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THE CORDON SANITAIRE

A Single Law
Governing
Development in East
Asia and the Arab World

Ali Kadri



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For Torkil Lauesen and his internationalist friends

FOREWORD

This book compares the most successful region of the developing world, East and Northeast Asia, especially the countries that joined the rich club, with a very unsuccessful region, the Arab world. On the face of it, it may be unnecessary to do so. Looking at the data informs an enormous contrast. In East Asia, we have industrialisation, steadily rising economic growth and closing income gaps, while exactly the opposite image prevails in the Arab region. However, to prove a point comparing data that are already self-evident in the given phenomenon is not the purpose of this book. Data alone without a conceptual framework rooted in categorical knowledge or without a specific social dynamic motivating success or failure are only part of the story.

Beyond the obvious averages, industrialised Israel and the smaller Gulf states, which are among the highest global per capita incomes, fall in an Arab region afflicted by several wars. The industrial Northeastern Asian states and a couple of smaller states in South Asia are also situated in an area with significant poverty and sweatshop working conditions. Although with so many Arab countries in a state of war, in addition to severe cases of malnutrition and near starvation in some countries like Yemen, the Arab region appears to fare worse, statistical weighting alone cannot tell us why some crossed the development threshold and others did not. At any rate, heterogeneity is akin to natural and social being, and empirical differences occur at every level between and within regions. Still, with a certain dose of subjective arbitrariness, empirics may lead us to innumerable theories or a sort of solipsism.

There is an additional remarkable difference between these two regions. East Asia has had its big wars about four decades ago and has become integrated with the global economy through market expansion or the sale of civilian end-use commodities, while the Arab region has experienced the highest frequency of war over the last four decades and is integrated with the world via the industry of war and the strategic control of oil. While the richer industrial Northeastern states assimilate the surrounding economies through lower end tech-production processes and sweatshops, Israel's expansion and superior power are a constant feeder of the war industry and integrate the Arab region via a domain of accumulation known as militarism. Yet, there is also a remarkable similarity between these regions. Rich countries in both regions are closely allied with US-led imperialism. In particular, the developed Asian countries serve as part of a Cordon Sanitaire hedging the advance of China and hence, the choice of title. Accordingly, one may deduce that to develop as such, or to grow wealthy and sustain a pro-imperialist working-class consciousness, a given country has to supplement US-led imperialist hegemony.

However, development under capitalism answers to the higher rates of profit through laying the appropriate social and political groundwork for production. Society receives the messages to remould social conditions to the desired profits from a market in which the exchange between commodities doubles for exchange between humans. In such a dynamic system, the input of labour into production is variable, and its costs must be kept to a minimum for profit rates to grow. The most violent practice of cheapening labour is a principal characteristic of the law of value. The subtitle of this book 'a single law governing development in East Asia and the Arab World', refers to the law of value. This law also regulates how much of society's labour and other resources should be used and to which areas of production they should be allocated. An obvious conclusion of such law is that it sets aside or destroys many resources, including human resources, especially when such resources do not cheapen labour or, inversely, boost profit rates.

Through the sale of labour power on the market, private labour becomes social labour or value. Unlike previous historical stages, it is only under capitalism that labour time becomes value via the exchange of its products in an alienated and objective institution called the market. This value, socially necessary labour time, is the resource society puts

to use to reproduce itself. No society can go on without working and that is why no social theory can be complete without a theory of value. Neoclassical economics also understands the importance of having a theory of value and it has its own: a subjective theory of value. It is a nice theory—maybe too nice! What I mean by nice is in this theory of value, the individual develops tastes for chewing gum or bombs, measured in utils (units of happiness) and that is essentially why these commodities acquire different values and prices relative to each other. What I mean by too nice is that while each individual is signalling with a certain taste what the world should produce, society achieves Pareto optimality and equilibrium: social costs meet social benefits at the juncture where no one can be better off without making somebody worse off.

With a bit of egalitarianism, the neoclassical set-up becomes utopia. In such utopia, the activity and tastes of polymorph individuals may not be governed by regulations and technical or social articulations but will be managed by social needs (tastes). In a society where production caters to tastes, the state may be dissolved as a separate instance from public coercion and politics—much as it voices the interests of social groups and covets the conquest of power—may be *de facto* dissolved. These two preceding sentences are not mine, they are the paraphrased version of Marx's definition of generic Communism. Had Marx only known that neoclassical economics also seeks the perfectibility of man, he probably would have kept at arm's length from such tiring critique of capital. Realistically, however, subjective value theory is trans-historical. Naturally, a well-to-do minority of individuals across history who enjoyed the luxury of choice valued certain things more than others. But most people are choiceless and work out of necessity. More importantly, each historical period has its own characteristics. This theory does not explain how society survives as capital socialises and commodifies everything under the sun, including labour power. The capitalist system overproduces for profits, while social needs cannot be met because the profit motive necessarily requires cheaper labour inputs and, hence, opposes the public demand for welfare. In the capitalist age, overproduction necessitates underconsumption.

While production for profits in East Asia meets the socially conditioned tastes for chewing gum and garment lovers around the world, production of bombs also meets remoulded tastes of a class with an in-built proclivity for devastating fireworks. Though much has been said about East

Asian super-exploitation and its high rates of surplus value creation supporting profits, it has also been somewhat taboo for Eurocentric social science to speak of militarism and its commercial exploitation. Colonisation, colonial wars and slavery are forms of commercial exploitation. In its early stages, capitalism was born in crisis and its law of value operated with more than just super-exploitation. It required the outright enslavement of people and the regulation of labour reproduction by measures of depopulation. But capital never came out of its crisis. Its appetite for higher rates of commercial exploitation had risen and acquired new forms. The bombing of states like Iraq into continuously warring territory depriving its working class from its potential medium of self-representation on the global stage (the state) is a form of mass de-subjectification similar to enslavement. An industry of war and drastic austerity, which combine to strip people of their collective will and regulate the reproduction of labour, are the structural representation of militarism.

There are broadly two views on why this militarism and its associated commercial exploitation, including depopulation or the premature extinguishing of labour power alongside the labourer in war and war-related industry, do not pierce the debate.

First, the Eurocentric left considers colonial pillage and imperial assaults as a historical bent pertinent to empires across history that falls outside capital's sphere of reproduction. Eurocentric accounts consider imperialist violence extraeconomic activity separate from the accumulation cycle. Much of the more violent facet of capital, imperialism, does not matter for exchange, and therefore, it does not involve the production of value. Even when such products of imperialism enter the sphere of exchange, they are produced with primitive technology and circulated at low prices, indicating little value relevance. Some also rely on the Marxian dichotomy of productive/unproductive labour, assuming that militarism cum commercial exploitation engages unproductive labour.

Second, the neo-Malthusian position considers that a population violently auto-regulating its reproduction relative to scarcity or finite resources to be more of a burden to capital because the lifebuoy of the planet (the Western hemisphere) bears the cost of refugee floods and interventions. Whether it is the death and starvation of Iraqi children under the UN embargo between 1991 and 2003 or the slowly inflicted Rwandan massacre of 1994, dispensability of human life is not a significant money-making operation. This approach is backed by a technological determinism, which disengages less productive labour whose empty

stomachs become the devil's playground. With a handful of humans with advanced machinery producing plenty of goods, the rest may perish because they hold little value for capital.

Since Malthus, the earth has become more able to support its inhabitants. Apart from the fact that overproduction flies in the face of Malthusianism, its real problem is in its mode of analysis. Reproductive behaviour and moral codes change with changes in the social forces guiding accumulation and their partition in thought partitions reality. Scarcity is socially construed, and technology can be put to the service of humanity. Shooting or sinking refugees at sea fleeing to Europe is not a sport, it is the product of ages of imperialist aggression in Africa and the Arab world. Once the fullness of reality is brought in, the conceptual rigidity of its analysis serves as the basis for right-wing demagoguery.

Now, we come to the less insipid explanation of the Eurocentric left and its ideological progeny in the former colonies. For a very long time, Western democracy has been a conveyor belt for paying off the central working classes, the imperialist foot soldiers of aristocratic nations and their ideological clones in the developing world. Democracy, in that sense, is another name for the distributional function of the state reasserting the international division of labour. It is no coincidence that many brands of Marxism predominant in the North, whose liberal adherents restrict their struggle to online activism on wealthy university campuses, are almost completely alien to Southern hemisphere. When social being and material circumstances determine consciousness, discrepancy between Marxist ideologies, North and South, comes clear. In a word, there is a material/ideological foundation why the left and right of Europe consider the non-European part of the planet cheap and outside the totality of the capital relationship.

In justification of its position, social democracy reverts to something of a holy scripture in Marx's *Capital* vol. I. European workers who do not own the better machines produce higher surplus value because the commodity they make, be it useful or just waste (bomb-like), is realised for higher prices in Northern markets. The one-sided abstractions in *Capital* vol. I, such as productive and unproductive labour, or prices set at values, which were adopted to reveal the source of surplus value, were also meant to be surpassed under fully mature capitalism. Whenever formal or one-sided concepts develop in reality, they will be fraught with contradictions. Reality develops by contradiction and that is why logical fallacies abound. Unless the whole world is of one quality and quantity,

there will always be a transformation problem. For instance, it is not the productivity of one worker that determines his or her wage rate. The working class receives its share from the additional wealth it created through its own struggle and unity or by the power balance of the class struggle. The politics of working-class struggle mediate such manifold differences of employed/unemployed, productive/unproductive and/or different skills. On capital's side too, it is not the single factory owner in Capital vol. I who revamps social conditions to lower necessary labour or their form in wages, it is the politics of the capitalist class and its practice of imperialism. The fixation of social democracy with the formal side of Marx, as opposed to the historical, is not innocuous. It says that our central wages are higher, and deservedly so, because our productivity is higher. Imperialism has little or nothing to do with it.

Confronting colonial slaughter in Alegria, Frantz Fanon critiqued the reluctance of European communists to support the liberation struggle and called for Marxism to be stretched. But in a theory of history rooted in the global class struggle, the revolutionary content of Marxism is already stretched. Moreover, value or wealth is both subject and object. Value is the pile of commodities and the subject cum relationships governing the reproduction of commodities. Over the last five centuries, not only Western wealth grew—commodities as such—but all the relations that ensure the perpetuity of such wealth or historical surplus value also grew. Militarism, new forms of de-subjectification or enslavement, and more of production as waste took hold to sustain the flow of labour and nature at minimum costs. A leading civilisation whose material culture evolves with the commodity as self-expanding value, that is, the contradiction between use value and exchange value, which historically (not *ex-ante* nor *ex-post*) takes its cue to allocate or destroy resources from things exchanging for things, developed an impenetrable ideological arsenal to further the rule of commodities over society. Working in the early sixties, Anouar Abdel Malek likened the imperialist stance of such ideology as Orientalism. It is not the same as the more recent literary critique of the bourgeois cant designated as hate jargon; it is the magnification of the contradiction within value itself, the commodity, which necessarily develops by violence. With imperialism grounding the material basis for the reproduction of European culture, revolutionary change from within is highly unlikely without a 'Re-Orient', as per Andre Gunder-Frank's major work, or the re-emergence of a counter-acting civilisation from the South, as per Anouar Abdel Malek's work 'Changing the world'.

Under capital, violence is both cause for itself, as in war for war's sake, and cause to pursue strategic interests. Both strands of violence are a domain of accumulation, a militarism as Rosa Luxemburg called it. In any accumulation process, it involves production, exchange and circulation of value. Subject to the law of value, it produces surplus value. How this surplus value is assessed depends on the power controlling the production of value, its unit of measure and the accounting system it uses to capture a moment of the process. In a structural world composed of a centre integrating some other less productive tertiary markets clustered around it, money-capital flows do not reflect the value arising in production. The dominant subject, imperialism, exercises authority to undermine the price of the value being produced. Theoretically, the centre could be funnelling money in aid and/or pseudo-humanitarian fair-trade measures, but at least by the inertia of the historical surplus value or the growing avarice of imperialism, a transfer of value from the subjugated markets has to persist.

In the sphere of circulation, such as increasing wages at home or development aid abroad, the activity of capital promotes its resiliency so long as demands for equalising value distribution in the sphere of production are halted. In this single but hierarchically structured market, in which the share of labour from the surplus product is determined by its solidarity, while conversely, capital manifests itself as subject in the dividedness of labour, the class struggle itself becomes the determinant of production. In militarism, war as industry and the class struggle coincide. As value is the share of the potential labour from total labour, regulating the reproduction of labour and labour power by militarism becomes the furnace of surplus value creation.

Militarism is the sphere of accumulation integrating the Arab world in a system of anachronic, social-time determined, production in which the realisation stage of commodities presupposes wars at the beginning and at the end of the production process. That is a world not orderly structured around a Manichean binary of 'good capitalism' and 'bad capitalism' and in which revolution is inevitable. It is the real overdetermined structure, intercausal, dominated by hegemonic imperialism opposed by weak anti-systemic liberation movements and where each subject realises its own material substance or class content. In such a world, many stages of production and realisation presuppose each other. Northern production pre-envisages war, and war itself becomes a stage in the realisation of Northern production. War as a form of militarism intensifies

the consumption of peoples stripped of their will and rendered commodity-like. The accelerated use of labour power, brain and brawn, in production as war is commercial exploitation. In relative terms, the Arab rate of surplus value creation by militarism and its commercial exploitation exceeds the East Asian super-exploitation. In most of this work, I make the point that exactly the same law of value, applied in two different forms of exploitation, imposes two different modes of exploitation to undergird the exponential profit rates.

In the last chapter, I investigate the possibility of relapse into militarism in East Asia. China's rise is inexorable. An American Asian pivot is confronting China's market expansion whose latest glitzy name is the One Belt-One Road. East Asia could slip back into militarism as a result of the recent military build-up. China is growing in real terms; it is owning assets abroad in areas controlled by the USA, not only financially. Its financial growth alone is not a threat to US-led capital. China is developing a fully integrated endogenous developmental capacity, including a sovereign production matrix, exacerbated by, and contingent on China's size. It is big in engineering and STEM subjects (science, technology, engineering and mathematics). Such is the real threat to US-led capital. At last, the 'East wind is prevailing over the West wind'. Yet, in language meant to stultify and allude to war as something inherent in human nature, mainstream social science has dug up pre-capitalist imperial wars to analogise the possibility of war as result of China's ascent. Unlike past imperialist wars, capitalism has a peculiarly nasty motivator for war: commodity fetishism. China's and the USA's proxy wars are already afoot. The heftier comprador elements of ruling classes in nations of the Asian Cordon Sanitaire and some of their downstream production subsidiaries may be itching for war, but the rest are in a bind. A war in Asia has a reputation for being nasty, and this time around, it may involve mutually assured destruction. War or not will depend on how the working classes around the world realise the seriousness of the existential debacle.

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Introduction and Background

Abstract This chapter introduces the objective, which is to compare the development of the Arab World and East Asia and posits that development occurs in the shadow of a cordon sanitaire strategically serving the security concerns of US-led imperialism. It tackles the problem of East Asia and the Arab World as representing two cases of imperilist practice and their corresponding policies leading to different developments. It concludes that the way to approach comparatives is not by spotting the infinite heterogeneity of actuality so that no conclusions can be drawn. It stresses that the apparent parallels or departures between the development courses of the Arab World and East Asia are not the result of good or bad capitalism, because there is only one capitalism whose practice of the law of value assumes different measures of repression reducing the value of labour power way below the wages paid out to the working class. Unless the comparative is posited in terms of class history as the practice of the law of value, all comparisons would be confined to an epiphenomenon in which only differences are the rule.

Keywords Comparative development · Development methodology · Economic policy

The impressive economic growth record of East Asia (EA) in the second half of the twentieth century transformed the economies of this region into a purported model for other developing countries and a benchmark

against which to evaluate their policies.¹ The successful interface of their financial, trade and macro policies with their particular conditions was touted as the procedure to emulate (WESS 2008). The economic role of the state was re-acknowledged as crucial for catching up, including the way they dodged the straightjacket of neoliberalism, calibrating their degree of ‘openness’ to certain development needs (Amsden and chu 2003). However, the case may be that these impressive economic results have been raised to the level of dogma, reifying these experiences into a set of universal policies, when in reality they could not be replicated in other contexts. This work compares the development experiences of EA, especially the experience of the richer nations that have broken through the development barrier (the breakthroughs), and the Arab world (AW) and posits that these regional development performances are intensely overdetermined by their modes of integration with world capital²: EA through accumulation by manufacturing of civilian-end use commodities and the AW through accumulation by militarism.³

Political and historical conditions for successful development vary, and so does the outcome of development. The EA–AW comparison cannot be framed in terms of two competing and universal models, in turn reduced to a debate between state-led and market-led development. Once the comparison is formalised, the choice of variables intended to prove similitude or difference becomes either arbitrary or argued according to blatant ideological proclivities. Not that any interpretation could stand above ideology, but arguments grounded in a reading of history disallow facile hypothetical theorisation or falsification of fact. Formalisation, the art of cross-sectioning and de-historicising social processes, only attests to the truth of the proverb that ‘all comparisons are lame’ and situates similitudes and differences at the level of epiphenomena, which easily lend themselves to quantification. Quantification cannot be eschewed, but if knowledge is to be reverse-constructed from appearances and quantities, qualities and/or the history of the development of objects, their laws of historical self-differentiation that demonstrate likenesses or variances, disappear.

In terms of economic success, Israel, a settler-colonial social formation transplanted into the AW, flooded with financial and military aid and situated in one of the hottest war zones on the planet, is roughly as successful as South Korea.⁴ Not all the Arab region failed and not all EA succeeded. When class lines that cross national boundaries are the starting point for theories of development, stories of success or failure

are linked together by class ties, while geographic or spatial conventions assume secondary relevance. The comparative development experience is never solely regional; it cuts across regions. Integrated within the American security nexus, highly developed states and imperialist security outposts such as Israel and South Korea are more at ease with the command of their policy space and resources than many others. This work argues that similarities and differences in social development between EA and the AW are principally products of an objective and impersonal class history that delegates to national forces the autonomy and the policy space in which to develop. As the power of the social and national revolutions in contradiction with imperialism wanes, it is the latter (imperialism) that develops or de-develops, and it does so by moulding social conditions to the requisites of rising profit rates.

The East Asian growth experience is based, among other factors, on the existence of states that enjoy a certain level of autonomy in relation to and by protection of imperial reach. The top performers who leapt into the advanced club have managed to guide the processes of structural transformation and economic growth in tandem with their joint national/imperialist security concerns. That empires strengthen, invest and securitise advanced outposts to defend themselves from potential competitors is an age-old practice. The many prosperous Levantine cities lying at the edge of the Syrian *Badiya* (desert), of which Palmyra in Syria still makes the news, were projects of the Roman empire to cultivate the loyalties of the local population and solidify its defences against the Parthians (Hilou 2004).⁵ In the same vein, the East Asian countries that have caught up with the advanced industrial club; they have done so *a fortiori* as a result of US-led imperialist and geostrategic objectives. These states industrialised, built national security and considered industrialisation as a subcomponent of national security, just as Soviet industrial policy initially took off to strengthen defence or as George Marshall envisaged for post-WWII Germany.

Regionally, the Arab dystopia as demonstrated by the recent uprisings began with the ebbing of the Nasserite period, the successive Arab defeats, especially in 1967 and 1973, combined with the collapse of the Soviet Union, the introjection of defeatism and the rise of the merchant mode of accumulation that steers resources away from industry. The Arab state has since been reduced to either a repressive apparatus that administers strategic resources at the behest of foreign powers or a fragmented class composed of internecine warring factions that realise

imperialist surplus and devalorise the national formation through self-destruction. Unlike the market for civilian end-use commodities mode of integration of EA, the AW is integrated into the global economy via the channels of war and oil.

Conventional explanations of development revert to notions of trans-historical cultural attributes that have suddenly awoken in the collective mind of the country in question as reasons for take-off or descent. They flaunt nationalistically bred success stories of elites coalescing around conjured nationalist ideals to empower the state as the ultimate resource allocator and marker of cross-country of variances (Migdal 1988). Conversely, countries that have failed the development test are implicitly or explicitly slotted into the category of undeveloped spirits whose time for fruition has not yet dawned (Collier et al. 2003). Whichever way one looks at it, the cultural discourse relies on unchanging historical attributes couched in a selective reading and periodisation of history. In an uneven global context in which there must be winners and losers, often by the use or the threat of military force, the articulation of historical forces that affords a degree of autonomy to developing states holds primacy over the role that nationally spawned relationships and institutions play in the race for development. Peripheral social forms, states and policies are subsidiary to the full weight of history and only mediate its outstanding contradictions. Spatially, global antagonisms materialised in a cordon sanitaire, may provide entente and more resources destined to civilian end-use, as in the case of EA, or conflict and the erosion of sovereignty steering accumulation to military ends and value destruction, as was the Arab case. The impact of development nationally is necessarily conditioned by the degree of power and autonomy a nationalist capitalist class enjoys vis-à-vis international capital in order to retain and recirculate its surpluses. Hence, it is within a post-WWII configuration in which US-led imperialism sought arresting the expansion of China and promoting the expansion of Israel that the relative success of EA and the derailed development of the AW are to be gauged.

