the actual structure and composition of the dominant social forces in the global capitalist system.

My claim that a TNS apparatus is emerging does not imply that supranational institutions such as the IMF or the WTO *replace* or – in Wood’s words – “make irrelevant” the national state. Rather, the national state is being transformed and increasingly absorbed functionally into a larger transnational institutional structure that involves complex new relations between national states and supra or transnational institutions, on the one hand, and diverse class and social forces, on the other. As national states are captured by transnational capitalist forces they tend to serve the interests of global over local accumulation processes. The TNS, for instance, has played a key role in

²⁶⁾ Arrighi 2005; see also Wallerstein 2006.

²⁷⁾ Foster 2003, p. 13.

²⁸⁾ Henwood 2003.

²⁹⁾ Wood 2003, p. 156.

imposing the neo-liberal model on the old Third World and therefore in reinforcing the class relations of global capitalism.

Few commentators suggest that the nation-state is disappearing, or that capital can now, or ever has been able to, exist without a state. The observation by Wood and others that global capital needs (local) states is neither original nor particularly controversial. I, among others, have argued for many years that a fundamental contradiction of global capitalism is that for historic reasons economic globalization has unfolded within the political/authority framework of a nation-state system. The real issue is not whether global capitalism can dispense with the state – it cannot. Rather, it is that the state may be in a process of transformation in consort with the restructuring and transformation of world capitalism. The question is, to what extent and in what ways may new state forms and institutional configurations be emerging, and how may we theorize these new configurations?

There are vital functions that the national state performs for transnational capital, among them, sets of local economic policies aimed at achieving macroeconomic equilibrium, the provision of property laws, infrastructure, and of course, social control and ideological reproduction. However, national states are ill equipped to organize a supranational unification of macroeconomic policies, create a unified field for transnational capital to operate, impose transnational trade regimes, supranational “transparency,” and so forth. The construction of a supranational legal and regulator system for the global economy in recent years has been the task of sets of transnational institutions whose policy prescriptions and actions have been synchronized with those of neo-liberal national state that have been captured by local transnationally-oriented forces.

A transnational institutional structure has played an increasingly salient role in coordinating global capitalism and imposing capitalist domination beyond national borders. Clearly the IMF, by imposing a structural adjustment program that opens up a given country to the penetration of transnational capital, the subordination of local labor, and the extraction of wealth by transnational capitalists, is operating as a state institution to facilitate the exploitation of local labor by global capital. “New imperialism” dogma reduces these IMF practices to instruments of “US” imperialism.³⁰ Yet I know of no single IMF structural adjustment program that creates conditions in the intervened country that favors “US” capital in any special way,

³⁰) For example, see Bello 2005; Gowan 1999; Wood 2003.

rather than opening up the intervened country, its labor and resources, to capitalists from any corner of the world.

US foreign policy is exercised behind the backs of the public by state managers as proximate policymakers and politicized corporate elites that constitute the ruling class in the formal sense of the term. Nevertheless, state policymaking is also a process in which different factions and institutions that make up the state apparatus have influence over varied quotas of decision-making at given moments. Tactical and strategic differences as well as personal and institutional rivalries are played out at the level of proximate policymaking in disputes for control over policy. This diffusion of foreign policy making power within an elite and levels of (relative) autonomy among proximate policymakers can make moments of transition and redefinition appear highly contradictory and can confuse observers, especially when these observers that take public discourse at face value or assume that social actors are not influenced by ideologies that may be in contradiction with interests and underlying intent.

The Crisis of Global Capitalism and the US State

“US” imperialism refers to the use by transnational elites of the US state apparatus to continue to attempt to expand, defend and stabilize the global capitalist system. We face an *empire of global capital*, as I have argued elsewhere,³¹ headquartered, for evident historical reasons, in Washington. The questions for global elites are: In what ways, under what particular conditions, arrangements, and strategies should US state power be wielded? How can particular sets of US state managers be responsive and held accountable to global elites who are fractious in their actions, dispersed around the world, and operating through numerous supranational institutional settings, each with distinct histories and particular trajectories?

We are witness to new forms of global capitalist domination, whereby intervention is intended to create conditions favorable to the penetration of transnational capital and the renewed integration of the intervened region into the global system. US intervention facilitates a shift in power from locally and regionally-oriented elites to new groups more favorable to the transnational project. The result of US military conquest is not the creation

³¹) Robinson 2004, 2005b.

of exclusive zones for “US” exploitation, as was the result of the Spanish conquest of Latin America, the British of South Africa and India, the Dutch of Indonesia, and so forth, in earlier moments of the world capitalist system. The enhanced class power of capital brought about by these changes is felt around the world. We see *not* a reenactment of this old imperialism but the colonization and recolonization of the vanquished for the new global capitalism and its agents. The underlying class relation between the TCC and the US national state needs to be understood in these terms.

