



BRILL

Historical Materialism 15 (2007) 143–170

historical materialism
research in critical marxist theory
www.brill.nl/hima

A Reply to Critics¹

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Abstract

Ellen Wood replies here to the symposium on her book, *Empire of Capital*, by laying out her views on the specificity of capitalism and capitalist imperialism, the relation between global capital and territorial states, the problematic concepts of 'globalisation' and 'financialisation', and how our understanding of capitalism affects our conceptions of oppositional struggle.

Keywords

capitalism, imperialism, state, globalisation, financialisation

It is always puzzling, not to say dispiriting, when critics attribute to you positions antithetical to what you believe and have repeatedly said. There are some particularly striking examples in this symposium, all the more striking when they occur in the context of serious and relatively sympathetic, though severe, critiques.² For instance, David Harvey attributes to me a 'typological' approach, as distinct from a dynamic analysis of processes and transformations, while Prasenjit Bose argues that:

1. As so often before, I would like to thank David McNally, George Comninel and Bob Brenner for comments on an earlier draft. I am also very grateful to Hannes Lacher and Sébastien Rioux for their incisive suggestions, and to Patrick Camiller for his sharp editorial eye in matters of both style and substance.

2. One minor point that appears in a couple of the essays may require clarification: people seem to have failed to notice the scare quotes around 'surplus imperialism' and the question mark that heads the section with that title. I am not entirely sure what the critics thought I was doing with it, but they attribute far too much theoretical significance to my somewhat offhand usage of the phrase. For me, it was simply a phrase (suggested ironically by Bob Brenner somewhere, or maybe just in conversation) that seems to suggest a kind of mismatch between the goals of US imperialism and the massive military means it uses to achieve them. My point is that what may appear to be an inexplicable 'surplus' (maybe in the sense of 'surplus to requirements') is not really inexplicable or even a mismatch but a contradictory relation rooted in the fundamental contradictions of global capitalism.

Her historical comparison of empires from ancient to modern times, in order to locate some common fundamental contradiction, is highly problematic, because empires across historical periods, although displaying various similarities, have been driven by entirely different economic processes.

Yet, if I were asked to characterise my own work, in *Empire of Capital* and just about everywhere else, I would say, above all, that it seeks to replace typology with an emphasis on historical process – in particular, to identify the specificities of capitalism and the social transformations that brought it about, giving rise to its very distinctive dynamics, in contrast to all other social forms and processes, and producing new forms of imperialism with, precisely, ‘entirely different economic processes’.

So how is it possible that my intentions have gone so badly astray? I could, of course, dismiss these misrepresentations as careless misreadings, but experience suggests that, when misunderstandings are so fundamental, there is usually something more systematic at work than the reader’s carelessness or even the writer’s failures of clarity.

1. What happened to the specificity of capitalism?

The problem, I think, is that these critics are looking at my argument through a distorting lens. I shall – provocatively – characterise the distortion as a failure to appreciate the specificity of capitalism, though it affects their arguments in different ways. Let me start with Harvey. To explain his criticism of my ‘typological’ approach, he contrasts my argument to Giovanni Arrighi’s and castigates me for my ‘refusal to dub Venice and Genoa or even Holland as in any sense “capitalist”’, while Arrighi sees the rise of Venice and Genoa, the subsequent shift of hegemony to the Dutch and then the British followed by the United States as a long continuous historical geography of capitalism. Arrighi does not deny the inner transformations that took capitalism through merchant to industrial forms, though some of this is rather muted in his account. But he also notes the key role of financialisation as preceding hegemonic shifts and exposes the radical transformations in geographical scale that have accompanied each transition.

Harvey then goes on to elaborate on these processes:

Capitalism arose out of surpluses piled up by localised groups of traders and merchants who pillaged the rest of the world at will from the sixteenth century onwards (this is what Wood so deftly analyses as the imperialism of trade and commerce). But the failure to absorb these surpluses productively merely produced the grand European inflation. The agrarian and industrial forms of

capitalism that arose in eighteenth-century Britain successfully absorbed these surpluses in productive ways at the same time as they expanded them by internalising value production (again, as Wood describes, quite correctly emphasising the transformation in social relations that this entailed).

The trouble with these arguments is that there is no specific conception of capitalism here, no indication that capitalism is a historically specific social form, with its own systemic logic that distinguishes it fundamentally from other social forms. This also means that the question of origins is simply evaded, as it has been so often by those who take for granted that capitalism is just a quantitative increase in age-old practices of trade. I freely acknowledge that there is no general agreement about the meaning of capitalism or its basic dynamics. But we can hardly begin to talk about the origin of capitalism if we offer no account of its specificity, what differentiates it from non-capitalism, how we know when we have moved from one to the other, from a non-capitalist systemic logic to a new, capitalist set of ‘rules for reproduction’.

For me, capitalism is a system in which both appropriators and producers are subject to certain imperatives – the capitalist imperatives of competition, profit-maximisation and accumulation – because they are market-dependent. Appropriators no longer have access to what Marx called ‘extra-economic’ powers of appropriation, while direct producers have been separated from non-market access to their conditions of subsistence and, in particular, the means of production. Without these fundamental conditions, no amount of trade will produce capitalism. There have been many societies with a highly developed trading system and widespread commerce which have not produced anything like a capitalist dynamic. There has, in other words, been no fundamental incompatibility between trade and non-capitalist social relations, nor has trade by itself, however widespread, brought about a transition to capitalism. So, if we want to say anything useful about the origin of capitalism, we have to say something about the emergence of its specific dynamics and the social-property relations that set them in motion.

Now, obviously, I cannot expect Harvey simply to agree with my definition of capitalism, but I do think it is fair to expect some kind of definition which alerts us to what we should be looking for in distinguishing capitalism from non-capitalism or tracking the transition from one to the other. What struck me most immediately about the passages I have just quoted was that they beg the question in a truly fundamental way (and I am using ‘beg the question’ precisely in its technical meaning, referring to the logical fallacy of assuming the very thing you have set out to demonstrate). Readers of *Historical Materialism* who have also followed the symposium on Harvey’s book may have noticed that he is here confirming something I said in that discussion,

namely that his understanding of ‘primitive accumulation’ has more to do with Adam Smith than Marx, in the sense that capitalism is, for him, simply the product of accumulated wealth and not the result of a distinctive social transformation such as Marx had in mind (in the passages I have quoted, Harvey speaks of social transformations, at best, as if they were consequence rather than cause). If anything, historical process in Harvey’s account is largely illusory. I will not repeat my argument against his interpretation of ‘primitive accumulation’, but I do hope readers will notice that there is, in his account, no explanation of the origins of capitalism and that there is no process of historic transformation from non-capitalism to capitalism, because he takes capitalism more or less for granted.

Harvey starts from the premise that capitalism is the accumulated wealth of traders and merchants, and the essential factor appears to be simply the amassing of wealth by people of that kind, which becomes somehow decisive when it reaches some kind of critical mass. Problems arose, he suggests, when this wealth could not be productively absorbed, and then conditions had to change to permit its absorption, conditions achieved by industrial capitalism.