However, the steep rise of China as an economic power in search of a political foothold is changing the rules of the game. Just in the same way that militarism and open conflict debilitated the AW, the recent rise of China is triggering a militarisation of Asia and a re-militarisation of Japan, which may, contingent upon shifting alliances, reverse Asian developmental achievements. The rate of surplus value is much higher under modes of commercial exploitation and war than

super-exploitation. Through depopulation, commercial exploitation consumes labour power by prematurely extinguishing lives at a much faster rate relative to other modes of exploitation. In re-conditioning the East Asian mode of production to higher profit rates, the time may have come for US-led imperialism to restructure power or draw more resources from that region by means of war, just as it does with the AW. In the final chapter, this work will touch on the crucial issue of the growth of China and its likely impact on its surrounding region. There is no clear answer to such a debacle; however, if the working classes of China and EA rein in the comprador elements in their ruling classes, the region may not slip into oblivion as happened in the AW.

In the main, this lengthy research will examine the balance of historical forces, their realisation of the law of value by the practice of imperialism, manifest in a shifting cordon sanitaire, which leads to divergent developmental paths in EA and the Arab region, respectively. In particular, it will highlight the importance of working-class security as the substance of sovereignty to restructuring societies in ways that resulted in sturdy economic growth with a closing income gap in EA—or in the opposite, extremely poor long-term averages of real per capita growth rates with widening income gaps, in the Arab regions.⁶

SITUATING THE ISSUE

The promotion of the East Asian experience to the status of a developmental model had a positive effect on questioning the recommendations of the neoliberal economic model (Yin 2011; Naqib 2016). By offering evasive manoeuvres around the diktat of received theory, manoeuvres intended to achieve tangible retention of the social product by the national economy, the emergence of the ‘East Asian Model’ pierced through the dogma surrounding developmental policies and the well-worn state-versus-markets fallacy. Apart from the dip in growth during the 1997–1998 Asian crisis, EA growth rates per capita remained in the healthy range, especially if China is added to the group (UNCTAD-TDR 2012). During the East Asian crisis of 1997–1998, which was ignited by a severe dip in chip prices, and accentuated into a bust as a result of excessive capital inflows trailing East Asian growth initially and whizzing out over long-term confidence in national markets combined with a dollar rally, was a one-time event after which the economy resumed its growth course (UNCTAD-TDR 1999). The bust occurred as a Minsky

moment, or a point at which the buoyant real economy drew in far more private debt than it could pay off when the real cycle recedes. However, the leading economies of EA are located/integrated in what would later become the most buoyant region globally (the China effect) and their export revenues are based on high value-added, science-laden content, and manufactured product to which the terms of trade are favourable.⁷ However, the lower end partners of developed North East Asia remain underdeveloped, with the FDI and other geopolitical rent components characterising their potentially unsteady path on the road to future development.

The East Asian social crisis lingered a result of USA's efforts to delay bailouts (through the IMF) and to undo the resonance of the alternative Asian model and simultaneously for Western capital to acquire higher ownership of Asian assets at cheap rates (Chandrasekhar and Ghosh 1998). Chandrasekhar and Ghosh (1998) also posit that the fall of the Soviet Union may have triggered a relaxation of the capital control restraints of the Asian model of development. But at that time, the neo-liberals were dizzy with success celebrating their victory, and a spectre of dreadful market fundamentalism has captured the global imagination. Financialisation and the denationalisation of development were globally afoot to unlatch resources from their national origins and ideologically undermine labour. Crisis or no crisis, the comprador classes of EA, procuring and profiting off the avails of fragile exports or geopolitical rents, root their allegiance in the circle of US-led capital.

Although for lack of sufficient public sector-sponsored welfare nets and automatic stabilisers redressing demand, the East Asian crisis could have trailed longer, the length of the downturn was shortened because EA's exports are high-demand/dynamic products. Asian high value-added and tech-upgraded products are the most dynamic globally (measured in trade-revenue performance), for which the 1999 rebound in demand re-energised higher employment and consumption levels (Meyer et al. 2002).

Patnaik (1999) correctly argues that although 'many factors have been highlighted, and rightly so, as underlying the high growth of the East Asian tigers (some of which hold for Southeast Asia as well) such as land reforms; the achievement of high levels of literacy; the economic concessions (in the form *inter alia* of allowing substantial market access) made by the USA for geopolitical reasons (confronting communism); a seldom noted factor, which is the key factor,' according to him is the restraint

placed on financial interests or the exclusion of international financial flows and the subordination of the domestic financial system to the needs of the productive economy.⁸ The late 90s Asian crisis was set off by the tide of financial liberalisation, a derived condition from the internationalisation of finance concentrating capital in the US market. The end of communism and the rise of the monolithic power of US-led capital over history began to undermine any traces of national capitalism, not only in Asia, but across the globe.

Patnaik was spot on in pointing out the accent on investment in industry and the pernicious role of finance in the fiasco of the Asian crisis (1997–1998); since 1999, the date of Patnaik’s work, financialisation grew beyond what is sustainable as a result of increasing financial rent grab, and the ailment of unfettered growth in the cycle of credit exceeding real economic performance surfaced in the great recession of 2007–2008. Growth in finance, or the layers upon layers of debts, does not produce additional value, but they necessitate social measures to increase the share of capital in the real economy by either austerity or war. Imperialist wars of aggression seeking control of strategic resources, especially in Iraq and Afghanistan and through the power emanating therefrom, underwrote much of American fiat-moneyed expansion. It may worthwhile to note that the expansion of money supply never really came undone with the commodity standard—it used to be imperialist reach and the Gold standard until circa 1970 and it became mainly oil and other strategic resources combined with imperialist reach afterwards. Because the USA must maintain a steady dollar as the world wealth holding medium, it also must guarantee dollar moneyed expansion with higher doses of hegemony and strategic control of vital resources (Avramidis 2006; Patnaik 2009a, b; Kadri 2014a, b). At any rate, wars have long been the principal means of maintaining the sort of hegemony that ensures the flow of capital and resources back to empires (Lenin 1916). The much talked about Asia Pivot and AFRICOM are the newest militaristic forms of dollar-undergirding *cum* power rearrangement by US empire.

In retrospect, East Asian decline in 1997–1998 appears to have been short-lived and although at the time of the crisis foreign capital has appropriated substantial chunks of Asian assets at fire-sale prices, the steady rise of China re-invigorated the growth engines of the region once more.⁹ Globally, the returns to central capital from market driven growth via financial currents occurred at rates commensurate with the

degree of openness in trade and capital accounts—the more developing countries opened up, the more capital flew to the safety of central markets, especially the US. The transfer of wealth via financial channels benefited countries whose industrial growth was in the lead and whose capital account was regulated. However, it also undermined the nations that had missed growth by the cycle of industrialisation-surplus retention-more equitable distribution. Accumulation bereft of more egalitarian redistribution of incomes and assets results in growth without development. The AW is an obvious case of high growth (between 2002 and 2011) combined with deindustrialisation and maldistribution, whereas India, for instance, is a case of industrialisation with maldistribution; both are cases of *lumpen* development.

Meanwhile, US militarism has been on the rise. Militarism, its associated devalorisation as in the cheapening of social reproduction costs and higher austerity rates that raise profits by dipping into labour shares, involves a whole social and ideological cycle meant at its own reproduction. Militarism is a social order and a domain of accumulation, which is auto-reproductive—this is much more than simply spending on the military as in military Keynesianism (Luxemburg 1913). Luxemburg (1913) asserts that capital itself ultimately controls the automatic and rhythmic movement of militarist production through the legislature and a press whose function is to mould so-called public opinion and that is why this particular province of capitalist accumulation (militarism) seems capable of infinite expansion. The idea that financialisation ends national capitalism holds up to the point where US-led financial capital begins to excessively devour the shares of other nationalist capitals. That capital grows not only by the exploitation of labour but also by snatching the shares of other competing capitals is the reason why Lenin (2018) dreaded Kautsky's notion of ultra-imperialism—ultra-imperialism is the condition in which inter-imperialist differences are settled as a result of converging interests. However, violence against the working-class and inter-capitalist violence are the constant flux that appertains to capital. Literally speaking, the only event whose specific date cannot easily be predicted but whose future occurrence one can always be sure of is war under capitalism. Capital cannot work against its own grain especially as accumulation by the realisation of civilian-end products recedes and accumulation by wars of encroachment becomes the principal means of re-adjusting the growth/profit cycle. At this historical conjuncture, matters are further exacerbated by a China whose growth trajectory will flatten out if

it does not expand its internal as well as its external markets. As will be seen in the final chapter, the nature of the game for the rich states in EA (the breakthroughs) is changing and unless their past pro-American allegiances are tempered with a view to reasonable co-existence, joining the US bandwagon in the containment of China makes grim their prospects.

A CRITIQUE OF THE MAINSTREAM

EA's economic results were contrasted with the disappointing performances of Arab economies, especially following the 1980s (Elbadawi 2004). Prior to 1980, the principal Arab economies of Egypt, Syria and Iraq experienced average real yearly growth rates of 5.5, 7 and 10%, respectively,¹⁰ whereas the joint average for Indonesia, Malaysia, Singapore, South Korea and Thailand was slightly above 4% (WDI various years). Between 1980 and 2000, the AW experienced two 'lost decades' where average real per capita growth rates sank slightly below zero as a result of dwindling oil prices.¹¹ When oil prices recovered in 2002, growth rates picked up again, but by then the merchant-comprador class had already commandeered the resource allocation mechanisms to the point where higher growth led to higher immiseration, as evidenced by the decline in the labour share of total income, which fell from about 40% in the late 90s to below 25% (ILO-STAT various years). Meanwhile, in the 1980s and 1990s, EA exhibited the highest growth rates globally with rising wages and labour shares (ILO-STAT various years).¹² As to the AW, at less than 1% real average yearly GDP per-capita growth rate over 30 years (1980–2010)¹³ and wholesale war destruction in Libya, Syria, Sudan, Somalia, Yemen, Libya, Lebanon, Palestine, Iraq and Syria, it is a performance that is not difficult for any region to beat. In terms of initial endowments, this disparity in performance was unjustifiable: the AW had oil and as soon as its states leaned towards neoliberalism, they were not able to initiate the massive industrial transformation projects and state interventions that laid at the core of EA growth. Unlike the East Asian states, the control of the Arab state over society receded with its rate of neoliberal cuts to social programmes, which let filter into the national formation imperialist sponsored civil society that later contributed to state failure.

The divergent outcomes between these two regions triggered a rethinking of the state as a determinant of growth/development in the AW (Elbadawi 2004; Naqib 2016). However, by reifying the state

(making it into a thing and not a mutating social form reflecting class relationships) and by assuming that the state is some unchangeable ideal whose real manifestation across history is a series of distorted appearances, mainstream thinking overlooks its class-laden developmental function, which is about mustering power and finance to mobilise real resources—albeit, contingent upon the power of organised labour.¹⁴ In fact, the pre-neoliberal phase Arab state resembled in its developmental function and policy orientation the pre- and post-neoliberal state in EA. But states lend themselves to comparison not because they are some ideal cultural form or a receptacle of the ethos of societies; they do so because they are the realised articulation of class forces that are manifest structurally in specific forms of social organisation, of which the state itself is the ultimate institutional form.

Prima facie, both regions had authoritarian states, heavily intervening in the economy and hegemonising society, but their relationships and mode of integration with international capital became different. The differing developmental results arising from the role state as the medium of political practice depends on the degree of the realisation of the working class in that state—the citizenship of the working class and its wresting of political and social power in and through the state. This is not the abstract individual citizenry of the mainstream. It is social individual whose agency is the organisation of the working class. During the post-independence period, the ruling-class constituents of the state in the AW represented a broad-based, working class-favouring alliance that later (after 1980) came apart. Around that time, the ruling class became overwhelmingly merchant/comprador and was destined to pillage its own society as a way of self-reproduction. Before that, however, whether as a vestige of national liberation wars or as a result of enlisting the working class into national or regional security arrangements, the realisation of the working class in EA, assessed in terms of its growing share from the social product, grew.

The similar strengths and coercive power of Arab and Asian states do not explain how the working class is incorporated in the state or how it commandeers the circuit of value creation and wealth distribution. Where there is an adequate policy interface that retains resources nationally, when the substance of state security is working-class security, a positive development outcome ensues. The richer, more advanced, and sparsely populated states that comprise the imperialistically sponsored posts around China (Taiwan, South Korea) had their national security

infused with the nationalisation of industrial knowledge and the betterment of the working class as part and parcel of that combined imperialist/national security (a combination of cordon sanitaire and Marshall plan). However, in the AW, such a scenario does not apply even to the pro-US Gulf States, whose meagre production-knowledge base remains alien to and apart from their own working class and culture (culture as the store of knowledge rather than as folk tradition). Moreover, the Arab states have been subjected to incessant imperialist assault that eroded their role in promoting development as part of their security structure. Such erosion increased as of circa 1980, or as Arab ruling classes metamorphosed into a merchant/comprador class that relinquished national industrial development. Having introjected defeat, they compromised the mechanisms that address social redistributive pressures and cemented the objective grounds for militarism as a principal domain of accumulation. Only the breakthrough-East Asian states derived strength from bettering the living standards of large sections of their ownworking-class in a rent distribution mechanism or through higher wages buying loyalties, while the Arab merchant/comprador classes were squeezing the wage share from total income and curbing popular democracy.¹⁵

For Waldner (1999), the AW and EA represent two cases of an underlying institutional process, with each of these regions adopting a different policy framework leading to different materialisation of the general case of societies hegemonised by strong states. The contrasting economic outcomes lead to his conclusion that one or more factors, such as combining state-building with development and entrepreneurial skills, differed between these two cases (Waldner 1999). This de-historicised institutional experience is conceptualised as different materialisations of rules of good behaviour (such as the formalisation of property rights and entrepreneurship, etc., as per the New Institutional Economics [NIE]), which at a given point in time bifurcates according to differing national capabilities that generate success or failure respectively. This conception obviates the articulation of historical forces that shape development. Institutions are structural images of class formations upon which a set of constraints, namely real and representations of resultant class powers, discipline the avarice of capital through class-related rules and regulations. Institutions in the NIE tradition exude a gentlemanly quality; they are ‘a set of constraints on behaviour in the form of rules and regulations; a set of procedures to detect deviations from the rules and regulations; and, finally, a set of moral, ethical behavioural norms which

define the contours that constrain the way in which the rules and regulations are specified and enforcement is carried out' (Srivastava 2004, 3). It is difficult to imagine that with so many imperialist wars visited upon the AW that such codes of social conduct of formalised institutions can hold. In recent history, the dominant rule of superior firepower surfaced as the ultimate arbiter that enforces contracts, sets the terms for trade, exchange and transaction costs, and defines rights, including property rights and the rights of people to own their natural resources and use the proceeds to improve their living conditions. These are the guidelines laid down by imperialism or the power of the dominant class. However, at a certain level of generalisation, when institutions acquire trans-historical qualities whose rules resemble the laws of religion, social reality becomes gelatinous enough to fit into or oppose any of NIE's rules of good behaviour. Such is science by convenience.

East Asian or Arab economic policies, be they libertarian capitalist or 'precociously' Keynesian, are relevant to development in the way the state applies them to retain the social product and promote production and more equitable distribution. For Toye, given the ambitious scope of the task of post-colonial reconstruction, development economics at its birth was more dirigiste in spirit and practice than Keynesian macroeconomics ever was (Toye 2005). Before Keynes' ideas filtered into development economics, Burchardt (1944) stressed that in underdeveloped countries with surplus populations and a general shortage of social and private capital, a fairly rapid rate of industrialisation is desired, a higher degree of direct controls and other methods, not unlike those employed in a war economy, will probably be needed. Economic development since the Physiocrats is about the degree of recirculation and retention of wealth nationally without the presence of leeches draining the blood of the economic body through open veins. It does not matter how one names a policy; what matters is what share of the growth of national income improves working-class conditions and development. Arab countries that have grown at fast rates, such as Egypt and Tunisia (nearly 5% average real GDP growth yearly between 1980 and 2010), the most liberalised, were also the countries that exhibited the weakest development performance as a result of real and monetary leakages. In EA, the replication of the Japanese model, which was influenced by the List thesis on industry protection as early the Meiji restoration in 1867 (Daastol 2016), reached a level of state coordination between factors of production that led me to qualify it as *planned capitalism*. As odd as it

may sound, land reforms in South Korea and Taiwan, which had resulted in greater agricultural efficiency, food security and better income distribution were carried out under the auspices of the USA (Amsden 1997; Amsden 2001).¹⁶ Both South Korea and Taiwan still enjoy export-led growth and preferred access to the US market. State control in directing investment, technology and the deployment of human resources in synchronisation with capital's growth would prepare resources ahead of time to be channelled into competitive areas for which markets were already ensured (Amsden 1997; Amsden 2001; Chang 2003). The building of working-class security through retention of the surplus, improved living standard and, equivalently, rising labour share, is the development that circularly builds national security too.

The facile side of NIEs arguments is that they assume that real history, incarnate in the power of imperialism, simply takes a back seat and permits each of the national forces in EA and the AW to shape their institutions, rules and policy as they please: history suddenly abides by the ahistorical general rule of good behaviour, such as the premise of good entrepreneurship or unadulterated property rights. In fact, the unity of ruling national and imperialist forces, which constitutes a 'fusion' that reconstitutes and completes their basic animation (to paraphrase Althusser 1969), which is determining but is itself decisively over-determined by the various levels and instances of the more powerful social relationship—imperialism, cannot be overlooked. So, in any cross-national relationship between ruling classes, imperialism, which is the class that holds sway over other national classes, integrates the national structure by the mode of distribution of national capital's revenues (circulation) and, more definitively, by the degree of its control or ownership of the national production base. In an Arab context, the revenues to imperialism from the national production base are insignificant compared to militarism, and as for the significantly moneyed-Gulf states, their assets are US-protected, financialised and dollarised. As to EA, the buying of East Asian assets in 1997–1998 by foreign capital, mainly US capital, deepened the dependency of the region's capital on US-led imperialism. Apart from the facetious side of NIEs analysis, which inadvertently forgets that US embassies in the AW, as shown by cables released by WikiLeaks, regularly call on Arab journalists to adhere to their policies, its more imperialist-apologetic side omits a reading of how the shifts in resource creation, destruction or ownership, the real events, develop by and through imperialist control and expropriation.

NIE reduces history to one-sided abstractions or rules unrelated to the class power that has dictated Arab failure or Asian ‘success’.

Colonial/imperialist practice does not limit itself to short-lived wars, after which it returns home to live happily ever after. Imperialism is the relentless pursuit of imperial rents. Through the selective imposition of structural constraints on future development, the reorganisation of constitutional, legal and bureaucratic forms of practice, it foregrounds the process of competition for rents around the state. At the same time, working-class differentiation by rent-augmented wages to sections of the working class pre-empts any future role for labour and working-class solidarity. Because of a sequence of USA defeats in EA, including its major loss of China in 1948 and later defeat in Korea and Vietnam, imperialism could not inject such rent-based divisive mechanisms into the operational side of East Asian states. A certain level of East Asian state autonomy was historically relayed by a certain level of national security (as always, I define national security as a totality in which working class security is central).

It is somewhat superfluous to note that in the AW the course of defeat opens immense opportunities for imperialist meddling in national affairs. Let us for the sake of avoiding complacency consider the case of Syria, which is topical at the time of writing. For Syria and its conflict, the venom of sectarian divisions has already been prepared for infusion into its forthcoming constitution, or the constitution of the new state whenever and if ever it reemerges from conflict. The draft of the new Syrian constitution would be a replica of the American-drafted Iraqi constitution, which was foundational to the ongoing conflict in Iraq.¹⁷ One can trace the success of such imperialist measures to the imposition of a sectarian constitution in Lebanon by the French colonialists in 1926, whose accomplishment in creating a Lebanese state, which is continuously at low- or high-intensity intercommunal war, contributes by its very weakness to the former colonists/imperialists power standing, and by implication to their capacity to generate imperial rents—the issue of constitutions and reconstruction is discussed at length in Chap. 4.

The dynamic of success or failure is part of the crisis of global capitalism, whereby capital metabolises through value destruction as well as value creation (Mészáros 1995). This is not a case of disengaging an old technology à la Schumpeter (creative destruction) and replacing it with a new one to raise profits. This is a case of destroying man and things to ensure the rule of capital as the dominant social relationship.