In sum, the US state has attempted to play a leadership role *on behalf of* transnational capitalist interests. That it is increasingly unable to do so points not to heightened national rivalry but to the impossibility of the task at hand given a spiraling crisis of global capitalism. This crisis involves three interrelated dimensions. First is a *crisis of social polarization*. The system cannot meet the needs of a majority of humanity, or even assure minimal social reproduction. Second is a *structural crisis of overaccumulation*. The system cannot expand because the marginalization of a significant portion of humanity from direct productive participation, the downward pressure on wages and popular consumption worldwide, and the polarization of income, has reduced the ability of the world market to absorb world output. The problem of surplus absorption makes state-driven military spending and the growth of military-industrial complexes an outlet for surplus and gives the current global order a built-in war drive. Third is a *crisis of legitimacy and authority*. The legitimacy of the system has increasingly been called into question by millions, perhaps even billions, of people around the world, and is facing expanded counter-hegemonic challenges.

This multidimensional crisis of global capitalism has generated intense discrepancies and disarray within the globalist ruling bloc. The opposition of France, Germany and other countries to the Iraq invasion indicated sharp tactical and strategic differences over how to respond to crisis, shore up the system, and keep it expanding. The political coherence of ruling groups always frays when faced with structural and/or legitimacy crises as different groups push distinct strategies and tactics or turn to the more immediate pursuit of sectoral interests. Faced with the increasingly dim prospects of constructing a viable transnational hegemony, in the Gramscian sense of a stable system of consensual domination, the transnational bourgeoisie has not collapsed back into the nation-state. Global elites have, instead, mustered up fragmented and at times incoherent responses involving heightened military coercion, the search for a post-Washington consensus, and acrimonious internal disputes. The more politically astute among global elites have clam-

ored in recent years to promote a “post-Washington consensus” project of reform – a so-called “globalization with a human face” – in the interests of saving the system itself.³² But there were other from within and outside of the bloc that called for more radical responses.

Neo-liberalism “peacefully” forced open new areas for global capital in the 1980s and the 1990s. This was often accomplished through economic coercion alone, made possible by the structural power of the global economy over individual countries. But this structural power became less effective in the face of the three-pronged crisis mentioned above. Opportunities for both intensive and extensive expansion have been drying up as privatizations ran their course, the “socialist” countries became integrated, the consumption of high-income sectors worldwide reached ceilings, spending through private credit expansion could not be sustained, and so on. The space for “peaceful” expansion, both intensive and extensive, has become ever more restricted. Military aggression becomes an instrument for prying open new sectors and regions, for the forcible restructuring of space in order to further accumulation. The train of neo-liberalism became latched on to military intervention and the threat of coercive sanctions as a locomotive for pulling the moribund Washington consensus forward. The “war on terrorism” provides a seemingly endless military outlet for surplus capital, generates a colossal deficit that justifies the ever-deeper dismantling of the Keynesian welfare state and locks neo-liberal austerity in place, and legitimates the creation of a police state to repress political dissent in the name of security.

In the post 9/11 period the military dimension appears to exercise an over-determining influence in the reconfiguration of global politics. The Bush White House militarized social and economic contradictions, launching a permanent war mobilization to try to stabilize the system through direct coercion. Is this evidence for a new US bid for empire? We need to move beyond a conjunctural focus on the Bush regime to grasp the current moment and the US role in it. In this sense, interventionism and militarized globalization is less a campaign for US hegemony than a contradictory political response to the crisis of global capitalism – to economic stagnation, legitimation problems, and the rise of counterhegemonic forces.

Despite the rhetoric of neo-liberalism, the US state is undertaking an almost unprecedented role in creating profit-making opportunities for transnational capital and pushing forward an accumulation process that left

³²) For example, see Stiglitz 2002.

to its own devices (the “free market”) would likely ground to a halt. A Pentagon budget of nearly \$500 billion in 2003, an invasion and occupation of Iraq with a price tag of over \$300 billion by 2006 and a proposed multi-billion dollar space program that would rest on a marriage of NASA, the military, and an array of private corporate interests must be seen in this light. Some have seen the \$300 billion invested by the US state in the first three years of its Iraq invasion and occupation as evidence that the US intervention benefits “US capital” to the detriment of other national – e.g., “EU” – capitals. However, Bechtel, the Carlyle Group, and Halliburton are themselves transnational capital conglomerates.³³ It is true that military, oil, and engineering/construction companies, many of them headquartered in the United States, have managed to secure their particular sectoral interests through brazen instrumentalization of the US state under the Bush presidency. However, these companies are themselves transnational and their interests are those not of “US capital” in rivalry with other countries but of particular transnational clusters in the global economy.

