

This article was downloaded by: [University of Sussex]

On: 28 October 2009

Access details: Access Details: [subscription number 776502340]

Publisher Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



Cambridge Review of International Affairs

Publication details, including instructions for authors and subscription information:

<http://www.informaworld.com/smpp/title~content=t713409751>

The changing 'logics' of capitalist competition

Benno Teschke^a; Hannes Lacher^a

^a University of Sussex and York University,

Online Publication Date: 01 December 2007

To cite this Article Teschke, Benno and Lacher, Hannes(2007)'The changing 'logics' of capitalist competition',Cambridge Review of International Affairs,20:4,565 — 580

To link to this Article: DOI: 10.1080/09557570701680514

URL: <http://dx.doi.org/10.1080/09557570701680514>

PLEASE SCROLL DOWN FOR ARTICLE

Full terms and conditions of use: <http://www.informaworld.com/terms-and-conditions-of-access.pdf>

This article may be used for research, teaching and private study purposes. Any substantial or systematic reproduction, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The accuracy of any instructions, formulae and drug doses should be independently verified with primary sources. The publisher shall not be liable for any loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

The changing 'logics' of capitalist competition

Benno Teschke and Hannes Lacher¹
University of Sussex and York University

Abstract *This article criticizes contemporary attempts within the Marxist tradition to understand the current juncture of international relations in terms of either a return to classical Marxist theories of inter-imperial rivalry or ultra-imperialism. It argues instead to put the debate on a new theoretical footing that is able to capture the rich diversity of international relations and permutations of territorial orders within the entire history of capitalism since its inception in 17th-century England. It argues specifically that the system of multiple states and capitalism, rather than being causally co-emergent and co-constitutive, have historically different origins. Since the latter emerged within the former, their interrelation is not structurally determined by any 'logic of capital' per se or by a 'logic of anarchy' (or by their intersection). Rather, profound variations in capitalist international orders result from the contested construction of diverse projects of territorialization by historically situated capitalist classes and states. They are neither subject to an evolutionary long-term logic of globalization and global state-formation, nor to a recurring logic of inter-imperial rivalry, but far exceed the limits of these narrow options.*

Introduction

The history of the discipline of international relations (IR) is still largely written as though categories like great powers, anarchy, the balance of power, or international law, ethics and public opinion had been the natural starting-points for everyone concerned, in the aftermath of World War I, with the systematic study of international conflict and cooperation, and broadened only much later under the impact of interdependence (or dependency) and globalization. Yet, the origin of the field of IR owes much to classical Marxist theories of imperialism, if only because the latter formulated a potentially explosive challenge that had to be defused, given the apparent explanatory power of Marxist imperialism theories, and the potential political implications of the intellectual hegemony of this radical narrative, which linked the contradictions of capitalism in the phase of industrial monopolization and financial organization with the great conflagration that had enveloped Europe and the world after the 'hundred years' peace. The moment of IR's foundation as an independent discipline—in the Anglo-American countries as liberal institutional idealism, in Germany as *Geopolitik* and in Soviet Russia as

¹ We would like to thank the four anonymous reviewers for their helpful comments.

the study of imperialism—was thus part and parcel of a wider ideological conflict over the course of world politics.

The western discourse of IR thus constituted itself by exorcizing the question of capitalism from the debate over the origins of major war and the conditions of lasting peace. But if it has become increasingly clear that this exclusion of the epochal implications and conjunctural dynamics of capitalist development has debilitating consequences for our understanding of international processes, it is much less clear that the monumental effort required can be achieved (or even kick-started) by taking us back to Vladimir Lenin, Nikolai Bukharin or Rosa Luxemburg.

Whether—and how far—Alex Callinicos would like to take us down this road remains unclear. Admitting to his sympathy for what he calls the ‘Lenin-Bukharin theory’ of imperialism, he nevertheless insists on the need for more than a simple ‘reaffirmation or defense’: a new approach to ‘geopolitical competition’ that through critique, revision and refinement overcomes the limitations of the original Lenin-Bukharin thesis (Callinicos 2007, 537). There is no doubt that historical materialists need to broaden their engagement with ‘the international’ beyond the traditional notion of imperialism, and seek to explain ‘all conflicts over security, territory, resources and influence among states’ (Callinicos 2007, 538). This welcome broadening becomes a problem, however, when it is turned into a vehicle for the preservation of the substance of the Lenin-Bukharin thesis. For Callinicos asks us to take a stance on the old and, by now, rather stale alternative between inter-imperialist rivalry—in the more generic form of geopolitical competition—and ultra-imperialism in the specific form of Michael Hardt and Antonio Negri’s *Empire* (2000) or William Robinson’s *Global state* (2004).

Now, we are happy to concede that the idea of a global state formation is hopelessly exaggerated, and that the political sphere of capitalist modernity remains characterized by certain elements of inter-state competition. But none of that follows from the monopolization of capital and the fusion of capital and the national state that Lenin and Bukharin considered central to the shift to capitalist imperialism. Indeed, Callinicos’s broadening of imperialist rivalry to geopolitical competition militates against the historically specific purposes of the classical Marxist theory of imperialism. For if we can agree that some forms of geopolitical competition, ‘soft-balancing’ and so on persist today, we might point out with equal justification that such forms of inter-state interaction prevailed too in the era of free-trade capitalism (before the turn to monopoly capitalism and classical imperialism, therefore).

Rather than forcing us to agree that we still live in the phase of capitalist imperialism that started in the 1890s, as Callinicos seems to expect, it then becomes clear that we need to develop a more systematic understanding of the geopolitical structuring of capitalist modernity that is not held hostage by old debates. This, in turn requires two clarifications: first, an explication of why there are many states in capitalist modernity; and secondly, how we can conceptualize the very different historical dynamics of capitalist inter-state competition and cooperation over the last two centuries. We will suggest that Callinicos ultimately fails to clarify either of these issues, though he provides some fundamental markers that any historical materialist approach to geopolitics would need to incorporate.