At a later date, Mészáros (2001, 37–38) describes the gravity of the global crisis in such words: it is not the control of a particular part of the planet—no matter how large—putting at a disadvantage but still tolerating the independent actions of some rivals, but the control of its totality by one hegemonic economic and military superpower, with all means—even the most extreme authoritarian and, if needed, violent military ones—at its disposal. This is what the ultimate rationality of globally developed capital requires, in its vain attempt to bring under control its irreconcilable antagonisms. The trouble is, though, that such rationality—which can be written without inverted commas, since it genuinely corresponds to the logic of capital at the present historical stage of global development—is at the same time the most extreme irrationality in history, including the Nazi conception of world domination, as far as the conditions required for the survival of humanity are concerned.

In the Arab case, as in any other war-ridden region in the developing world, it is the devastation of massive resources via encroachment wars and the shortening of human lives by stripping working people of their rights to their wealth and their control over their labour in order to generate new wealth by cheaper inputs and more solid capitalist ideological impetuses. Such wars of encroachment act as forms of modern slavery. The reduction of subject-object to object, of humans and their labour power into things, and of things into ‘resources’ for capital unowned by politically organised people is the substance of chattel slavery or commercial exploitation juxtaposed to colonialism and, later to imperialist practice, albeit on a much larger scale; the creation of slaves to support wage slavery in the colonising countries never ceased to exist, it continued in colonial practice and later to imperialist practice; it strips whole peoples of the will to govern themselves, or the reduction of collective subject-object to object. Commercial exploitation (de-subjectification) never stops. It burgeoned under modern imperialism in the form of Arab state destruction or debilitation. The creation of Arab and other failures to destroy value or provide cheapened value is not an inadvertent condition or misguided choice. It is necessary for the functioning of capital, for which, in the final analysis, money is only signification of the degree of power capital exercises over labour in its process of auto-reproduction.

By using commercial exploitation, I am partly following Emmanuel’s (1972) elaboration of the concept developed by Marx (1893). The concept was given significance earlier in what Abdel-Malek ([1963] 1981a, b) termed the historical surplus value, which is a broader category that

includes, in addition to the accumulated transfers of wealth, cultural and civilisational loss as part of the exploitative condition. These snippets from Abdel-Malek's chapter on the historical surplus value illustrate his points:

'Historical surplus value designates the looting of all major continents as of the fifteenth century and the accumulation of their wealth in the then rising bourgeoisies of the West. The roots of violence and the roots of global war lie in the historical restructuring of the international order, that is, the formation of Western hegemony, rooted in the historical surplus value from the fifteenth century onwards. This strangely ignored condition by mainstream academia considers capitalist surplus value as if it was a product of the last stage of the history of mankind and or a product of the of the last phase of the class struggle, during which the bourgeoisies were to exploit the working class. The historical surplus value is not delimited by economics, raw material, energy, resources, land and space etc.; it above all provided Europe with the means to secure world hegemony. Historical surplus value provided the grounds for the rise of the scientific and technological revolution. Its geopolitics furnished the Europe with the means of control of the world via sea routes while the dissemination of ideas from the centre via communication technologies dictated the theories and conceptions for the third world to grow into. As such, the ethical-normative position by which the liberal left judges violence as a pathology of the system or as an exogenous syndrome when in fact that very historical context for development is laid down by the violence of European imperialism. Imperialism as a central factor in the power structure of the modern times was viewed in its immediacy and not as a contemporary expression of a historical process' (Abdel-Malek 1981a, b, 71–73). Abdel-Malek's concept is far broader and fuller than Emmanuel's because it allows for imperialist wars to be included not only as economic value in the accumulation process but also as social reconditioning for the creation of surplus value.

At this junction, I would also like to further clarify the distinction between commercial exploitation and historical surplus value. It takes exploitation to make surplus value. Super-exploitation, the super low wages paid to highly intensive labour performed in the third world, is still less-exploitative than commercial exploitation, which involves paying little or no wages or prices at all for the working class and its resources. Seen from a one-sided perspective, the intensification by the non-value creating activity of unproductive labour in the first world reinforces the

exploitation of productive labour in third world (Smith 2016). Although the rents of non-productive labour in the North grow by the exploitation of living labour in the South, which intensified as third-world proletariat grew, this is by no means the beginning of higher rates of surplus value creation in the South.

Since the onset of the capitalist age ca. 1500, wars and their products in war booty are also a production process that involves productive war labour and surplus value usurpation. The divide between productive and unproductive labour is an analytical device propounded by Marx (1867) to illustrate the relationship between surplus labour and the working day, when in reality the very production of productive labour requires the creation of unproductive labour. The analytical divide, productive versus unproductive labour ‘economises’ Marx (reduces Marx to an economist as opposed to the social philosopher). After all, Marx crowned his theory with the Absolute General law of Capitalist Accumulation: greater wealth must be met with the immiseration of the proletariat. In this law, the power of labour in the class struggle predicates the *social wage*, which grows or diminishes not by types of labour, productive or unproductive, but by the resultant vector of the class struggle—how strong is labour in the equation of the state. At any rate, there has to be alienated productive labour to produce value, otherwise how would capitalist society survive. Given that the wages are the wages of the working class in all its constituents: productive, unproductive and necessarily idle, and given that the working class does not own the means of production, it is the *rappor de force* incarnate in states, other forms of social organisation and degree of ideological hegemony that determine/redistribute the share of wages to the working class. Under capital’s hegemony, wages are the residual decided after profits.

Account taken of commercial exploitation and militarism as building blocks of production, the creation of surplus value involves the consumption of living as well as dead labour; the consumption of living labour, deaths in imperialist wars of conquests, is itself a production process and it reinforces the production of other value forming activity. The compounded output/effect of the consumption of living labour and nature is historical surplus value. In that sense, raising historical surplus value requires more than super-exploitation or rents and war booty arising from the premature deaths of the native population but also an arresting of third-world civilisational-development, including the elimination of culture and or its homogenisation. That is why Abdel-Malek (1981a, b)

and later Frank (1998) spoke of a counter-imperialist civilisational project led by China as a pre-requisite for sound development.¹⁸

Under financially mature imperialism plagued by crises of severe over-production, the rate of commercial exploitation/historical surplus value requires an acceleration of the rate of destruction of assets, including the human assets directly by war or through the erosion of collective/working-class forms of political representation. As will be discussed in Chap. 2, the rates of surplus value by commercial exploitation exceed the rates of super-exploitation in EA. The *pernicious* side of neoliberal ideology, its methodology of pursuing individual apart from collective rights, is the broader frame of thought upon which the bombing of countries proceeds. Just like fascist platitudes, neoliberalism as an ideology personifies the private in the private/public contradiction of capital. Man the social relationship becomes man the person bereft of social context. This oversimplification or over-abstraction of concrete facts meant to delude the public justifies imperialist assaults because one or few guys are ‘evil’ or Saddam-like. The conjunction of working class stultification backstopping the descent of capital has one natural end: fascism.

THE COMPARATIVE SHOULD BE OF CLASSES AND NOT OF STATES!

Every stage of capitalist history bears its own objective stock of ideology or arsenal of ideas by means of which the ruling class reproduces itself and into which working people are born. In the present phase, the ideological arsenal is neoliberalism. More than simply a justificatory secular religion (‘There is no alternative’, ‘Free minds, free markets’, ‘There is no such thing as society, there are only individuals’, etc.), neoliberalism is the set of conceptual rules that intermediate the institutional composition/function of the state and its related practice in development. This ideology was never confined to benign economic practice. Its evisceration of the minimum necessary historically determined income (the collective wage necessary for expanded social reproduction) has engendered sustainable degradation at an exponential rate, which, when combined with socialist retreat, has resulted in social disarticulation and the inter-communal or inter-working class conflict that has been actively fostered and funded by imperialism. Although inter-working class divisions are prevalent across the globe, they assume a more violent nature in the AW.

In a self-differentiating reality, no two models of development can be alike. However, let us address the obtrusive question¹⁹: Can the East

Asian model be a guide for development in the AW or the Middle East? The East Asian case was a product of strong and autonomous states that managed to guide the processes of structural transformation and economic development (Woo-Cummings 1999; Zhou 2002; Weiss and Hobson 1995). However, the strength and autonomy of these states result from a security arrangement bequeathed by the struggle during the Cold War and subsequent international divisions. The demilitarisation of Japan and the protracted US wars in the Korean peninsula and Vietnam, which raised the calculated risks for imperialism of undertaking yet another war, are the historical context. The so-called ‘developmental state’ endowed with a professional and autonomous bureaucracy, a closed political system, and state domination of private actors (South Korea being a prime example) could only have existed as a result of the social forces shaping its own course (Fine 2006). These developmental states, however, grew in the shadow of the imperialist power vortex, and the wealth they have created failed to *relatively* free their own working classes from the prejudices and shackles of the wage system. Incidentally, the latter point is the litmus test of development success because it means that labour holds so much of the historical agency to grow out of narrow identity into internationalist solidarity. Much of East Asian industrialisation is supported by a geopolitical rent component and, given their capital class control of the rent to wage devolvement of income, industrialisation does not induce a culture of universalism; it is in many respects much like the Gulf states with their high salaries to nationals and slave-like condition of immigrant Asiatic labour supported by a culture of chauvinism.

Industrial development incentivises socialisation and working-class security from want by the degree of working class struggles for higher wages, its control of the labour process, and not by the quality of the machine it is engaged with. Smaller Gulf states whine about following the industrial model of the East Asian breakthroughs, when in fact they are not too dissimilar, save the higher rents in the Gulf that are partially devolved to buttress the wages of nationals. The inherent tendency of the East Asian capital class may implicitly be wishing to become more like Gulf Sheikhdoms—quick and higher rents and a more obsequious working class. At any rate, a rentier class requires a culture of working class segregation and disenfranchisement to maintain its rents.

Although in times of socialist ideological defeat, such as the current historical phase, stressing emancipation sounds absurdly optimistic, the

stakes are now higher than ever before and the times for reforms in politics are long gone. So, let me be clear: there are no working classes that are free from wage slavery, and in view of socialist collapse, emancipation is a farfetched goal, but for science questions of degree matter. There are actual cases during revolutionary tides where communes temporarily exercise a high degree of auto-determination (the Paris commune may have been one of the earliest European examples, but many exist in the East); however, also in socialising states where the gains in social security acquired by labour allows it the freedom to espouse a proletarian ideology. The abolition of capital as a social relation is precisely the overcoming of the wage-relationship—the form of capital is the dividedness of labour. It is not the degree of higher wealth that is necessary for development as freedom, but it is the degree of revolutionary consciousness and its foundational platform, or the transformation of the working class into a proletariat via organisational and revolutionary ideological power.

Sections of the East Asian working class may have had a rising living standard but because of the allegiance of that working class to its own capital via nationalist ideological networks stunting its being as the subject of history, it is far from freeing itself from the servitude of the wage system. The East Asian formation exhibits cultural traits of loyalty to capital similar to those in the Gulf states. Such are places where Islamist ideology or nationalism bonds labour with capital through an act of faith. Moreover, in the first-tier Asian states, the social regression associated with geopolitical and security rents, manifest as complacency devolved to popular culture around the idea of living under American protection, does erode the spinoffs from the knowledge economies generated by national means (organic intellection of science and technology), which otherwise might galvanise an internationalist culture and consciousness.

The ‘developmental state’ is replicable by approximation when reduced to some of its major characteristics such as efficient bureaucracy and disciplining of private actors and so on, but not for Arab-like countries that fall on the accumulation-by-encroachment-war side of capital’s metabolic order. Encroachment war, and war for war’s sake as in the necessity for the value attendant on militarism to self-expand, which may or may not include an overlapping goal of raw-material extraction (because power or war alone can be drivers), is an extreme form of a commercial exploitation. Recalling, encroachment wars strip the power of people to rule themselves. Just as slavery deprives an individual of rule over his or her own body, modern forms of commercial exploitation

involve stripping whole peoples of their will and means to self-governance, which is ultimately a weakening or destruction of their state, social formation, or forms of social organisation.

This war-ridden course of history is the overdetermined structure. It is the shifting articulation of the balance of class power that is ultimately dominated by imperialism. It is the development suppressor bequeathed by colonialism to insecure/weaker nations such as those in the AW and Africa. Accumulation by realisation of civilian end-use commodities producing winners in EA is *inverse* to accumulation by encroachment war producing losers in the AW. On a global scale, industrial development in EA was the result of a contingent history whose shadow image was industrial decline in the AW and elsewhere, namely Africa. Following the rise of neoliberalism and Arab decline after swift military, and more importantly ideological defeats in wars with Israel, between 1980 and 2010 the shares of manufacturing in Syria, Egypt, Algeria and Iraq fell from 19 to 5, 21 to 15, 10 to 2, and 12 to 4% respectively (UNIDO, various years). The data for EA exhibits the opposite image—*intensive* (technology-infused) growth led by industrialisation and a technology policy, which is central to their development (UNIDO various years; Wade 2005).

Argumentatively, one can reverse Pempel's point (1999, 138) that while the East Asian positive experiences were 'one of history's most overdetermined outcomes', Arab and African failures were by the same ration an equally overdetermined outcome. However, one must also note that the generalisation EA/AW does not follow from the regional commonalities, but rather from the class ties or the ties to imperialism dictating the regional mode of integration of the global economy in line with the interests of US-led capital.

The roots of these performances are not only in colonial histories, but also in the way the class struggle morphed into the national struggle in the post-colonial era, including specific international alliances and the gearing of their domestic political development in response to imperialist intervention. There is something of a consensus that the national liberation struggle culminates the struggle of the working classes. However, both Mao (1938) and Abdel-Malek (1968) underscore the point that during the national struggle for liberation, there also existed a subtle struggle against a national bourgeoisie, especially as the latter class had already become an appendage to Western colonial interests and industry. These assertions should not be surprising because, at a foundational level, the national liberation struggle is a reacquisition of national

resources. However, in a global metabolic accumulation order with national winners and losers, the national/international imperialist class alliance either destroys resources (including the human ‘resource’ by or at the behest of imperialism) or supplies cheapened resources (cheap in moneyed but not in value terms) in an operation of commercial exploitation.

To re-articulate the difference between super and commercial exploitation: the former is the under-pricing of value, whereas the latter is the demolition of national ownership of resources (socialisation) or a modern form of enslavement of whole countries whose subject agency incarnate in political forms of organisation, including that of the state, has been stripped away. Commercial exploitation also manifests in the dislocation, disengagement and at times destruction of developing country assets to satisfy the law of value or the class related practice that determines the value of commodities or the socially necessary labour time to produce them. Alternatively, let us just say that capital twists the social condition of a country to meet the requirements for exponential profit rates. Thus, for East Asian developmental history to be mimicked, the objective and impersonal class forces, which are history and which shape development, would have to integrate a given country by extending downstream geopolitical rents or industrial production sharing, which is both a fulfilment of the product life cycle (product life cycle as per Raymond 1966) and imperialist security concerns. Subject to the avalanche of globalisation, the breakthrough countries of East Asia, including Japan, dispersed cheap capital and real production, design and distribution to their regional partners downstream (Andrews 2000); however, globalisation also intensified private appropriation from gains in the development of productive forces and from the expansion and exploitation of low-tech processes (super-exploitation) in the downstream countries.

Duplication of development via export-led industrialisation by every nation is necessarily subject to the fallacy of composition and returns diametrically opposed results—not every developing country can enjoy preferential trade platforms and be a net exporter of consumer goods. The replicability of the East Asian experience in the AW would require the combination of a number of events and measures, most of them outside the interest/scope of the ruling international class alliance, or the combination of classes personified in ruling imperialist forms and/or international/local institutions in charge of development. Much has

been invested in imperialist ‘good-clients’ —in the development security nexus of Israel in the Arab region or South Korea and Taiwan in EA— and the imperialist rents of US-led capital thrive on such investments. The mechanics of having Arab immiserated or war-torn formations or East Asian sweatshop economies move up a notch in development would require an upheaval in international relations and international power balances. That is why the breakthrough countries were not overdetermined by an inexplicable chance of history; their achievements reassert the point that development is an outcome of the class struggle, especially as the latter assumes the shape of imperialism repositioning itself in a web of antagonistic international relations.

With respect to the poor likelihood of emulating the capitalist dirigisme model or the East Asian breakthroughs, Johnson’s Japan-catchphrase (1999, 40): ‘Japan’s case would be hard to emulate; if nothing more, it depended to a large extent on losing a big war to the right people at the right time’ addresses the point that successful development processes are unique events. However, on its own such an analogy misses something, because in addition to the fact that under such descriptive methodological considerations no two events are alike, the burgeoning of monopoly/finance capital and its associated imperialist relationships, including their mode of accumulation, realised in development or the lack thereof, tail the arc of imperialist power in the pre- and post-Cold War eras. Necessarily, but not exclusively, the imperialists decide the type and shape of development. Methodologically, quality manifest in a set of particular characteristics renders every event unique; hence, Johnson’s statement could be meaningful only when quality is recognised as the internal relationship or the relationship of several national and cross-national classes whose power is encapsulated in the state, it then becomes the concrete condition whose abstract facet the quantity of wealth amassed by this or that class irrespective of national boundaries (I am referring to Ilyenkov [1961] as he postulates that quantity is an outward manifestation of quality in dialectical logic). Such rigour is missing in methods that focus on the state bereft of its dynamic class constituent.

Johnson’s catchphrase would have been sounder had it pointed out that the fast reconstruction and re-industrialisation of Japan ensured a country so highly developed such that, it could re-arm with nuclear weapons ‘overnight’ and present itself as a nightmare to China.²⁰ In that sense, Japan’s post-war redevelopment was a boon in terms of raising

the returns to the cross-national imperialist class via strong manufacturing demand and financial wealth expansion rising along with the USA's debt, which circularly covers the trade deficit with Japan and, strategically, builds a potential nuclear fortress facing China. Incidentally, where imperialism assesses that it has a weak spot that cannot be confronted by its allied forces such as a potentially nuclear-armed Japan, it moves in with its own nuclear weapons in a show of incontestable force. Until the right-wing coup in Indonesia against Sukarno in the mid-1960s and the massacres that followed, Britain kept nuclear bombers on the Malaysian peninsula to contain the possible rise the Indonesian communist party, which was then the third largest communist party in the world (Vltchek 2012).²¹ As doubtful as the problematic of catching up may seem, the way to approach comparative assessments is not by spotting the infinite heterogeneity of actuality so that no comparative conclusions can be drawn, nor by concretising it by approximate quantification to show resemblance (heuristic corner cutting). The answer is found by defining the social forces that shape development. In this particular problematic of East Asian success, it is imperialist history that supersedes and even regulates the modus operandi of development success or the lack thereof.

In contrast with Amsden and Chu (2003) and Wade (2005) who argued that East Asia's success is partly related to dodging the straight-jacket of neoliberalism, Hakimian (2001, 81), in line with World Bank literature, reassigned East Asia's success to being 'models of openness and beacons of economic orthodoxy and macroeconomic stability'. As argued by Chang (2002), developed countries did not adopt free trade and *laissez-faire* industrial policy in their early stages of development; on the contrary, they promoted their national industries through tariffs, subsidies and other measures. Hakimian, however, reaffirms the gist of the mainstream's method that relies on data comparatives, which are inherently heterogenous, and from which it is impossible to arrive at any degree of comparability or similitude. Unless the data is situated within a context of international class alliances determined by a country's mode of integration and its corresponding channels of resource flows, it will only speak of differences. In other words, data alone without defining an order of determination by class agency results in incomparability, not only between two regions, but also within the same country. Naturally, Hakimian arrives at the dictum that no two processes are the same. With such lack of categorisation, it became possible to assign differences in development performances not so much to 'economic reforms', which

are class policies, but to ‘higher Middle Eastern demographic growth rates and lack of diversification’ (Hakimian 2001). It is not only that the slowdown in the growth of the Arab region’s job creation rates, the relative rise in the surplus workforce relative to shrinking capacity and oil dependency are themselves products of imperialist sponsored policies; more important, the ‘who done it’ of poor development is no longer the historically given class relationship. Class is lost and the subject is relegated to human fecundity.

And in another strand of the literature, instead of relying on varieties of data as immutable *forms* to arrive at the inevitability that development appearances (epiphenomena) are incomparable, Sundaram (2012) raises the *form* upon which comparison is to be based on the state as an immutable structure instead of data, but a representative structure nonetheless; it is not the datum that is devoid of social content here, it is the state. States are no longer means of shifting costs and benefits to classes within and across countries, instruments of cross-national capitalist classes and facilitators of value production and extraction, states are cohesive and unchanging forms. So Sundaram (2012) explains that although the American security umbrella was responsible for Northeast Asian ascent, which also allowed them to circumvent *laissez-faire*, possibly with less corruption, better distribution or a fidelity of workers to capital, and whatever other qualification, which would offer lessons to draw from EA; yet at the same time, he concludes with the logically imminent result that there is no model as such to distinguish different development experiences. With such eclecticism, Sundaram notes that the very power structure of imperialism prevalent in the Northeast affording sound-barrier breaking development to countries like South Korea, such power is absent from the Malacca straits; there, a small state, like Singapore entices Western FDI to create higher stakes for imperialism within its borders, and it thus invites imperialism to protect it from its potentially unstable surroundings (Sundaram 2012).

