Marxism after Communism: beyond Realism and Historicism

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Marx always predicted that the development of capitalism as a social system would be punctuated by major crises, which would become progressively deeper and broader until the system itself was swept away. What he could not have foreseen was that the development of Marxism as a theory would also be marked by crises, both of belief and of method, which have periodically threatened its survival. In this respect at least Marxism has achieved a unity of theory and practice. No crisis has been so profound for Marxism, however, as the crisis brought about by the collapse of Communism in Europe after 1989.\(^1\) With the disappearance after seventy years of the Soviet Union, the first workers’ state and the first state to proclaim Marxism as its official ideology, Marxism as a critical theory of society suddenly seemed rudderless, no longer relevant to understanding the present or providing a guide as to how society might be changed for the better. Marx at last was to be returned to the nineteenth century where many suspected he had always belonged.

At first sight the collapse of belief among Marxist intellectuals is surprising. After all, Marxism as a distinct theoretical perspective, a particular approach in the social sciences, and an independent critical theory, had long been separate from Marxism-Leninism, the official and ossified state doctrine of the Soviet Union. The various strands of Western Marxism\(^2\) in particular had sought to keep alive Marxism as critical theory, and had frequently turned those weapons of criticism on the Soviet Union itself. ‘Neither Washington nor Moscow’ was a favourite slogan of the independent Marxist left. Indeed, what defined the so-called New Left which emerged in the wake of the events of 1968, was not just its critique of Western capitalism but its equally strong opposition to Stalinism in Eastern Europe and the former USSR.

But in spite of this attempt to break free from old intellectual shackles, Marxism in general could not entirely escape its association with actually existing socialism and remained deeply marked by the historical accident of being linked in the twentieth century so inextricably with the fortunes of one particular state: the Soviet

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Union. This association was fanned by the opponents of Marxism, who labelled all Marxists (and most social democrats) as Communists and totalitarians, notwithstanding their protestations to the contrary.³ But the association did have some basis in fact and was reflected most obviously in the ambivalence which the Left continued to display or feel towards the USSR. Even those Marxists most critical of the Soviet Union could not ignore its historical significance and the fact that it appeared to represent some alternative to capitalism, however flawed in its implementation, and a stage of society and history beyond capitalism. Furthermore, in the stand-off between the superpowers after 1945, the very existence of the Soviet Union limited the reach of the United States and created a space for resistance movements and alternative regimes in the Third World. Many Marxists, in fact, supported the USSR not because they admired the Soviet system, but simply because they were opposed to the United States, and because on occasion the USSR did lend support to revolutions, for example in Cuba and Vietnam.⁴ Many also gave reluctant support to the USSR because at times it appeared to represent less of a threat to peace than did the United States. During the most intense moments of the Cold War—especially in the early 1980s—many on the Marxist left tended to be less critical of the Soviet Union than the United States for fanning the arms race.

The link which developed after 1917 between Marxism and the interests of a specific nation-state had another major effect: the rise of a rival form of realism in international relations in the shape of official Marxism-Leninism. This offered an account of the international system based upon an instrumentalist account of the relationship between state policy on the one hand and the interests of national capital on the other. The struggle to seize markets, resources, and territory was regarded as the essence of the imperialist era, which Lenin predicted would be the last stage of capitalism. This brand of realism differed from mainstream realist theory in at least three ways: in being more openly materialist, in seeing a close connection between the action of states and their internal character, and offering a broader view of the determinants of state action than just the calculation by elites of their security interests. In the theory of imperialism in particular what states did abroad very clearly reflected the interests of the dominant sections of their national capital and not just something as vague and ill-defined as the national interest. Nonetheless, Marxism-Leninism still viewed the international system in terms of conflict and states, and competing national economies, rather than the global economy or the world system.⁵

It would be wrong therefore to see Soviet Marxism or Marxism-Leninism as having been theoretically opposed to realism. The opposition between it and mainstream realism as it developed in the Cold War era was primarily ideological. The partisans of the two realisms backed different states, but they shared similar assumptions as to how the international system worked, disagreeing only over which

³ A classic example is F.A.Hayek, _The Road to Serfdom_ (London: Routledge, 1944)
⁵ The international state system which emerged after 1917 invited the development of realist interpretations. E.H.Carr's attack upon idealism in _The Twenty Years Crisis: An Introduction to the Study of International Relations_ (London: Macmillan, 1939) made the case for a realist analysis of international relations and sparked a wide-ranging and still continuing debate. See 'The Eighty Years Crisis 1919–1999', _Review of International Studies_, 24 (1998). In his later history of the Soviet Union Carr went on to provide a systematic defence of the Soviet Union and its policies from a realist perspective.
state played the more progressive historical role. But what made two realisms possible was what made the post-1917 state system different from the state system of the nineteenth century. There was not just a continuation of great power rivalry, but also a contest between universalist ideologies and social systems. This became magnified after 1945 into a struggle between capitalism and Communism, each championed by one of the two superpowers. In this bipolar world the ideological struggle between East and West had a profound impact on domestic politics in all countries, and established a complex network of alliances. Even severe detractors of all great power politics were forced to have an ideological preference for either the United States or the USSR. It was scarcely possible to be even-handed and condemn both equally. And for many, the USSR was not only a key player in the system of states, but the ideological ‘other’—one which had a significance and magnetism far beyond its status as another superpower in a two-superpower world.