Does capitalism need a states system?

The classical Marxist theorists of imperialism have well described the fusion of world-market competition with inter-state antagonism. The question that they failed to address satisfactorily was: why? Rooting the drive to imperialism in the shift from competitive to monopoly capitalism, these theorists seemed able to explain why states came to express the competitive interests of their national capitals in military and geopolitical forms. But that was not really an explanation, for it took for granted something that a theory of capitalism cannot simply take as given (however much it is empirically manifest): the national form of the state. If we *assume* the national form of the capitalist state then, yes, we can see how monopoly formation may have led, for example, to increasing rivalry between national states and their capitals for market access.

But, once again, why was/is the capitalist state a national state? Why did capitalist class relations and accumulation strategies find expression in a territorial political framework to begin with? Lenin, as Anthony Brewer notes, never explained why countries/states should be 'relevant units' in the process of capitalist expansion (Brewer 1990, 122), and David Harvey notes:

To convert the Marxian insights into a geopolitical framework, Lenin introduced the concept of the state which, to this day, remains *the* fundamental concept whereby territoriality is expressed. But in so doing, Lenin largely begged the question as to how or why the circulation of capital and the deployment of labor power should be national rather than global in their orientation and why the interests of either capitalists or laborers should or even could be expressed as national interests. (Harvey 2001, 326)

The contemporary return to imperialism theory runs the danger of replicating these theoretical problems, despite all the efforts of the last three decades to develop a Marxist theory of the state. As Callinicos (following Colin Barker 1991) points out, these efforts were mostly limited by their failure to start, from the outset, from the exclusive and multiple territoriality of the capitalist state. But Callinicos's attempt to provide an answer to the question he poses, namely that of the 'plural character of the [capitalist] state system' (Callinicos 2007, 544), by referring to the necessarily uneven and combined nature of capitalism, cannot entirely convince. Charging us with a 'mistaken view of the development of capitalism' (Callinicos 2007, 538),² Callinicos fails to offer either a theoretical derivation or a historical specification of the conditions under which capitalist class relations took shape, politically, in the form of multiple and competing sovereign states. At best, he explains why the itself unexplained inter-state system *persists*, pointing to the ways in which competition and unequal development between existing states act to prevent the formation of a permanent cooperative or integral structure among them. While this logic of anarchical competition between unevenly developing states may indeed be useful in helping us understand the persistence of exclusive and multiple territorial sovereignties (which is the point

² Ironically, Callinicos's own sketch (Callinicos 2007, 540–541), of the origin of the inter-state system based on Brenner's approach, and his extension of this perspective to the military dynamic of capitalist late-industrialization processes seem perfectly compatible with our own arguments, which we have developed in historical detail in Teschke 1998, 2002, 2003 and Lacher 2002, 2005, 2006.

of Ellen Wood's (2002) argument), it should be noted that it is very much at odds with the developmental logic outlined by both Lenin and Bukharin (a point to which we shall return later).

So *why* is capitalist modernity's political space fragmented along territorial lines, demarcating sovereign realms each seeking to organize and mobilize capital on the basis of distinct national interests? It should be noted that, in some ways, this conceptual problem is specific to historical materialism (though most historical materialists do not recognize it as such). For Weberians and other methodological pluralists, the issue is relatively unproblematic in that capitalism and territorial sovereignty are regarded as two particular and distinct historical forms of organization of the economic and the political structures of society respectively; as these structures are developing autonomously (though in interaction with each other), there is no theoretical enigma to be found in the fact that an inherently non-territorial system of capitalist market-relations should coexist together with a system of territorial states. While Weberians have developed competing explanations of the supposedly interrelated origins of capitalism, the state and the states system, they are not faced, at the very outset, with a paradox. Indeed, most historical sociologists have highlighted the ways in which militarized inter-state competition has fostered capitalist modernization processes, and vice versa.

The issue is more problematic, however, for historical materialists, even when they develop descriptively similar historical accounts. If we start from the notion that historical epochs are defined by particular property relations (or, more traditionally, specific modes of production), then it becomes necessary to explicate the major structures of society in terms of these property relations (or, at least, in terms of their relation to these property relations). In the case of the capitalist epoch, it is clear, for instance, that capitalism cannot be understood, as Weberians do, as simply an economic structure. Capitalism is, in a historical materialist perspective, a mode of societal organization that involves *both* a particular organization of production and exploitation *and* a particular differentiation between the private and the public—a differentiation that could not hold in pre-capitalist societies, as the relations of domination were identical with the relations of exploitation. The public state then appears as a paradoxical entity that assumes an 'abstractly political' character, yet also turns into a central site of struggle over the ongoing institutionalization of social property relations, the organization of capital accumulation and the terms of redistribution—a second-order alienation that becomes highly politicized. More specifically, capitalism facilitates the institutional separation of the relations of rule and surplus appropriation, since the latter can operate in the process of production itself rather than, as in all other class societies, after production by political (coercive and legal) means. This institutional differentiation, however, forms the centre of social conflicts as it is regularly challenged and actively—often violently—reproduced. Capitalism thus generates the appearance of state autonomy, rather than imposing its structural necessity.