Between-class partners whose geopolitical rents are determined by their joint strength (the USA and Singapore), such diplomatic history is redundant and only shows which state, *not class*, partakes to one degree or another in imperialist seigniorage. Imperialism has long valued and sought presence in the straits and some ports, like Singapore’s, were expanding in the 1930s because of investments from opium trade and partnering with British imperialism (Trocki 2006). The Malacca straits are strategic to imperialism and ‘Singapore has long served as a base for

some *US Navy* support operations' (Hastings 2015, 104). Recently, the USA has intensified its exercises in the Straits to simulate a trade blockade of China.²² Yet Sundaram also arrives at the point that there is no genuine development in Southeast Asia: it is FDI and export driven. That South-eastern development is an offshoot of imperialist geopolitical rent can readily be observed from the region's rent-culture and status as a major international trade route flourishing under imperialist entente. Because class and imperialism are missing in his discourse, he fails to note that whatever development there is, it is due to the geopolitical rent of the East Asian nexus of imperialist securitisation-détente. The imperialist power vortex, which is the power of history, the class relationship that had integrated the Southeast Asian comprador with imperialism cannot transform itself into a malleable force with which a small country like Singapore negotiates a better deal for itself—no country or class are above history. Some classes presiding over specific states were already subjugated prior to the twentieth century and whatever negotiation with imperialism occurs, it is to strengthen the comprador position. When selective historical facts are invoked without the class ties, which are the continuum of history, and when comparison is structured on the basis of states devoid of classes, it is certain that Sundaram will arrive at the conclusion that no development process compares to any other.

There are basic questions to ask here that beg their own answers. Are these East Asian states not capitalist states, with classes exploiting classes through derivation of surplus value and the denomination of such value in transnational money form (the dollar)? And are these not states commandeered by capitalist classes that share similar wealth making interests by higher levels of exploitation as do Arab capitalist classes? Is this not the law of value asserting itself through class struggle manifest in the *actualisation* of international relations (here imperialism) at work affirming similarity or dissimilarity? Indeed, it is. To draw comparisons on the basis of overgeneralisation from a non-existent representative-state or by the ludicrous level of detail provided by data is an inadequate reflection of fact. Adequacy begins from the real condition where value assumes a money form signifying changes in the social product and the type of activity of the social forces involved in accumulation. Imperialism, as history in the making, and its corresponding law of value whose shape in East Asia is development by production of civilian-end use commodities under East-West détente is the common denominator of their development processes. If such mode of abstraction is not carried out,

multifarious actuality only shows differences. Worst yet, such invertible differences justify the failure of the oppressed as a result of their own practice and not that of imperialistically dictated history.

Even neoclassical economics cannot but root itself in a social condition to prove that it is a social science: it boasts a subjective theory of value based on the sets of preferences of individuals, which are then manifest in a price. Removed from reality as it is, it remains in a narrow sense, more rigorous than macro accounting without value theory and the sort of state bereft of class content. The Cambridge controversy type of economics, which asserts the dictum that to develop is to be engaged with capitalism, neglects the fact that the atrocities of imperialism are the necessary price to pay for mostly an ‘at best’ condition of lumpen development. The Eurocentric leaves out value for a reason; for it (Eurocentrism) the third world is too cheap price-wise to matter. This stance holds that for those left alive in the third world after imperialist assaults, the price was worth it, for they will become as productive as Europeans or European-like. Deducing development from the reified state is similar in its methodology to deducing development from neoclassical *homo economicus*. This strand of deductive knowledge is specious because of its simplicity and a marked lack of categorical understanding of historical processes, or the class agency that cuts across national boundaries.

For instance, the neoliberal policies enshrining the flight of resources in the AW intensify the objective polarisation necessary for the perpetuation of militaristic accumulation. Regulated capital accounts are the valves of surplus retention and, possibly, depending on the nature of class agency, they may stimulate the redeployment of surpluses in capital formation nationally. The salient case of Malaysia opposing the IMF and regulating the capital account during the (1997–1998) crisis, stood out as key to its success in weathering the dire blows.²³ Omitting the mode of integration of the national social classes and their respective institutions with the global economy and their role in retaining the social product, is tantamount to omitting history and historical agency. How can one omit the broader picture of imperialistically-propelled war and militarism of the Arab region and still speak of development? Data and ‘things’ as in flows or stocks of capital leading development are a reification or thingification of social agency and cannot explain the reasons behind the existence of wealth or development. As will be seen in the next chapter, the Arab formation, as a particular type of capital formation

engaged via the cycle of militarism, contributes more to surplus value creation than other formations engaged via civilian commodity channels.

One needs to probe beyond the cross-sectioned similarities, analyse the genus of historical forces that actualised the East Asian experience (its dialectical essence as in its transformation including transformation into its opposite as per Ilyenkov [1961]), and search for evidence as to why the Arab states failed to generate the same economic outcomes. As I have already noted, these historical forces are class forces. Once the class content of the state is posited, then its consistency as the instrument of capital's reproduction through exploitation ceases to be a mystery. The state is capital's principal instrument by which the commodity as self-expanding value is regulated. Hence one needs to examine the way in which cross-national capitalist classes organise around common vested interests to obtain a higher rate of surplus, or to maintain their rule in a hierarchically structured international order that regenerates itself via the consumption of labour power, resources and necessarily the labourers themselves.

The apparent parallels or departures between the development courses of the AW and EA would surface as a result of such class history: the history of what is being consumed and produced by these regions in the global production order. As of 1980, in addition to Arab labour-power consumption in national production satisfying part of the national demand for consumption goods, the high-value items being consumed in the AW are human lives martyred in the war industry or shortened by malnutrition and disease as a result of neoliberalism and war. In 2014, the AW accounted for 68% of the world's battle-related deaths, 47% of its internally displaced and 58% of its refugees.²⁴ The Arab-war proletariat is forced to engage in war activity as self-defence or in pursuit of a living wage, and to be consumed by superior imperialist war machinery. Such is the indentured war-related labour process whose profits to capital are imperialist rents, which are materialised as the extended reproduction schema come full circle; first, it consumes Arab oil and labour power and lastly it consumes Arab labour power plus the lives of labourers themselves. The fact that Arab workers contribute as both living and (literally) dead labour to accumulation by militarism is, anecdotally speaking, the closest one could come to drawing an analogy between the Schrödinger paradox and the Marxist concept of exploitation.

NOTES

1. I have expanded the definition of East Asia for the purpose of this work. East Asian countries, including Northeast and Southeast Asia, are mainly composed of two tiers: a first tier including South Korea, Taiwan, and smaller rich states; that is, countries that have broken through the development impasse (the breakthroughs); whereas a second tier includes Indonesia, Malaysia, Thailand and, possibly a third tier, such as Vietnam and other similarly developed densely populated states. Although alluded to in the discussion, China and Japan are excluded because the issue is to highlight the class basis of the catching up process by which certain East Asian states leapt from underdevelopment to development. The richer smaller states are sometimes dubbed the ‘Tigers,’ or first-tier newly industrialised countries (NICs), or the ‘breakthrough’ countries that have joined the wealthy club of nations; the East Asia region is integrated via a hierarchically structured production network with the breakthrough economies located on top of the pyramid, while the rest enjoy geopolitical rents at differentiated rates in relation to imperialist securitisation. Arab countries are those that compose the Arab League and the Arab region includes its immediate vicinity. The Arab region exhibits a poorly integrated trade and production structure with its richest economies being the Gulf states and Israel. Between themselves, the Gulf states are poorly integrated and exhibit a mere 6% rate of intraregional trade (UN 2015).
2. Intense overdetermination is a term that Althusser (1967) employed to explain how an ‘overdetermined contradiction’ may be overdetermined either in the direction of a historical inhibition or in the direction of revolutionary rupture. In view of socialist ideological defeat, the use of intense overdetermination in this context implies different degrees of inhibitions; some countries are not as miserable as others in terms of development, but none are buoyant.
3. I am using militarism as a domain of accumulation as defined and explored by Luxemburg (1913) and Lenin (2016) and positing that although the Arab business cycle may be co-determined with contribution from indigenous sources, it is primarily determined by imperialism, it swings by the combined effect of oil and war (Kadri 2014a). The social-democratic version of militarism, dubbed military Keynesianism, only addresses military spending as a demand-boosting component. In earlier work (Kadri 2014b), I argued that under the more financialised stage of imperialism the implications of military spending and its exercise in war are principally felt through higher imperial rents delivered through financial channels. War and militarism implicate finance through credit/debt expansion, technological innovation underlying the international

division of labour, under-valorisation of third-world resources, realisation of monopoly surpluses and, ultimately, the power and ideological momenta emerging from conquests and hegemony. At the end of its cycle, militarism becomes the ‘extraction or mining’ for human life and labour power, a simultaneous process of destroying and cheapening of value, altogether in a world that upholds the constructed belief that labour is super abundant. Spun around universally held social concoctions of scarcity, Western Marxism (Western as an ideological descriptor) has gone as far as mentioning mining for metals in the third world and super-exploitation, but rarely broached the idea that the domain of militarism engages third-world labour not only for its labour power but also for its very life in a process of realising surpluses, creating new cheap value and restoring capital’s ideological strength. Whereas super-exploitation in the South generates unproductive labour in the North (analytically), commercial exploitation and militarism, in addition to being crucial to stabilising business cycles, its extensive reproduction schema hitches much of scientific research in the natural sciences and much of the production of media-appearance loving academia and intelligentsia in social science as willing contributors to the war industry and ideology – the unproductive labour it produces for war making is the whole of the material basis of the ruling class under capital. One is acutely aware that both EA and the AW are subjected to militarism. The purpose here is that over the last four decades, there was an entente enjoyed in EA while the AW has experienced a higher frequency of war.

4. Unlike Japan and South Korea, which have investments downstream with their East Asian underlings, Israel does not invest or trade in commodities with the AW; it does however trade in the security it provides to pro-US Arab regimes and the tensions it fuels via promoting terrorism and military interventionism. As will be seen in the next chapter on the higher rates of surplus value through commercial exploitation, the rates of exploitation and financial returns arising from its colonial practice exceed those of sweatshops producing commodities.
5. For instance, the rebellious *Itureans* of Mount Hermon enjoyed considerable geopolitical rent windfall in return for allegiance to Roman forces (Hilou 2004).
6. At this general level of analysis, it is casuistry to assume that there should be clear timelines explicative of the permanent war in the AW. When imperialist war is integral to capital, the case of permanent war in the AW can be ex-ante inferred without providing the sort of timeline or prediction of something that is already observed as phenomenon, unless one is pursuing proof by absurdity or presenting a service to imperialist war-makers by forecasting where their next intervention is to occur.

War is high stakes/high returns industry. Once it sets in, it also sets in motion an avalanche of intellectual and logistical support for its undertakings. The mainstream pedantic eye to detail, the paid academic field work that cannot escape the clasp of capital, and the usage of the ‘conspiracy’ label to blind working people from the fact that they were born into a lopsided global power structure that is the product of imperialist wars—these are the means of bourgeois science cooptation of the production of knowledge. The monolithic structure of the class relationship, its imperialism, biased global institutions, and other social organisations—legal or political—against which working people struggle are not a hidden conspiracy: their governance structures are not Western dominated through efforts of transparency, honesty, and peace. History cannot be overlooked because the mainstream social scientist who reduces it to the agency of super individuals or who is too engrossed in crude empiricism will not recognise history as history unless he or she feels the social relationship that is history or, better yet, shake hands with it.

7. I am aware of the significant differences in levels of East Asian development and the gradations in the value chain beginning with poor sweatshop economies up to the more advanced technological achievement of the breakthrough countries, such as South Korea, which are the supposed benchmarks of development analysis. However, I am focusing on how the integrated part of the regional production arrangement fosters the steady growth of all countries involved in downstream production processes to the benefit of the higher-end leaders of industrialisation but never allow them to reap the full benefits of their labour. In a sense, corporations in the breakthroughs or more advanced industrial countries engaging weaker downstream suppliers dictate their terms to these suppliers and, hence, ensure that their position in the division of labour and income remains low enough to extend their products at values below the social costs of reproduction of their labour (perpetual sweatshop conditions). For a lucid illustration of this process refer to the work of Zak Cope (2015).
8. Patnaik (1999) does not leave out the spillover of the Japanese miracle through the spread of Japanese capital ‘reminiscent of the earlier spread of European capital to the new world—though the motives for the spread in the two cases were different;’ and a specific kind of neo-mercantilist dirigisme entailing state interventions even in micro-level decisions of the capitalists.
9. The demand for Asian-produced commodities whose market has expanded through growing American indebtedness or by a growing Chinese market has subsequently tapered down as a result of stagnant American wages and/or higher labour unit costs of Chinese and East

Asian products passed down to consumers. US wages have remained stagnant since 1990 (WDI various years). Although overall Chinese wages failed to catch with productivity growth, the average wages of Chinese workers in the manufacturing sectors rose more than 300% in the decade between 2002 and 2012 (ILO-KILM 2015).

10. Due to data availability prior to 1980, the rates are calculated using at least 10 consecutive observations for Iraq, 15 for Egypt, and 20 for Syria (WDI various years).
11. The average real per capita growth rates for the AW were in the range of 3–4% between 1960 and 1980, and became closer to 0% for the period 1980-2015 as a result of mal-development and several wars visited upon Arab countries (WDI, various years). Given their dependence on oil revenues, the Gulf states experience the highest growth variance and the lowest long term growth averages. It is specious to compare EA, a region engaged in industrialisation, with another undergoing several wars.
12. As reported by the University of Texas Inequality Project (UTIP), the income inequality part of the story is straightforward: The AW rises to the ranks of the most unequal, whereas EA dodges the Kuznets curve (Kuznets observes that wages fail to catch up with productivity gains in the early stages of industrialisation, but later do) as wages begin to rise almost simultaneously with rapid industrialisation (UTIP various years; McKinley 2003; Saad-Filho 2016; Naqib 2016).
13. Compared to EA's science-infused capital formation, the AW's rate of investment declined steadily and went into low-output capital ratio activity. Because so many Arab countries are embroiled in wars, reporting distorted data and/or not reporting data, and given the decline in oil prices and the huge losses in war zones, the average yearly real per capita growth between 1980 and 2015 would likely be in the negative zone.
14. I have argued in Kadri (2014a, b) that the modern state is capital's response to influence the distributional arrangement and ranks assigned to each of the social classes (the labour process) through: (a) production relations, in particular class-power and ownership relationships to the social means of production; (b) the social division of labour and the function of each class in material and social reproduction; (c) the distribution of social wealth and the form and amount of revenue to each class; and, consequently, (d) the conditions of the existence of the members of each class.
15. The small Gulf States are an exception, with citizens earning some of the highest incomes globally. The rich Gulf economies represent around 5% of the total Arab population (Gulf citizens number around 20 million) but earn 1.6% of world income (World Development Indicators (WDI) 2012). In less oil-endowed Arab economies, around 350 million people

- earn 0.9% of world income, of which the labour share is estimated at 0.3% of world income (WDI 2012).
16. In Iraq, Syria, and Egypt, the neoliberal pressure was on previously enacted land reforms to be reversed. With continuous and frequent threats of war in the AW, the Arab horizon for planning is quite uncertain.
 17. See Russia's draft constitution: End of Syria's Baath era? The make-shift constitution is the latest effort to model post-conflict Syria in the Russian vision, AlJazeera, (Viewed 30 May 2016) <http://www.aljazeera.com/news/2016/05/russia-draft-constitution-syria-baath-era-160529064231915.html>.
 18. Aimé Cesaire ([1955] 1972) bluntly presents the case as colonialism undermining the civilisation of the colonised and dehumanising them with the purpose of robbing them of their resources. He points out that anti-colonial struggle is a civilisational struggle against European barbarism prior to Abdel-Malek and Frank. Where colonialism still exists in Palestine, European-Zionist colonisation has recently turned Gaza into an open-air prison. US-led neo-colonial practice, forcing social devastation either by war, the threat of war or neoliberal austerity, is an accentuation of the necessity to consume man whole along with his or her culture in direct colonial practice and later production for profit. To varying degrees and depending on context, today's neoliberal policy and imperialist wars mimic the trade-off between immediate French/British colonisation in Africa and their tolerance of smaller imperialists like the Belgians and the Portuguese who guaranteed commercial access through physical and cultural devastation. The devastation visited upon the Congo since 1990 does not differ by much from colonial Belgian savagery. Account taken of the historically determined level of wealth and income and the power of working class in the class struggle, in the fully mature actuality of modern capitalism, the rate of social devastation tallies with the rate of commercial exploitation and its slave-like drawn rate of surplus value.
 19. Touting the Tigers as developmental cases to be copied, or as 'successful policy regimes' as in 'the state's growing ability to manage rents in support of infant industries and foster a more strategic pattern of integration into the global economy' (Kozul-Wright 2012) without addressing their securitisation of imperialism, promotes the notion of peaceful development under capitalism and the possibility of every country experiencing a success story similar to that of East Asian breakthroughs. The author titles one of his subsections as 'let us hear it for the developmental state' without addressing the history of conflicts in the region and the mode of integration of East Asia into the global economy as a downstream manufacturing affiliated partner of imperialism; such allusion to obtaining the

impossible under imperialist auspices is misleading and bestows an air of normality on an otherwise horrific Western history fraught with aggression. In a metabolic accumulation order in which prices signal the rate of social dislocation/disengagement required for the next cycle of profits to be made, many countries will have to be barred from development. Literally, in such a system the rate of surplus value cum profit rate mirrors, albeit commensurably but imperfectly, the immiseration underlying the making of the rate of exploitation. Moreover, given the higher degree of power that capital exercises over labour under neoliberalism combined with socialist retreat, the rate of development failures, contingent upon the modicum of labour's opposition staying steady, would have to rise. In a system, whose growth requires a hierarchical and antagonistic international division of labour, only very few states can become imperialistically sponsored developmental states.

20. Biden tells Xi Japan could get nuclear weapons 'virtually overnight,' Biden tells Xi <http://www.japantimes.co.jp/news/2016/06/24/national/politics-diplomacy/japan-get-nuclear-weapons-virtually-overnight-biden-tells-xi/#.WEbAnVwTfjg> (viewed 14 October, 2016).
21. See report on declassified material on British nuclear weapons positioning in the Malaysian peninsula, the Times, (viewed 2 July, 2016) <http://www.sunday-times.co.uk/news/pages/sti/2000/12/31/stinwenws02015.html>.
22. All the while, there are trivial theories floating about the possibility of developing states such as Yemen striking a deal with imperialism to expand the Aden port for entropot shipping propping up development. The Aden port was an enclave almost wholly removed from the Yemeni social structure. These cultural exchange-based proclamations omit the fact that such strategic ports rise or fall by imperialist edict. They also miss the point that exchange does not create additional value or development. Merchant trade does not impart industrial development and the capacity for modernisation devolved by imperilism was limited to only two narrow neighborhoods of Aden while Yemen starved. Such naivete embellishes colonial history. These 'developmentalists' ports *cum* exchange-related propositions, devoid of production and growing capacity, are too counterfactual to discuss even academically.
23. The triggering of the crisis of East Asia by hot money flight was the result of relaxing capital controls or a greater degree of openness, to which Malaysia, unlike other stricken nations responded by clamping capital flows and averting the drudgery of the recession of 1997–98. (UNCTAD 2002).
24. See UNDP, Arab Human Development Report 2016: Youth and the prospects for human development in changing reality, UNDP, New

York 2016. http://www.arabstates.undp.org/content/rbas/en/home/library/huma_development/arab-human-development-report-2016-youth-and-the-prospects-for/ (viewed 30 November, 2016).

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The Higher Rates of Surplus Value Through Commercial Exploitation

Abstract This chapter argues that surplus value creation in the Arab world, which is integrated with world capital via militarism, is higher than East Asia's, which is integrated via super-exploitation. The Arab world exhibits higher rates of surplus value creation relative to its population because the rate of premature elimination of human lives in war is a far higher rate of surplus value creation than that of the slow consumption of labour power in East Asian sweatshops. In the actuality of production morphed into the class struggle and war, the notions of productive and unproductive labour are internalized and negated and value is that portion of total labour consumed in production. The premature extinguishing of lives in war as production, albeit of waste, is an accelerated form of the consumption of total labour power available to society.

Keywords Productivity growth · Surplus value · Commercial exploitation · Super exploitation · Class struggle

In this chapter, I investigate the issue of surplus value creation under commercial exploitation, the case of the AW, and super exploitation, the case of EA. I argue that the rate of surplus value creation under commercial exploitation is highest because it is associated with forms of slavery and or with the utter consumption of human lives as inputs in war as production. I also make the point that the pragmatic approach to measuring surplus transfers from the colonies or later the developing world to

the centre is misleading because value is not only a quantity determined by previous quantities, it is primarily determined by the balance of forces between labour and capital or the central contradiction between imperialism and revolutionary forces.

