

# **The New Stage of Capitalist Development and the prospects of globalisation**

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## **Abstract**

Dealing with the periodisation and current development of capitalism, this paper starts with a theoretical and historical assessment of *imperialism* in its Leninist conception. It is argued that the current developments and the rising globalisation of capitalism lead to a dialectical supersession of imperialism. Based on contemporary economic conditions and the current discussion regarding internationalisation / globalisation of capital, it is argued that a new stage in the development of capitalism is currently emerging, which is called *transnational* or *totalitarian capitalism*. After analysing the structural characteristics and the basic trends of this new stage of capitalism, an attempt is made to compare this theoretical conception with that of the *Empire* offered by Hardt & Negri. It is argued that the former approach constitutes a more adequate framework for understanding the current restructuring of capitalism. This approach and Marxian economic theory in general, updated also by some other contributions such as those proposed by the Uno school, can offer a robust theoretical framework for both understanding capitalist developments and prefiguring a prospective socialist society.

## **1. Introduction**

Future developments will significantly depend upon the current restructuring and development of capitalism. Theorising capitalist development, therefore, and the

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periodisation of this development more specifically, is important for both a better understanding of the real process of development and a partial determination of future developments.

It is not accidental that Marx did not only distinguish historically successive modes of social organisation of production, but he also shaped the conceptual categories which constitute a precondition for, or directly imply a periodisation of the capitalist mode of production. This issue has also attracted the attention of Lenin and other researchers or political leaders who dealt with imperialism in the early period of the twentieth century, as well as of more recent researchers.

The criteria of, and the level of abstraction at which periodisation should be attempted have given rise to considerable controversy and disagreement. Those following an Althusserian approach and Poulantzas in particular, uphold that periodisation should be conceived at the concrete level of each social formation, since it is at this level that class struggle is taking place (see Poulantzas 1975: 48, Panitch 1994). However, among else, the rapid internationalisation and transnational accumulation of capital during the last few decades and the intensifying struggle against capitalist globalisation tend clearly to undermine this argument. Here, I will subscribe to the view that periodisation should refer to a more general level of abstraction, that of the capitalist mode of production, but certainly at a lower than the most general level of abstraction (Fine and Harris 1979, Mavroudeas and Ioannides 2002). Based on certain criteria, which will be briefly discussed below, we can distinguish three stages in the development of capitalism, including, first, the stage of free competition (*laissez-faire*), from the early development of capitalism until the end of the 19<sup>th</sup> century, second, the stage of monopoly capitalism (imperialism, according to Lenin), from the beginning of the 20<sup>th</sup> century until the early 1970s, and, third, the emerging since then new stage of capitalism (Liodakis 2000, Mavroudeas and Ioannides 2002).

Before we embark to a more specific investigation and characterisation of the emerging new stage of capitalism, it is necessary, in the first place, to critically assess 'imperialism', both theoretically and historically. For the same purpose, a brief overview of the recent debate, regarding globalisation / internationalisation of capital and the changing role of the state, will also be useful.

## 2. Imperialism: A theoretical and historical assessment

The Leninist theory of imperialism, but also the relevant contribution of theorists such as Hilferding, Bukharin and Luxemburg, has up to date exerted a great impact. Assessing the Leninist conception of imperialism theoretically, we should first distinguish those potential weaknesses or inadequacies of the concept itself, within its own historical context, from a potential historical supersession which renders this concept, due to the altered objective conditions of capitalist development, rather obsolete and inappropriate for analysing contemporary developmental trends.

It should be noted, in the first place, that the Leninist definition of *imperialism* regards so much certain structural characteristics of capitalism, as also certain characteristics pertaining to the constitution of unequal and expansionary international power relations. And it is not at all accidental that the concept of imperialism has been historically associated, almost exclusively, with these expansionary characteristics. However, as it is also stressed in the relevant literature (Fine and Harris 1979: Ch. 7, Mavroudeas and Ioannides 2002), from its early stage, capitalism has developed international relations, which are characterised by competition among capitalist blocs (based on nation states) and by an unequal exchange between developed and underdeveloped countries. In this sense, therefore, imperialism does not solely pertain to the monopoly stage of capitalism, but constitutes the general mode of development of capitalism as an international system (see also Amin 1999: 161).