For this reason the collapse of the USSR had a deep impact not just on the international order but on the ideological arena of world politics as well. Its ignominious implosion appeared to destroy the credentials of the broad Marxist left at a stroke.6 The triumph of the West and the triumph of capitalism were complete triumphs, and were hailed—and widely recognized—as such. The pulling down of the statues erected to the leaders of Marxism-Leninism was paralleled by the metaphorical pulling down of the theoretical edifices of Marxism in the rest of Europe, as well as the Third World. For radical intellectuals (however distant they might have been from the Soviet Union) the shock was especially great. Politically they may have had little time for the USSR; however, so long as it survived in whatever state of political degeneration, it provided a point of reference for anti-capitalist opposition in the West. Critics did not have to profess loyalty to the Soviet Union; but the fact that it existed allowed them to be critics of their own society—and its disappearance made it far more difficult for them to remain so. How could they when Soviet-style planning had not only failed to deliver the goods but had been openly rejected by the majority of those who had lived under the capitalist alternative for so many years?

In this way the fortunes of the USSR and the fortunes of Marxism became fatally entwined, and this explains why the collapse of the former appeared much more significant than just the collapse of an especially large state. Marxism’s critics hailed it as an end of ideology, an end of history. Admittedly, Marxism lived on as the official doctrine of a number of states, Cuba, Vietnam, North Korea and above all China. But in the first three its only purpose seemed to be to justify one party rule, while China, though clinging to centralized party rule, has clearly abandoned the idea of creating an alternative society or economy. Instead from the 1980s it developed a state-led strategy which accepted China’s incorporation into global capitalism.7

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Crawling from the wreckage

What if anything is left from the wreck and does Marxism have any relevance in the new world order which has emerged in the 1990s? One prominent view is that Marxism is now defunct as a political practice and as an ideological doctrine, and that any insights which still inhere in Marxism as a mode of analysis are best dissociated from the Marxist label and incorporated in new forms of social science. Marx might then be used in a manner similar to Hobbes or Machiavelli or Kant, to reinforce an argument, or to offer a particular perspective on the problems of international politics. What would be abandoned would be the pretensions of Marxism to be a self-contained, over-arching theory of the social sciences, an interdisciplinary alternative to mainstream disciplinary approaches, with its own set of concepts, methodology, and special relationship to political practice.

Many defenders of Marxism argue however that the collapse of Communism, far from being a disaster, is in fact a great opportunity to revive the discourse of classical Marxism and abandon the doctrine of Marxism-Leninism. It liberates Marxism from a false position, tied by association to a state which had long since ceased to have anything to do with Marxism as a critical theory of society, and which represented not a step forward but a step backwards towards a just society. Marxism is therefore set to regain its vitality and its reputation for critical analysis which it enjoyed before the 1917 revolution. No longer linked to the fortunes of any particular state, it can analyse the forces which are shaping the international state system and the global economy in a dispassionate and objective manner, once again understanding the social relations of capitalism as global social relations. The analysis does not start from the nation-state; it starts from the global economy. The state is understood once more as one aspect of the social relations which constitute global capitalist society. Marxism has lost its chains, and can speak in its own authentic accents once more to reignite a revolutionary politics.

If Marxism is to have a future, however, it will not be because there is a return to the world before 1914. The global economy is very different today from what it was then, and forms of political struggle and resistance are very different also. When Marxism first emerged it identified the workers’ movement as the agent which would overthrow the capitalist system. Marxism at the end of the twentieth century is a theory in search of an agent. It is still capable of providing a searching and often unequalled account of the nature of the global political economy and the structures which shape its development. But as a political practice it is no longer a serious presence and lacks an effective political strategy. Very few parties of any size or significance now call themselves Marxist parties, or adopt a Marxist ideology. The old unity of theory and practice (often precarious in the past) has finally been sundered.

11 Cf. Michael Cox, ‘Rebels Without a Cause’.
This may turn out to be an opportunity. The creativity of Marxism has tended to be frozen by realist doctrines such as the theory of imperialism and by instrumentalist accounts of the state, but also by historicist narratives which identified the agent of revolution as the industrial working class, and socialism as the necessary goal of history. To regain its analytical power and its place among other key perspectives with which we try to understand our world, Marxism needs to rediscover what makes it distinctive, its critique of political economy. It does not start from a blank sheet. There is a rich legacy of ideas and approaches within Western Marxism which can be drawn upon. This article will discuss ways in which contemporary Marxist theories, often building on approaches to the international system which developed in the 1970s and 1980s within Western Marxism, are developing new ways of thinking about international politics which transcend the historicist and realist biases of the past.