EUROCENTRISM AND VALUE

Which is better for US empire, the super-exploitation of Asian sweatshops or the commercial exploitation via wars in the Arab world? On the face of it, US capital spends trillions on wars in the Middle East, bombing impoverished countries whose whole incomes (GDPs) put together would not amount to the yearly income of a mid-sized city in the United States. Meanwhile, outsourcing jobs and investment to Third World sweatshops results in huge revenues to capital determined by the difference between the puny payment to Third World labour versus the huge revenues from final sale-points in the Western hemisphere. The newly elected American President (Trump) has said that America gained little out of liberating Iraq, and that Americans should have a stake in Iraqi oil.¹ Not only in relation to the Iraq war, but to a whole history of colonial pillage, the Eurocentric left adopts Trump-like two-entry bookkeeping measure of imperialist war costs relative to tribute or loot from devastated developing formations.

Eurocentric arguments promote the idea that imperialist exploitation is of little value or generates little revenue to the Western world (see Waites [1999]), and for a recent response to Western Marxism, see Patnaik and Patnaik's (2016) reply to David Harvey.² The populations of the Third World should self-content with such viewpoint, otherwise had imperialist booty been more significant to empire, their deaths rates from colonial plunder would have been several times higher. The credulity of such an argument is in applying European monetary units of measure, which are the products of their power, to the assessment of colonial surplus value. The Western proletariat does not own its means of production and any rise in productivity at their end of the realisation process is not theirs—save the richer sections of the working classes integrated with capital through *de-jure* or *de facto* petty property ownership, which is the pay-off for loyalty to capital.³ The bulk of these owning sections of the working classes are Western in the geographic sense, but as mentioned in the introduction, Western is an ideological descriptor, and class ties extend to the Third World where capital extends via a Southern bourgeoisie and labour aristocracy.

Moreover, even if one presumes that there exists a higher Western productivity and that higher productivity leads to higher wages, that is

if one admits thinking in ‘isolates’ for measurement purposes, such an argument neglects the point that higher central productivity necessitates a lowering in terms of money value the productivity of the periphery—to acquire cheaper inputs for their central consumption. The higher physical output of central machinery is the mediated outcome the accumulated historically higher rate of exploitation in the colonies or peripheries. Better machines are not the products of better machines; they are the products of social relations that necessitate oppressing and exploiting the Third World. From a Eurocentric perspective, the colonies or peripheries are a third market that contribute to surplus value outside the relation of labour to capital. In Mattick’s assessment of Luxemburg (1978)⁴:

This ‘production for the sake of production’ made no sense to Rosa Luxemburg—not because she was unaware of the profit motive of capitalist production, which constantly strives to reduce the workers’ share of social production, but because she could not see how the extracted surplus-value could be realized in money form in a market composed only of labor and capital (without colonial or imperialist plunder), such as is depicted in the reproduction diagrams...To make the system workable, there must be a third market (the colonies) apart from the exchange relations of labor and capital, in which the produced surplus-value could be transformed into additional money.

Luxemburg (1913) poses that accumulation is more than an internal relationship between branches of the capitalist economy; it is primarily a relationship between a capitalist and a non-capitalist environment and as such colonialist plunder of non-capitalist formations implies higher rates of accumulation. She also poses (writing prior to 1913 or prior to the Russian revolution) that the rate of depletion of the non-capitalist formation is inexhaustible and that capital ceases to be, not because of peripheral labour rising but because the central proletariat rising and finishing capital. The misconception that the European proletariat will lead world revolution was commonly upheld until the October Revolution; from where we stand today, it is European labour aristocracy and its ideological third world clones that are most responsible for the strength of imperialism. This line of reasoning (that Europe draws resources from ‘pre-capitalist’ areas) hypothesises that the colonies are something of ‘a land without people’ (the remark was made by Golda Meir about Palestine).⁵ In short, there are at least two approaches to counter-argue the proposition that the colonies or peripheries exist outside the labour-capital relationship:

1. The natural act of labouring is trans-historical (we had to work across history to survive) and under capitalism it only presupposes value as socially necessary labour time (Rubin 1972). The predominance of exchange value under capitalism, including the commodification of labour power on a global scale, is the category from which value or socially necessary labour and the totality of the social products are derived. Value is not some average quantity based on a proto-type labourer. Although value may be nothing but that fragment of the total labour potential existing in a given society in a certain period as per Mandel (1990), it is still presented as quantity, when it should read first as the power of labour, of national liberation movements, of class struggles before it is read as quantity. There is not a single individual working somewhere whose efforts can be summed up to tell us everything about society and its social product. For Marx, the average intensive magnitude of labour whereby a given quantity of labour is expended in a given time is the mediated condition after objectification/realisation or after the commodity has been sold and the labouring class receives its share of the social product. The idea of labour as substance of value or the average physiological input of labour in the commodity (not labour power, which is a commodity itself for Marx) is Ricardian substance, whereas for Marx value is subject-object (the working class is selling its labour power—subject/object accordingly); given the dominance of exchange value and its intermediation in money form, the Marxian labour theory of value is a social phenomenon attributable to capitalism, and that is why we analyse humanity and its social relations and not nature or not things (Ticktin 2008). Moreover, if value under capitalism is adduced from the exchange of alienated commodities, then there is only one variable, and that is *labour time* to which all other variables are reducible, including the accumulated historical surplus value arising from the cycle of militarism/imperialism. Only when the unthinkable condition, the sum of prices equals the sum of values, that one can assume that the peripheries or the colonies in earlier phases of history can exist in pre-capitalist systems and outside the capital-labour relations (that is they are just things lying there in the ‘pre-capitalist’ Third World). To paraphrase Marx (1893), making prices equal to values is like squaring a circle.⁶ The practice of the law of value under the rule of capital is to under-price the

value and short-change the working class by whatever means available, especially defeated working classes in developing countries.

2. In line with the general law of capitalist accumulation, for surplus value to exist, central wealth has to be the product of peripheral poverty. The law itself is a product of the labour process or simply how labour is reproduced and working people are regimented to produce commodities. Capitalism, from its mercantilist origins, has always been a world system. It has barbarically reached beyond Europe prior and post the rise of capitalism to generate/perpetuate the conditions of its rise (Kadri 2016b). The instance the hinterlands fall under the political grip of the central political power of capital, it ceases to be pre-capitalist. It is not the higher-grade machines that are capital or the size of the reserve army of labour relative to wage employment that makes a formation capitalist or not; it is the hegemony of the capital relationship, which is, *en gros*, a contradiction between private appropriation and social production. Capital is a social relationship, of which the development in productive forces is a single manifestation. In other words, it is not the quality of the region's technology/machine or the size of the reserve army of labour that decides how capitalist it is; it is the reigning social and political relationships, which is universally deemed to be capital under the historical stage that is capitalism. This whole notion that somehow Europe did not under-develop or block the industrialisation of the colonies to be able to grow itself, is rather surreal. The very underdevelopment of the periphery is the practice of the law of value and, hence, a creation of surplus value.

At any rate, the productivity/wage relationship is ill-founded not only because higher salaries are a form of political rent but also because higher sectional wages are necessary for working-class differentiation. Working-class differentiation is a condition for the existence of capital or the manifestation of capital in its state of becoming. As a case in point, smaller oil-exporting Arab countries with extremely low productivity and high oil revenues boast high wages. It is the colonial power structure that has applied such a historical arrangement by which it rips apart an Arab tribe over designated desert sands underneath which there was much oil (Brunei is the equivalent in Southeast Asia) and, from whose wealth, the broader Arab population is deprived. Imperialist or colonial

firearms impose this regime as an international/legal category. But as is well known, under capitalism, every *de facto* legal property category is an economic category and, as such, the Gulf or, the smaller imperialistically engineered state in Asia, are an immediate extension of the central mode of production. At first, the small Gulf oil coastal towns barged into the early nineteenth century as a result of being vanquished by the British for pirating the Eastern sea-trade routes in the Arabian sea (Lutsky 1969). In the modern age, these towns morphed into oil states and are effectively the property of US-led imperialism and the means by which it foments the conditions for inter-Arab working-class divisions. The dual act of Gulf surpluses funding American debts and warring on the starving population of Yemen makes of the Gulf region the prize of international financial capital. Few other regions, other than the Gulf, contribute to militarism in finance, depopulation and the reduction in the value of human lives, ideologies of religious obscurantism that feed the prospects of permanent war and, above all, bolstering US-led imperialist power.

The *accumulation of capital*, the whole of the social arrangement behind production, extracts surplus value at below the cost of necessary labour or labour's cost of reproduction. Capitalism as a global system depends on this process in order to remain profitable, and it is the control and reproduction of labour and its labour power in which the beginning of surplus value is to be found. Put differently, capital, in its pursuit of profits, needs to depress the wage (lower the costs necessary to maintain labour) or to extend fewer resources on the reproduction of the labour force (for instance, less health and education spending). Hence, population growth, including the politics of the reproduction of human beings and their labour power, is historically regulated by a specific relationship of surplus value extraction: the rate of population growth follows from the rate of accumulation, or it may be easier to say that society can only sustain so many people with a given mode of wealth creation. The foundation for the operation of the wage system in capitalist society springs from the rate of replacement of living by dead labour, from which also the resulting relative surplus population arises.⁷ The rate of growth of the surplus population depresses the wage rate, first by its sheer size, and second, and the violent way in which the wage system—wages falling below the historically determined subsistence level—works its way violently to reduce the surplus population both physically and by demonstrating cheapness of human lives. The reproduction of labour

power as such follows from the destruction of capitalistically constructed (made to appear superfluous) man, which is also the cornerstone of surplus value production.

The population reproductive order guided by the wage system is both creation of initial value (mankind and labour power) and the building block of production and future value—expending labour power in production (Marx 1867). In this irreducibly complex, interrelated, and manifold reproduction reality, subject to multiple causation (overdetermination), no matter where production is located, the chain of production is indeterminate in its state of being (as it becomes) and no teleological order can appertain to it. Every stage of the reproduction cycle has its moneyed and non-moneyed labour power consumed to generate surplus value in a continuous loop. In the course of production, the premature extinguishing of third-world labour lives and/or destruction of labour power is in itself a moment of production (waste or no waste, it remains production) and also serves to lower the outlays on the remaining labour and as the seminal stage of the production process, it contributes to the creation of surplus value.⁸ The realisation of labour power in war, militarism and, more generally, commercial exploitation, at any stage of production, as it becomes the dead labour in the raw material, exotic or non-exotic commodities, or machines at very low prices or, even with no prices at all (snatched for free), because of the power of imperialism, is the highest rate of exploitation. It is the enslavement of whole populations in a codetermined production vortex in which the analytical dichotomy between productive and unproductive labour becomes just that: analytical and not actuality (mediated immediacy). Production through the implementation of the law of value and its more violent regimentation of the peripheral labour process via imperialism is objective and immediate. In that ontological condition, it does not matter where realisation ends because there are either no ends or no beginnings; the system is one of synchronically reinforcing processes of production.

Under such indeterminacy, whether Bavarian BMW workers are more productive than child labourers in the Congo or dying soldiers in Iraq is not a question that lends itself to quantification, because each and every step in social production co-determines the other in an unspecified sequence of events. More important, each and every step includes the stripping of labour's historical agency by the degree to which capital divides the working class in order to allot higher wages to this or

that section of labour; all in the course of destroying labour's historical agency. The social (the act of dividing the working class) has antecedence over the money from manifestation of productivity or profits measured in dollars/Euros. It is because of the primacy of politics, which entails imperialist practice, that a higher rate of surplus value is accorded a lower wage. At this foundational level and for the sake of illustration, if dividing workers stops, a globally homogenous labour finishes off capital and its surplus value altogether. So capital's strength is obviously drawn from the dividedness of labour and the degree to which capital supersedes labour is reflected in the gap between value and moneyed productivity.

At a fundamental level, a moneyed rate of profit is only symbolic of value, which is in the final instance defined by the degree of power the ruling class exercises over workers to usurp from their share of the wealth. Abstracting the highly-paid German workers out of the heap of producers globally, measuring their output in Euros and ascribing to them higher productivity requires an ideologically slanted optic that upholds the belief that the lives and labour of people from whom the exotic goods and inputs arrive into the Western hemisphere are worthless or, more absurdly, are things that the West can do without. *Because each production step is codetermined by the rapport of the power of capital to labour, any measure of productivity is thus subjective and arbitrary.*⁹

The social product is the fruit of an integrated labour that cuts across national boundaries. The realisation process is an indefinite number of realisation processes in which the creation of the value that labour power embodies also generates additional surplus value by the degree to which more grabbed and non-moneyed value forming components go into the reproduction of human beings (including their labour power, which is a commodity) and other commodities. Thus, in a globally integrated production process, it is the concomitant act of undervaluing labour power (reducing wages) in third-world sweatshops or in the enterprise of militarism that accounts for the greater part of the surplus value. Although wages are social (the wages of the working class), as opposed to private, and real wages are determined through class struggle (Kalecki [1943] shows that real wages are determined in the product market and not in the labour market), which would imply that internationalism is the priority action to empower global labour; the politics of ruling capital and its labour aristocracy reduce the internationalist and organic ties of labour to the opportunism of *grabbing what they could for themselves from the rest of the world*. A most pertinent point on the social and global nature of wages

and productivity comes from Karl Niebyl (no date), who carries the social wage concept a step further in his critique of economic pragmatism:

Just as it is not the individual labourer whose labour constitutes labour value, so it is not the particular industrial worker, or a particular group of industrial workers, or the industrial workers of a particular nationality that represents the industrial proletariat or what Marx meant by that term. As individuals or groups of individuals they may well have submitted to a differential level of living at the expense of other working people and with the consequent corrupting influence as in the case of some so-called labour aristocracy, or in the more significant and present case resulting from colonial and neo-colonial exploitation. Labourers can be corrupted, labour leaders can be corrupted, labour cannot. This is admittedly a difficult concept for the pragmatically minded.

There are two intertwined issues at play: first, the reduction in historical surplus value to imperialistically defined quantities of money reflecting productivity (numbers are not innocent),¹⁰ and; second, quantifying the unquantifiable such as the agency of labour. In measuring historical surplus value in the currency of imperialist choice and/or by the scale of imperialist choice, imperialism, allegorically speaking, says to the developing countries: I am worth more than you, or I can do without you. As to agency: in the dialectical unity of historical necessity and uncertainty, with the latter being the outward manifestation of the former via the practice of working-class politics (everything appears as chance although it is necessary when it happens), no twisting or turning of the alleged might of moneyed capital amassed by imperialism and its dubious accounting methods can obviate labour as the agent of history. Labour is the historical force that can demystify and overturn the power of capital. The imperialist-doctored money measures of historical surpluses and their associated productivities, including fictitious capital (unpayable debts), serve as anti-labour ideological tools that discount a whole history of imperialist loot as civilisational missions, systematic errors with unintended consequences or, more ludicrously, as socio-psychological motives inherent in human nature. Even though labour is an organic whole whose share of the wealth grows at the expense of profits, at the current low ebb of socialist organisation and ideology, imperialist measures of Third-World-generated historical surplus value are received theory and appear as both trivial quantity and justifiable on cultural grounds or because of the West's superior technology.

Pragmatism also permeates the cultural discourse in Western Marxist circles. For instance, consider the Horowitz-Mandel debate in 1967. In his reply to Ernest Mandel's critique of the concept of economic surplus by Baran and Sweezy (1975 [1966]), Horowitz (1967) calls for the abandonment of the attempt to get all of theoretical features into a linear relationship with one another in a manner of Marx's use of the labor theory of value; and, not only that, he then thinks it is formalistic to focus on mere terminology such as what constitutes a proper economic theory of value. Mandel (1967) welcomes the challenge by Horowitz and defends the labour theory of value all the while bending Marxian theory to the pragmatic consideration of the mainstream. So instead of the average intensity of labour constituting value, Mandel measures value as that fragment of the total labour potential existing in a given society in a certain period which is used for the output of a given commodity, at the average social productivity of labour existing then and there, divided by the total number of these commodities produced. As true to form as this accounting is, it leaves out the balance of forces from the designation of value. In relation to the Third World, Mandel posits that the concept of the economic surplus applies to underdeveloped countries because the differences between the two crucial problems facing monopoly capital: investment of surplus capital and increasing difficulties in realisation of surplus value are negligible. Whereas for industrialised countries the huge surplus, that potential of labour from society's capacity, compels investment in armaments (the surplus motivating war is a point he shares with Baran and Sweezy). In Mandel's reply, there is a schism between the industrialised country surplus and that of the Third World; are they not historically related? There is also in the measurement of the surplus no mention of imperialism as a historical power. The very process of colonialism/imperialism under-developing the Third World, including its savagery, was itself a process of production producing surplus value. In short, there is either a Eurocentric bent or an effort to bend a social theory to the vulgar pragmatism of the mainstream, and in the process, because such pragmatism is insidiously ideological, Mandel's reply omits confrontation in the social language of Marx.

The Marxian concept of exploitation cannot be narrowed down to individualistic examples used by Marx (1867) in Capital Volume I. Marx does not illustrate with an illusory subject whose characteristics are biological or immutable across time. He illustrates with a real historically determined subject, the wage worker as a novel phenomenon who

sells his labour power for a wage, and whose mediation in the general (universal) does not preclude the existence of diversity, especially in the intensity of labour power, muscle or intellect, consumed in the course of production. The whole cannot be the sum of the parts because simply the parts are of different qualities and, moreover, the whole itself is of different quality (Marx's *Capital* is a categorical critique of the pragmatism of English political economy). It is not within the scope of Marxian method to suppose that if we add all the surplus labour, which increases with higher technology or lowering labour costs, then at the point of realisation, surplus value rises and so follows the profit rate. Labour power, a commodity objectified in other commodities and alienated from the producer, acquires a life of its own; such fetishism clings to the products of labour as soon as they are produced as commodities and is therefore inseparable from commodity production. Unlike previous historical epochs, such a phenomenon is peculiar to the wage system under capitalism (Marx 1867). In pragmatic optics, realisation has a beginning and an end, and it occurs last within the national boundary of the more advanced countries (say the USA or the UK). Realisation also occurs within a specified period, which discards altogether the various historical dimensions and loops of exploitation during production. Putting a price on value in English production during the course of this year overlooks several other production processes, which are already either co-determining or predetermined by that supposedly final realisation stage—causality need not be unilinear. With production being a social process, the engagement of the periphery or the colony in militarism (the war production space) or super-exploitation may end up being realised after the supposedly final realisation stage of the centre. At any rate, war plans and permanent war are constant features of capitalism.

Tangentially on the issue of permanent war: often omitted as a continuous social condition, the Luxemburgist-Leninist theory of imperialism as permanent war has somewhat been resurrected in recent writings. For Cramer (2003), wars were no longer irrational breaks in continuous historical processes. Dal Lago (2006) posits that war is neither an exception nor should it be ignored. As early as 1921 however, Walter Benjamin stated that militarism is the compulsory, universal use of violence as a means to the ends of the state, and all law, whether 'law making' or 'law preserving' is a continuation of violence, albeit once again, as means to the ends of the state. At the time Benjamin wrote, the old monarchist institutions, including its judiciary, justified the killing of the

leftists by the right wing militias (*the freikorps*) on the basis that defending the state was an act that rested on higher moral grounds. This is yet another example of the Leninist concept of ‘*public power*’, which has later become recycled as the deep state. One rather scientific point a critic like Benjamin knew too well but overlooked in this article is that under capitalism violence and the technology of violence are commanded by the products of the market, which assume a life of their own in exchange value (fetishism). The *fetishes* of the market, which require violence to stay alive in the minds of the alienated masses, draw the most of their energy from the continuous massacre of the Third World, and not the intermittent European wars. As to the permanence of violence in the Third World, Fanon’s (1967) remark that the indigenous population’s first encounter with the Europeans ‘was marked by violence and their existence together—that is to say the exploitation of the native by the settler—was carried on by dint of a great array of bayonets and cannons’, best demonstrates the case. Militarism and its violence are intrinsic to and reshape the state as capital’s principal instrument, including the state’s articulation with security, sovereignty and development. In a developing context, such understanding of militarism as a social process resolves into the cogent argument that development is successfully *wrought or not* depending on the power a given country displays against imperialism, including the power to retain and recirculate the social product, or the power that a given country’s level of development imparts to imperialism (Marshall-like plans).

In more holistic-social analysis (as opposed to pragmatic), diverse individuals, existing as social relationships within an intricate and complex web of relationships, structured as classes and reinstated in forms of social organisation, are mediated by their political agency. The exploited shoemaker of Chap. 12 of *Das Capital* volume I produces relative surplus value with rising productivity or absolute surplus value with longer working days, however, his or her living wage declines as necessary labour time falls or the value of his or her labour power becomes cheaper (Marx 1867). For labour power to be cheapened by cheapening the commodities that reproduce the labourer, it is not the shoe factory owner who reduces the price of the commodities needed for the shoemaker’s survival; it is the repressive practice of the capitalist class, the diverse social individuals with pertinent political agency through the forms of organisation and ideology of their class, at home or in its more ferocious manifestation abroad, imperialism.