It should further be noted that Lenin defined imperialism ('The highest stage of capitalism') mainly on the ground of economic concentration and the rising of monopolies and 'finance capital', which he considered as 'the general and fundamental law' of the imperialist stage, as well as of the necessity for exporting capital from the countries of the 'overripe' capitalism, in order to be more profitably invested in the underdeveloped countries (Lenin 1974: 20, 63). Apart from the implicit assumption of an underconsumption theory, Lenin's conception of imperialism is closely related with exchange and competition in the market, which also applies for concentration, while international relations and contradictions are basically treated as relations or processes among nation states.

In this sense, Lenin's concept is both theoretically and historically limited. And this because, first, it focuses on the sphere of circulation and exchange, while the extraction and appropriation of surplus value from the sphere of production has a

more determinant role for the periodisation of capitalism, without of course ignoring the dialectic between production, circulation and distribution. Second, because it does not explain adequately the exports of capital among the developed capitalist countries (Siegel 1984: 95-98, Went 2002-03). And, finally, because in its Leninist version the concept of imperialism is essentially associated with a system of relations and contradictions between nation states, while recent objective developments render this kind of theorising extremely problematic. Even accepting that the state has objectively played a crucial role during the imperialist stage of capitalism, it must be recognised that today the functions and the role of the state have substantially changed (Harris 1999, Bryan 2001).

In the contemporary context, and referring to the so-called American ‘empire’, Leo Panitch (2001: 17) notes that ‘[i]t’s a type of empire which has penetrated other nation-states, and which, in turn, does indeed include them in decision-making – albeit not as equals’. Regarding imperialism it is pointed out that,

The trouble with the term ‘imperialism’, of course, is that it is too outside-in: you hear the term and it sounds like the Americans are dictating, where it’s in fact much more of a penetrative process; much more consensual, much more one in which the leading apparatuses of the states within the orbit of what Martin Shaw calls the ‘global Western state’ are on board, and, indeed, act as exponents of American policy in most instances. [...] Secondly, using the term ‘imperialism’ immediately throws up the misleading old idea, derived from the Marxism and to some extent even liberal theories of the early twentieth century, of inter-imperialist rivalry. [...] I don’t think any of the European bourgeoisies or European states have a project of challenging the American empire. They have a project, of course, of elbowing more room for themselves economically, militarily and in the intelligence field [...], but this is not a matter of inter-imperialist rivalry. [...] And it’s thirdly dangerous, [...] because the concept of imperialism can be utterly economistic, if it is derived directly from Lenin and Bukharin’ (Ibid).

It should be noted here that the conception of imperialism as a relation (and contradiction) between nation states and as a process of determination from outside has been reinforced through the prevalence of various versions of ‘dependency theory’, during the early post-war decades (particularly in the 1970s), which imply that imperialism is now manifested not only as a contradiction between states, but