Transcending historicism

Francis Fukuyama’s claim in 1989 (before the opening of the Berlin Wall and the collapse of the Soviet Union) that history had ended was roundly criticized, particularly by postmodernists who saw it as yet another meta-narrative of modernity, but perhaps least by Marxists themselves, who recognised the importance of Fukuyama’s question, drawn as it was from Alexandre Kojeve’s Marxist interpretation of Hegel. The issue Kojeve and Fukuyama raise is whether the great ideological contests unleashed since the French Revolution over the organization of economic and social life have run their course, with the acknowledgement that the institutions of free market capitalism and liberal democracy are the horizon of modernity. These are no viable alternatives to these forms, no higher stage of human development. Whatever can be achieved in terms of improving the distribution of resources has to be achieved within the limits of these institutions.

These claims strike at the core of Marxism as a political theory of revolution, since the aim of Marx’s historical materialism was to demonstrate that there was a stage of human development beyond capitalism which would guarantee the kind of freedoms and opportunities which capitalism had promised but was unable to deliver because of the way it was organized as a class society. Only the abolition of classes and the abolition of the conditions which reproduced class relations in a capitalist society could allow class society with all its inequalities of power and resources to be overcome.

Redressing such social inequalities remains at the core of any Marxist project, but what the debate on the end of history drew attention to was whether Marxists needed to be attached any longer to the particular narrative which for so long had framed its enquiries. This narrative was historicist by adhering to the notion that history had an objective meaning, and was evolving towards an inevitable destination through a series of historical stages. Such historicist guarantees in the past did

much to discredit and invalidate Marxist scholarship. The struggle to purge Marxism of this kind of historicism has been a long one; what Fukuyama has succeeded in doing (inadvertently) is reminding his Marxist readers that for Hegel, the meaning of history was revealed only after a particular phase of history is past. Hegel pronounced history dead after the battle of Jena in 1808, because he recognised in the principles of the French Revolution as carried forward by Napoleon's victorious armies the fully developed principles of modernity. What escapes Fukuyama and many of his critics is that the claim that history has ended can only be a judgement on a particular history, and a particular time. At the very moment of the judgement a new process will be under way. What is valid in Fukuyama is his insight that the end of the 1980s was a decisive turning point. A new world was being made, and this involved the supersession of the terms of the ideological battle of the old. What is invalid is his belief that this new world will not develop its own history.

The fall of Communism forced Marxists to acknowledge finally that the confident belief that socialism would involve the replacement of the market by some form of planning, however decentralized or democratically organized, was flawed. This belief was one of the lasting legacies of the 1917 Revolution. Although some Marxists always argued that the Soviet Union was not socialist at all but ‘something else’, many did believe that it contained certain socialist elements, however distorted and corrupted. Those elements were precisely the elements which prevented it from being a market economy and subject to market disciplines. And for most Marxists (though again not all) socialism was always identified with the existence of a non-market economy—and according to most Marxists this type of economy was either superior in character or in transition to something higher.

In the last ten years, this historicism has almost completely disappeared, and there is now little disposition to think about some stage of human development beyond capitalism guaranteed by the evolution of history. But this does not mean that it is not possible within a Marxist framework to raise questions about what an alternative to capitalism might look like, or what ethical principles may be used to criticise the existing organization of the international order. Two examples of these kinds of writing are the analytical Marxism of John Roemer and the critical theory of Andrew Linklater. Roemer has developed new thinking on the characteristics of a socialist economy. His version of market socialism offers a decentralized model of a socialist economy in which productive assets are publicly owned but in which all economic activity is organized through markets. This is a theoretical exercise, exploring different possibilities in social and economic organization. It starts from the assumption that a political transfer of all assets from private to public hands has occurred. Roemer is not interested in the mechanism by which such a transfer might take place, and those Marxists from the analytical school who have investigated that question have been pessimistic about the political conditions ever

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arising within democratic political systems which would create electoral majorities for socialism. Nevertheless work on organizational forms which do not prejudge the desirability of different modes of governance has begun to make a significant contribution to the imagining of alternatives to dominant capitalist forms.

Andrew Linklater has developed a very different kind of analysis. He has sought to extend the idea of critical theory developed by the Frankfurt School to issues of international politics. Linklater takes as the most important legacy of Marxism the development of a critical theory which explores the possibility for human emancipation and for creating a universal society, which would include all peoples, which the progress of industrialization has made possible. He argues that it was this insight which gave Marxism its great moral force and which allows the formulation of ethical principles by which existing arrangements in international politics can be judged.