The capitalist state, uniquely, appears 'abstractly political', though not in the sense of the 'nightwatchman' state of liberal lore (and it should be noted here that we do not seek to imply that this abstractly political state does not 'intervene' in the economy in manifold ways). Yet, the conflicts over the control of the capitalist state determine the degree to which capitalist property relations, the process of

surplus appropriation and the conditions for capital's profitable re-investment are re-politicized or de-politicized (implying that the separation of rule and exploitation is as much apparent as it is real). In a way, it is this regulatory capacity of the state as a site of conflict that does not simply intervene from the outside into an ongoing process of capitalist reproduction, but constitutes its dynamics in a fundamental sense as a sociopolitical, and not merely economic, relation.³

What does this conceptualization of the capitalist state imply for the theorization of the IR of capitalist modernity? In our perspective, the main implication is that we must return to history in order to reconstruct historical materialist theory. For the critical study of early modern European societies seems to suggest that much of the Marxist narrative (and that of Weberian historical sociologists to boot) has been far too keen on identifying 'capitalist' or 'modern' elements in their efforts to maintain Karl Marx's notion of a more or less system-wide and necessary progression of modes of production (or Max Weber's inexorable rise of Western rationality). The work of Robert Brenner (1985, 1993) and similarly that of Heide Gerstenberger (2006), in contrast, indicate that the class structures, along with systems of rule and material reproduction, of different parts of medieval and early modern Europe followed fundamentally distinctive trajectories, and allow us to recognize the emergence of capitalism as a much more localized and specific phenomenon than either the traditional Marxist or the Weberian straightjackets would suggest.⁴

One implication of 'Political Marxism' is that the widely shared notion of the simultaneous emergence of capitalism, the sovereign state and the system of territorially organized sovereignties—their co-emergence and co-constitution—appears as historically and theoretically problematic. Indeed, it is not only problematic, but fundamentally implausible. We suggest, therefore, that any attempt to develop a theory of IR in the capitalist period needs to start from the recognition of the socially spatio-temporally differentiated and geopolitically mediated trajectories of territorial state formations and the emergence of capitalism.⁵ And, if this perspective is applied to the historical material, it becomes very apparent not only that regional developments in Europe (and beyond) were highly differentiated, but also that a territorially defined

³ This raises, of course, the question of to what degree there is any definitional coherence to the concept of capitalism itself.

⁴ It should also be noted that this perspective is not Eurocentric in the sense that it assumes something inherent to the course of European history as a whole—be it either a specific form of European rationality, as Weber believed, or a specific succession and concatenation of forms of sociopolitical organization stretching back to antiquity, as Perry Anderson suggested. If anything, it is an Anglocentric perspective that does not posit normatively any superiority or greater 'rationality' of England or the English people. Instead, it highlights the specificity of a regional sociopolitical transformation and the concomitant construction of new forms of economic and political subjectivity that would create consequences of world-historical relevance, but does not presume that it was the inevitable and teleological product of a directional historical evolution.

⁵ The original research programme of 'Political Marxism' as that of Heide Gerstenberger paid little attention to the problematique of the states system and the international. It remained wedded to the comparative method, according insufficient empirical and, especially, theoretical consideration to the effects of international relations on regionally differential development and the general course of history.

geopolitical pluriverse preceded the rise of capitalism and modern sovereignty. It was not the contingent legacy of an untheorizable past or the independent by-product of autonomous military or political sources of power, as neo-Weberians would want us to believe, but the determinate long-term consequence of centuries of social conflicts over rights of domination and appropriation over land and people amongst pre-capitalist classes. These conflicts stretch right back to the dissolution of the Carolingian Empire and finally crystallized in a primarily dynastic multi-state system. And this inherited territorial pluriverse has profound consequences for conceptualizing the *variable patterns of capitalist IR*, for it implies that the construction and management of capitalism was from the beginning contained in multiple states whose interactions had to be coordinated one way or the other (on the following see Teschke, 2003, 2005, 2006 and Lacher, 2002, 2005, 2006).

The best way to conceptualize this history of capitalist IR is not to stretch the notion of inter-imperialist rivalry beyond breaking-point or to revert to two distinct, competing and separate logics, as Harvey (2003, 29–30) suggests—a realist ‘territorial logic of power’, pursued by state managers, and a transnational ‘capitalist logic of power’, pursued by firms.⁶ Rather, the challenge is to show historically what constellation of sociopolitical forces struggled at any point in time over the control of the state, to establish which social interests prevailed, and to ascertain how the variable resolution of these conflicts shaped variable national and international strategies of accumulation and territorialization within a multi-state system whose anarchic structure and nationally differential development always posed problems of coordination and concertation.⁷ In this respect, it is not entirely clear to what degree Callinicos embraces Harvey’s notion of ‘two logics’ (reformulated as ‘two sets of different rules of reproduction’. However, the theoretical ascription of *one* generic rationality of permanent politico-territorial (imperial) accumulation to state managers seems to us as being as historically unwarranted and fraught with dangers of reification (constituting also an unnecessary relapse into realist verities) as the ascription of *one* generic rationality of transnational capital accumulation to capitalists. The question is never what state managers or capitalists *ought* to do or *ought* to have done according to an ideal-typified logic, but what they actually did. This is not to deny that ‘the logic of anarchy’ and ‘the logic of capital’ exercise certain pressures, but the ways in which states or firms react to these pressures cannot simply be derived from these ‘imperatives’, but always depend on a variety of factors—the balance of class forces, the degree of self-organization, the setting of hegemonic discourses, the mobilization of institutions and other sources of power, and so on. And this theoretical premise does not translate into the dissolution of theory or its

⁶ Wood points to two conflicting readings of the ‘two logics’ in Harvey. One suggests that unlimited capital accumulation, very functionally, requires a geographically co-extensive sphere of direct politico-territorial control, assuming a compatibility, if not identity, of interests between state and capital; the other suggests two distinct, separate and conflicting logics between state managers and capitalists that might contradict each other (Wood 2006, 11). While the first reading would make sense for the period of inter-imperial rivalry proper (but only here), the latter would lend itself more easily to a wider appreciation of capitalist international relations, but would then militate against Callinicos’s attempt to rescue the original Lenin-Bukharin thesis.