But this account cannot get us very far in explaining the origin of capitalism or the social transformations that brought it about, because it begins by assuming that wealth amassed by merchants and traders is already *a priori* capitalist (or, at least, proto-capitalist, or, at the very least, capitalist in inevitable tendency). It is no use objecting to my refusal to recognise, say, Genoa or Venice as in any way capitalist unless you are going to explain very carefully in what sense they are capitalist, how their economic ‘laws of motion’ or ‘rules for reproduction’ differ from non-capitalist social forms, and what unites them with other very different cases such as early-modern English capitalism or contemporary US capitalism, despite all their other divergences. This is something that neither Harvey nor, for that matter, Arrighi, ever do.

For instance, when Harvey approvingly cites Arrighi’s observation about ‘the key role of financialisation as preceding hegemonic shifts’, are we really to understand that the process of ‘financialisation’ at work in Genoa or Venice is essentially the same as the process driving US imperialism today, with only differences of quantity or geographic scope? Is it really possible to imagine that Genoese banks were performing the same function or operating according to the same imperatives and logic as global banks in today’s global capitalism? Is it really enough to say that the difference lies simply in the size and organisation of political units, without taking any notice of huge differences in the economic dynamics at work in these cases and the social relations that determine them?

When I insist on the specificity of capitalism and how it has differentiated itself from other social forms, Harvey may want to call this enterprise ‘typology’. I call it an attempt to explain a historical process of change.

2. The non-history of capitalism – yet again

For Harvey, since the ‘capitalist’ is simply someone who puts money into circulation in order to appropriate more money, capitalism is nothing but more of the same. In this respect, there is no difference between the merchant acquiring profit on alienation – buying cheap and selling dear – and the capitalist whose profit takes the form of surplus-value. In fact, money making more money without even the mediation of commodities or even commodified services would suffice, so that the most ancient practices of usury would satisfy this definition.

To the extent that Arrighi offers us a definition of capitalism and capitalist imperialism, its common characteristic is a form of domination based on control of money-capital and credit.³ Everything from the Genoese case to the contemporary American ascendancy is, in his view, capitalist, because of the role played in all of them by rich financiers and merchants – though the commercial agents, and the forms of commerce in which they were engaged, differed widely among all these cases. The trouble is that there appears to be no essential difference between capitalism and any other form of commerce, and it is hard to see why some kind of capitalism, or proto-capitalism, could

3. Ostensibly drawing on Marx’s formula to explain the circuits of capital, Arrighi divides his economic history into two distinct phases, the phase of ‘material expansion’ (which he defines as M-C), and then, after this exhausts itself, ‘financial expansion’ (C-M). There is nothing particularly ‘capitalist’ about either of these; but, in any case, treating them as if they were historical stages rather than ‘moments’ in the circuit of capital completely distorts Marx’s argument. It has been argued that Arrighi loses sight of ‘the most basic question about the M-M’ circuit, which is, where do the profits come from if not the production and exchange of commodities?’ (Pollin 1996, p. 115.) But even the exchange of commodities has nothing intrinsically capitalist about it, even when it takes place at a profit. Using money to acquire commodities to sell for more money is the age-old practice of profit on alienation, buying cheap and selling dear; and the same logic can, in the context of non-capitalist social relations, apply even to the production of commodities for sale at a profit. Capitalism’s logic of process is something quite different, as Marx made very clear. As for Harvey, although he sometimes invokes the formula M...C...M’ he seems perfectly happy with a definition of capital which not only confines itself to simple profit on alienation but can also dispense with the mediation of commodities altogether and treat plain old usury as the essence of capitalist appropriation. However useful this may be in the moral condemnation of capitalism, it tells us very little about how the system operates as distinct from other social forms, and nothing at all about how it came into being.

not, for example, be said to have existed, at least in embryo, in ancient Rome (as Max Weber, for one, suggests it did).

Capitalism, in this conception, has no defining logic or dynamic which clearly differentiates it from other social forms. In particular, the specific imperatives of capitalist competition, its specific rules for reproduction – the need for maximising strategies, profit-maximisation and the need constantly to improve labour productivity – are not, apparently, essential to the definition of capitalism. They were not, for instance, at work in the Genoese case or in the Spanish and Portuguese. Nor is it at all clear – in either Arrighi's argument or Harvey's – why and how these new imperatives came into being at all, and not in Genoa or Iberia but in England, at a time when merchant wealth there was very much more modest than it was elsewhere in Europe.

Arrighi suggests that the critical variable in distinguishing among the different stages of capitalist development has to do with the particular political agents of the capitalist strategy of control – so there is a big difference, for instance, in the dynamics of a system in which a city-state presides over the control of money capital and credit, and an imperial system in which the principal agent is the nation-state. But this argument, whatever its virtues, tells us nothing about the social relations that constitute capitalism, the social transformations that produced them, or the specific dynamic that they set in train, an economic dynamic fundamentally different from anything that had ever existed before.

We certainly get no sense here of why, for instance, Marx felt compelled to insist that there was something very distinctive about the real primitive accumulation, the transformation of agrarian relations in the English countryside which produced effects fundamentally different from the accumulation of wealth by Genoese, Spanish, Portuguese, French or even Dutch merchants and traders. No one would deny that the origin of capitalism presupposed an already existing (non-capitalist) commercial network. But it is clear from Marx's account that the critical issue is not simply an accumulation of wealth adequate to permit reinvestment, nor the form of political control, but rather the social property relations within which appropriation takes place.

If the decisive factor is accumulation of commercial wealth, why England? Why should an English transition to capitalism occur at a time when England was far from the richest of the major European states, or indeed the largest or strongest, and when it possessed far more limited accumulations of commercial wealth? What explains the emergence of agrarian capitalism in England before, and indeed as a condition of, its later commercial supremacy? If it is mainly a matter of different political strategies of control, in particular the replacement of city-states by larger nation-states, why not the Spanish

or French? It also remains unclear in Arrighi's and Harvey's accounts why England alone was spared when other European economies hit the buffers in the seventeenth-century crisis, how it came to be the sole economy in which a social transformation had produced a new dynamic that promoted self-sustaining growth, as the other economies did not. Industrial capitalism was the result rather than the cause of this historic transformation.

If what we want is an understanding of process in the history of capitalism, it seems profoundly unhelpful to lump the distinctive formation of capitalism – whether in its agrarian, commercial or industrial forms – together with commercial economies in which no comparable dynamic was at work, and without really explaining how we got from one to the other, as if we could take it for granted that one form of commerce intrinsically contained the other and there were no transformation to explain. Far from explaining a historic transformation, this just conceptualises it away.

3. Defining capitalism and capitalist imperialism

This is probably the moment to answer an objection raised by François Chesnais, which relates to my own definition of capitalism. In an otherwise sympathetic account of my argument, which emphasises (and essentially agrees with) what I have to say about the continuing importance of the state in today's global economy, he takes issue with what he understands to be my excessively narrow definition of capitalism. It is, he maintains, 'almost exclusively oriented towards the particular traits of the class relationship between capitalists and wage-labourers and the appropriation by the former of surplus-value, or surplus-product through industrial production', while it fails to appreciate that capitalism benefits from other forms of surplus appropriation.

Let me begin by saying that this account of how I define capitalism is simply wrong. On the bare facts alone, it should be clear that my insistence on the importance of agrarian capitalism belies this interpretation. It may also be necessary to remind ourselves here that labour can produce surplus-value for capital not only in the production of material commodities but also in the provision of services, which means that, even in industrial capitalism, 'productive' labour is not necessarily confined to industrial production.