Just after mentioning the shoemaker, Marx would follow up with this:

But when surplus-value has to be produced by the conversion of necessary labour into surplus-labour, it by no means suffices for capital to take over the labour-process in the form under which it has been historically handed down, and then simply to prolong the duration of that process. The technical and social conditions of the process, *and consequently the very mode of production must be revolutionised* (my emphasis, Marx 1867).

Marx (1867) stresses that labour power is cheapened by revolutionising the mode of production and its underlying labour process, of which imperialist wars and subsequent arrangements involve modes of super or commercial exploitation. According to Marx (1867), the ‘idyllic’ conditions of capitalism entailed ‘the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins’, these signalled the rosy dawn of the era of capitalist production. By the mid-sixteenth century, the process of under-valourising the colonies and the central ‘*Lazarus classes*’ continues as credit expansion to cover merchant capital’s transition to industrial capital morphs warring companies into warring states and ‘a system of public credit, that is, of national debts, whose origin we discover in Genoa and Venice as early as the Middle Ages, took possession of Europe generally during the manufacturing period, and the colonial system with its maritime trade and commercial wars served as a forcing-house for it’ (Marx 1867). These encroachment wars never stop and the revolutionising of the modes production by abolishing the old to meet the demands of higher rates of accumulation goes on in new forms.¹¹ In modern times, there are intensifications of capital’s metabolism; its ever cheapening of the rates at which man and nature are consumed in production. The social cycle underlying profitable production requires heinous violence to regiment the labour process. Encroachment wars upon the AW, assaults whose aim is the de-subjectification of working people via the demolition of their states, best capture the recent imperialist forms working-class coercion and resource capture (subjectivity as in the removal of the autonomy of man as subject–object and not invented identity as in postmodernism). The integrated cycle of militarism, defeat-destroy-engage/disengage assets, releases massive real and financial resources to central formations.

In the real world, the world in which wages are not individual wages, but the wages of the social class whose real level is class power determined, and prices are the class power-mediated value forms, the rate of surplus value rises by the rate of commercial exploitation (recalling that in dialectics, the general is the sum of heterogeneous entities, so these are the real mediated workers like the shoemaker and everyone else whose *summation* is the mediated general condition of their political/institutional class power). Because international class solidarity/struggle determine the real share of wages, the share of the peripheral working class in wages is partially determined by the degree to which the central working class partakes in the spoils of capital. Furthermore, in an organic and socially metabolic production order, wages are determined *as a residual after profits* and redistributed to the working class thereby defining a rate of profit in which consuming peripheral labour and its labour power at very cheap wages (below the social cost of reproduction) is a necessary condition for continuously rising profit rates. To such course of events, the violence of war against peripheral formations is akin to the way a combined production process of two social formations, a central formation articulating the peripheral mode of production as cheap inputs, materialises across time. Articulation by colonial violence was central to Marx's thesis (1867), '[i]t was otherwise in the colonies where the capitalist regime came into collision with the resistance of the producer in the colonies and where the capitalist resolves the contradiction with the power of the mother-country, as he tries to clear out by force their modes of production and appropriation based on the independent labour of the producer' (Marx 1867). Imperialist wars are themselves production processes and necessary corollary to central industry. These wars employ labour directly and indirectly, realise the weapon commodity, engage peripheral labour in an uneven war that destroys excessive labour power and undercuts the price of the labour commodity (wages), and reconstitute value with much lesser necessary labour time. What is important to note here is that for Marx, wars and their accumulation domain, militarism, are not an exogenous shock that redresses the business cycle, they are endogenous and key to the creation of surplus value and wealth.

Although Smith's (2016, 240) emphasised the positive influence upon the rate of profit arising from reducing wages below the value of labour power in the peripheral sweatshops, noting that Marx 'excluded it (super low wages in the colonies) from further analysis', and that orthodox

Marxists scoured *Capital* for ammunition to use against dependency theory in order to exclude the blindingly obvious fact of higher rates of peripheral exploitation and, conjunctionally, to obscure capitalism's imperialist trajectory and shield it from criticism; Smith's emphasis laid only on the recent rise of the Southern industrial proletariat and its contribution to surplus value, but not on war industry and militarism. Smith (2016) proposes that higher numbers of industrial proletariat in the South undergo higher rates of exploitation that contribute to higher profits. However, the Southern surplus value is not bigger under these latent stages of monopoly capitalism alone because already much of the stock of Northern wealth is an accumulated surplus value amassed from the practice colonialism and slavery; adding to that, the labour process under the domain of militarism—in which the combined consumption of humans and their labour power is a building block of surplus value creation that has never ceased to flow North.

The idea that surplus value is something peculiar to the industrial proletariat (in the narrow sense) is, as Niebyl (no date) correctly develops the Leninist concept of class, a misuse of the concept proletariat: 'the industrial proletariat is a class concept designed to explain a basic function in industrial capitalism and in capitalist society its own basic functions are veiled; Marx's entire *Capital* was designed to unveil its true nature and function *and what was unveiled was the true function of man, of producing man, of labouring man*', which brings us back full circle to the reproduction/elimination of man and his or her associated labour power, of which wars and their related effects, are central to value destruction and surplus value making. Waste may have become rife under monopoly capital, but as a domain of accumulation it is akin to capitalism from its early stages of development. Imperialist wars destroy value and cheapen the power of labour by demonstrating that no matter how many millions perish, labour is so abundant and superfluous, such that wages need not rise. War disempowers, alienates humans and resources from social control, and the impact of continually sponsored imperialist wars disempowers the working class.¹² Second, militarism's spending or, more yet, the promoting of the ideology of war, are ends in themselves because they redistribute real value to the capitalist class and expand financial assets—simultaneously through higher credits (military spending or war debt) afforded to the financial class and austerity. Foster et al. (2008) reasserted the Kaleckian position that US military spending grew because of capitalist empire rather than the need to contain the Soviet

threat by soaking up the USA's vast surplus and helping stave off economic stagnation.¹³ The idea that it was not against the Soviet Union, a position also shared by Baran and Sweezy (1975) and Mandel (1975) as mentioned above, places the primary cause of war in the abundance or scarcity of things (Rousseau relates the cause of war to too much or too little output), whereas under capitalism war is the macroscopic refec-tion of the contradictin within the commodity, which is self-expanding value. The self-expansion of the commodity is the genesis of expnading wars and although oil and pipeline control imply wars, wars to capital are endemic and *causa sui*. As true as the surplus impelling war proposi-tion may in part be, it is secondary to the fact that wars of encroachment capture, destroy or under-valorise real human and physical value in the Third World. It restructures value relations in favour of the victor.

Niebyl (no date), as well as Baran and Sweezy (1975), argue that despite the fact that the proportion of industrial workers is declining, such decline has no bearing on revolutionary potential, where Niebyl departs from Baran and Sweezy is in his critique of their point that advanced monopoly capitalism does not exist in isolation, and any spec-ulation about its future which takes account only of its inner laws and tendencies is certain to be misleading. So, it is not a question of shifting numbers, but a question of the same working class assuming new forms of historical anti-systemic agency in new struggles. Niebyl thinks that the term *inner laws (the model based on numbers)*, and here he means accu-mulation under monopolies that delay the writing off of their outdated technologies producing higher profit/financial surpluses generated by fewer industrial workers, is *misleading* because in the same way one cannot deduce lower revolutionary potential under monopoly capitalism in America (treated in isolation from the rest of the world) as a result of a smaller industrial working class, one also cannot speculate about world-revolutionary potential with the same *inner laws*. At this juncture, it is not the surpluses of Baran and Sweezy (the piling up moneyed prof-its in the North) that egg on war; it is war as means of devalorisation and shifting power and value relations that signal to the objective his-torical forces of imperialism to re-engage in more wars. The reworking of value relations is the application of the law of value; an application whose success is measured by deeper divisions within the global working class. Naturally, it is this undervalued global working class whose divid-edness is a manifestation of capital, but also one whose coming into its own as a result of struggle necessarily implies that it should revolt against

capital, which represents both the historical agent and the determinant of value. Hence, wither the pragmatism incarnate in money form surpluses because without ascertaining a labour theory of value, we bestow upon the money form and other fetishised appearances, such as nationhood, an eternal power of their own. This also means that although capital is auto-implosive, it can continuously buy its way out of crisis with money (the sphere of exchange); such a condition is impossible because: first, capital devours man and nature, and; secondly, it also means that a transition out of capital or historical change is impossible. In that priceless piece on methodology in which Niebyl criticises pragmatism, he says:

That interpretation (of *inner laws*) encounters, however, the difficulty that the term inner is connected with laws which poses again the previously discussed problem of analysing isolates, i.e. models. The wars of resistance against monopoly capitalism are indeed constituent parts of the world capitalist crisis. The point here is that these wars cannot be interpreted as *substitutes* for the role of the proletariat (in the sense that Marx used that term), but are historical forms of it.

That labour was substance of value and that workers must be paid lower wages for higher profits was the leading idea of political economy in the nineteenth century. In fact, such propositions must have made common sense since the dawn of history. Reducing Marx to the pragmatism of calculating how much surplus value out of the ‘productive’ shoemaker was excised is the English pragmatism that Marx had criticised. To reduce Marx’s concept of the proletariat to productive shoemakers, bag-makers or whatever-makers sections by his analytical breakdown of productive/unproductive labour ridicules his revolutionary theory. The proletariat is a transformative concept: it is the working class armed with revolutionary consciousness. In view of prevailing commodification under capitalism, Marx argued that labour power itself has become a commodity, but unlike other commodities, capital must reduce the price of such commodity by principally violent means. The lowering of necessary labour has always required policies of austerity, militarism and foremost, a shortening of life expectancy relative to the historical standard or outright depopulation. These are objective processes rooted in the fetishism of commodities or the relationships between humans that were supplanted by relationships between commodities. The new realm and conditions of production and the production of surplus value shift into

the sphere of the class struggle, the struggle by which workers relate as a social class to the means of production and their owners.

War, a principal activity of militarism, and an acute stage of the class struggle by which the rates of surplus value are determined, assumes central stage in capitalist production relations. Endogenous mechanisation only presupposes the rate of cheapening of labour power, it is the social agency of the working class opposing capital, and its internationalism, which determine the trends in surplus value creation. It is no longer this or that productive labour that is the proletariat; these abstract categories are sublated and the proletariat becomes the specific labour forms carrying out anti-systemic struggle amongst the global working classes. Working classes imbued with divisive inter-working class identities are not the proletariat; they are the instantiation of the hegemony of capital or its re-organising arm. For Marx, the truth is in the whole; and, in this whole, which is the new concreteness under highly financialised imperialism, a condition in which productivity is social and the wages are the wages of the social class, the crux of the matter when investigating the foremost source of surplus value is best gauged against the rate at which human lives are snuffed before their time, and hence, the higher rate of surplus value creation by militarism, a domain of accumulation that has long been eminent on the Arab stage.

It is only rhetoric to the fatuous that the history of colonialism/imperialism is a history of savagery and depopulation co-existing with Western wealth creation. Knowingly or unknowingly, war practitioners of the politics of empire exhibit an uncanny savvy of the dialectics of imperialism. Both Robert S. McNamara and Henry Kissinger have likened Third World population growth to a nuclear bomb.¹⁴ These people, through serving empire, unconsciously knew more value theory through the practice of imperialism than many Western Marxists attributing higher central wages to better Western machinery.¹⁵ The productivity of the labour of the North is not wrought from their engagement in higher technology, but through their tacit or active consent or participation in the depopulation of the South, often by the payoff of the 'democracy' that many central workers defend.¹⁶ Looking back from where we stand, the social reforms and the fight for democracy in the North have bred manifold forms of fascist practice in the South. The higher central wages are in significant part a form of rent devolved by the power of capital wrought from its victory against the working classes of the Third World. Whether the wealth drawn from the Third World is assessed in puny or huge

dollar amounts, the point remains that there is one history to imperialism and the developing world is part of it. Yet, the counterfactual refrain of the mainstream is that the West can do without the developing world in spite of the growing crisis. The crisis of capital, its demand for more social dislocation to meet higher profit rates, dims in comparison with the ideological crisis of labour where pragmatic methods still assess the rate of surplus value in isolated national boundaries.

In an act of self-exoneration, the pragmatists conceal third world loot behind minimal numbers or dollar amounts. For Niebyl (no date), the explanation was that the profitability of British and American imperialism, and its corrupting influence made it possible for Anglo-American social scientists to stop their inquiry into the world in which they live at the point of describing it without being forced, by the reality of emerging social contradictions, to analyse the nature of that reality. However, there is more than just corruption at work here; the partaking of sections of labour with capital for such a long a time has produced a social being and an attendant social consciousness that appear anti-labour without the medium of corruption. In view of the recent rise of the ultra-right in the Western world, the central capital/labour partnership seems to have entrenched itself as *zeitgeist*, such that some sections of labour edging towards fascism have become intellectually corrupt without much kick-back from corruption. Yet, the fact that labour's social being and material circumstances have to be degraded and undervalued, such tendencies contingently upon forms of organisation and revolutionary consciousness predispose global labour as the inexorable subject of history. It is not the models of wealth amassed by monopolies that explain shifts in revolutionary tendency, it is the capital-labour contradiction manifest in wars of all other forms of resistance against monopoly capitalism.

In the totality of the class struggle as production and reproduction of working-class conditions, of which militarism and war are principal domains that engage Arab workers, a much higher rate of surplus value is being emitted from the AW. In their deaths caused by wars and immiseration, just like alienated labour everywhere, Arab workers additionally produce an essential service, which is the repositioning of global geostrategic balances. And one may add that such repositioning influences the power and financial standing of the US-led capital class by which it earns vast imperial rents through dollarisation, including the East Asian flows (by way of enhanced power). In EA, breakthrough entities consume capitalised labour power to produce manufactured items with a strong

scientific content and high value added that raise Asian labour returns but only to the degree to which their higher wages buying their allegiance to capital empower imperialism to lower the global labour share. Just like central labour's, EA labour's income rises through imperialist guarantees and or because of the need to bolster the ideology of nationalist unity in order to co-opt and enlist these working classes as proxy security guards for imperialism. At the time Marx wrote, there might have been a moral component driving the rise in wages (as in Marx 1893), but as European chauvinistic social democracy crept into the political scene by the late nineteenth century, an anti moral component also crept into European wages. Moreover, at the time Marx wrote he may have adhered to a positive view of ideology (for reasons to do ideology rather than theory, since he was also a practitioner of politics), where improvements in wages were the fruits of the class struggle readying the conditions for the transition to socialism. Marx's accent on positive ideology (things will always move towards revolution in Western Europe) changed towards the end of his life, as he was dismayed by the prospects for revolution in Europe after 1871 (Hobsbawm 1964). One can readily invert this proposition of morally supported wages in the imperialist age: there is more of an immoral component in imperialism's redistribution of the global wage in ways that pit one section of the working class against another than the moral component behind the rising wages by which these well to do sections of the working class improve their living standards.

What is more, capitalist reproduction by the extension of imperialist violence (the case of the AW) brings to light the side of capital where central classes set the stage for Arab capital to engage in an act of self-destruction, which together with financialisation, the higher frequency of capital flows to the centre combined with the destruction or setting aside of value and the realisation of new value, has become even more relevant to profiteering. Because the profits of Arab merchant classes depend much more on the reduction in labour share, which suppresses demand, and foreign exchange inflows from unsteady raw material export earnings or geopolitical rents, there is a limit to what they can do to re-organise at the national level to meet exponentially rising profit rates. Because the national demand component from industry is missing, Arab capital reverts to violent infighting, as always incentivised by imperialism. This is obviously not the case in EA where industrial capital has an interest

in capitalising its own working class. Moreover, as Arab wealth is dollar denominated and falls under the hammer of central financial authorities, the intermediation of their reproducibility in ideological forms lays the grounds for re-engaging them in the higher profits of imperialist war making.¹⁷ Whereas the East Asian state adopts forms of selective democratisation, the Arab state gradually turns into a peculiar security apparatus (*Moukhabarat*) with less and less of consent generated from social investment.

So for comparisons to be meaningful, or at least less amenable to eclectic interpretations outside the real history of events, just as DNA charts the course of biological development, at some deeper or distant past level the reorganisation of class structures in response to accumulation around the commodity as self-expanding value would be better suited to illustrate how these two regions are realisations of a single fundamental relationship, capital exercising its law of value, diverging into two different social/historical processes. They do not diverge on account of entrepreneurship or because General Park of South Korea assigned a competent bureaucrat to the Ministry of Industry and an incompetent by nepotism to the Ministry of Sports. They diverge because imperialism as the violent spearhead of the interests of US-led capital does not vanish from the scene and always intervenes to set the stage for control and/or growth in militarism.

REVIEW AND CLOSING COMMENT

Wars are the realisation stage of militarism, which is itself a domain of accumulation with all the ideological and institutional underpinnings for auto-reproduction—not just military Keynesianism. Apart from the realisation of the bomb-commodity, in wars, we also have another commodity, human life reduced to labour power, consumed to make another human life cheap by cheapening the price of labour power—a sedimentary stage of surplus value creation. As to physical productivity and profits priced in Western currency, one must think of those in terms of the difference between the direct producer, the price paid to consume the cheaper Arab or African lives relative to the price earned via militarism in the Western market or the final sellers. For the sake of perspicuity, I add that few speak of Arab and African lives in terms of commodities like coffee or cocoa, grown and paid for in low prices, but sold/realised

for high prices by Western monopolies. In political economy parlance, in the totality that is capitalist production, the profit rate emerges as the mediated actuality of that most gruesome part of exploitation—the consummation of labour power in war, which is a form of commercial exploitation and a higher level in the commodification of human life than chattel slavery.

To return to our initial question: why deconstruct the Arab world and construct North-East Asia? The short answer is that by extinguishing lives far short of their historically determined life-expectancy, US-led capital and its militarism draw from wars higher rates of surplus value; at least on account of commodifying labour, the rate of commercial exploitation exceeds that of super-exploitation. The former form of exploitation principally characterises the Arab world, the latter form pertains to the exploitation of downstream sweatshop countries of East and South East Asia. Because the intensification of commercial exploitation founds the social background for higher profits, newer manifestations of slavery, as in the act of denationalising/destroying peripheral formations, would continue to form the ‘pedestals’ upon which the higher physical productivity of the North stands. The pedestal is used here in reference to Marx’s remark in the chapter on the Genesis of Industrial capital in Vol. I (1867): ‘The veiled slavery of the wage workers in Europe needed, for its pedestal, slavery, pure and simple.’ The ‘pedestal’ that was slavery never stopped at the point of the abolition of formal slavery. Imperialist destruction of Arab states hijacks the will of people and reduces subject to object for whole nations just as if it were a massive form of slavery.

Another way of looking at this problematic from the value relation side of things posits the following. Militarism and its wars ratchet up imperialist power and reduce the negotiating power of working classes and, by the same token, a wide range of prices that fall below value. With class struggle assuming the form of production and since war as a production process is also a manifestation of the class struggle, the consumption of human life directly in ‘war as production’ generates high rates of surplus value. The value relationship as such, the complex of contradictions between socially necessary labour time (the value proper that goes into forming the labourer), the labourer’s productivity (the use value of labour power) and the labourer’s labour power sale (its exchange value as in selling it for a wage) generates surplus value by the degree to which exchange value sinks way below the socially necessary

labour time that produces the labourer. Wars, for instance, reap a whole life's productivity in the short life expectancy of a fighter who is paid pittance in wages—including civilians who are paid zero or negative wages (starvation). All these people are willingly or unwillingly engaged in 'war as production.'

It is not the higher sums of prices of products of capital-owned machinery, as opposed to Northern labour-owned, which demonstrate the higher surplus value of say an American worker, a worker defined by the mythical contours of nationality, especially as the US lays control to much of the world—control itself is a component of the production process. Prices as the mediated actuality of value via the balance of forces in the international class struggle and, within the class struggle as a production sphere itself, tally with the historically accumulated stock of imperialist power and camouflage real value by the degree of labours' repression. Prices are constructed as fetishes by the ideological power of capital. They are demystified at the junction of proletarian revolution bringing them under social control. At each stage in history, the value that forms by imperialist wars adds to the stock of accumulated historical surplus value and, subsequently, the power, real and ideological, of central capital. Imperialist wars intensify capital, or the contradiction between the private and the social, which is the basis for higher rates of surplus value. The wars' ideological spinoffs, their capability in luring class consciousness away from class and closer to identity politics (rally around the flag), also assists in obscuring slavery with the fetishized prices that capital chooses to form.