⁷ Brenner has recently arrived at a similar conclusion (Brenner 2006, 84).

subsumption under history, but requires an agency-centred and dialectical approach that accords explanatory primacy to the widely varying and fundamentally contested construction and implementation of strategies of territorialization and accumulation by historically situated actors—historically situated within the wider strategic force fields of domestic conflicts over the direction of policy and of spatio-temporally uneven and geopolitically combined development on a world scale. This move also requires a modification of Brenner's term 'rules of reproduction' (Brenner 1986) that also stipulates analytically a limited set of strategic options to class-specific reproduction and its replacement by the more flexible and historically open term, 'ways of reproduction'. Thus, rather than abstracting out two separate logics and then trying to reintegrate them historically by tracing their 'intersections' (or by complexifying the analysis through the progressive introduction of other sets of determinations), we suggest to proceed inversely by first reconstructing the real-historical socioeconomic and (geo)political conflicts in order to then arrive at the multiple 'logics' of capitalist geopolitical competition and cooperation, if the term 'logics' makes any sense at all. In other words, two theoretical logics will then not generate multiple patterns of capitalist competition, but the historical record of multiple patterns of competition and cooperation will dispense with two theoretical logics. This approach overcomes the dangers inherent in imparting one invariant rationality to state managers—territorially expansive power-maximization driven by the alleged competitive imperatives of geopolitical anarchy—and another invariant rationality to capitalists—transnational profit maximization driven by the competitive imperatives of the anarchy of the market.

This perspective implies not merely a need to recognize the gradual and protracted nature of the transition from feudalism to capitalism, as Perry Anderson would have it. Anderson contends that while the early modern period did see the rise of capitalist production relations—and in this sense pointed towards modernity—the absolutist state was developed as a bulwark to defend the aristocracy's privileges and incomes in the face of the dissolvent powers of money. In this sense, the early modern state represents a form of political organization that stands between feudalism and capitalism, and only becomes fully part of capitalist modernity through a series of bourgeois revolutions (Anderson 1974, 19). Nevertheless, for Anderson, the early modern period did witness the gradual separation of politics and economics, and the consignment of the two moments of social life to two separate spheres of society—though on the whole the dynamic of this society remained dominated by the political pole until this, too, was brought under the logic of bourgeois development.

The problem with Anderson's account is that it relies heavily on the notion that the private property rights that emerged in the early modern period were capitalist property rights, and thus constitutive of (at a minimum) a capitalist economy. But what sort of property did in fact emerge in France and other continental European states (those that also pioneered variations of the absolutist state)? To be sure, there was a widespread consolidation of property titles, increasing guarantees in law of possessions, whether movable or immobile. Merchants' wealth and the loans they provided to kings became more secure, although these loans were only forthcoming on the back of extraordinarily high interest rates. And the peasants were able to shed many of the feudal obligations

and fees associated with the feudal past. In this way, their control over their plots came to approximate the modern definition of private property.

But was it this type of property that structured the economic dynamic of early modern Europe? In a sense, yes, but only in a very inverted sense. Peasant proprietors did not—and could not—act as capitalists. Their situation made it ‘rational’ for them to pursue diversification, rather than specialization, to minimize dependency on unpredictable markets for agricultural products, and thus to limit commercialization. And, if peasants were far removed from being capitalists, much the same applies to merchants. The mercantilist policies of absolutist France, it has been suggested, were an indicator precisely of the *lack* of entrepreneurial activity of merchants and industrialists. Under these circumstances, it should never have come as a surprise when Theda Skocpol was quite unable to find either capitalist economic activity, or indeed a capitalist class, in pre-revolutionary France (Skocpol 1979, 51–67).

The point here is not simply that a capitalist dynamic was absent from the absolutist societies of continental Europe. More important is the fact that the consolidation of property rights among the peasants, in particular, was closely related to the emergence of a very different (though still ‘private’) form of property that had far greater and more devastating consequences for the economic, political and geopolitical development of early modern Europe. For once, the late-feudal nobility lost its coercive (though legalized) access to the surplus produced by the peasantry, it was forced to turn to the king for alternative forms of income. The French kings had of course played an important role in strengthening peasant proprietorship in their attempts to gain direct access to peasant surplus in the form of taxes. Now, as the *taille* diminished, undermining the very foundations of the aristocratic way of life and feuding, the kings were able to incorporate the nobility into their burgeoning state apparatuses by selling offices to generate income to finance their ever-costlier wars in a dynastic system of states that obeyed the pre-capitalist logic of geopolitical competition over people and territory: geopolitical accumulation. Conversely, nobles, bourgeois financiers (and increasingly merchants) found it attractive to invest available means in the income opportunities provided by this state apparatus, buying offices and thus regaining access to peasant surplus.

The consequent dynamic was marked not simply by the absence of capitalism, but by a necessary, if cyclical, pattern of secular economic deterioration which by 1760 had left the absolutist states of early modern Europe far behind the only country in which, arguably, capitalist development *had* taken place in the early modern epoch: England. In France, the socially and economically effective form of property was, as in all pre-capitalist societies, *politically constituted property* (Brenner 1985). The ‘tax/office structure’ of absolutist states was the expression of a new and distinctive form of political appropriation of surplus, which unlike in feudalism was no longer wielded by individual lords but embedded in networks of patronage, office venality and clientelism that were ultimately concentrated in the state apparatus itself.