primarily as a contradiction between centre and periphery. The work of Baran and Sweezy, as well as of other proponents of dependency theory (A.G. Frank, S. Amin, C. Furtado, F. Sunkel, et al.) has exerted a considerable influence and contributed to a significant shift of interest from the class capital-labour contradiction to derivative contradictions between nation states (or between centre and periphery). The current objective circumstances have, of course, led to a retreat of dependency theory, while the controversy regarding the internationalisation or globalisation of capitalism gathers momentum. A critical review and appraisal of the theories of imperialism leads today to a variety of different approaches (see Chilcote 1999). Some authors reassert the validity of imperialism as an expansionary trend of industrial capitalism (Barratt-Brown in Chilcote 1999), while others insist on the relevance of imperialism through dependency theory (Howard and King, Amin, Petras in Chilcote 1999). Several authors are today speaking of a new phase of imperialism (Munck in Chilcote 1999) or of a 'new imperialism' (Amin, Petras in Chilcote 1999, Amin 2000). From another perspective, a different approach focuses on the rapid internationalisation of capital, or on the post-imperialist and largely transnational condition of accumulation and development of capital (Becker et al. 1987). From this perspective, it is argued that international institutions tend to an integration of different national interests and to a formation of an international framework regulating access to economic resources and technology (see also Liodakis 2003). On this ground, a merging is taking shape among fractions of the ruling classes beyond national frontiers, which is crystallised in the constitution of an international oligarchy. Another hotly debated approach, regarding 'globalisation', is associated with the *Empire* of Hardt and Negri, which will be more specifically treated in a subsequent section.

As follows from above, there is a need to take into account the new objective conditions of capitalism (including the rapid internationalisation of capital) and to shift focus from the sphere of market relations to the very kernel of productive relations, without ignoring the metamorphosis of the nation state.

### **3. The internationalisation / globalisation controversy and the changing role of the state**

Taking into account the relevant literature, we could broadly identify three main theoretical trends concerning the internationalisation / globalisation issue and the

state-capital relationship. In the first place, the conventional and ideologically framed approach of 'globalisation' considers the increasing economic globalisation during recent decades as an inescapable and irreversible economic necessity, benevolent for all, which imposes the need on each country to increase its international competitiveness. This conception, however, does not only imply a class determined austerity policy and a wage depression, but it also obscures the partially intended character of globalisation, which reflects the specific class strategy of transnational capital that is largely promoted through international Organisations such as the World Bank, the IMF, the WTO, the G8, etc. This approach (or strategy) of globalisation has been criticised, among else, by some liberals, neo-Keynesians, and social-democrats, who consider it a negative (un-wishful) trend, due to its impact on national sovereignty, governance, cultural identities and the environment.

A second approach, which in different versions expresses various sections of the reformist Left, denies that globalisation reflects a real trend (Gordon 1988, Hirst and Thompson 1996, Weiss 1998), or considers the relevant term an exaggeration (Went 2003-03), and stresses the continuing importance of nation states. The globalisation trend, insofar as it is at all recognised, is considered either as not constituting a new phenomenon of capitalism or as an outcome of exogenous factors and particularly of the currently dominant neo-liberal policy, which could be reversed with appropriate reforms within a capitalist context. In this trend we should rather include some of the *Monthly Review* exponents, who, though often referring to globalisation, emphasise international state relations or regional integrations, and not capital as a social relation (Wood 1999, McNally 1999, Petras 2002). They rather misrepresent the dialectic between capital and the state, while they consider the issue of class formation exclusively within the national state context. Contrary to a proper Marxist approach, stressing the rising processes of internationalisation, they focus on inter-state relations or contradictions (see also Brenner 1998). According to this approach, all processes of capitalist internationalisation continue to be firmly grounded on particular nation states and are promoted by them.

A third approach, adopted by various researchers mainly in the Marxist Left, rejects the bourgeois platform on globalisation, which disseminates the impression of a uniformly integrated world economy, as well as the assumed 'erosion' or 'weakening' of the state. However, it takes sufficiently into account the rapid internationalisation of capital, which leads to decisive, albeit extremely uneven,