The “creative destruction” of war (and natural and humanitarian disasters) generates new cycles of accumulation through “reconstruction.” And the military-energy-engineering-construction complex constitutes one of those sectors of global capital that most benefits from such “creative destruction.” Transnational capitalists are themselves aware of the role of the US state in opening up new possibilities for unloading of surplus and created new investment opportunities. “We’re looking for places to invest around the world,” explained one former executive of a Dutch-based oil exploration and engineering company, and then “you know, along comes Iraq.”³⁴

The \$300 billion invested by the US state in war and “reconstruction” in Iraq between 2003 and 2006 went to a vast array of investors and subcontractors that spanned the globe.³⁵ Kuwaiti Trading and Contracting, Alargan Trading of Kuwait, Gulf Catering and Saudi Trading and Construction Company were just some of the Middle East-based companies that shared in the bonanza, along with companies and investor groups as far away as South Africa, Bosnia, the Philippines, and India. The picture that emerges is one in which the US state mobilizes the resources to feed a vast transnational network of profit making that passes through countless layers of

³³) See, e.g., Brody 2003.

³⁴) As cited in *Monthly Review* 2004, p. 64.

³⁵) Phinney 2005.

outsourcing, subcontracting, alliances and collaborative relations, benefiting transnationally-oriented capitalists from many parts of the globe. The US state is the pivotal gear in a TNS machinery dedicated to reproducing global capitalism.

Concluding Comments: Imperialism and the Extensive and Intensive Enlargement of Capitalism

If the world is not divided into rival national economies and national capitals, do we still need a theory of imperialism? Is there any contemporary relevance to the concept? In the post-WWII period, and drawing on the tradition established by Rosa Luxembourgh, Marxists and other critical political economists shifted the main focus in the study of imperialism to the mechanisms of core capitalist penetration of Third World countries and the appropriation of their surpluses. Imperialism in this sense referred to this exploitation and also to the use of state apparatuses by capitals emanating from the centers of the world system to facilitate this economic relation through military, political, and cultural mechanisms. If we mean by imperialism the relentless pressures for outward expansion of capitalism and the distinct political, military and cultural mechanisms that facilitate that expansion and the appropriation of surpluses it generates then it is a structural imperative built into capitalism; not a policy of particular core state managers (to see it as such was Hobson's fallacy) but a practice *immanent* to the system itself.

We need tools to conceptualize, analyze, and theorize how this expansionary pressure built into the capitalist system manifests itself in the age of globalization. We need these tools *politically* so as to help make effective our confrontation with the system. I would agree to this extent with Kiely that a theory of imperialism "remains indispensable for understanding both the contemporary world order and the place of the South in that order."³⁶ Yet, even at that, capitalist imperialism is considerably more complex under globalization than the facile North-South/core-periphery framework through which it is typically viewed. The class relations of global capitalism are now so deeply internalized *within* every nation-state that the classical image of imperialism as a relation of external domination is outdated.³⁷ Failure to

³⁶ Kiely 2006.

³⁷ Robinson 2006a.

comprehend this leads to such superficial and misleading conclusions as, for instance, that the failure of popular projects to materialize under the rule of the Workers Party in Brazil or the African National Congress in South Africa is a result of a “sell out” by the leaders of those parties or simply because “imperialism” undercut their programs. Imperialism is not about nations but about groups exercising the social power – through *institutions* – to control value production, to appropriate surpluses, and to reproduce these arrangements. The challenge for such a theoretical enterprise is to ask: how and by whom in the world capitalist system are values produced (organized through what institutions), how are they appropriated (through what institutions), and how are these processes changing through capitalist globalization? During the 500 years since the genesis of the world capitalist system, colonialism and imperialism coercively incorporated zones and peoples into its fold. This historical process of “primitive accumulation” is coming to a close.

The end of the extensive enlargement of capitalism is the end of the imperialist era of world capitalism. The system still conquers space, nature, and human beings. It is dehumanizing, genocidal, suicidal, and maniacal. But with the exception of a few remaining spaces – Iraq until recently, North Korea, etc. – the world has been brought into the system over the past half millennium. The implacable logic of accumulation is now largely internal to worldwide social relations and to the complex of fractious political institutions through which ruling groups attempt to manage those relations. We therefore need a *theory of capitalist expansion* – of the political processes and the institutions through which such expansion takes place, the class relations and spatial dynamics it involves.

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