But the issue is rather more complicated. First, I should emphasise again that, for me, any definition of capitalism must identify its specific logic of process, the particular imperatives that mark it off from other social forms. The failure to define capitalism in this way tends to produce many misleading

conflations and confusions. To begin with, it is one thing to acknowledge the benefits capital derives, in various conditions and at various stages in its development, from various forms of surplus appropriation other than the extraction of surplus-value. It is quite another matter to describe all these forms of exploitation as capitalist. This makes it impossible, among other things, to consider how they themselves are affected by the specific social relations and mode of exploitation that give capitalism its distinctive dynamic and specific imperatives. Although slavery, for instance, was profitably integrated for a time into a capitalist economy (which, by the way, does not mean it was necessary to the emergence of capitalism or that capitalism could not have developed without slavery), slavery in a capitalist economy was something very different from slavery in ancient Greece and Rome.

We also need to distinguish between the original emergence of capitalism, which clearly did not abolish pre-existing social relations at a stroke, and cases in which an already existing capitalism has spread into dependent territories and imposed its imperatives on existing social relations, as has typically happened in the 'Third World'.⁴ Both these cases also differ from those in which capitalism spread by means of state-led economic development, as major non-capitalist powers responded to commercial and/or geopolitical and military pressures from the first capitalist society. In each of these cases, capitalism coexists or interacts with non-capitalist forms; but it does so in various different ways. We have to consider carefully whether, or when, capital's resort to non-capitalist forms of appropriation is driven by essentially capitalist imperatives and, alternatively, whether, or when, non-capitalist forms of exploitation signify the absence or underdevelopment of capitalist relations and imperatives.

If we start with Marx's real 'primitive accumulation', the critical turning point in the emergence of capitalism, with its wholly new logic of process, was the establishment of new agrarian relations in England. The result was a system of social-property relations in which both appropriators and producers were dependent on the market for the conditions of their self-reproduction. Instead of relying on what Marx called 'extra-economic' exploitation (or what Bob Brenner has called politically-constituted property) – surplus extraction by direct coercion, whether in the form of rent, tax or tribute, by means of political and military power, juridical privilege, the fruits of jurisdiction, etc. – English landlords increasingly made use of purely 'economic' modes of appropriation, which also meant that both landlords and tenants came to

4. This issue has been a matter of some confusion in discussions of the 'articulation' of modes of production.

depend on the systematic improvement of labour productivity. This happened before the mass proletarianisation of direct producers. Tenants, although still in possession of land, were subjected to the conditions of competitive production in unprecedented ways. They were free to act, and, at the same time, compelled to act, in response to those imperatives of competition, while landlords increasingly relied for their wealth not on extra-economic powers or privileges but on purely economic advantage – their tenants' competitiveness and profitable production. The consequence was a thoroughly new economic dynamic of self-sustaining growth, and also the increasing dispossession of unprofitable producers.

It is because of this completely new dynamic that it makes sense to speak of agrarian capitalism, even before the mass proletarianisation of the labour force; but even those who prefer to reserve the term 'capitalist' for the mature relation between capital and wage-labour must keep in mind that the complete dispossession of direct producers that created a mass proletariat came as a result, not as the cause, of this new economic dynamic. At the same time, it is certainly true that the capitalist dynamic would come fully into its own only with the complete commodification of labour-power.

Once we have characterised the new economic logic of capitalism, we can still acknowledge that capital can benefit from forms of surplus appropriated by means not essentially different from non-capitalist exploitation. But it remains important to register the differences between capitalist exploitation, with its particular imperatives, and other exploitative forms. It is also important to recognise how capitalist property relations affect non-capitalist appropriation mobilised in the service of capital.

To recognise all this is critical not only to understanding how capitalism operates but also to characterising the distinctive forms of imperialism it has created. Imperialism, like class exploitation, can take economic or 'extra-economic' forms, and imperial appropriation by extra-economic means needs to be distinguished from imperial domination imposed through the medium of market imperatives. It is also important to distinguish between cases in which extra-economic appropriation is responding to the needs of a well-developed capitalism and cases in which the presence of non-capitalist appropriation signals the absence or weakness of capitalist imperatives.

I think Chesnais makes problems for himself by conflating various modes of surplus appropriation as all more-or-less equally capitalist and obscuring the differences among them. This leads him to treat all stages of modern imperialism as equally capitalist, today as in Lenin's and Luxemburg's time. The effect is to make it difficult to explain where we are today and why. If the early twentieth century, as Lenin saw it, already represented late capitalism

with fully developed capitalist imperatives and contradictions, then how are we to explain the specificities of capitalism and capitalist imperialism in the early twenty-first century? If, in the ‘classic’ age of imperialism, major colonial powers were engaged in interimperialist rivalries to divide and redivide the territories of a largely non-capitalist world, how should we compare it to the capitalist imperialism of today, when conflicts among capitalist powers take a very different form? And so on.

Since my central theme has been the specificity of capitalism and capitalist imperialism, I have to admit that I was – and to some extent still am – completely mystified by Prasenjit Bose’s suggestion that my fundamental error is that I try ‘to locate some common fundamental contradiction’ among the various historical cases I survey. He informs us that ‘empires across historical periods, although displaying various similarities, have been driven by entirely different economic processes’. But is not this precisely my point? Surely it is clear that the contradiction I was looking for was not only specific but unique to capitalism, and that the particular relationship between ‘economic’ and ‘extra-economic’ forces that I talk about is one that exists only in capitalism. Bose’s objection seems particularly strange, because he begins by apparently agreeing with much of what I have to say about the specificity of capitalism and its distinctive separation of economic from extra-economic power.

So why does Bose conclude that, in the end, I am trying to fit capitalism, for all its specificities, into a conceptual framework that identifies a contradiction common to all imperialisms, and that this leads me to miss the point about the specificities of contemporary imperialism? Let me give you my short answer first, and then try to explicate it. Paradoxically, I would say that, like Harvey, Bose is, in his own way, eliding the specificity of capitalism, and, in a manner somewhat different from, though probably related to, Harvey and Arrighi, he is reading capitalism back into precapitalist history, while mistaking changes brought about by the emergence of capitalism for changes within capitalism.

Consider, for example, his observation that “The “disconnection between the economic and political moments of capital” does not seem to have appeared as a contradiction in the earlier historical stages of capitalism’. Nation-states under capitalism’, he goes on to say, ‘were born out of the needs of capitalism and have historically played a vital role in the process of capital accumulation, territorial expansion and imperial domination.’ This is problematic from the start. The issue between us is not whether nation-states have served, and continue to serve, the needs of capitalism. I wholeheartedly agree both that the state is today indispensable to capital accumulation and that it played a crucial role in the early rise of capitalism. These propositions are central to

my argument, as they appear to be for Bose. Nor do I disagree that the contradictions of late capitalism or the ‘new’ imperialism are different from those of capitalism in its earlier stages. But, even if we agree that the state has served capital in both earlier and later stages of capitalist imperialism, the question remains: how does the role of the state in capitalist appropriation differ from its role in non-capitalist forms?

Bose seems to assume either that modern imperialism (or even the nation-state?) is by definition capitalist, or, again, that non-capitalist or proto-capitalist imperial plunder simply and naturally gave rise to capitalism by creating a critical mass of wealth – as in the classical non-Marxist view of ‘primitive accumulation’. But this approach makes it impossible to assess the relation between capitalism and imperialism or to consider how capitalism (which emerged in England before it was a major colonial power) transformed imperialism by imposing wholly new imperatives.