transnationalisation of the process of capitalist accumulation (Bina and Yaghmaian 1991, McMichael and Myhre 1991, Bryan 1995, 2001, Van Apeldoorn 1998, Yaghmaian 1998, Burbach and Robinson 1999, Burnham 2001, Radice 2001). This approach perceives the internationalisation / globalisation of capital as a systemic trend and an endogenous necessity of contemporary capitalism. It correctly focuses on the class relation and the relevant contradictions of capital, while considering, following Marx, that international contradictions derive mainly from class contradictions. Instead of speaking of erosion or weakening of the state, it considers that, nation states and the powerful imperialist states in particular, continue to play a powerful role. Nevertheless, it takes into account a remarkable transfer of state economic functions to supra-national Organisations and stresses the current important reorganisation and internationalisation of the state (Cox 1987, McMichael and Myhre 1991, Holloway 1994, Panitch 1994, 1998, Shaw 1997, Yaghmaian 1998, Robinson and Harris 2000). This process is largely determined by the increasing transnationalisation of capital, while the state, which itself constitutes a terrain of class struggle, actively promotes or facilitates the internationalisation of capital. In this sense, though the state continues to play an important role in it, the formation of social classes is considered as an increasingly transnational process (Robinson and Harris 2000, Burnham 2001, Sklair 2001).

#### **4. The emerging new stage of ‘totalitarian capitalism’**

As it becomes obvious from above, there is a need to reconsider periodisation of capitalism, on the ground of contemporary conditions, and at the same time clarify whether, and to what extent, the new structural changes of capitalism constitute sufficient evidence of a new stage in the development of capitalism. In this section I will briefly outline and partly substantiate a theoretical elaboration undertaken in Greece, during the last five or six years, by this author as well as other researchers and political activists. It is largely a collective attempt, which is based on a reconsideration of the Leninist conception of imperialism, as that presented above, and on the relevant international discussion regarding the contemporary conditions of transnational accumulation and the changing role of the state. It concerns the conceptualisation of an emerging new stage of capitalism, which has been tentatively

termed *transnational* or *totalitarian capitalism*. The latter polyvalent term is meant to imply both economic integration and a totalitarian political and social practice.

For the purposes of historical periodisation of capitalism, we could here suggest four criteria. The first concerns the fundamental (revolutionary) transformations of technology, which create the necessary conditions for a radical restructuring of capitalist production, without this factor leading to the one-sidedness of a technological determinism. The second is related to the organisational subsumption of labour and the other fundamental resources of production under capital, the particular mode of appropriation and distribution of surplus value, and the general terms of reproduction of class relations in society. The third concerns the competitive and/or monopolistic characteristics and the concentration of capital, while the fourth concerns socioeconomic regulation and the forms or the terms of socialisation of production, along with the complementary requirements regarding the forms of social authority and the state, at both a national and international level.

Examining now more specifically the recent developments of capitalism, under the prism of these criteria, we should, in the first place, point out that the economic restructuring and social change associated with technological developments during the last two or three decades are of an even greater significance compared to those characterising the period during the end of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> centuries (see Noble 1995: xi, 3, Caffentzis 1998/9, Harris 1999). Here, it should be understood that the current technological revolution has been developed on the ground, and is largely induced by the ongoing over-accumulation crisis that started in the early 1970s and the relevant restructuring of capitalism. At any rate, the current technological revolution (new information and communication technologies, biotechnology, etc.), insofar as it is crystallised into specific innovations, has a fundamental impact on the potential subsumption under capital, on the conditions regarding the reproduction of capitalist relations, as well as on the potential and the new forms of extraction of surplus value. A characteristic case, for instance, is presented by the impact stemming from the development of biotechnology and the expansive protection of relevant intellectual property rights (Lioudakis 2003).

Regarding the second criterion, it should be noted that the attempt to overcome the accumulation crisis and the tendency toward a declining rate of profit has led to a radical restructuring of capitalism on a world level. With the collapse of the countries of the so-called existing socialism and the abatement of the working class movement,

capital has been able, despite all resistance, to promote a radical restructuring of the labour process and employment relations, improving its valorisation conditions at the expense of wage labour. Flexible forms of organisation and ‘human-centric’ systems have been extensively introduced in production, enabling capital to exhaustively exploit the labour power, as well as the imagination and creativity of working people. Although the new combinations in the forms of extraction of surplus value are important, it can be suggested that what constitutes the landmark for the new stage of capitalism is the universal (tending to a total) subsumption not only of labour but also of science and nature under capital. Thus, through a drastic expansion of class differentiation and property rights, capital tends to continually extent its accumulation terrain.