This state, quite clearly, was not a capitalist state. It was the centre of a system in which political domination and surplus appropriation were organically fused. It was the apex of a system where both the *social property relations* (a much more useful concept than ‘property rights’) and the *social relations of sovereignty* were part and parcel of a society in which there was a systematic tendency for wealth to

be invested in the means of surplus extraction (offices held as private property, hereditary and with legally enforceable claims to the financial proceeds). As Richard Bonney, a leading scholar of absolutism, notes: 'Absolutism can be viewed as a set of arrangements, unique to a particular country, by which the civil power operated to protect private property rights such as those enshrined in public offices and annuities' (Bonney 1991, 360). In this society, as a result of the absolutist system of property relations, there was very little investment in the means of production, either by merchants and other members of the decidedly non-capitalist bourgeoisie, or by the peasants who in the face of growing exactions were increasingly unable to maintain, much less raise, levels of land and labour productivity.⁸ And it was this pre-capitalist state-society relation that came to dominate the specific dynamics of the 'Westphalian system of states'—the foundational myth of IR.

But if the countries of continental Europe, under different forms of absolutism or other non-capitalist forms of political-economic organization, were not capitalist, they nevertheless pioneered a form of state that continues to influence the organization of political space even today. To be sure, the sovereignty of these states remained personalized and incomplete and riddled by local and corporate particularisms. The territoriality of these states (a form of generalized personal dominion over the inhabitants of a territory) was not the impersonal territoriality of capitalist states in which the relationship between state and its subjects is regulated by the rule of law. But nonetheless, the emergence of these states did mark a change in the organization of social space that—though not constitutive of a 'modern international system' based on sovereignty or territoriality and lasting from 1500 (or 1648) to 1973 (or perhaps even beyond)—helps us to understand why the capitalist epoch that started at some point in the first half of the 19th century remains structured by a multiplicity of capitalist states. For it was during the absolutist epoch that territoriality received a much sharper definition, as the lord-based 'parcellized sovereignty' (Anderson 1974, 15) of the feudal period was transformed through the demilitarization of the land-based nobility and their absorption into the dynastic state. The territorial particularism of medieval times was thus transformed into the more homogeneous, if still shifting, territoriality of dynastic kingdoms.

The capitalist transformations of the continental European states took place in response to the dual pressure generated by the comparative fiscal-military advantages of the late 18th-century British state and the industrial revolution (and the hegemony built on it). Both resulted from the previous development of a system of agrarian capitalism and the subsequent shift from dynastic to parliamentary sovereignty that facilitated the growing rationalization of the English/British state in the wake of the Glorious Revolution (Teschke 2003, 252–62). In continental Europe, the fiscal-military superiority enjoyed by capitalist Britain undermined absolutism's ability to engage in successful geopolitical competition, exhausted its tax basis and state finances, and sharpened the domestic social conflicts over redistribution, leading to the terminal crises of the 'Old Regimes'. After the turn of the century, the products of British industry

⁸The predominant revisionist interpretation in the literature on absolutism is now powerfully surveyed and confirmed by Beik (2005).

not only challenged weak economies, they also threatened to increase immeasurably the gap between available financial resources for military purposes on both sides of the Channel—and thus the internal and external reproduction of the absolutist or post-absolutist state classes on the continent. Capitalist transformation here took the form of a profound and acrimonious crisis within the old ruling classes (reformers versus conservatives), resulting in a series of revolutions from above.

Capitalist ‘late development’ (for what the European states went through was not just, as Alexander Gerschenkron thought, a process of late industrialization, but a process of becoming capitalist in a situation where a capitalist country already existed), then, was originally designed to increase the geopolitical competitiveness of European states, or more specifically of their ruling classes; yet had the unintended effect of challenging and eventually undermining the social bases of their class power. ‘Late development’ sought to increase the capacity of these states to maintain their sovereignty, territorial integrity and strategic survival, while the rise of nationalism reinforced the momentum towards territorial consolidation. The double challenge of finding, on the one hand, new ways of making tax bases more productive and systems of taxation more effective and, on the other hand, of rallying the forces of nationalism by granting civil codes that flattened inherited sociopolitical hierarchies, fused in the eras of reform and the consolidation of the 19th-century nation-state. The reproduction of the territorial framework established in the early modern period supplied both the motivational source and the institutional framework for the management of capitalist transformation (with an international dimension in the form of the Concert of Europe).

In this sense, the social relations of sovereignty, and even the character of territoriality, underwent a radical transformation—except, of course, that it all took place within the framework of multiple states that continued claiming sovereign authority over territorial realms, as in the past. Exclusive sovereignty over territorially demarcated political spaces constitutes the structure of capitalist modernity not because it is in the nature of capitalism—much less in its concept—to generate such a state system. Capitalism requires some form of (geo-)political organization, but it does not require the specific configuration of the geopolitical in which it historically emerged: a system of states. There simply is no straight line from capitalism to any specific geo-territorial matrix or set of international relations. Counterfactually, it is perfectly possible to imagine that had capitalism emerged within an imperial formation—let us say, the Roman Empire—it would not have required its political break-up into multiple territorial units. Capitalism did not develop out of itself the system of territorial states that fragments capitalist world society; inversely, capitalism is structured by an international system because it was born in the context of a pre-existing system of territorial states.