Imperialist wars entrench slavery or the deprivation of the power to negotiate the sale of one's own resources and labour power. Many peoples in the South are deprived of the power to negotiate the prices of their products at values that reproduce their populations in better shape. They continuously earn less than what is needed to improve their standards of living. Put differently, the de-subjectification of the conquered populations, the retreat of their revolutionary consciousness and representation in the state, widens the divide between the incomes of the primary producers and the prices of their produce. Apart from the fact that colonialism had curtailed the industrial development of the colonies, these rising rates of southern exploitation generate higher northern wealth and undergird their historically rising trend of physical productivity. As of late, slavery had assumed quicker more collective

forms incarnate in the destruction of states. The imperialist wars of encroachment have also bred counter-revolutionary ideological impetuses at a time when working class organisation and its attendant ideology are waning. The war momentum carried by the objective and impersonal forces of history faces little opposition from effective peace movements and the dangers that capital will metabolise through all-out war are looming.

Furthermore, the production of the northern commodity is an anachronous predicate of its 'pedestal'—enslavement cum commercial exploitation. The stages of production are codetermined in social time as opposed to being sequential in conventional time. Production is the realisation of a torrent of accumulation by competition in which concomitant forms of slavery, from wage slavery to the outright slavery of consuming human lives in war, exhibit no beginnings or ends; production is just a flow of already implemented, and to be implemented, diverse decisions to produce. The stages of production of laptops, mining for rare metals, the Congo wars and or the Iraq campaign are presented teleologically or in some palatable order referring to any given commodity cycle only for the purpose of elucidation, whereas reality is overdetermined, cross-causal and/or where cause becomes effect, and effect, cause. In short, the so-called final realisation stage of the commodity at the point of sale in the centre, the point at which physical productivity is measured in dollars to show that the North is more productive, is not final because it entails or presupposes a cycle of imperialist destruction. Closing the loop of dollar-accounting exercises measuring surpluses in the Western market is fallacious or serves imperialist ideological proclivity, because the war extension, for raw materials or the regulation of demographic growth, is itself big industry and the final realisation stage. Figuratively speaking, it is in the Congo or Iraq wars where the reproduction cycle ends and restarts.

Similarly, overdetermination overshadows the analytical dichotomy between productive and unproductive labour, which becomes just that: an analytical dichotomy that is indistinguishable in transformed actuality. Productive and unproductive labour are mutating categories from the same genus, the working class. To construct an argument for the making of surplus value under more mature conditions on the basis of this formal duality, inevitably leads to contradiction; as is the case with any formal process, here, we end up with a minute number of productive labourers.

However, labour is the common denominator between productive and unproductive, and under capital's law of accumulation it is labour, including the necessarily disengaged labour (through unemployment or imperialist war of depopulation), which reproduces society to capital's desire.

Set against the fullness of reality, the connotation of productive labour can be anything but productive. The making of a bomb requires productive labour and produces surplus value, but the factory here is not some virtual space, it is the real populated and bombarded cities, and so on. The distinction productive/unproductive initially proved that surplus value is the product of living labour and, subordinately, that labour power is the commodity that is being sold for a wage and not some average intensity of labour as per Riccardo. Recalling, labour is subject-object. Developing reality sublates, it preserves and negates the contribution of productive and unproductive labour, and mediates them in a single form, as the product of a working class whose share of the social product is the wage bill as determined by the power balances of the class struggle. Just as the contradiction of transformation of value into price cannot be resolved logically, and is resolved by observing the historical process by which labour is conditioned to relinquish its share of value, the divide between productive and unproductive labour is resolved by grasping the organic unity of labour as a result of the developments in revolutionary consciousness.

Productivity pre-supposes the level of wealth, while individual productivity is pre-determined socially. The wage is a social wage whose rate varies in relation to how capital through the state or imperialist wars disciplines, regiments, and controls the reproduction of labour. Unmediated categories that purport to show the industrial proletariat (productive labour) as an 'isolate' (isolate as per Niebyl [no date]), or as the sole agent of history, are meaningless because the outward appearances that labour assumes are related to the functioning of the law of value (the essence), or the process by which capital subdues the international labour process. Wars of encroachment and, subordinately, depopulation, are a crucial part of that and of the making of surplus value.

Once more, relying on Niebyl's work and moving away from the pragmatism of thinking in isolates allows us to recognise the potential forms of the proletariat (as mediated immediacy) emerging in broad class alliances, which include the unemployed, the poverty-wage workers, and the peasantry as agents of history alongside the now dwindling numbers

of the industrial working class (productive labour). Production under the hammer of war as the practice of the law of value and its more violent regimentation of the peripheral labour process via imperialist depopulation is the recurrent/permanent historical event that requires explication. In that state of becoming, production is also systemic violence. The system here is a synchronically-reinforcing process of production to which violence is a prerequisite and an input. Consequently, the retreat in civilian-end use commodity sales and/or realisation (aka the under-consumption crisis) is matched by rising militarism (Lenin 1916). As Lebowitz (2006) aptly points out, production is not only about producing goods, but also about producing conforming or revolutionary human beings. However, production is also production of waste (including militarism) and the production of labourers by the death of other labourers. I have also noted that production, whether it involves civilian or military cycles, is a co-temporal predicate of its own components.

The Third World is cheap in price terms because it was and continues to be cheapened to the requirement of a co-temporal production process by which the higher-priced output of bourgeois-owned Northern machinery requires inputs whose national owners are subjected to some form of Shock and Awe (code name for Iraq bombing in 1991). Yet here once again, we have a boomerang effect: the destitution of Third World workers drags down with it the Northern working classes. In an organic value composition of capital, the term 'organic' is crucial because the value outlays on variable capital are a single share from a social product that integrates labour across national boundaries, and so the ultimate form of surplus-value creation occurs at the intersection where the labourer and his or her labour power is consumed in production, or where recurrent imperialist depopulation policy takes place. Apart from realising the excess surplus of the centre, war and 'the politics to extend war,' especially in the Arab world, perform a dual role: securitizing the rule of capital and under-valorising labour power.

NOTES

1. 'They want the Iraqis to pay for that?': Trump's comments about Iraq's oil are stirring backlash' <http://www.businessinsider.com/ap-trumps-talk-of-keeping-iraqs-oil-sparking-concerns-2017-1?IR=T&r=US&IR=T>

2. Waites (1999) provides economic data assessed and produced by the minting machines of European empires to show that the Third World was insignificant to Western economic development and that the post-independence woes of the developing world are the faults of its governments (Bairoch [1993] is an earlier example of such dollar accounting). To Waites, the colonial North appears to have been on vacation in the South, more so than the case of an empire practicing imperialism to earn imperial rents. At any rate, the value under discussion here is the Marxian socially necessary labour time, which is the relationship of value to use value and exchange value. Value is not only a substance, but it subject object. The working class selling its labour power to produce commodities, which acquire a life of their own (fetishism), and later (the commodities) command the life of workers. Quantifying value relationships via a price, which is the class-power-brokered mediation of value in *actuality*, would have to consider that at various concomitant stages of realisation, each stage has its own shadow price, for which the value of reproducing human life is the benchmark measure. Although at best converting value into prices is not possible and, if so, it would remain a gross approximation, we simply cannot use the dollar, which is literally backed by and the product of a long history of superior weaponry and conquest, as signification of value.
3. The productivity of the central working class is not its own—capital owns the technology and the machinery. Any rise in its productivity is an increase in the wealth of capital and its ability to pay for the allegiance of Western sections of the working classes. This leaves us with the absolute intensity of labour as the measure of productivity, and positing integrated global accumulation, the dreadful condition of labour in sweatshops and war trenches, including deaths in imperialist wars—commercial and super-exploitation in the developing world—these put developing countries surplus value ahead of that of the ‘European’ proletariat.
4. Analytically, each step in the production chain of surplus value involves a pricing system determined within its own context of class struggle/power. From the production of labour power until the realisation of labour power in production or its setting aside or elimination, surplus value keeps building with the extension of waged and non-waged labour (slave-like) in each stage of the production process. Capital has to extract surplus value at an increasing rate by cheapening its inputs through further repression of labour and regimentation of the labour process. In order to grow, the money signification in profit rates requires all the more loot of labour power and other resources. US-led imperialism continues to undo developing states re-lowering the price of labour

power from those countries below the cost of its reproduction (including engaging large amounts of that labour power in warfare). The flood of refugees or cheapened labour expelled from these regions of perpetual war also serve to further lower the price of labour power in neighbouring states and in the central countries to which they flee.

5. The occupation and ethnic cleansing of Palestine presupposes high rates of war-related surplus value whose moneyed form manifestation is apparent in financial and militaristic rents. The Arab–Israeli question, its contribution to fomenting the hottest and most media-hyped security issue globally, its engagement by a Western intelligentsia peddling monotheistic myth of promised land as reality (Kassem 2011) or, worse yet, historians doubling as real estate agents who posit that the collective memory of Israelis precedes that of Palestinians and, therefore, they are more entitled to the land (Knauf 2014), is *post facto* evidence of how war and ethnic cleansing are historical forms of production for the sake of waste or wasteful consumption. Waste and the consumption of waste including the military commodity, which allegedly provides security, are central to capital and to increasing demand for the products of militarism. In critical school language, it is similar to the way popular culture promotes a desire to consume new fashion or gadgets, which are wholly unnecessary for society’s well-being, in order to induce the business cycle.
6. A decent attempt at correcting the measurements of South–North flows is carried by Hickel (2013) (Cope 2014): ‘Developing countries receive about \$136 billion in aid from donor countries each year. At the same time, however, they lose about \$1 trillion each year through offshore capital flight, mostly in the form of tax avoidance by multinational corporations. That’s nearly 10 times the size of the aid budget’. Although the number is huge, it is a gross underestimation because the wealth of the North is an immediate historical product of the misery of the South (measurement is illusive because each reproduction context is characterised by its own value/class power relations, and approximations of all sorts would remain grossly off the mark—had the mark existed objectively). Not that flows could be measured in current dollar terms, but at least one could say that the rate of flows from the South to the North can best be approximated by the rise in the incomes of the North accumulated in wealth drawn via colonialism and imperialism, the impact of halting Southern development by means of neoliberalism and wars, and the under-pricing of Southern labour by all means of power, foremost in which, is military power.
7. Competition driving technological growth under capitalism is an alienated condition that falls outside of social control. The rising organic

composition of capital is also an objective condition, or a condition falling outside immediate social control. As argued in Kadri (2016a), the condition for military technology growth and imperialist violence are also alienated and objective processes under capitalism.

8. To analytically theorise production by its end process of realisation, which is typically the Western formations, is the bias of Eurocentricity. Dialectics, the study of progress in history by auto-negation, does not eschew analytics and its reference points of beginnings and endings, but it certainly eschews theories propped on the basis of bourgeois-instantiated accounting schemes. Mass slaughter by colonialism and imperialism and its disease and starvation are the continuum of the capital relationship and its production scheme under capitalism. It is the ontological state (the state of being) affecting the reproduction of the subject (man) in the subject–object relationship (the reproduction of man and society). The expending or the premature shortening of lives, which predominantly occurs in the Third World is the principal source surplus value (that is why Emmanuel (1972) asked the question: are lives across the globe of equal value?). Sections of the working classes in the central countries benefit from this mass slaughter and that is why also Emmanuel (1972) cautioned about the central working classes commitment to internationalism. That is why also studies that follow the course of commodity production from the Third World onwards (Smith 2016) fail to account for the building of the historical weight of imperialist mass slaughter and its attendant surplus value on the reorganisation of the productive forces and their attendant production relations, a priori conditions that entwine with commodity production. No step-by-step approach can measure how extinguishing lives or the dwindling agency of labour undergirds and creates surplus value. Analytically, values and prices materialise on different planes with different units of measure, such that a measure of the underlying value in the form of prices is at best a gross estimation.
9. Aside from the anachronic nature of production, the salient productivity measurement argument is that one can measure productivity in a specific period and at firm level but that would require labour-hour data and machine operation rates. Such a micro approach provides reference points to profit makers so that they adjust their production capabilities; it is not helpful in this broad spectrum tackled here. Even in received theory terms, because of aggregation problems over diverse capital or labour inputs, national productivity measures are extremely flawed. Although with Sraffa's (1960) aggregation technique one may drop the national setup and follow the course of cross-national production since it reduces all machines to the sum of dated labour from different years and as such

it may add the contribution of third-world workers down the line; this would still not be pertinent to the argument because the historical de-subjectification of labour (culling of labour's historical agency and assigning imperialist values to colonised labour) is not taken into consideration when assigning value to labour at different dates. At every historical stage of the dating process, there exists an actuality of price, pertinent only to the quality at that historical stage, which cannot be summed up to other stages using the same unit of measure.

10. For an astute critique of the literature and the hyped imbroglia of transformation of values into prices, see Saad-Filho (2002).
11. Doubtless, capitalism creates wealth. The minimum historical standard of living rises as a result of objective and alienated progress in the forces of production, which invariably add to wealth and lengthen life expectancy. However, numbers in the hands of capital's institutions bamboozle working people. For instance, in Max Roser's work (2016), which speaks of a rise in living conditions over two centuries, such effort suffers from the same setback that one observes when comparing living conditions since the day mankind was still a quasi-primate until the nineteenth century. Over time quality of life changes, and quality is not reducible to quantity unless, roughly speaking, historical agency is considered as weight, which is similar reducing historical uncertainty to probability. What was the role of working-class struggle in achieving better living conditions is the question to ask. Measurement wise, each period has its own historically minimum level of subsistence income, which rises because of the endogeneity of technology; without weighting the series with the level of wealth and the effect of the struggle of the working class (which is subjective), these time series comparisons are meaningless. More important, the endogeneity of war and technology forced through by blind capitalist competition further removes the intensification of communal violence (wars) from social control. To say the least, the death levels and rates from war under capitalism in the twentieth century and its related effects are staggering and unmatched by any other period human history.
12. The permanent wars in the AW have pushed not only the financial wealth of the region to the safety of the USA market, but the resonance of the war impels most global capital into the security of the US market. There is not much for Western powers in trade gains to be accrued from the pittance of moneyed income of the AW, save for the Gulf states whose funds are already under the purview of the dominant financial power. Apart from oil, there is precious little to desire when the share of labour income of non-Gulf Arab counties is less than 0.5% of world income. Arab funds

invest \$21 trillion abroad, 2004. Online: <http://www.albawaba.com/business/arab-funds-invest-21-trillion-abroad> (viewed 9 October 2015).

13. In Kalecki's argument there is little or no mention on how the realisation stage of militarism augurs devalorisation in the Third World via commercial exploitation. For him, because private capital disparages civilian government spending since it chops away on its market share, it prefers military spending, which absorbs the economic surplus and adds to its profits. It also provides monopoly capital with the luxury of grabbing military technology for its oligarchic competition. Through media justification and other ideological apparatuses of capital and the state, military spending rises along with associated productivity, hence, raising income and living standards. Kalecki does not mention the necessity of expanding in the developing world to raising military spending and standards of living. Such is a theory without value theory. What if the developing world locks down and withholds resources from the First World. Would militarism continue to drive up productivity and wealth? Just as capital has to stultify its Northern working classes to continue spending on the military, it also has to, by hook or crook and in a socio-political act, transform the developing world into its playing field to stanch its resources. Every act of accumulation is a social or value relation act before it gells at the macro-economic levels in price terms.
14. The critiques I am providing here departs from... The great virtue of this theoretical situation, in addition to making immediately available to Marxists a set of highly sophisticated analytical techniques, is that it focuses attention on the real differences between orthodox and Marxian analysis, rather than on differences in mere terminology, or highly formalistic and basically irrelevant questions such as what constitutes a proper economic theory of value.
15. Depopulation of the Third World should be the highest priority of the U.S' and, 'Short of nuclear war itself, population growth is the gravest issue the world faces... the problem will be solved by famine, riots, insurrection and war'; this quote is attributed to McNamara, but Kissinger also shares a similar position. In *Time Bomb or Myth: The Population Problem*, McNamara (1984) asserts that population growth rates in most developing countries fell significantly in the 1970s, but efforts to deal with population growth should not be relaxed. The moment capitalist relation set in, labour power becomes a commodity to be regulated via depopulation policy. Pre-capitalist wars may depopulate for grab, but the idea that there are too many people relative to jobs available is a possibility only under capitalism. Labour has to be uprooted, moved

or prematurely extinguished because profit motivated rising productivity determines that not all can be employed in auto-subsistence as under feudalism. It is because of this particular application of the law of value by which the social is bent to meet the money form that Friedrich Engels criticised the transhistorical Malthusian theory of population by which the poor multiply and press against the means of subsistence, by saying that ‘in short, if we want to be consistent, we must admit that the earth was already over-populated when only one man existed.’ <https://www.marxists.org/archive/marx/works/1844/df-jahrbucher/outlines.htm> (viewed 10 June 2013)

16. As constant capital rises (through mechanisation), it reduces variable capital outlays and in an organic-like manner, it displaces labour. Tangentially, the principal reason for unemployment is the degree to which the unemployed weaken/divide the working class. As under-consumption takes hold (lower demand) and as wages fall below productivity growth (recalling that this productivity has nothing to do with real production conditions, which engages the Third World in dreadful sweatshop conditions and wars), the labour issue is then posited as how much to raise wages of only certain sections of Western labour to keep up with productivity growth. That makes it totally an issue of circulation because the productivity that Western economists measure is really moneyed revenues denominated in dollars or Euros. As such, the ‘who gets what from circulation’ diverts attention from the real organic conditions of production, the toil that produces real things, which also reproduce and homogenises labour (brings labour together), to how much capital should pay to strengthen its political and ideological rule.
17. There are many wildly divergent estimates of Arab assets abroad, but what is clear is that under conditions of war and uncertainty, private capital seeks the long term safety of central markets.

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Development in the Shadow of Imperialism

Abstract This chapter investigates development in the shadow of imperialism. Asian and Arab worlds are similar in their fundamental social relationship, capital, but dissimilar in what they have become because of shifting class and power relations or their respective mode of integration with the global economy. Each case of development can be attributed to the specificity of the development/security nexus triggered by an imperialism pursuing its interests. Unlike EA where inter-imperialist entente lengthens the time horizon amenable to long term gestating and productive capital formation, the Arab security/development nexus not only absorbs the central economic surplus, but also reinforces commercial exploitation and under-valorisation in price terms a whole range of third world resources and inputs. War is not only about the destruction of assets, it is also the social relationship organising the reproduction of these assets during and after the conflict, especially the sustainability of the reconstruction effort through shifting ideological and institutional reorganisation patterns. This chapter will discuss the primacy of imperialism, its logical precedence and power over history, and how its practice makes or breaks development.

Keywords Economic surplus · Monopoly capital · Financialisation
Economic development · War economy · Imperialism

Asian and Arab worlds, then, are similar in their fundamental social relationships, but dissimilar in what they have become because of shifting class and power relations as two different materialisations of the same social relationship, capital. It is through historicising the practice of imperialist expansion that the cross-cutting relationship of capital acquires a somewhat nebulous geographic shape determined by the Cold War demarcation lines, and later with the inter-capitalist divide between US–Europe and China–Russia. This chapter will discuss the primacy of imperialism, its logical precedence and power over history, and how its practice makes or breaks development.

DEVELOPMENT AS HISTORY

The emergence of industrialising states in the AW in the immediate post-independence period, their decline since 1980, and the continuous rise of EA were specific to their respective regions and the international context of each one. In EA, the regional context exhibited threats to the integrity and independence of countries, which triggered their class patrons to ensure the required resources and economic power to buttress their security, but which, as Petras (2008) emphasises, grew in the shadow of American military adventurism. Threats were also present in the case of the AW, but these threats were more frequently acted upon, and many Arab states were the subject of recurrent military assaults and defeats. Moreover, as of the mid-1970s and the end of the Vietnam War, the EA region, unlike the AW, experienced a state of conflict-defusing that allowed it to expand its productive capacity (Petras 2008). The East Asian market-driven development also picked up speed after the flows from Japan rose following the Plaza Accord in 1985. The higher Yen converted to cheaper dollars provided financial support to the growth momentum of EA, bringing into the fold the second generation of so-called Tigers. Although the alleged ‘intensive and long-term military threats faced by South Korea and Taiwan’ provided the incentives for ruling-class cooperation that ensured state cohesiveness and the motivation for economic independence, as well as a commitment to industrialisation (as in Zhu 2002), the international powers’ military stalemate is what principally provided the space for their specific course of development. It is rather droll how a Western imperialism, which is both leading capital and perpetrator of war by historical necessity and that for centuries had ransacked nations abroad, has allies in Taiwan or South Korea worried about the incursion of *barbarians* from China or North Korea. What

is droll is how the cultural introjection of the empire's cant by foreign subjects leads them to speak in the empire's orientalist tone (Orientalism as per the original Marxist interpretation of Anouar Abdel-Malek). However, in the AW, successive defeats, the retreat of Arab socialism, and petrodollar infiltration from the Gulf states that crushed national exchange-rate regimes and regulated-capital accounts, bulldozed any notion of progress and unleashed their ruling classes' desire to expand as merchant/comprador classes whose growth depended more on the global financial market than on building national industrial capacity.