With respect to the third criterion and the horizontal restructuring of the sphere of competition and exchange, we should take into account the increasing internationalisation of capital and the dominant trend of economic integration, particularly on a regional level, which imply an unprecedented socialisation (interdependence) of production on a world level. This process of integration is taking place under an increasing monopolistic control and, after the collapse of the Eastern bloc, it tends to acquire a truly global coverage. Despite this integration, the inherently competitive character of capital and the forceful process of restructuring imply an increasing tension between capitals, states, and large trading blocs.

Finally, the fourth criterion should be conceived as intimately interrelated with the other three and the relevant restructuring of capitalism. Two points should be stressed here. On the one hand, the rising concentration of economic and political power, the exacerbating crisis, and the deadlocks facing contemporary capitalism increasingly imply authoritarian (indeed totalitarian, in some respects) political and social practices. On the other hand, the requirements of transnational capital in terms of socioeconomic regulation and political authority have led to a radical differentiation and, indeed, internationalisation of nation states. For the same reasons, there is a parallel trend toward the formation of what some authors have called a *transnational capitalist state*, constituted by hegemonic powers, international Organisations (WB, IMF, WTO, etc.), economic fora, and capitalist groups such as OECD and G8 (see Guttman 1994: 341-42, Robinson and Harris 2000, Robinson 2001, Bryan 2001, Liodakis 2001). This transnational state form is an entirely new

entity under constitution, which implies the radical reordering, but certainly not the abolition of nation states.

Apart from these four criteria one could examine a number of relevant indices such as the following: (1) Exports as a percentage of GDP, (2) Foreign Direct Investment (FDI) flows as a percentage of GDP, (3) Stock of FDI as a percentage of GDP, (4) FDI flows as a percentage of gross fixed capital formation, (5) Percentage of employment in foreign affiliates, (6) Cross border transactions in bonds and equities as a percentage of GDP, and (7) Cross border Mergers and acquisitions (M&As) as a percentage of GDP. Almost all of these indices have rapidly increased throughout the post war period, or have skyrocketed for most countries or regions and the world as a whole, reaching historically unprecedented levels, particularly during the last one or two decades (see Perraton et al. 1997, Burbach and Robinson 1999, Duménil and Lévy 2001, Kotz 2001, Perraton 2001, Robinson 2001, UNCTAD 2002)

The preceding analysis regarding our four criteria of periodisation and the evidence available suggest that we are indeed witnessing an epochal shift in the development of capitalism, during the last two decades, and that a new stage of capitalism is emerging, which we have called the stage of *totalitarian capitalism*. It should be noted here that even authors who consider globalisation as an exaggeration, recognise that there are important structural and political differences of contemporary capitalism when compared to the period 1880-1940 (Went 2002-03). This epochal shift and the emerging new stage of capitalism could be further substantiated by examining the following aspects:

- The rapid development of international trade, despite the rising significance of intra-firm transactions, and scientific and technological information flows (see UNCTAD 2002).
- The transnationalisation of all circuits of capital, including financial (and speculative) capital, which is nothing but one of the three interrelated forms of capital.
- The rapid development and deepening of the international division of labour and the associated development of the socialisation of production on a world level (see Liodakis 2003).

- The global operation of the law of value, regulating this transnational process of accumulation and encompassing a specific network of hierarchical power relations and unequal exchange.
- The internationalisation of the state in relation to the transnational process of class formation (see Van Apeldoorn 1998, Sklair 2001).
- The increasing currents of emigrants and the associated transnational flows of wage labour.