I am not at all sure what nation-states Bose thinks were born out of capitalism and in response to its needs; nor am I sure about his view of the connections between capital accumulation, territorial expansion and imperial domination. If we are talking about the original emergence of nation-states, there never was such a state born out of capitalism or in response to its needs. Certainly not, for instance, France or England, both of which went through a process of state-formation before they underwent a transformation to capitalist social-property relations. And there have been many cases, not only in earlier historical stages but even in the modern age, where territorial expansion and imperial domination were not propelled by capital accumulation in any precise sense of the term.

I have no doubt that all forms of territorial expansion and imperial domination throughout history have been concerned with acquiring wealth of one kind or another, and the state has been central to all of them; but the issue here is whether, or how, an imperialism driven by capitalist accumulation differs from other forms, or when and how imperialist domination came to be associated with capitalism as a specific form of acquisition. At least part of Bose’s misunderstanding of my arguments results from his elision of the differences among these various cases and a failure to recognise the processes of transformation that produced a specifically capitalist imperialism.

4. Global capital and territorial states

This failure is even more strikingly apparent in William Robinson’s critique. Indeed, he seems to have no clear conception of capitalism at all; and, when

he identifies three essential problems in *Empire of Capital*, each of his criticisms is vitiated by this conspicuous absence: ‘One of these problems’, he says,

is her demarcation between capitalist and non-capitalist imperialism in the modern era. Second is her longstanding and dogmatic refusal to take seriously the concept of globalisation. Third, and closely related, is her insistence on analysing current global dynamics from a nation-state-centric framework and an incessant reification of the state.

I hope that, by now, it is unnecessary to dwell on the latter two points. It should be blindingly obvious that what I refuse to ‘take seriously’ is not the process of globalisation – if by that is meant the transnationalisation of markets and capital. Nor do I reject the idea that national states are compelled to adapt to the requirements of transnational capital, as Robinson suggests. What I object to is certain conventional conceptions of globalisation, which involve indefensible assumptions about the inverse relation between a globalised economy and the importance of the territorial state. Since conventional conceptions of globalisation typically entail such assumptions, I have sometimes preferred to avoid the term. But it is surely clear that my argument, whether it is right or wrong, is neither about dismissing the globalisation of capital nor about ‘reifying’ the state but rather about the uniquely complex and contradictory dynamics in the relation between the state and globalisation.

Something else should, I hope, also be clear: when I argue that global capital today needs the territorial state more than ever, or that the political form of globalisation is not a global state but a system of multiple territorial states, I am not arguing, as Robinson maintains I am, that the nation-state is ‘immanent to capitalist development’ rather than ‘an historical outcome’. I have often, even obsessively, taken great pains to insist that the nation-state is *not* a product of capitalism, *nor* was it born in conjunction with capitalism. I have repeatedly challenged theories that identify the nation-state with capitalism; and I have repeatedly insisted that capitalism emerged within an already existing state system, the configuration of which was not determined by capitalist social property relations.

The association between capitalism and the nation-state is certainly ‘historical’ rather than ‘immanent’, in the sense intended by Robinson. In fact, it is a ‘historical outcome’ in an even stronger sense than Robinson acknowledges. For him, the territorial state rises and falls in more or less mechanical response to the movements of capital. The state is, after all, simply capital in its political aspect. So, just as global capitalism must, in his view, mean the transnationalisation of the state, the nation-state seems to have

originated as a response to the requirements of capital – precisely the kind of argument I have often sought to challenge. As we shall see in a moment, he reads capitalism far back into the early history of European nation-states, in a way that completely ignores the non-capitalist dynamics of the inter-state system long after what he takes to be the turning point of capitalist development.⁵ One way of describing his approach might be to suggest that he treats the relation between state and capital as ‘immanent’, even if that immanence varies its historical form. But, in any case, I venture to say that I take the historicity of the relation between capitalism and the nation-state far more seriously than Robinson does.

Yet to say that the association of capitalism and the territorial state is a ‘historical outcome’ is not enough, for at least three principal reasons, which I have often spelled out. First, to put it briefly, the territoriality and sovereignty of the state, while they were not created by capitalism, were, so to speak, perfected by it. It was only the separation of the political and the economic that permitted an unambiguously sovereign state, without challenge from, or overlapping jurisdiction with, other forms of ‘politically constituted property’. Second, and related to the previous point, it is only in capitalism that it is even possible for conditions of appropriation to be sustained and enforced by ‘extra-economic’ powers not coextensive with the power of appropriation – to have, in other words, global accumulation protected by very local states, without a global state to match. Third, as I have argued endlessly (not least in a recent issue of *Historical Materialism*, in my contribution to the Harvey symposium), this conjunction of global capital and territorial state has also created wholly new and profound contradictions between capital and state. Yet, at the same time, there are fundamental characteristics of capitalism that reproduce and benefit from the fragmentation of political space and uneven development, so that the current association of capitalism and the territorial state – with all its attendant contradictions – is not just a historical relic but is reinforced by the essential dynamics of capitalism.

In case the latter point requires elaboration, let me quickly summarise arguments I have made many times before. Capitalism is, to begin with, an anarchic system, and one in which appropriating classes do not themselves directly wield the ‘extra-economic’ power that sustains their economic powers of appropriation. Yet it is a system that needs social, legal and administrative stability, predictability and regularity more than any other social form, in order to sustain the stringent conditions of capital accumulation. The kind of

5. For powerful arguments on the precapitalist dynamics of the state system, see Lacher 2006 and Teschke 2003.

close regulation the system requires has so far been supplied by the territorial state, and no form of ‘global governance’ is as yet conceivable that can supply the necessary day-to-day legal and administrative order. At the same time, the processes of capital accumulation and, indeed, the processes of global integration operate not simply to forge global bonds but to reinforce divisions.

As I wrote some years ago (and have repeated in various forms since),

the development of a rudimentary global society is, and is likely to remain, far behind the contrary effect of capitalist integration: the formation of many unevenly developed economies with varied self-enclosed social systems, presided over by many nation-states. The national economies of advanced capitalist societies will continue to compete with one another, while ‘global capital’ (always based in one or another national entity) will continue to profit from uneven development, the differentiation of social conditions among national economies, and the preservation of exploitable low-cost labour regimes, which have created the widening gap between rich and poor so characteristic of ‘globalization’.⁶

And, of course, the preservation of national frontiers in order to control the movements of labour while permitting the mobility of global capital. Whatever else we can say about the role of the state in today’s global capitalism, it is clear that states have become more, not less, involved in organising economic circuits, often through the medium of inter-state relations.