The poverty of Marxist imperialism theory

There are good reasons to treat claims for the transition from national to global statehood with more than a dose of scepticism. While a hesitant and contradictory process of global state formation is an aspect of the current conjuncture, the uneven and combined development of capitalist states under ‘anarchical’

conditions seems to prevent the necessary consolidation of global state institutions. However, none of this can be derived, as Callinicos seems to suggest, from the Lenin-Bukharin thesis. Indeed, faced with the conceptual choice between inter-imperialist rivalry and ultra-imperialism in today's world, Lenin and Bukharin would be forced, on the basis of their own arguments, to accept the predominance of ultra-imperialism. For what is obscured in this stale debate based on the conjunctural circumstances of the early 20th century is that neither Lenin nor Bukharin considered inter-imperialist rivalry a possible long-term structural condition of capitalism. Instead, they outlined the spectre of an ultra-imperialist future as the most likely trajectory of capitalist development in the absence of a communist world revolution—something they both considered inconceivable. A short reconstruction will do, allowing us to debunk some of the myths surrounding the old and new 'imperialism debate'.⁹

Bukharin argued that the result of the early 20th-century internationalization of capital, as opposed to the exchange of goods typical of the world market in the era of free-trade capitalism, was the creation of an 'ever thickening network of international interdependence' (Bukharin 1972, 41–42). World market conditions (world prices and profit rates) came to form the presupposition of all 'national spheres' of capitalism. If this sounds much like the recent claims of globalization theorists, however, Lenin and Bukharin did not see such international interdependence leading to a harmony of interests between states. On the contrary, they argued that '[ca]pital export unusually sharpens the relations between the great powers. Already the struggle for opportunities to invest *capital* ... is always reinforced by military pressure' (Bukharin 1972, 100).

So corresponding to the internationalization of finance capital was a foreign policy that 'reduces itself to the struggle of the Great Powers for the economic and political division of the world' (Lenin 1973, 101). Force is ultimately the arbiter over the relative extent of each state's spheres of influence, colonies and so on. While military violence is not the primary tool of imperialistic statecraft, it can be expected to be employed when an existing balance of world market control and state power changes. Moreover, the necessarily uneven development of capitalist countries makes such shifts inevitable: 'Once the relation of forces is changed, what other solution of the contradictions can be found under capitalism than that of force?' (Lenin 1973, 116; Bukharin 1972, 87).

Thus, the internationalization of economic activity and increasing inter-state competition went hand-in-hand. The reason, as Bukharin especially sought to establish, was that 'the internationalization of economic activity is by no means identical with the process of the internationalization of capital interests' (Bukharin 1972, 61). As they became involved in economic activities beyond their national boundaries, individual capitals found that they have *parallel, not identical* interests (Bukharin 1972, 62). Internationalization therefore enhances competition between capitals and, in this competition, the relationship with their respective states becomes of great significance. In fact, Bukharin argues, this is increasingly a competition between state-organized blocs of national capitals. The process of monopolization, in this perspective, has turned each national economy into a 'single combined enterprise' organized through finance capital and the

⁹For a more systematic elaboration of this argument, see Lacher (2008).

nation-state. Crucially, therefore, 'together with the internationalisation of economy and the internationalisation of capital, there is going on a process of "national" intertwining of capital, fraught with the greatest consequences' (Bukharin 1972, 80).

It is on these grounds that Bukharin and Lenin dismiss Karl Kautsky's argument regarding the likelihood of an ultra-imperialist state trust, at least in the medium term. But there is a twist in this familiar argument that subverts any attempt to apply this argument to the post-war period and the present conjuncture. For Lenin and Bukharin did not just concede that ultra-imperialism is conceivable (as Callinicos suggests). Lenin, in fact, argues: 'There is no doubt that the development is going *in the direction* of a single world trust that will swallow up all enterprises and all states without exception' (Lenin's 'Foreword' to Bukharin 1972). If this sounds more like Hardt and Negri's *Empire* than Lenin's *Imperialism*, Lenin saw no real chance of this inherent capitalist developmental logic ever being realized; for 'before a single world trust will be reached, ... imperialism will inevitably explode, capitalism will turn into its opposite' (Lenin's 'Foreword' to Bukharin 1972).

A similar logic is set out by Bukharin, who specifies more clearly the conditions under which ultra-imperialism may be realized:

The great stimulus to the formation of an international state capitalist trust is given by the internationalisation of capital interests ... Significant as this process may be in itself, it is, however, counteracted by a still stronger tendency of capital towards nationalisation. (Bukharin 1972, 138)

However, Bukharin seems to suggest that there are some ways in which the internationalization tendency could prevail: if one capitalist state subordinated all the others.

But is not the epoch of 'ultra-imperialism' a real possibility after all, can it not be affected by the centralization process? Will not the state capitalist trusts devour one another gradually until there comes into existence an all-embracing power which has conquered all the others? This possibility would be thinkable if we were to look at the social process as a purely mechanical one, without counting the forces that are hostile to imperialism. (Bukharin 1972, 142)

Again, therefore, it is not the inexorable logic of uneven and combined development, which, according to Bukharin and Lenin, can be expected to maintain both the territorial sovereignty of capitalist statehood, and the dynamic of geopolitical competition. It was only the world revolution that in their perspectives prevents permanent ultra-imperialist concertation and global state formation. But the world revolution never came. Instead, World War II gave rise to something akin to the unipolar capitalist state system (within the bipolar Cold-War structure) envisaged by Bukharin. If this is more of a hyper-imperialist structure, its consequences may nevertheless come close to the conditions under which Bukharin saw the emergence of a true ultra-imperialist global capitalist state as possible:

There is only one case in which we can say with assurance that solidarity of interests is created. This is the case of growing 'participation' and financing, that is, when, due to the common ownership of securities, the class of capitalists of various

countries possesses collective property in one and the same object. Here we actually have before us the formation of a golden international. (Bukharin 1972, 62)

Only if the parallelism (and thus antagonism) of interests were to be replaced by an 'actual unity' of interests could inter-imperialist rivalry be avoided. This would require an internationalization of the 'capital interest' itself.