The rejection of historicism by what remains of the Marxist left—and in particular the belief in the historical inevitability of higher stages beyond capitalism—has not of course meant the abandonment of historical materialism. It has rather aided the return to the fundamental contribution made by Marxism to the analysis of social development and to politics. Marxism’s great strength, acknowledged by many of its detractors as well as by its advocates, was its incisive analysis of capitalism as an economic and political system, how that system came into existence, the social relations and institutions which defined it, and how these were reproduced and sustained both temporally and spatially. Such a focus is more interested in capitalism as an existing reality rather than socialism as a distant possibility, and therefore more focused on capitalist reproduction rather than capitalist crisis. The adaptability, resilience, flexibility, inventiveness, and dynamism of capitalism as a social and political system take precedence in the analysis over its fragility, vulnerability, sclerosis and imminent demise. The possibility of crisis and the conditions under which it occurs remains a key part of Marxist analysis, but it is no longer considered within the political perspective of immediate political revolution and the transition to socialism, but within the broader context of the conditions of reproduction of capital.

The historicist elements in Marxism previously introduced a strong moralizing tone into the discussion of certain institutional characteristics of capitalism, particularly the market, because this was destined to disappear in the higher stage of socialism. With the discarding of historicism Marxists have been freed to develop a theory of the capitalist economy which no longer demonizes the market, but treats it instead as one tool through which economies are governed. This has opened the way to analyses of the institutional diversity of capitalism, discarding the assumption of an invariant logic of capital, and investigating the contribution which markets make

20 A forum which critically discusses Linklater’s most recent book can be found in *Review of International Studies*, 25:1 (1999).
to the reproduction of capital, how markets are embedded in other institutions, how they are constituted and regulated, and how they can be steered.23

Transcending realism

One of the distinctive contributions of a Marxist perspective to international politics is its understanding that capitalism from the beginning was global rather than national in its reach. This insight became clouded during the ascendancy of Marxist theories of imperialism, but in the 1970s it was reborn in new theories of how the economic, social and political institutions of capitalism make up a world system24 or world order.25 One of the spur to this has been the development of the discourse around globalization. Marxists can rightly claim that Marx and Engels were among the first nineteenth century theorists who perceived the trends towards globalization not just of economic activity, but of social arrangements, culture and politics. For Marx the creation of the world market was one of the outcomes of capital accumulation. The undermining of existing boundaries of territory and concepts of space was one of the main ways in which new sources of profit were located, and the reproduction of capital assured.26 Marx’s famous passage from the The Communist Manifesto is often cited, but it bears repeating, because it encapsulates so well the extraordinary insight which Marx and Engels had into the dynamism of capitalism and its consequences for the political organization of the world economy. Their tone, as many commentators have noted, was more adulatory than critical of the achievements of capitalism:27

The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. To the great chagrin of reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed not only at home but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property . . . The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian nations into civilisation. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls . . . It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what

it calls civilisation into their midst, i.e. to become bourgeois themselves. In one word, it creates a world after its own image.

This passage has been rightly cited as one of the first theories of globalization, remarkable for the way in which it draws together economic, political, and cultural aspects of the impact of capital accumulation and understands capitalism as a global system. But for much of the twentieth century the organization of capitalism as a global economy has not been central to Marxist analysis. Instead, as argued above, the organization of capitalism as imperialism, a more narrow political concept, was emphasized instead. One of the consequences of the collapse of the Soviet Union has been the recognition that the global economy has entered a new phase. For the first time since the early years of the century it can be said to be truly unified, or more accurately as Castells puts it, unified for the first time. In the seventy years after the 1917 Revolution the global economy did not cease to exist, but its organization was marked by the strength of national economies, regional blocs, and in policy terms by protectionism and state regulation. All national economies became relatively closed, particularly in the period up to the 1950s. In the 1960s and particularly after 1971 this structure of the global economy began to break down, and the pressures towards greater openness increased. The discourse of globalization became current, and then dominant in the 1980s. No country or regime appeared able to withstand the pressures for greater openness; the process culminated in the opening of the territories of the former USSR, which followed the previous opening of China (by its Communist Government). The extent of incorporation of many countries continued to vary, but only a very few countries in the global economy, such as Cuba and North Korea, remained significantly closed at the end of the millennium.

In the nineteenth century the growth of the world market went hand in hand with the strengthening of the most powerful capitalist states, and their political and military reach within this world market. While Marxists shared many of the same assumptions as liberal cosmopolitans like Richard Cobden as to the power of global markets to transform the world and undermine nation-states, they were also sceptical about the prospects for a peaceful world of economic interdependence. On the contrary they argued that there was a close connection between economic and political power, and that the state would be used to create favourable conditions for capital accumulation.

The relationship between the global economy and the international state system is a central question in international political economy. Marxists have always argued that there is a close connection between economic and political power although there have been fierce controversies about the degree of autonomy possessed by the state, and whether the state is best understood in terms of the logic of capital or the struggle between classes. But a further controversy which can only perhaps be fully

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appreciated now that Marxism-Leninism and the phase of Marxist realism are over, is whether the focus of the Marxist analysis of capitalism should be the national state and the national economy or the international state and the global economy. Are the social relations of capitalism to be grasped as global or national phenomena? Marx recognised the very strong pressures towards the creation of a unified global economy, and at the same time the fragmentation of political power into a multitude of separate authorities, but left relatively few clues as to how he would have theorized the tension between the two.