This is not to say that no other political form is conceivable for capitalism, at least in principle. But it seems to me a bad mistake to treat the continuing connection between capital and territorial state as nothing but a historical relic and to neglect the structural and systemic pressures inherent in capitalism which have reproduced, and continue to reproduce, this political form, and all the contradictions that go with it. Allowing for the specificity of capitalism makes it possible both to recognise the non-capitalist origins of the territorial state and the particular ways in which capitalism reproduces it. This is what is missing from Robinson’s account. The failure to appreciate the structural determinants of capital’s continuing and contradictory relation to the territorial state is associated with a tendency to take for granted that the movements of capital and state will inevitably run parallel – so that the globalisation of the one is inevitably accompanied by the transnationalisation of the other. Even if Robinson grudgingly acknowledges the continuing

6. Wood 2002, p. 180. And, in case it needs emphasising, while I stress these structural determinants, here, as elsewhere, I also emphasise the historicity of the connection between capital and territorial state, arguing no more (and no less) than that ‘until now’ capital has found no better way of meeting its distinctive requirements than the territorial state and is unlikely to do so in the foreseeable future, for reasons that are not just contingently historical but related to the conditions of capitalist reproduction.

importance of the territorial state, he treats its transnationalisation as fairly unproblematic, effectively automatic, and there is little indication here of what is a deeply contradictory process.

Let me put it this way: if the political and the economic were connected in the precapitalist manner, it would be reasonable to assume that they will always advance together, in one way or another. But the capitalist separation means that we cannot make such an assumption, and therefore the relation between the processes of economic and political development in capitalism is problematic in a distinctive way. This is not, of course, to deny the relation between capital and state. But it means that we have to recognise that this relation is uniquely complex and contradictory. People like Robinson seem to think *a priori* that the two processes are conjoined and that the burden of proof is on the other side. But, if we begin by acknowledging that political and economic are separate in capitalism in distinctive ways, the burden of proof is on Robinson et al. They have to demonstrate and explain the connections much more convincingly than they have ever done.

As it stands, the conception of a transnational capitalist class and a transnational state apparatus owes more to that *a priori* assumption about the parallel development of capital and state than to any persuasive demonstration of how it operates in practice or how capital transcends the contradictions in its relations with the state, in the relation among capitals or in the reproduction of capital by means of uneven development. Robinson's views about the 'harmonisation' of relations among national capitalisms, and about the resolution of their contradictions in the 'transnational realm', are sustained not by exploring but rather by evading the contradictions of capitalism.⁷

This evasion is, so to speak, 'immanent' in Robinson's argument, because he starts from the unexamined premise that there is nothing specific about capitalism and its logic of process. Oddly, he accuses me of failing to 'engage the long-standing debates on the transition to capitalism, even though they have a direct bearing on our understanding of imperialism and would seem essential to the proposition of a capitalist and a non-/pre-capitalist imperialism in the modern era'.

This strikes me as very strange, since much of my writing over the years has been precisely about the transition to capitalism and debates about it; and *Empire of Capital* is an attempt to build on that work, together with everything

7. For a trenchant critique of arguments like Robinson's, see Lacher 2006, especially Chapter 8, where, he deals specifically with Robinson on pp. 158–62. I am also indebted to Sébastien Rioux, for his illuminating critique of Robinson in a postgraduate seminar paper this past autumn.

it has taught me about the specificities of capitalism. But let us leave that self-defence aside and look at where Robinson goes from there: 'If capitalism', he argues,

is singularly defined as it is for Wood, as a production relation that only fully emerged in the English countryside over the past two centuries and spread subsequently to other regions, then by definition capitalist imperialism is a recent phenomenon. But if it is a broader system whose genesis took place earlier in conquest, pillage, and militarised commerce, and in which the transformation of the English countryside was more of a culminating moment than an initial transition, then modern world imperialism is certainly an imperialism of the capitalist system, spanning the whole modern epoch of conquest and colonialism.

Robinson himself has elsewhere in his work described the rise of capitalism as a Europe-wide phenomenon which began about half a millennium ago, more or less with the conquest of Latin America. This is the kind of argument I and others (notably, of course, Robert Brenner) have often challenged, not because we fail to acknowledge that capitalism in England arose in the context of a wider commercial, geopolitical and military network, in Europe and beyond – which is surely self-evident – but rather because it is so question-begging. It depends entirely on evading the specificities of capitalism and conceptualising away the need to explain its origins, so that the argument assumes the very thing that needs to be explained.

I have nothing against treating 1492 as, in one way or another, relevant to the development of capitalism. We can go even further back. Feudalism, after all, is at least as relevant to the development of capitalism. In fact, I am more than happy to push back the boundaries of historical investigation even further in order to trace to their sources the many factors relevant to the rise of capitalism; and I have happily gone back even to Graeco-Roman antiquity to track certain distinctive developments of Western property forms and processes of state-formation. But, even if we want to argue that some of these developments were somehow relevant to the later emergence of capitalism, none of this means that Graeco-Roman antiquity was capitalist, or that capitalism inevitably followed from its property and state forms. Nor does it mean that even European feudalism inevitably gave rise to capitalism. We still have to identify what distinguishes capitalism and its specific rules for reproduction from any other system of social-property relations – and, once we do that, we are forced to ask real historical questions, about how, why and where the transformation took place that brought these social-property relations into being and set in motion a new and unprecedented historical dynamic. English capitalism and, say, French absolutism may have had common ancestors and interacted in a common historical space. But this tells

us very little about why and how English feudalism was transformed into capitalism and the French variety was not.

It is hard to imagine an argument more circular and unhistorical than Robinson's. Yes, of course, how we define capitalist imperialism depends on how we define capitalism. I can hardly dispute that, since my whole case rests on just such a proposition. But then what we need is precisely a definition of capitalism. What we need is precisely an account of how capitalism differs from non-capitalism, both by definition and in practice. And then we need seriously and systematically to consider the historical processes of transformation. We cannot simply evade the need for an answer by failing to ask the question. We cannot just proceed as if the absence of a definition, or the absence of any attempt to characterise capitalism's specific mode of operation, amounts to a refutation of any account that does delineate its specificities. This is exactly how Robinson does proceed – not least, for instance, when he objects to my account of the British Empire in India. Instead of engaging with the complexities and contradictions in an imperial system where both non-capitalist and capitalist modes of appropriation were at work, with different rules for reproduction and in complex interaction with each other, he simply dismisses my arguments more or less by definition (or, to be more accurate, by non-definition): the British Empire in India must have been unambiguously capitalist because Europe and its empires had long been capitalist.

I have tried to demonstrate, here and elsewhere, that much of what passes for analysis of capitalism and capitalist imperialism rests on studious avoidance of any questions about the specificity of capitalism as a historical form. If nothing else, I have been painstaking in my efforts to define capitalism, to identify its particular dynamics, to explain how its 'rules for reproduction' and its 'logic of process' differ from other social-property relations and to identify the new forms of domination it makes possible; and I have tried to explore its historical development. It is on that basis that I have constructed my argument about the particularities of capitalist imperialism. If Robinson wants to take issue with my definition or my historical accounts of the origin of capitalism, of capitalist social-property relations, capitalist domination and capitalist imperialism, that, needless to say, is his right. But until then, I fail to see what case there is to answer.

5. Changes within capitalism

Some years ago, when I was writing about conceptions of modernity and postmodernity, I had occasion to consider Harvey's important work on this subject. I suggested then that his periodisation of capitalism had something

important in common with traditional ‘non-explanations’ of capitalism and its emergence, which assumed its prior existence in order to explain its coming into being, as if it were the natural product of transhistorical processes, in particular the apparently inevitable processes of technological progress and commercial expansion. It seemed to me then that the idea of postmodernity as he elaborated it belonged to a view of history in which ruptures within capitalism – in particular, the rupture between modernity and postmodernity, which apparently occurred in about 1972 – loomed much larger than the rupture between capitalism and the non-capitalist social forms that preceded it. In fact, in Harvey’s account, there was no obvious social transformation that produced capitalism out of something distinctly non-capitalist, and certainly nothing as dramatic as the passage from modernity to postmodernity.⁸ In other words, this account not only conceptualised away the need to explain the emergence of capitalism but also tended to obscure the specificity of capitalism itself and its fundamental ‘laws of motion’. This had the apparently paradoxical effect of also making it harder to understand the changes within capitalism.