That something like this has occurred over the last 30 years is precisely the argument of Marxist globalization theorists, who argue that there are crucial differences between the forms of capital export of the age of imperialism, and the current age of globalization; the former saw the internationalization of money capital, while the present is witnessing the internationalization of productive capital leading to an intertwining of capital interests in transnational corporations, joint ventures and the like. As a result, it is argued, no longer do national blocs of capital confront each other, specifying distinctive and competitive national interests. We would suggest that, on the basis of their understanding of the developmental logic of capitalism, Lenin and Bukharin would therefore come closer to Hardt and Negri and Robinson than to Callinicos if they had been able to witness today's world.

Capitalism and geopolitics: one, two or many 'logics'?

This is not to say that we agree with the globalization thesis (should we call it 'Lenin-Bukharin 2'?) any more than we find the original Lenin-Bukharin thesis satisfactory. What stands out most clearly at the end of this article is the need for historical materialists to break free from the original debate on imperialism and the narrow framework it imposes on our attempts to understand the present. Broadening the issue of contention to encompass all forms of geopolitical competition, as Callinicos rightly suggests, does not lend new credence to the underpinnings of the Lenin-Bukharin thesis, no matter how modified, nor does it allow us to foreclose the possibility of 'ultra-imperialism'. We need to develop an understanding of different types and patterns of geopolitical competition and cooperation that goes beyond this dichotomy, in order to understand the historical evolution of forms of states and the changing dynamics of inter-state competition over the last 200 years. For even the most cursory glance over the history of capitalist international orders—from the establishment of the liberal trade system of the Pax Britannica and the 'New Imperialism' of Salisbury or Chamberlain, with its oscillation between 'formal' and 'informal empire' via the territorially expansive and economically autarchic *Mitteleuropa* and *Lebensraum* conceptions of German *Geopolitik* and the Japanese project of a 'Greater East-Asian Co-Prosperty Sphere', to the US-sponsored (but multilateral) post-war liberal world order within the Cold War context and contemporary European integration—shows how the historical record exhibits an immense co-variation in the nexus between capitalist states and projects of territorialization.

To negate these historical fluctuations as aberrations from a 'normal' correlation between capitalism and the classical states system would be to reify a structuralist view of an essentially invariant international order. The reality is that capitalist states have adopted different 'strategies of spatialization', ranging from the grant of full juridical independence to subaltern states, via semi-hegemonic projects like the European Union, to systems of outright territorial

control in the pursuit of *Lebensraum* or 'formal Empire'. Moreover, the capitalist core countries themselves have structured their relationships to each other and to the world market in historically changing ways. What an understanding of these diverse strategies of spatialization requires is an agency-centred perspective that emphasizes the variable politics and geopolitics of territorialization and de-territorialization. Inter-imperialist rivalry is best understood as but one historically limited variation, which needs to be set in the context of capitalism's crisis tendencies and class struggles in this particular conjuncture.

If we find 'geopolitical competition' at each of the decisive conjunctures of capitalist development, including the period of the 'hundred years' peace, it becomes clear in the light of those substantial differences that we need to go far beyond the development of an abstract theory of geopolitical competition based on the elaboration of two distinctive but intersecting 'logics'. Geopolitical competition after 1945, for instance, was not more of the same, but significantly different, just as the post-1972 and post-1989 periods (and again 9/11) ushered in new dynamics. While geopolitical competition characterizes the entire period of capitalist modernity, the specific dynamics of international competition (and cooperation) underwent conjunctural transformations that have to be set in the context of the variable resolution of specific social and international conflicts in the political and economic organization of capitalist modernity. Where Callinicos does speak to the 'changing structures of international competition', he remains entirely descriptive. While he recognizes the differences in international dynamics after 1945 compared to the period of the two wars and to the period of 'globalization', he provides little guidance as to how to conceptualize and explain these differences.

Furthermore, we should note that, far from the notion of inter-imperialist rivalry lending itself to the abstraction of a more general dynamic of capitalist geopolitics, we need to reconsider just how useful those classical Marxist theories of imperialism are for our understanding of the age of inter-imperialist rivalry itself, from the 1890s to 1945. The problems are familiar and include the relative dearth of capital exports to non-industrial markets and the rather mixed pattern of monopolization among the leading capitalist powers (Brewer 2000). It is, perhaps, finally time not only to debunk the applicability of 'Lenin-Bukharin 1' to the present, but also to recognize that Lenin, Bukharin, Rudolf Hilferding and Luxemburg did not even get their own period right. As we suggested above, any theory of the increasingly prominent role of the state in capitalist competition at the turn to the 20th century needs to start by not simply taking national states as givens, but by theorizing the national state form and its complex and contradictory internalization into the fabric of capitalist modernity. Finally, we need to reconsider the nature of the underlying dynamic that brought about the shift from relative cooperation to outright military, diplomatic and economic confrontation. According to Callinicos, the defining element of the late 19th-century shift to capitalist imperialism was the 'increasing interdependence of state and capital', with the result that 'inter-state competition became subsumed under that between capitals' (Callinicos 2007, 541). We would suggest that a reversal of the suggested dynamism might yield a more accurate understanding of this shift: the subsumption of capital under the state and the political mobilization of economic forms of competition.

Finally, Callinicos answers the question whether there is 'anything inherent in capitalism that tends to keep states plural' (Callinicos 2007, 544) in the affirmative, due to its tendency of combined and uneven development that regularly tends to destabilize unifying tendencies—destabilizations based on varying correlations of forces that are ultimately sealed by the proof of force. But to what degree is uneven and combined development inherent to capitalism? If anything, capitalism developed unevenly not because it is in its nature—conceptually, of course (that is, abstracted from history and agency), it should even itself out internationally through world-price formation and the long-term equalization of profit rates—but because its spatio-temporally differentiated historical origin and expansion was from the first suffused with non-capitalist (and often anti-capitalist) elements that produced and kept reproducing unevenness, manifested in differential strategies of late development and catching-up. In fact, the very notion of uneven and combined development—or socially uneven and geopolitically combined development—is meaningful only due to something that lies outside the pure notion of capitalism, but is constitutive of Leon Trotsky's term: capitalism's progressive historical development and incorporation of non-capitalist regions within and through an antecedent geo-territorial configuration that is not of its making—the states system. And although we may agree that this geopolitical premise, which forced Trotsky to decisively reformulate the notion of capitalism by adding 'uneven and combined', has historically exerted powerful barriers to the integration of states, it provides no absolute guarantee against its possibility, as the European integration project testifies.