_Imperialism and war_

The tension has been resolved in different ways in Marxist writings. The most influential in the twentieth century was the theory of imperialism, and its variants, which offered a Marxist-realist account of international relations focused on individual capitalist nation-states. Theorists of imperialism argued that the most powerful states used their military and financial capacities to seize as much territory and resources as they could to increase the opportunities for successful accumulation by their own capitalists. The rivalry between the leading capitalist powers was therefore endemic in the system of capital accumulation itself. As the world market was extended and its immense possibilities opened up, the absence of any overarching political authority created fierce competition between states—economic, political, and finally military. The link between capitalism and war became one of the firmest postulates of Marxist analysis, expressed in its classic form in Lenin’s immensely influential pamphlet _Imperialism_.

The outbreak of the First World War appeared to vindicate this Marxist analysis, and with the establishment of the Soviet State this became one of its central beliefs and _Imperialism_ one of its canonical texts. However there were from the start other ways of analysing the tendencies of the global economy in Marxism, for example those developed by Karl Kautsky, Rudolf Hilferding, or Rosa Luxemburg; these became buried by the rush to canonize Lenin, and the freezing of Marxism-Leninism as a state ideology. The full richness of the Marxist analysis was obscured. Only much later did new theories of the global economy and world order re-emerge.

The thesis of imperialism leading to war had been employed to explain the division of the world into regional blocs in the 1930s and the outbreak of the Second World War, but the theory began to work extremely poorly from the 1950s onwards. The main conflict in the international state system was between the United States and the USSR rather than between the leading capitalist powers (Europe against America) and the great colonial empires were dismantled. The concept of discrete national capitals which underlaid the idea of imperialist powers using economic, political and military means to compete against one another, also began to break down as capital appeared to become more transnational with the emergence of large global companies.

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32 Peter Burnham, ‘Open Marxism and Vulgar International Political Economy’.
33 V. I. Lenin, _Imperialism: The Highest Stage of Capitalism_ (Moscow, 1917).
The greater openness of the global economy in the 1990s has echoes of the world before 1917, but with some important differences, not least the absence (so far) of the interimperialist rivalry, the aggressive nationalisms and the drift towards war which so marked international politics at the beginning of the century. The economic and organizational structure of capitalism is also quite different; in the course of the twentieth century it has been transformed by the rise of the public limited company, Fordist production methods, the incorporation of science into the production process, and the expanded role of the state in the reproduction of capital.

The more open global economy of the 1990s also contrasts quite markedly with the interwar years, when Marxists predicted that rivalry between the leading imperialist powers would again plunge the world into war. The contemporary (and highly uneven) development of new regionalisms around the three poles of the global economy—Europe, Japan and the United States—has introduced a new tension but hardly matches the regional blocs of the 1930s. The global economy is by no means free of military conflicts which continue to involve several of the leading capitalist states, but there have been no signs of military clashes between these states themselves.

Hegemony

One influential explanation for the lack of conflict in the Cold War era employed the concept of hegemony. The division of the world between the two superpowers helped to suppress the natural conflicts between different capitalist states, and enabled the leading capitalist powers to be successfully united under American leadership to defeat Communism. But some Marxists, like Ernest Mandel, thought that this was an unnatural state of affairs, and predicted that once tension was reduced between the superpowers the old pattern would reassert itself and capitalist states would once again use military power to further the interests of their national capitalists. But although the Cold War has now ended and the Soviet Union has been dismantled, there is no sign that the conflicts over trade and investment between the US and Japan, or between the US and the EU, which undoubtedly exist, will be resolved by force.

The concept of hegemony applied to the problems of the more open global economy of the 1970s and 1980s was important in stimulating the development of new approaches which rejected the nation-state as the primary focus, and sought to grasp capitalism once more as a global system of production and exchange. One of

the more ambitious attempts to do this was world systems theory.\footnote{Immanuel Wallerstein, *The Modern World System* (New York: Academic Press, 1974); C. Chase-Dunn, (ed.), *Global Formation, Structures of the World Economy* (Oxford: Blackwell, 1989); Immanuel Wallerstein, *The Capitalist World Economy* (Cambridge: Cambridge University Press, 1979).} Originating as a critique of modernization theory, it developed a concept of capitalism as a world system in which there was continual conflict between the Centre and the periphery and between the different components of the Centre for control of the periphery. The world system develops through cycles in which at any one time one power may be in a position to unify the centre and exercise hegemony over the whole world system due primarily to its economic dominance, which is closely tied to relative economic performance as measured by trade, productivity, and foreign investment. In world systems theory, the world moves through periods of relative stability and prosperity followed by periods of relative conflict, disorder, and war. The ending of the Cold War on this account does not signal the beginning of a new phase of American hegemony, but a phase in which American power will be increasingly challenged as other states assert themselves.