It is certainly essential, in my view, to explore the constant changes the capitalist system undergoes, but that cannot be done without first making it clear what capitalism is. What is the constant underlying logic that makes a society capitalist throughout all this continual change; what essential conditions determine the operation of this distinctive logic; and how did it come into being? Failing an answer to questions like this, we cannot give a clear account of either the origin of capitalism or the changes within it.

The failure to take adequate account of capitalism’s specificities forces theorists of today’s imperialism to place too great an explanatory burden on changes within capitalism, while at the same time depriving us of the means clearly to characterise and explicate those changes. Some, for instance, ascribe massive changes simply to new technological capabilities – notably information technology. We used to hear a lot, for example, about post-Fordism or the passage from Fordism to ‘flexible accumulation’ (not least, from David Harvey). It seemed to me at the time that something serious was wrong with how these changes were explained when they were treated as major epochal shifts in the logic of capitalism. ‘The old Fordism’, I once wrote,

8. I should probably stress that introducing bourgeois revolution into the narrative, as Marxist accounts have traditionally done, is not the same as acknowledging a historic rupture in the transition to capitalism. Conceptions of bourgeois revolution have typically finessed the question of social transformation in the origin of capitalism by simply assuming, without explanation, the prior existence of capitalist forces, which then engage in revolutionary struggle to break the fetters that prevent their free development.

used the assembly line as a substitute for higher-cost skilled craftsmen and to tighten the control of the labour-process by capital, with the obvious objective of extracting more value from labour. Now, the new technologies are used to the same ends: to make products easy and cheap to assemble (how else, for instance, would outsourcing be possible?), to control the labour-process, to eliminate or combine various skills in both manufacturing and service sectors, to replace higher with lower-wage workers, to ‘downsize’ workers altogether – again to extract more value from labour. What is new, then, about this so-called new economy is not that the new technologies represent a unique kind of epochal shift. On the contrary, they simply allow the logic of the old mass production economy to be diversified and extended. Now, the old logic can reach into whole new sectors, and it can affect types of workers more or less untouched before.

To see these developments as a major epochal rupture, we must focus on the more or less autonomous logic of technology, whether the technology of the labour process or the technology of marketing. My emphasis here is on the logic of capitalism, not some particular technology or labour-process but the logic of specific social property relations. There certainly have been constant technological changes and changes in marketing strategies. But these changes do not constitute a major epochal shift in capitalism’s laws of motion.⁹

Something analogous can be said of theories that try to explain far too much by invoking the financialisation of capital (usually coupled with, or enabled by, the new technologies). Arguments about financialisation can, to begin with, be very misleading because the role of finance-capital has so long been a major factor in the capitalist economy (as is clear from Lenin’s analysis of capitalism’s ‘highest’ stage in the early twentieth century), while the differences between capitalism and precapitalist finance are far more substantial than the differences between one stage of capitalism and another. In today’s theories of financialisation, finance is finance is finance – only sometimes there is more of it. The dominant social-property relations seem to make no difference in determining how financial wealth operates, the conditions in which it circulates, or what imperatives it answers to.

I will come back to finance in a moment. But first, let me stress that, when I object to the explanatory burden placed by some theorists on stages within capitalism, my point is certainly not that capitalism undergoes no change. On the contrary, its laws of motion imply constant change. But it seems to me misleading in the extreme to treat these changes as somehow greater than the transformations that brought into being the specific logic of capitalism itself, while at the same time, paradoxically, depriving us of the means clearly to differentiate among the stages of capitalism – so that, for instance, we lose our

9. Wood 1997.

capacity to explain with any clarity the difference between Lenin's 'highest' stage of capitalism and today's 'new' imperialism. If we obscure the very nature of the capitalist logic, we can talk about the stages of capitalism till the cows come home, but we will not give an adequate account of the changes involved. We shall certainly be unable to account for changes that represent not a new dynamic within an already developed capitalism but rather the capitalist dynamic differentiating itself from non-capitalist forms and finally coming into its own – with all its internal contradictions and ever-decreasing external escape routes.

My own argument suggests that capitalism emerged in the process of internal social transformations in relations among agrarian classes, and then – in a long process of development, and in an international context of commercial, geopolitical and military relations – produced its own specific form of imperialism. There was a complex interaction between capitalism, with its own specific imperatives, and the commercial, geopolitical and military requirements of non-capitalist states, which I try to sketch out in my book. The era of 'classic' imperialism was not unambiguously driven by a capitalist logic, and was complicated by a confluence of capitalist social relations and non-capitalist modes of surplus appropriation.

I also suggest – and this is a somewhat different point – that even capitalist states, well into the twentieth century, were not yet able to mobilise economic imperatives strong or expansive enough to dominate the colonial world and continued to depend to a great extent on modes of 'extra-economic' domination not fundamentally different from precapitalist forms. The British Empire in India is a dramatic case in point. Britain was certainly a capitalist economy, in fact the most developed capitalism in the world; but even here a commercial empire gave way to a tribute-extracting military dictatorship.

Yet capitalism had created its own distinctive form of economic domination (that is, domination not simply by means of extra-economic coercion but by means of imposing market dependence) which continued to develop and gradually overtook non-capitalist forms. As the capitalist economy developed especially in the US, this form of domination finally came into its own in the twentieth century and especially after World War II, creating a new imperialist world, the dynamics of which we are all still trying to understand.

6. 'Financialisation'

The notion of 'financialisation' nicely illustrates the problems in many accounts of the new imperialism. David Harvey, as we have seen, adopts a conception of financialisation that draws no essential distinctions between the current

global capitalist economy and the early commercial empire of Genoa or Venice. At the same time, he has described financialisation as a strategy adopted by the United States in the 1970s in order to strengthen the power of finance in place of manufacturing and productive capital, at a time when US dominance in production was in decline, as production moved elsewhere, while its financial power remained strong. Now, I certainly agree with Harvey about the importance of understanding the US response, in the 1970s and thereafter, to the global downturn after the end of the long postwar boom. There can be little doubt that the US used its unparalleled control of financial and commercial networks to postpone the day of reckoning for its own domestic capital, as its domination of production gave way to competing economies. But we have to be very sure that we do not mistake this process of ‘financialisation’ for something that it is not.

Harvey’s definition does not necessarily imply that finance-capital, with a specific logic different from other capitalist forms, somehow replaced productive capital in the capitalist economy as a whole. In fact, his own work has often emphasised the role of finance-capital in promoting production. But the identification of late-capitalist ‘financialisation’ with earlier commercial practices does tend to suggest the complete severance of finance from production and could be seen as lending support to those conceptions of financialisation today that do imply the detachment of financial from productive capital. While Harvey’s empirical account of the process seems to avoid this kind of slippage, I am not sure his theoretical apparatus provides any protection against it. Given his conception of capitalism, we can, again, easily imagine a contemporary ‘capitalism’ with none of the imperatives of competitive production and driven by requirements not fundamentally different from profit on alienation or age-old usurious practices. We can imagine a form of finance-capital which is the highest form of profit unmediated by production or even the provision of services – not even a process of buying cheap and selling dear but simply an updated version of ancient usury.