It should be pointed out here that the emerging new stage of capitalism maintains some of the basic characteristics of the previous imperialist stage, while some new structural characteristics are also added on. It signals that stage at which quantitative changes in some factors turn into qualitative ones. In what concerns competition and the exploitation and accumulation potential, the impressive increase in concentration and monopolisation of capital leads to a complex and extensive development of large conglomerates, while the exhaustion of extensive limits shifts focus on the sphere of production and on intensive methods of development. Thus, while the conflict over market control still rages, a rising tension concerns the vertical reorganisation of capital, the competitive struggle over energy resources and communication cum transportation networks, and the subsumption of the fundamental resources (labour and nature) under capital. In this respect, it is of particularly crucial significance that the formal or real subsumption of labour, science, and nature is dialectically upgraded toward a universal (or total) subsumption.

## **5. ‘Empire’ or a new stage of capitalism? An ongoing debate**

In this section I will not specifically refer to alternative stage theories, such as the monopoly capital school, Mandel’s long wave theory, the Uno school, and the social structure of accumulation approach (see McDonough 1995, Albritton et al. 2001). Instead, I choose to focus on the *Empire*, the recent contribution by Hardt and Negri [H&N] (2000), on the one hand, because it directly concerns the current structure and the periodisation of capitalism, and, on the other hand, because this book has already had an impressive publicity and a considerable theoretical impact. It is worth, then, spending some time to sort out the ‘gems and baubles’ in the *Empire*, to use the expression used by Panitch and Gindin (2002). Several commentators have

already dealt with this book (see also Callinicos 2001, Dyer-Witheford 2001, Green 2002, Petras 2002). Here, I will more specifically attempt to evaluate the *Empire* theoretically, by comparing and contrasting it with the conceptualisation of a new stage of *totalitarian capitalism*, which has been developed quite independently in Greece during the last five or six years.

Among the positive aspects of H&N, we should note the fact that they are, largely correctly, stressing the limits of imperialism, as a stage of capitalism and a specific conception (H&N 2000: 229-31), and the need to move beyond the classical theory of imperialism (see also Green 2002). They also correctly link information technology revolution to the acceleration of globalisation and consider it as a response to capitalist crisis (H&N: 268). Moreover, they positively benefit from Marxian analytical tools, such as primitive accumulation, capitalisation and real subsumption to capital, in attempting to finger out the current restructuring of capitalism (H&N: 226, 337-38, 344). They also fruitfully analyse what they call ‘the virtuous dialectic of conflict between state and capital’ (H&N: 307, 325).

They correctly move against the prevailing state-centric wisdom (H&N: 349-50) and analyse the forces undermining national sovereignty, searching for a world basis of proletarian solidarity. Furthermore, they orient themselves in the right direction in trying to configure the constitution of a transnational capitalist state (H&N: xi, 336). In analysing the radical restructuring of capitalism during the last two decades, they correctly come up with the conclusion that we are witnessing during this period an epochal shift of capitalism (H&N: 237, see also Green 2002). Compared to current imperialist practices, they correctly prioritise class contradictions (H&N: 232-33) and speak correctly of the necessity for a global confrontation with capitalism, identifying anti-imperialism with anti-capitalist struggle (H&N: 206-07, 228-29, 234-35, see also Green 2002). Finally, they are also in the right track when analysing the systemic necessity of a society of control (H&N: 332, 337, 349), and this element is reminiscent of the totalitarian character of the emerging new stage of capitalism, according to our own approach.

Despite these positive aspects and some valuable insights in the *Empire*, this work is replete with theoretical inadequacies and deeply flawed methodologically. In the first place, the underconsumptionist interpretation of crisis and capital’s presumable dependence on its outside, during the imperialist stage (H&N: 154, 187, 208-10, 237), is certainly wrong. Their interpretation of crisis is equally wrong insofar

as it is grounded on an autonomist class struggle over wages, taking place at the work (see Callinicos 2001). It is also misleading to argue, as Hardt & Negri do (H&N: 268, 208, 235), that the proletariat has a ‘determinate role’ in inventing ‘the social and political forms that capital will be forced to adopt in the future’. This assessment surely derives from Negri’s past work and his autonomist and ‘workerist’ approach, but the potential impact of the proletariat, both in recent decades and very likely in the near future, does not come up to the overwhelming control of capital in both the production process and social organisation (see also Callinicos 2001, Green 2002).