In world systems theory, capitalism is understood primarily as a system of exchange and circulation, rather than as a system of production. The competition between nation states is conceived still as realists would understand it, but there are many other agents and forces as well which shape the world system. A different approach was developed by Robert Cox. Like world systems theorists, Cox departed considerably from classical Marxism. He treated capitalism as a global system which needed to be understood through specific historical structures (ensembles of ideas, material capabilities and institutions), and at three different levels, (social forces, states and world orders). Cox included nation-states, but widened the analysis to production systems and broader forms of governance, and put special emphasis on the power of ideas. He drew on Gramsci’s analysis of national social formations to develop a historical political economy which provided a critical account of how world orders are historically constructed. This approach, as it has been developed by Cox and others, has come to be labelled transnational historical materialism.\footnote{Andre Drainville, ‘International Political Economy in the Age of Open Marxism’, *Review of International Political Economy*, 1:1 (1994), pp. 105–132.} At its centre is a different concept of hegemony. Cox is more struck by the strength of the forces holding the global order together than in its proclivity to self-destruct, and by the way in which transnational elites seek to win consent for particular visions of the world. He focuses particularly on how hegemony is constructed in a world economy in which political authority is fragmented, paying special attention to how transnational elites are unified through the creation of networks which share ideas, aggregate interests, and facilitate common institutions. These world orders\footnote{Robert Cox, *Production, Power, and World Order* (New York: Columbia University Press, 1987); Stephen Gill, *American Hegemony and the Trilateral Commission* (Cambridge: Cambridge University Press, 1990); ‘European Governance and New Constitutionalism: Economic and Monetary Union and Alternatives of Disciplinary Neoliberalism in Europe’, *New Political Economy*, 3:1 (1988), pp. 5–26.} give rise to what the Amsterdam school have called comprehensive concepts of control,\footnote{Henk Overbeek, *Global Capitalism and National Decline* (London: Unwin Hyman, 1990); Kees van der Pijl, *The Making of an Atlantic Ruling Class* (London: Verso, 1984); Kees van der Pijl, ‘Ruling Classes, Hegemony, and the State System: Theoretical and Historical Considerations’, *International Journal of Political Economy*, 19:3 (1989), pp. 7–35.} such as Keynesianism and neoliberalism, which are then diffused through national
political systems. Monetarism and neoliberalism were not ideas which arose in particular domestic contexts and were then exported. They were fashioned within the transnational networks of the capitalist class and then adopted and adapted within particular countries. Nation states remain important in this world but they are not all-important. There are many other agents, in particular transnational companies and international organizations, the ‘organic intellectuals’ of the new transnational ruling class. The needs of the transnational business elite for order and predictability leads to the creation of global institutions and the cooption of political groups around the world. One implication of these analyses is that a transnational state is gradually emerging in which key domestic elites have become part of a transnational elite, dedicated to maintaining the institutions of the transnational global economy rather than being concerned with purely domestic interests. The decisive locus of power in such conceptions lies with transnational capital itself; it is its interests and agendas which now drive the global economy and global politics. There are of course many frictions and conflicts, both within states and between them, but these have in general been managed and kept subordinate to the wider aims of ensuring that the global order itself is sustained.

**Accumulation and regulation**

An important alternative tradition to the emphasis on capitalism as a unified global system have been those traditions in Western Marxism influenced by Gramsci and later Althusser, which have focused on national paths of development, and national social formations, distinguishing between their economic, political, and ideological levels, and analysing the way in which different modes of production are combined. Most influential of these has been the regulation approach. The regulation school developed the concepts of regimes of accumulation and modes of regulation to characterize different national social formations. Regimes of accumulation are interlinked patterns of production and consumption which can be reproduced over a long period; modes of regulation are the rules, norms, conventions, networks, forms of governance, and institutions which organize and sustain regimes of accumulation. With these tools, regulationists have analysed the peculiarities of different national social formations and the types of production system, Fordism and post-Fordism, which characterize them. They show how certain kinds of policies and institutional arrangements protect and insulate societies. In this way the regulation school is part of a broader engagement by Marxists with the historical institutionalists in exploring the specificities of national capitalisms, and whether there are different models of capitalism, which are path dependent and institutionally distinct. The regulation school, although it discusses global trends and global patterns plays down the significance of either accumulation or the market on a world scale, preferring to

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analyse capitalism as a set of interlinked national economies, which are structured through political, legal and cultural relationships.43