Conventional conceptions of globalisation on the Left often seem to suggest that we are witnessing a completely new dynamic engendered by financialisation. The days of productive capital, maybe even capitalism itself, are over, especially now that new information technologies permit the wide and rapid circulation of money or virtual money unmediated by material commodities or marketable services. We are given to understand that recent economic crises have been caused simply by the vagaries of financial speculation, in ways quite different from old forms of capitalist crisis, in some wild and untrammelled pursuit of pure money unsullied by productive capital.

But finance operates in accordance with a specific logic determined by the dominant social-property relations and the prevailing conditions of social

reproduction. It will, and must, behave differently in a precapitalist commercial society than in a society where social-property relations have set in motion the specific imperatives of capitalism. In current theories of financialisation, as David McNally has written,

It appears here as if capital has found its pure form: money begetting money without passing through the mediation of labor and concrete use-values. Indeed, this is the form of capital that entrances both vulgar economics and postmodern theorists of the information economy.

But, as he goes on to say, ‘In fact, interest-bearing money capital cannot escape its ties to the mundane world of labor and production.’¹⁰

The whole point about crises in the latest period of ‘financialisation’ is that they, like other capitalist crises but unlike economic crises in a precapitalist world, have to do with the specific imperatives of competitive production, which inevitably give rise to productive overcapacity and overaccumulation. It is significant, of course, that capital still tends to flow largely to already developed capitalisms. When it goes elsewhere, it is generally in pursuit of profits created by economies that appear to be in the process of productive growth and development. Finance-capital will do its best to cash in on productive booms wherever they are or seem likely; and it will aggravate, or even generate, crisis by cashing in speculative profits or pulling out the moment profitable production declines. But, in either case, it is following the fortunes of productive capital, responding to the usual capitalist imperatives and reinforcing the usual capitalist contradictions.

It should probably be emphasised here that when Lenin adopted Hilferding’s notion of finance-capital, he was thinking of something quite different from many current conceptions of financialisation which sometimes invoke his name. He was certainly not talking about the severance of financial from productive capital but, on the contrary, had in mind the very particular role of German banks in consolidating industrial production into ‘cartels’ and thus, in the process, fusing with industrial capital. Let us leave aside the question whether fusion in the sense he had in mind ever occurred elsewhere, notably in Britain or the US. His formulation provides little support for conceptions of financialisation that factor out the process of production or, more precisely, the production of capital, whether through the medium of material commodities or marketable services. (I might even be tempted to argue that the German case had as much to do with the survival of precapitalist

10. McNally 1999, p. 41.

forms as with capitalism, but this really is not the place to pursue that line of argument.)

Another approach that I have encountered suggests that, although Lenin lived in different times, he foresaw the connections between then and now. According to that argument, he only claimed to be describing the beginning of a new development in capitalism, which would increasingly be dominated by finance-capitalism. While he understood that this stage might take a very long time to play itself out, he was predicting that capitalism would never again exist without financial domination; and it was only in this sense that he described his own time as the ‘highest’ stage. What we are seeing today, then, would simply be Lenin’s prediction come true. As an interpretation of Lenin, this may have much to recommend it. But I have problems with an analysis of imperialism in Lenin’s day that overlooks the ways in which that imperialism was still significantly shaped by non-capitalist relations and forces. Yet, even leaving aside this rather fundamental objection, I do not think this interpretation would compensate for a failure adequately to apprehend both what binds the capitalism of Lenin’s day to our own and what differentiates one from the other.

7. Universal capitalism

I have argued, in *Empire of Capital* and elsewhere, that what distinguishes our world today from earlier stages of capitalism is the universalisation of capitalist imperatives, something that has happened fairly recently. We now live in a world no longer characterised by the external relations between capitalist powers and non-capitalist dependencies but in a new kind of world universally driven by the capitalist system’s internal imperatives and contradictions. I have tried to explicate the consequences of this ‘universal’ capitalism. I have tried to make clear that, contrary to Bose’s criticism, this does not mean simply a spatial expansion of an already developed capitalism; and – as I have often emphasised – it certainly does not mean that the world is now full of more-or-less developed capitalist economies. It does not even mean that all non-capitalist forms have disappeared.

What I have argued is that capitalist imperatives and new forms of specifically capitalist economic domination now encompass the globe. These imperatives have penetrated ever more deeply into every aspect of life within the developed economies, as every sphere of life becomes commodified; and the major capitalist powers have been able to dominate dependent economies not simply in the old colonial manner – by means of extra-economic coercion – but by imposing and manipulating market imperatives. To say that capitalist

imperatives have become universal is not to say that every dependent economy has become or is becoming a developed capitalism. On the contrary, it can have the effect of marginalising and impoverishing them. But that effect, too, is the product of a 'universal' capitalism.

I have preferred, on the whole, to describe these processes as the 'universalisation' or 'internationalisation' of capitalist imperatives rather than simply 'globalisation' – though I inevitably find myself using the latter term too. My unease with conventional notions of globalisation, as I have said, has above all to do with their assumptions about the relation between a global economy and the system of multiple territorial states. In any case, when I do use the term, I argue that 'globalisation' – as the transnationalisation of markets and capital – has, in many ways, made the territorial state more, not less, important to capital, and that certain contradictions flow from this. I have also argued that this is an essential factor in the new militarism. The importance of the territorial state in organising the world for global capital puts an even greater premium on maintaining compliant régimes – not least, of course, though not solely in oil-rich regions; and this encourages not only wars directly intended to achieve 'régime change' but, in an even more dangerous and open-ended strategy, wars whose main purpose is the 'demonstration effect'. Since no existing military power can be everywhere at once, the project of policing a global system of multiple states has generated this open-ended militarism which displays to the world a constant threat of war, any time anywhere, with no clear objective or end-game, and regularly demonstrates its powers of destruction.

Bose and Chesnais seem generally to agree with me about the continuing importance of the territorial state, and this makes it possible for them to appreciate the importance of oppositional struggle at the level of the state. It also makes them more sensitive to the possibilities of rivalry among the capitalist powers. But, here too, their arguments are weakened by a failure to acknowledge the specificities of capitalism. As I have already suggested, the specific quality of today's imperialism cannot be adequately captured by the classic notion of interimperialist rivalry. I have no doubt that the likelihood of conflict, of one kind or another, among capitalist powers (to say nothing of aspiring powers) has increased since the fall of Communism and is likely to continue; but it seems virtually certain to me that those conflicts will never again take the form of earlier interimperialist territorial rivalries among colonial powers.