By overstressing the impact of the information technology revolution, H&N (290-94, 364, 367) take a step further to argue misleadingly that the immateriality of labour has nowadays become a dominant trend and, hence, that the law of value is no longer operative. And this is not just an exaggeration, but also an important misconception of the significance of the materiality of labour as a decisive characteristic of the value-producing labour power (see also Dyer-Witheford 2001, Green 2002, Panitch and Gindin 2002). An important consequence of the argument about immaterialisation of labour is that the material conditions of production are largely evaporated, and with it also the capitalist specific property relations and the relations of production themselves. As for the operation of the law of value, one could argue that the current developments of capitalism tend, in some respects, to undermine the operation of the law of value (see Liodakis 2003), but it is quite another thing to argue, as H&N do, that the law of value has already become obsolete.

Apart from other methodological fallacies and the fact that ‘*Empire* is focused heavily on the politico-juridical constitution of the new global order, with relatively little political-economic analysis’ (Dyer-Witheford 2001), it can be argued that the postmodernist approach followed by H&N (154, 187, 208-10, 237) tends to undermine and ultimately nullify whatever valuable insight there is in this work. Although H&N approach postmodernism critically, based in particular on the theoretical work of authors such as D. Harvey and F. Jameson, who consider postmodernity as a new phase of capitalist accumulation, they nevertheless end up with a vague and highly questionable methodological approach. They are led to a superficial periodisation of capitalism, based, not on the structural characteristics of the capitalist relations of production and the mode of surplus value extraction, but on a highly arbitrary and abstract, temporal/cultural distinction (modern/postmodern).

This implies a largely un-dialectical distinction and contrast between *imperialism* and *Empire*, which for H&N denotes ‘a new form of sovereignty’ (H&N: xi, xii, xiv). Thus, investigating the passage from *imperialism* to *Empire*, H&N tend to a number of misconceptions. While the new sovereignty under constitution, that they are speaking of, may well be associated with the transnational capitalist state, which actually seems to be gradually emerging, it is at least premature and potentially wrong to speak of an absolute decline of the nation-state in the course of this passage (H&N: 236-37). It is also misleading to argue that this passage to *Empire* has already led, or could ever lead, to a ‘smooth space’ worldwide (H&N: 190, 327, 335). This ignores, not only the inherently uneven character of capitalist development, but also the internal contradictions and political conflicts characterising the emerging structure in the new stage of capitalism. The authors of the *Empire* reasonably suggest that now political conflict has turned into an internal, civil war. However, historically, they already prove to be wrong when they predict the end inter-imperialist conflict and the ‘reign of peace’ (H&N: 189).

The conception of ‘the multitude’, as the agency of an emancipatory anti-capitalist struggle and organiser of this struggle, is also deeply flawed, as H&N (52-53, 234-35, 364, 394, 402) shift focus from the sphere of production and exploitation to that of power in general, and thus they conflate in the ‘multitude’ whoever in their conditions of life experiences the domination of capital (see also Callinicos 2001, Green 2002).

Finally, it should be stressed that the use of the term *Empire* itself, both by H&N and all those who now, in one way or another, speak of empire politics, reflects a crucial shift of priority focusing on the sphere of power and governance. This does not only move from a historically specific analysis of the capitalist mode of production to a trans-historical search of common characteristics, in terms of power politics and governance (going back to Roman or other old empires), but it also turns the Marxian historical materialist approach, indeed, upside down.