The reproduction of capital

World systems theory, transnational historical materialism and the regulation approach have been criticised by those Marxists who wish to revive the classical Marxist emphasis on capitalism as a system which is defined by the accumulation and reproduction of capital.44 These approaches all emphasize the need to understand capital as a social relation—the accumulation of capital means simultaneously the reproduction and extension of the social relationships which constitute capital. These are long-term structures which include the economy, the state, and the household. Theorists such as Ernest Mandel have analysed the long waves of capitalist development, and their punctuation by social, political and economic crises.45 This Marxist tradition criticises world systems theory for its reliance on a theory of circulation, markets and exchange in its analysis of power in the global system, the Gramscians for the weight they give to ideology and politics, and the regulationists for their emphasis upon national social formations in the reproduction of capital and the imprecision of concepts like Fordism and post-Fordism. Classical Marxism has in its turn been criticized by representatives of these other schools for determinism and reductionism. But it remains a powerful analytical tool for seeking to understand capitalism as a global system of accumulation. A major contribution to this tradition has recently been made by Robert Brenner, seeking to understand the trajectory of capitalist development in recent decades.46

Fundamental to any Marxist analysis is its understanding of the economy, how capital is reproduced, how profitability is maintained, and how crises develop. The Marxist insight that the capitalist economy although fragile and unstable is also hugely productive, adaptable and dynamic directs attention to how capitalism reproduces itself. Reproduction of capital has increasingly been conceived in a much broader manner than was once common, in particular through studies of domestic labour and the organization of the household.47 Classical Marxism continues to emphasize that the driving force of capitalism is the search for profits, to make possible the self-valorization of capital; everything is secondary to this. The driving force is not the creation of a world market; rather the world market is an outcome of the drive for profitability.

One of the issues raised by the classical Marxist analysis of accumulation is how far this is a process outside politics, essentially ungovernable, a stream which can be dammed and sometimes diverted, but only for a time. Sooner or later the remorseless process of capital accumulation bursts through, subverting all the controls devised to tame it. Historical structures such as welfare states with their employment rights, minimum wages, and social programmes which have been established in so many advanced capitalist countries, although in different forms, may rest on economic foundations which can swiftly be undermined if those who control capital conclude that higher profits are to be made elsewhere. This idea of a race to the bottom, or immiserization as Marx and Engels called it, is regarded by classical Marxists as one of the historical tendencies of the process of capital accumulation, however much it may be delayed or diverted for long periods. Capital always seeks out those circumstances in which costs are reduced to the minimum and profits maximized. The ability of capital to do this depends on a number of factors, including the utilization of new technologies and the speeding up of the pace and intensity of production to increase the exploitation of labour, the transfer of costs to the state (hence to the general taxpayer rather than the individual capitalist), the reorganization of domestic labour, and the discovery of new markets. Under capitalism no pattern remains fixed for ever. Upheaval, crisis, reorganization, innovation are the essence of this most unpredictable mode of production.

The continuing power of classical Marxism to inspire major insights into the shape of international politics can be seen in two major recent works by Manuel Castells and Giovanni Arrighi. Capitalism’s dynamism always seems at its greatest in periods of great technological innovation, and the period at the end of the twentieth century with the unfolding of the informational revolution is certainly one of those. At such times all forms of employment can be affected, and huge transfers take place between different sectors of the economy and types of occupation. The consequences are profound for individuals but also for national economies. Castells in the spirit of classical Marxism charts how a fundamental change in the way the mode of capitalism is organized has implications for all aspects of social life—culture, politics, identity, leisure, consumption, technology, work, and households. At the same time for all the dynamism of capital and its ability to subvert all existing patterns of social life, Giovanni Arrighi has also pointed to the persistence of hierarchical patterns and uneven development in the world economy. The rich economies stay rich. In the course of the twentieth century the rank order of the leading capitalist states changed, but not the identity of those states, with one exception—Japan. Otherwise the list is the same in 2000 as it was in 1900. These two works have profound implications for our understanding of international politics and the global system.

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The future of Marxism

Marxism has the resources to detach itself from the ruins of Communism if it moves decisively beyond historicism and realism, building on some of the intellectual traditions of Western Marxism and developing critical theory, but not forgetting its central insight into the nature of society, the social relationships which define the different modes of production which have existed in human history. Many of the other aspects which have defined historical materialism in the past, in particular the historicism which saw capitalism as a stage of development towards socialism and the realism which analysed imperialism in terms of the strategies of national capital and states, have fallen away. But capitalism as a very present reality has not fallen away, and Marxism still offers a crucial set of concepts for understanding it.

What precisely is the nature of this contribution? The microfoundations of Marxism have not worn well, despite the huge investment of time and ingenuity in preserving them. The labour theory of value can be defended as a historical institutionalist account of the social relationships which define capitalism, and in which markets are embedded, but not as a device which allows precise measurement of prices or the modelling of the way in which markets work. Since prices cannot be derived from labour-time values, the microfoundations of Marxism cannot supply a theory of how resources are allocated in markets. But the microfoundations of mainstream economics do not provide an adequate account of the wider institutional context of markets. This is where Marxism can still make a major contribution. It provides an understanding of the nature of power, how it arises and how it is exercised in different modes of production through its analysis of how capital as a set of social relationships is reproduced. Understanding capital as a set of social relationships which are always capable of being contested politically and ideologically, rather than as a quantity of resources which are simply utilised in production, remains its critical insight.