Today, we have to deal with much more complex interactions between, on the one hand, economic competition among well-developed national capitalisms, and on the other hand, their need for co-operation to sustain

global markets and the conditions of accumulation. The ‘new’ imperialism certainly has its own massive military needs, as I have just suggested and as I argue at length in my book; and there are certainly times when it takes territorial forms. But policing the global capitalist economy in the interests of imperial capital has requirements very different from those of territorial expansion by colonial powers; and the tensions generated by the concentrations of geopolitical and military power organised to keep order in the global economy, in the interests of imperial capital, are substantially different from the territorial rivalries of the old imperialist states. One need only consider the extent to which, even now and even in the midst of heightened tensions, the major capitalist powers have ceded military predominance to one superpower – in a way that would have been inconceivable when the main form of conflict was a zero-sum contest over colonial territory. It is certainly true that aspiring superpowers, notably China, seem intent on challenging US supremacy; but – even if we leave aside any doubts about the extent of China’s territorial ambitions – the degree of its dependence on global capital and global markets with national bases in rival states, not least the US, is an indication of the complexities and contradictions that are shaping today’s global capitalism.

8. A word on Bob Sutcliffe’s comments

I have left Bob Sutcliffe’s comment for last at least partly because, unlike the others, it does not seem to be based on a fundamental misunderstanding of my argument but also because the principal question he raises is how the whole story will end. Harvey and I both, he maintains, present a very bleak picture of where the world is headed and what the possibilities are for opposition. He seems to attribute this in part to what he calls our ‘disdain’ for systematic empirical analysis. If we had explored realities on the ground more concretely, he suggests, we might have been more optimistic – not least because we might have been more inclined to recognise the weaknesses of the imperial hegemon. He then invokes (somewhat mysteriously) Michael Hardt and Antonio Negri by way of comparison, contrasting their (excessive) optimism to our (excessive) pessimism, though, as he says, they are far more allergic to empirical analysis than Harvey and I. More empirical analysis, he suggests, would probably yield a position somewhere between these two extremes.

I cannot, of course, speak for Harvey – though I suspect that, like me, he would vigorously deny the charge of ‘disdain’. Let me just say for myself that disdain is very far from what I feel about systematic and detailed empirical analysis. I have nothing but respect for that kind of work, effectively done. But

that was not the kind of book I set out to write. So I will not try to answer the charge by claiming more empirical analysis than Sutcliffe gives me credit for. What I will try to do is argue very briefly for the usefulness of the kind of book I did intend to write – whether or not I managed to pull it off.

My emphasis here, as in my book, has been on the specificity of capitalism, its logic of process and its specific imperatives. I have tried to show how identifying that specificity in historical perspective, even without a detailed empirical apparatus, can help to explain some of the realities confronting us today. Let me just conclude, then, with some suggestions about how my conceptual and historical enterprise, while different from the kind of empirical analysis Sutcliffe has in mind, can help to illuminate the question he raises about the possibilities of opposition.

I could just point out that I am very far from treating the imperial hegemon as all-powerful. The essence of my argument, after all, has to do with the contradictions of the new imperialism. But I would like to make a more general comment about the political conclusions that I derive from my analysis – and here I have to disagree strongly with Sutcliffe's comments on my pessimism. Since he makes his point by contrasting me to Hardt and Negri, I will take it from there.

It is striking that, while Sutcliffe understands Hardt and Negri as more optimistic than I am, my own reading is just the opposite – and I have said this in print. For me, *Empire* is a counsel of despair, which holds out little hope for effective oppositional struggle. There is, as I have suggested in a critique of their book, a fundamental misconception at the very heart of *Empire*, which effectively denies us any tangible targets, any oppositional agencies, and any concrete modes of struggle.¹¹ This misconception comes into play before, or without, any empirical analysis and vitiates even the book's rare confrontations with concrete reality. My own analysis, by contrast, is far more hopeful about the possibilities of opposition, both in the imperial hegemon and elsewhere. This is how I conclude my critique:

An analysis of power as it operates in the real world of global capitalism is certainly sobering. But it also carries a more optimistic message about the possibilities of opposition, because, unlike *Empire*, it allows us both the targets and the means of struggle.¹²

(This, by the way, seems to me exactly the balanced position, somewhere between excessive pessimism and excessive optimism, that Sutcliffe thinks we should take.)

11. Wood 2004.

12. Wood 2004.

‘In this smooth space of Empire,’ Hardt and Negri tell us, ‘there is no place of power – it is both everywhere and nowhere. Empire is an ou-topia, or really a non-place.’¹³

The idea of counter-power and the idea of resistance against modern sovereignty in general thus becomes less and less possible.¹⁴

Their position is, as I argue in my critique of *Empire*, akin on a global scale to much older ‘pluralist’ arguments in political science, the kind of thing that was challenged by Marxists in the 1970s. Like Hardt and Negri, that old liberal orthodoxy denied any concentrations of class power in the liberal-democratic state, insisting that there was only an infinite diffusion of countervailing powers throughout society. Today we are being told, by Hardt and Negri no less than by many conventional theories of globalisation, that even the state itself is effectively powerless, and political domination in the form of the state is, like class rule, a thing of the past, while the power of capital is more diffuse and intangible than ever. Any political forces intended to challenge the power at a point of concentration in the state (or anywhere else) are even more irrelevant than they were in an earlier pluralist world.

It is not, then, surprising that whatever Hardt and Negri say about the possibilities of opposition is very much less clear and concrete than what they say about the kinds of oppositional struggle that are not possible, such as organised struggles at the level of the state or struggles by organised class forces. All we really get from them as an alternative is some inchoate and immaterial resistance to some mystically ubiquitous force, in some unspecified form, outside any comprehensible space or time. This becomes even more apparent when they spell out their views on today’s oppositional agency, the ‘multitude’, in their book of that name.¹⁵ The problem is not just an inadequate assessment of empirical evidence – the question of empirical evidence hardly arises. Their politically disabling conclusion is based on a theoretical conception of capitalism and its relation to the state or political sovereignty, a conception arrived at pretty much in abstraction from concrete realities, current or historical.

While *Empire* may be unusual in its degree of abstraction, it is certainly not alone in attempting to construct an emancipatory politics on the basis of a theoretical analysis of the relation between economic and political power in capitalism – and there is surely nothing illegitimate or useless about that. My

13. Hardt and Negri 2000, p. 190.

14. Hardt and Negri 2000, p. 308.

15. Hardt and Negri 2004.

own argument is an attempt to clarify that relation in broadly conceptual and historical terms, by exploring the essential specificity of capitalism and the processes that have brought it to where it is today.¹⁶ This argument is certainly something different from the kind of empirical study Sutcliffe has in mind, but it is not constructed out of thin unempirical air or purely philosophical reflection. My conception of capitalism and how it operates is, I hope, based on a serious appreciation of concrete historical processes. And the conclusion I draw from it is that power in contemporary global capitalism is not the omnipotent force of nature suggested by standard conceptions of globalisation, nor the timeless, placeless and mystical force of Hardt and Negri's imagination. There are indeed tangible concentrations of power and identifiable targets, and counter-power is indeed possible. My book may fall far short of spelling out in detail the necessary agencies, modalities and strategies of opposition. But I cannot help thinking that what we need first is some pretty fundamental clarification about the nature of capitalism, in all its historical particularity, and about its specific forms of power. Dare I say that my critics themselves have demonstrated how much of that clarification we still need to do?

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16. Sutcliffe seems to think my book was intended as a response to Hardt and Negri. That happens not to be true. Most of the work on it was done before I ever read *Empire*, and, if I had any specific target in mind, it was more conventional accounts of globalisation. At the same time, I do believe that Hardt and Negri's book, at bottom, gives us something very much like a dressed-up restatement of precisely such theories of globalisation.

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