What we therefore suggest is not a return to the 'old masters', nor a partial Harveyan move to Weberian pluralist models to capture the realist imagination and align power politics with Marxist concerns, nor an evolutionary understanding of capitalism's progressive cancellation of state-boundaries, nor even an orthodox reading of Political Marxism, but a constant attentiveness to the rich diversity of sociopolitically contested constructions of IR that time and again seem to escape the 'logics' of pre-conceived concepts.

References

- Anderson, Perry (1974) *Lineages of the absolutist state* (London: New Left Books)
- Barker, Colin (1991) 'A note on the theory of capitalist states' in Simon Clark (ed) *The state debate* (London: Macmillan), 204–213
- Beik, William (2005) 'The absolutism of Louis XIV as social collaboration', *Past & Present*, 188, 195–224
- Bonney, Richard (1991) *The European dynastic states, 1494–1660* (Oxford: Oxford University Press)
- Brenner, Robert (1985) 'Agrarian class structure and economic development in pre-industrial Europe' in Trevor H Aston and Charles HE Philpin (eds) *The Brenner debate: agrarian class structure and economic development in pre-industrial Europe* (Cambridge: Cambridge University Press), 10–63
- Brenner, Robert (1986) 'The social basis of economic development' in John Roemer (ed) *Analytical Marxism* (Cambridge: Cambridge University Press), 23–53
- Brenner, Robert (1993) *Merchants and revolution: commercial change, political conflict, and London's overseas traders* (Cambridge: Cambridge University Press), 1550–1653
- Brenner, Robert (2006) 'What is, and what is not, imperialism?', *Historical Materialism: Research in Critical Marxist Theory*, 14:4, 79–105
- Brewer, Anthony (1990) *Marxist theories of imperialism: a critical survey* (London: Routledge)

- Brewer, Anthony (2000) 'Imperialism in Retrospect' in Ronald H Chilcote (ed) *The Political Economy of Imperialism: Critical Appraisals* (Lanham, Maryland: Rowman & Littlefield), 65–83
- Bukharin, Nikolai Ivanovich (1972) *Imperialism and world economy* (London: Merlin Press)
- Callinicos, Alex (2007) 'Does capitalism need the state system?', *Cambridge Review of International Affairs*, 20:4, 533–549
- Gerstenberger, Heide (2006) [1990] *Die subjektlose gewalt: theorie der Entstehung Bürgerlicher Staatsgewalt [Impersonal power: history and theory of the bourgeois state]*, 2nd edn (Münster: Westfälisches Dampfboot)
- Hardt, Michael and Antonio Negri (2000) *Empire* (Harvard: Harvard University Press)
- Harvey, David (2001) [1985] 'The geopolitics of capitalism' in David Harvey (ed) *Spaces of capital: towards a critical geography* (New York: Routledge), 312–344
- Harvey, David (2003) *The new imperialism* (Oxford: Oxford University Press)
- Lacher, Hannes (2002) 'Making sense of the international system: the promises and pitfalls of contemporary Marxist theories of international relations' in Mark Rupert and Hazel Smith (eds) *Historical materialism and globalisation* (London: Routledge), 147–165
- Lacher, Hannes (2005) 'International transformation and the persistence of territoriality: toward a new political geography of capitalism', *Review of International Political Economy*, 12:1, 26–52
- Lacher, Hannes (2006) *Beyond globalization: capitalism, territoriality and the international relations of modernity* (London: Routledge)
- Lacher, Hannes (2008) 'Good-bye Lenin: inter-state competition and cooperation in capitalist modernity', forthcoming
- Lenin, Vladimir Ilich (1973) *Imperialism, the highest state of capitalism: a popular outline* (London: Merlin Press)
- Robinson, William (2004) *A theory of global capitalism: production, class and state in a transnational world* (Baltimore: John Hopkins University Press)
- Skocpol, Theda (1979) *States and social revolutions: a comparative analysis of France, Russia and China* (Cambridge: Cambridge University Press)
- Teschke, Benno (1998) 'Geopolitical relations in the European middle ages: history and theory', *International Organization*, 52:2, 325–58
- Teschke, Benno (2002) 'Theorising the Westphalian system of states: international relations from absolutism to capitalism', *European Journal of International Relations*, 8:1, 5–48
- Teschke, Benno (2003) *The myth of 1648: class, geopolitics and the making of modern international relations* (London: Verso)
- Teschke, Benno (2005) 'Bourgeois revolution, state-formation and the absence of the international', *Historical Materialism: Research in Critical Marxist Theory*, 13:2, 3–26
- Teschke, Benno (2006) 'Debating "The Myth of 1648": state-formation, the inter-state system and the rise of capitalism—a rejoinder', *International Politics*, 43:5, 531–73
- Wood, Ellen Meiksins (2002) 'Global capital, national states' in Mark Rupert and Hazel Smith (eds) *Historical materialism and globalisation* (London: Routledge), 17–39
- Wood, Ellen Meiksins (2006) 'Logics of power: a conversation with David Harvey', *Historical Materialism: Research in Critical Marxist Theory*, 14:4, 9–34