Marxism is still noted for its concern with the dynamics of social systems. More than any other observer in the nineteenth century Marx had an extraordinary grasp of what made capitalism as a mode of production such a subversive and revolutionary force, although even he cannot have imagined what its full effects would be. His intuition that capital would not rest until it had pulled all societies and all sectors into the world market and until it had expelled living labour from the production process altogether by driving towards automation was remarkable when it was written, since capitalism had at that time penetrated a small part of the world, and only in England and a few parts of Europe had industrial capitalism really taken hold. Marx has always been much praised, even by his critics, for the quality of his foresight.

51 Andrew Linklater, The Transformation of the Political Community.
53 Ankie Hoogvelt, Globalization and the Post-Colonial World.
But while Marx was insightful on questions like this he was blind on other questions, particularly nationalism. This may be because Marxism’s peculiar strength is derived from its economism. Western Marxists for seventy years have been seeking to deny this and deflect attention away from it. Vulgar forms of economism, in which all politics and all ideology are simply reduced to crude class interest, and the state becomes a puppet in the hands of the ruling class, are uninteresting and have been rightly criticised. But attempts to prove that Marxism contains no economism at all end by throwing away what is still valuable in Marxism—its insistence on the need to understand how modes of production depend upon the continual reproduction of particular social relations which then have particular outcomes in terms of the distribution of power and resources. Marxism in the end has to stand by the claim that the economic power which accrues to the class which controls productive assets is a crucial determinant of the manner in which political, cultural and ideological power are exercised. Many kinds of sophisticated concepts can be deployed to understand the intricacies of the relationship, but in the end if the primacy of the economic is lost, then Marxism loses its distinctiveness and its value in social theory. There are after all many theories of the social which do not privilege the economic, or assume that modern society is to be understood primarily in terms of the way in which the economy is organised. Marxism does make this claim, and although it has often been made rather badly, it is a serious claim, which like Hobbes’ claim about sovereignty is a perspective on history and on society which cannot easily be set aside.

Making the most of Marxism as economism does not therefore mean embracing instrumental theories of class, which imply that class itself is the crucial feature of capitalism, and that the people who own property form the ruling class which controls society and politics. What is important about an economistic reading of Marx is the notion of capital as a social relation. It is the reproduction of this social relation, and its invasion into so many spheres of social life and into so many parts of the globe that is one of the most central features of any conception of modernity. The fragmentation of ownership with the rise of the corporate economy and the disappearance of an easily identifiable ruling class is not an objection to Marxism if what is important for Marxist theory is tracing how capital as a social relation is reproduced, imposing the structures within which all agents have to operate, whether in assisting capital or resisting it.

Marxism often lost its way in the past through claiming to be a total science of society, and moreover the only objective and true one. These claims were never credible and have become even less so in a period of questioning of the foundations and truth claims of all theories. Marxism is incapable of explaining all the trends and phenomena of the contemporary world, but it can offer an account of such matters as globalization, inequality, the informational revolution, the changing structure of work, and the changing nature of the state. It also has interesting things to say about the boundaries between the public and the private, and the meaning of non-commodified spheres such as welfare and health—public goods which exist outside the sphere of capital and its operations. But it also provides an understanding as to why any such noncapitalist spheres are never inviolable, and may be subject to political attack and invasion.

A contemporary Marxism needs to direct attention to the potentiality and the limits in the continued spread and development of capitalism as a mode of
production. The political interest behind this kind of enquiry has undoubtedly shifted. At one time the perspective was the coming social revolution which would remove the capital relation once and for all. Today’s Marxists are more likely to be concerned with how forms of governance at different levels of the international system, global, regional, national, subnational and local, may impose or release constraints on the way in which capitalism operates and is embedded in national and regional societies. This approach would not have been strange to Marx. He recognised the importance of reforms in limiting what capital could do in providing sites of resistance in which other social relations and ideas could flourish. The Factory Acts of the 1840s which set limits on the way in which children and women could be employed in factories were one of the examples on which he commented in *Capital*.  

Capitalism as a global system has grown both more interdependent and more fragile. It has generated enormous wealth and enormous knowledge in the last two hundred years which now support a population far in excess of any that has existed in previous human history. At the same time the distribution of the wealth capitalism created has remained highly concentrated and unequal, industrial activities have reached the point where they threaten the life support systems of the planet, and the system of accumulation itself is marked by huge instabilities and imbalances which could still implode in a devastating financial crisis with far-reaching political and economic consequences. Marxist analysis therefore points to the urgent need for new systems of multi-level governance in the global economy to identify, manage and steer these problems. Marxists remain divided in their prognoses. Some are pessimistic and fatalistic about the future of capitalism.  

It sometimes seems like a giant ship which has slipped its moorings and which drifts on to its destruction because no-one can find a way to steer it or take control. But others are more hopeful. If acts of resistance multiply, new structures and new institutions can be built. It may not be possible to live in the modern world without capitalism, but capitalism need not be a single fate.

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