Contrary to this particular approach proposed in the *Empire*, but also to other alternative theories of capitalist periodisation, I would argue that the conception of an emerging new stage of capitalism that we have called *transnational* or *totalitarian capitalism* offers a more adequate and helpful theoretical framework. This particular approach is explicitly based on the Marxian class analysis and historical materialism, while developing this traditional theoretical corpus by taking sufficiently into account

the current restructuring and internationalisation of capital, as well as the crucial changes in the character of the state. For the reasons already cited, therefore, it is not the *Empire* but rather the theory of an emerging new stage of *totalitarian capitalism* that offers both a better explanation of the current developments of capitalism and a more reliable political guidance in the struggle for social emancipation.

It should be noted that other theoretical trends, such as the Uno school of Marxism, have also contributed in the updating and development of the traditional Marxian approach. With respect to one particular contribution of the Uno school, it is stated that,

Marxian economic theory embodied in the theory of a purely capitalist society constitutes the ultimate critique of capitalism, for it demonstrates how even in its *ideal* operation capital or societies where material existence is reproduced primarily according to the principles of capital constitute the limit form of what a human society should *not* be: That is a society where human beings abdicate their responsibility for the reproduction of material existence to an extra-human force ... (Westra 2002: 64).

While I would not subscribe to the specific historical periodisation of capitalism offered by some of the Uno school exponents (see Albritton 2001, Westra 2001), it is certainly interesting that the specific developments involved in the emerging new stage of *totalitarian capitalism*, and the tendency toward a universal subsumption to capital in particular, are increasingly approximating the general theoretical guidelines of a purely capitalist society, as conceived by the Uno school. And insofar as the exploited and dominated classes have one hundred and one reasons to resist and ultimately obstruct a long-run consolidation of this new stage of *totalitarian capitalism*, history is most likely reserving a new, unpredictable as well as exciting page for all involved.

## **6. Theoretical and social perspectives**

At the beginning of the 21<sup>st</sup> century, the long-run over-accumulation crisis of world capitalism is, according to all evidence, still deepening, while all versions of Keynesian policy have failed to offer a cure and the neo-liberalist policy has also recently come to a painful deadlock. Capital, of course, has embarked on a huge restructuring and globalization strategy to stave off this crisis, though with inadequate

theoretical guidance and while its own historical limits tend to be exhausted. This restructuring strategy and the new socioeconomic conditions, during the last two or three decades, seem to give rise to a new stage in the development of capitalism. On the other side, however, there is a considerable resistance from the working class and an increasing struggle against imperialism and capitalist globalisation.

Social developments themselves have recently led to a flagrant disproof of theories regarding the presumable ‘end of History’, while the ideologically framed attempt to identify Marxism or communism with the collapsed state capitalist regimes of Eastern Europe has blatantly failed. On the contrary, and as it has become clear from above, Marxian economic theory and dialectical materialist methodology, updated to take into account contemporary conditions, can offer a robust theoretical framework that can serve both a better understanding of the current or future developments of capitalism and a reliable configuration of a prospective post-capitalist (socialist) society.

Regarding the later task, it should be stressed that, although the objective conditions accumulated by capitalism (mainly the development of the productive forces) constitute a crucial precondition of socialism, socialism itself, ‘far from being institutionally prefigured by the historical development of capitalism, rather constitutes the antithesis or institutionally structured “opposite” of capitalism’ (Westra 2002: 66). Some recent contributions to Marxian theory allow also a safe grounding of a prospective socialist society on ontological principles such as the following:

The first principle concerns a de-reified economy in which the responsibility for managing production and organising human material life is vested in human beings themselves, and not in any extra-human force. The second is related to the required de-commodification of human labour power, without the re-instatement of extra-economic compulsion. And the third concerns the necessity of a self-motivated work enabling the re-entrenchment of the use value dimension of socio-material life (Westra 2002).

However, as it is correctly recognised,

[G]iven the debilitating impact of centuries of capitalism upon human socio-material intercourse, it will take time for the regularisation among communities and economic sectors of relations of reciprocity and co-operation that would enable the withering away of forms of state and the flourishing of a world socialist commonwealth as ‘the kingdom of freedom’ (Westra 2002: 75).

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