EA's economic growth, development and industrial transformation grew in the crevice of an international stand-off. In contrast, wars in the AW, especially Israeli blitzkriegs that cost little but proved of tremendous ideological value to the USA as it positioned itself in the pilot seat of a very strategic region. The perception that there are strong states in EA as per Leftwich (2000) as a precondition for sovereignty and independence is adequate conceptualisation only after a sober-minded calculus that assesses the state as the actualisation of cross-national class and imperialist structured power relations—imperialism is atop the pyramid of power. There is a streak of liberalism whose purpose is to beautify imperialism by highlighting its home-democracy, a good capitalism in Europe versus the bad capitalism of its former colonies, from which few Western scholars cannot escape. Alas the white man burden, too many bad noble savages remained alive to spoil the European plan for a better world. Broadly speaking, East Asian economic development has been a way to furnish the resources necessary to lay the bases for cohesive states, whereas in the AW the dismantling of state security and development, regime change and the inciting of conflict were the goals US-led imperialism. In the case of EA, economic development was not an end in itself, it was meant to securitise the frontiers of imperialist expansionism. For Castells (1992), East Asian development was a way to become competitive in the world economy and a way of 'surviving' both as a state and as a society. The mainstream cliché of *surviving* under 'communism', which had evidently displayed higher human development indices than capitalist development, is too much of a propaganda item. It is as if the victims of daily genocide caused by capitalist policies and the colonial/imperialist massacres, not to mention the millions who perished in the Korean and Vietnam wars under American bombing, were yearning for the safety of *pax Americana* and its drones.

The post-WWII socialist advance across Asia was too significant for the USA to overlook and not to fortify its class allies in potential

confrontational outposts. For Woo-Cumings (1999), the main push in the developmental state was nationalism being dictated by the exigencies and requirements of national 'survival' and mobilisation in a twentieth century dominated by bigger powers; here is another mention of *survivability* when facing the advance of 'communism'. At least on the basis of ideology, it is capitalism whose practice necessitates a lifeboat ethics and survival for the few and not socialism. Nationalism, *causa sui*, is vacuous everywhere but more so in a peripheral context where empire builds an industrial project by which a tractor can be easily converted into a tank to fight the advance of communism or national capitalism. US-sponsored rabid nationalisms are fascist-like by the extension of its ideology that demonises the enemy (communism). To be sure, fascism is a central capital phenomenon on loan in various forms to some of the USA's third-world allies. As a case in point, the imperialist wars visited upon Iraq have proven that they were not a case of imperialism against fascism (a point popularised by Fred Halliday when he supported the US invasion of Iraq); the modes of political organisation by which a developing country struggles against imperialism cannot be fascist because the developing world's anti-imperialist struggle is itself working-class struggle. Fascism is reared progressively by liberalism and social democracy in response to the deepening crisis of central capital (Browder 1933).

The compromising position of European social democracy beginning with the German Social Democratic Party's (SDP) vote for the war credit in 1914 was a continuation of a whole history of central capital re-organising the home front to carry out the practice of imperialism. As social existence determines consciousness (Marx 1859), capital bestows inherent rights and entitlements to a Western labour whose higher paid echelons derive their consciousness partly from imperial tribute. The question why so much of Western labour rally around a nationality that sees fit the droning of starving populations abroad is taboo in mainstream science. It would bring into question the fact that western wealth is based on a whole history of pillage.¹ Fascism, the intensification of the central capital relationship in response to a severe crisis, whose imperialist practice restores genocide on the basis of the construct of race, also raises the rates of surplus value within the realm of production *cum* class struggle. Rather than race-indiscriminate genocide as the type practised by twentieth-century social democratic imperialism, fascism as the more pronounced practice of race-based depopulation is a boiling furnace of

surplus value creation commensurate with the degree of the annihilation of the labourer—as shown in the previous chapter.

Imperialism as the practice of a ruling-class drawing legitimacy from the overly abstract virtues of liberalism, such as individual rights, as opposed to class rights, or American political correctness, has had enough of the ideological adhesive to partly justify any war against any Muslim nation, for instance, on the basis of Islam's alleged disdain for women—just as a particular example of sanctimony. However, the liberal adhesive is coming undone as imperialist war crimes thwart its progress and the cost in taxation to central working classes rises; resorting to more emphatic use of force against a specific group of people just to serve imperialist interest without the human rights cant is emerging in quasi-fascist overtones—as seen with the Trump administration. It is at this historical intersection that the media horrors of the Islamic state (ISIS) kindle the reversion to ultra-nationalism and the justification of imperialist war as a struggle against barbarianism. The Islamic State's (ISIS) potential contribution to war fillips accumulation by militarism. The mainstream's prize question of whether ISIS was has grown out of the vestige of Islamic culture is not haphazard. The choice of such question is the weapon of choice against the Muslim world. That an idea such as Takfiri Wahhabism or Twelver Shiism, which manifests itself as essence across time irrespective of concrete historical conditions- the disproven Platonic form-characterises the history of a real-world culture in which the real Sharia archives of the Abbasid courts contain litigation over alimony payment in a homosexual partnership is never questioned has much to say about the dogma gripping mainstream academia. Modern day Takfiri Wahhabism and Twelver Shiism are the two poles of social organisation that feed off each other's culture of war fuelling the domain of imperialist militarism. ISIS and Twelvers are not ideas from the past, they are wholly a by-product of imperialist history formed by conditions of the Abu Ghraib-like prisons or Shiite mullahs cheering the US's invasion of Iraq.

The interrelation between external threats, the building up of state capacities, and economic development brings the joint security and development issue to the fore. For Leftwich (2000), the connection between the development of military capacity and the power and autonomy of the state does not sufficiently explain the relation of state formation with war-making. Development requires a primacy of politics in which national forces erect adequate institutional arrangements and

target developmental projects with financial resources mobilising real resources.² However, the use of the term ‘state formation’ patronises the underdeveloped world. The state is polymorphous and forming everywhere—be they failed states or not. A European state such as Belgium of Leopold II is not an ideal type into which other developing states can form if they mature. State formation is just another term laden with Eurocentric bias. Europe could only have afforded its bourgeois-democratic state as a result of colonial plunder and the amassing of historical surplus value.

The state as a form of social organisation varies with the structure of class formations. The structural forms of the state, be it bicameral with an efficient bureaucracy or whatever, follow from its class history, or its class relations, culture, power and symbolism, which are also the balance of forces that allocate the social product. Primarily, development occurs when a higher rate of resources is reallocated to higher productivity industry and working-class income shares. Irrespective of whether government is vertically autocratic or, facetiously, horizontally democratic, it is the balance of class power nesting in the state that governs the allocation of resources in favour of development. To conceal the concept of class and search whether parliamentary-shaped governments generate development is to remain formalistic—some do and some do not generate development. What is not formalistic is that in a world dominated by the exchange of commodities; and it is that exchange and not human relationships that dictate the allocation of resources. With such fetishism predictating the allocation of resources, it is the power of labour humanising the law of value that emits development.

The social structure and the state are continuously reshaped by the class struggle, so each state is definitively dissimilar from every other state, and at the same time similar in how it mediates its position vis-à-vis the global class struggle or its position/distance from imperialism. In the flux of competing global forces, the power characterising the whole reshapes the development processes of the part, and changes in development are better understood as a dialectic of historical continuity and discontinuity; (Marx’s definition of structure in the *German Ideology* 1845; Meszaros 2011). This remark from Meszaros is pertinent because what appears as continuous in real time is in its concrete form a series of ruptures, and as unfettered US-led imperialism and its ideology of neo-liberalism set the world on a path auto-degeneration, only big ruptures lie in store.

The Cold War's security umbrella for East Asian countries, in military aid, real capital investments, and guarantees of territorial integrity, is a prophylactic shielding the development/security structure from the vagaries of threats of war and volatile markets. In contrast to US intervention siding with Israel and taxing the Arab region militarily, in EA the USA partially relieved the breakthrough countries from their military burdens (Woo-Cumings 1999). In EA, it fostered the creation of an economy that reaped the benefit of engaging in the production of downstream civil-end-use commodities during the two major wars between 1950 and 1975. From the early 1950s until mid-1970s, South Korea and Taiwan were two of the largest recipients of USA aid in the developing world (Woo-Cumings 1999). The Cold War was also critical in terms of the economic windfalls that accrued to Japan, South Korea and Taiwan; US aid allowed these states to impose themselves, providing the necessary resources and to support and consolidate the security/development nexus (Petras 2008). As serious threats of war moved further away into the time horizon, these countries had to remain at the ready for a potentially large-scale war; a war that was put on hold by nuclear deterrence. In the interim, breakthroughs worked on cementing their national fronts via development that was materialised not only by realising their military potential, but also via the route of redistribution to lessen social disparities combined with ideological interpellation to strengthen national social bonds.

At the bare minimum of theory, war and technological innovations are socially alienated processes under capitalism. It is imperative for capital as expanding value to consume nature and human beings (Marx 1867). The dynamism of capital's growth, including the ideological pretext it uses to bend the social conditions for the requirement of growth, which range from labelling the colonised or ex-colonised as lesser humans to bombing them as part of humanitarian interventions, requires violence to set prices of developing world commodities below value. Imperialism, the violent facet of capital, seeks the possession of goods bereft of owners. The motto 'our oil (the USA's) under Arab sands' typifies this measure. Being akin to empires across history, this dynamic of forceful expropriation is more of an axiom than of a hypothesis. Under capitalism, however, the process of expropriation *qua* commercial exploitation follows the requirements of the law of value (what fetishism orders us to do), which is an ontological condition of capital; it is what capital does as it assesses the value expropriated or traded with the developing world on

its own terms and in its own unit of measure, which entail the imposition upon the developing world of all forms of repression, financial hegemony and severe austerity.

What is meant by this dialectic of continuity/discontinuity? Borrowing from Marxian method, one can posit that the continuity is the outside manifestation of discontinuity or, respectively, the abstract concept of a more concrete condition resulting from the spasms of the class struggle. The instantiation of commercial exploitation in the sequence of the historical events constituting the historicity of capitalism from the days of chattel slavery, to the massacres of natives, to colonialism, to world wars, to the ongoing wars and starvation as one writes, should not be examined by the peculiarity of each successive event. It is the context (the law of value) leading to the repetition of such events that matters—not each elephant in the room (each single event) but the room itself (capital as history). Although Marxists stooping to the level of pragmatism to show that colonial/imperialist pillage is significant in dollar terms sacrifice much content of Marxist theory, but they do so to engage a mainstream social science that just takes things at face value and lets ‘supply and demand prices’ determine the degree of surplus. Mainstream science is subordinate to power and it thence must minimise the historical surplus value of colonial and imperialist pillage and neglect how the sums of values contributed to the rise of European capitalism and the industrial revolution. However, science must look behind the given surface; it should investigate the class and power relationships making prices what they are. As discussed in the previous chapter, value relationships are hardly quantifiable because value is subject/object and its alienated relationships (fetishism) are the predicates without which capitalism would not be the special case in history that it is. For Emmanuel (1972), the money measures with which values are quantified, the currency of the colonial powers, are the product of a building store of unequal power that progressively had cheapened the contribution of the colonies, accentuating unequal exchange. For instance, what is the contribution slavery and resource grab from Africa to the rise of capitalism when the prices of these exports were paid in moneyed value set by the colonist at the cheapest possible rates. Moreover, to deepen the unequal exchange platform, Europe required the de-industrialisation of the East and Africa so that none of their development could translate into competitive power (Emmanuel 1972).

Thus, for a more fitting quantitative measure of the colonies’ contribution to European capitalism to even remotely apply, it would have

to take into account the rise in European wealth relative to expropriation and destruction of third world humans, culture, industry, and assets as necessary corollaries and intermediaries of production measured in value terms. Jafe (1980) estimates that 500 million people were killed by European colonists since its onset in the sixteenth century until 1900; not counting the twentieth-century imperialist-war related deaths, which could be as high as another 500 million (the global death level related to war and its ramifications). Figuratively, as one is forced to quantify the unquantifiable, the value of one billion lives is just a rough estimate of Europe's wealth and the reason why it rose before the historically much more advanced East.

NEW FORMS OF COMMERCIAL EXPLOITATION

The issue of commercial exploitation cannot be fully covered without broaching the issue of how war bears upon unequal exchange (Emmanuel 1972). Conflicts and wars in the Third World act as measures of primitive accumulation on a massive scale—they socialise more than just the evicted peasantry (depriving the private labourers from their tools and making them into social or wage labour), they socialise the national assets by depriving a nation from its means of political control over its sovereign territory. Unlatching resources from their owners, by means of war or neoliberalism, is the new form of slavery that capital requires as it grows. Note should be made to the effect that severe bouts of neoliberalism can sometimes be just as bad as wars. In a few peripheral countries, dislocated labour and resources are reengaged in a virtuous transformation, but that is just the precious few. Profit rates conveyed through price signals that social-time wise guide the redistribution rates of socially necessary labour time, necessitate the setting aside of human resources and perverse development. Expanding a point that appeared in the previous chapter, when social repression eviscerates labour's political agency, as in the destruction of states or organisational platforms that intermediate labour's revolutionary consciousness, the process of dislocation by encroachment wars turns into an extreme case of commercial exploitation—the AW and Africa are protruding cases. Just as chattel slavery (an early form of commercial exploitation) was the *pedestal* of rising central capitalism according to Marx (1893), capitalism never stopped rising and it required more of the commercial exploitation. In surplus value-centred accumulation terms, the commercial exploitation incurred by the

Arab region is the newest version of many preceding *pedestals* supporting industrial development elsewhere; in reference to Marx (1867):

Whilst the cotton industry introduced child-slavery in England, it gave in the United States a stimulus to the transformation of the earlier, more or less patriarchal slavery, into a system of commercial exploitation. In fact, the veiled slavery of the wage-earners in Europe needed, for its *pedestal*, slavery pure and simple in the New World. (my emphasis)

With profit rates assuming the appearance of rates of surplus value derived from higher rates of exploitation, it was compulsory for European capital to engage in acts of commercial exploitation from the start, since capitalism was born in crisis from the start (Marx 1893). The rate of expansion of commercial exploitation in ever-mutating forms of slavery, the colonialism and imperialist assaults stripping whole nations from their will to govern themselves, in addition to severe austerity, re-mitigate otherwise falling rates of profit. Such barbarianism brings into focus the falsity of the Eurocentric argument that capitalism is essentially progressive. It is only progressive for the intelligentsia of aristocratic nations partaking in imperialist loot (aristocratic nations as per Emmanuel 1972).

To be sure, Emmanuel (1972) did not underplay the role of the often-fierce struggle of the central working classes to win a higher share of the value of their own labour. However, central wealth includes the imperial rent component in which the classes of the colonising formation partake. The early imperial rents contributing to the transformation of merchant capital into productive capital (circa sixteenth century) ushered the forced eviction of the peasantry from the countryside, albeit, with the means of ‘blood and fire’ as Marx notes in *Capital* Vol. I (1867). Not all imperial rents were a bonus to the European working classes. Imperial booty infused wealth did not just trickle down to a passive working class as rent or bribe in the aristocratic nations. Central working classes fought for better wages and shorter hours, and in so doing they have shown certain aspects of capitalist progress. Central working classes also fought against chattel slavery in the West Indies and the USA and their struggle contributed to emancipation. Then as now, so long as struggle targeted the production of value sphere and not the sphere of circulation: equal pay for equal working conditions and not a pay rise to one section of the working class at the expense of another—reform targeting the sphere of

circulation has always permitted imperial rents to boost wages in order to strengthen capital. Capital was not so distressed with unions demanding higher wages without attaching an end to imperialist assaults and higher worker-pay abroad for similar working condition. For the struggle to be fruitful, there has to have been a *defining* mediation of the nationalist agenda into internationalism. The fact such internationalist development was consistently stymied, as Emmanuel pointed out, could only mean that capital was and still is successfully intervening at the opportune moment to undermine internationalism. To one degree or another, the rise of central wages included an imperialist bribe component. There was a payoff to pit the central against the peripheral working classes. I am simplifying the relationship against a central/periphery backdrop for the sake of clarity, when in fact ‘western’ is an ideological descriptor and the class relationship is a cross-cutting class relationship—there is also a payoff to sections of peripheral intelligentsia and labour aristocracy to support imperialist assaults.

Privileged sections of the central working classes develop a consciousness, positively correlated with imperialist practice, because imperialism is at the root of their material circumstances of reproduction. Here arises the concept of aristocratic nations. The concept underscores the difficulty in transforming central working-class consciousness into revolutionary consciousness. For so long Western workers flogging around a nationalist identity, repeatedly paid for and imposed upon them by the state, have provided capital with its outstanding resilience. Political centrism is engrained in the historical culture and symbols of the central working class. There is but second-hand emotion for the starving, injured and dead in the third world, which through the element of state sponsored fear routinely turns the Western working class onto itself.

To illustrate the ludicrousness of social democratic theories that begin to raise concern only when the crisis of Europeanism deepens, see Martin Wolf’s (2016) scathing critique of Streeck’s work on the end of capitalism (2016). Wolf sardonically ridicules such prophecies of capitalist collapse; he says: ‘countless intellectuals, including Karl Marx, have forecast the imminent or at least inevitable end of capitalism; capitalism has always survived’, and one may add that it will continue to survive as long as the money-worthless millions in the former colonies are not the starting point of internationalist struggle. There is a huge volume of capitalist sponsored cultural anthropology work, which is available to fuse with the liberal culture of Europe and produce a new fascism whose bond is not

race, but a cultural superiority of people who can afford liberal rights. In the absence of internationalist working-class organisations, central capital inexorably reorganises itself into some form of fascism.

A caption from one paragraph by Martin Wolf notes that the relationship between democracy and capitalism derives from a belief in the role of people as active citizens and economic agents; in the former role, they make decisions together, in the latter, they make decisions for themselves. Here he is also reminding Streeck that we vote for the war together and we reap the benefits individually. This prosaism is rather similar to the one made by Milton Friedman when he reminded economists who were critical of capitalism not to bite the hand that feeds them. Social democracy bestowed upon wealth creation an exclusive Western identity; its omission of the third world from the value chain is not oversight, it is racism pretending to be wise. Social democracy severs the organic ties of international labour, especially through its tarnishing of Stalinism, which is mainly the ideology of third worldist Marxism. Is it not a class position that so much Western left is anti-Stalinist while third world left is pro-Stalin? In Althusserian language, within the political, ideological and philosophical struggle, the words are also weapons, explosives or tranquillizers and poisons, and occasionally, the whole class struggle may be summed up in the struggle for one word against another word (Althusser 1968). Such divergence in the cultures of First and Third Worlds lends support to idea that social democracy supplements the rule of capital in the centre. By idealising bourgeois democracy, as in making it into an end in itself, and conscribing the production cycle to its own time and space, social democracy theorised the wrong object and practised the wrong theory.

In view of the endogenous rise in technology as a result of inter-capitalist competition, the degree of progress as manifested in prolonged life expectancy can be judged as advancement or retrogression relative to the historically determined standard of living and by the value system espoused by one social class or another. The discovery of life prolonging medication such as the early anti-parasitic drugs for Malaria first discovered to treat a disease inflicting British cattle and or the better hygiene of the electric showers enjoyed by native Americans are some of the infinite offshoots of modernity that do prolong life expectancy. Relative to an absolute benchmark in pre-capitalist history, capital can boast that it ushered progress. In between pre-capitalist history and modern history, capital will also have to repeat the point that Madeline Albright made

in justifying the killing of 500,000 children in Iraq: *it was worth it*. It was certainly worth it for the cross-border ruling classes whose wealth and power have always risen by imperialist or colonial wars. However, what is factual and objective is that the minimum level of subsistence derived from greater wealth creation under capitalism must rise (technological growth is independent of social control by the degree to which anarchic capital guides social reproduction). While the ruling classes that judge capitalism as progress will always flaunt the falsity that Europe saved the world from stone-age living conditions and compare present day wealth to the meagre wealth of the feudal age, the majority working classes remain far too immiserated relative to the historically determined income. Formulaically, given the collapse of socialist organisation and ideology, income and wealth disparities are set to rise to the point where capital's ideological hegemony begins to wear out as higher private wealth accumulation wipes social concerns or to the point when another major inter-capitalist war dawns. However, formulas and history are a poor mix. As the rising velocity of exchange compresses social time and space, there will be so many circumstances in the dialectic of history where coincidence transmutes into the necessity for the rise of labour.

DIVERGENT PATHS

It is in the articulation of cross-border classes realised in forms of sovereignty, security and/or conflicts that a possible interpretation of the contrasting outcomes of winners and losers in EA and the AW can be derived from or across their proper regions. This articulation turned out to be conducive to a *particular* form of economic development in EA, confirming the relationship between security, residing in the shadow of US-led imperialism.³ By contrast, in the AW, the development outcome followed the path of war defeat with the introjection of the notion that imperialism is unbeatable, leading to social restructuring serving private ends, manifest as the creation of a merchant/comprador class that accommodates the condition of surrender by relinquishing the development-security nexus. Unlike EA, where the self-reinforcing relationship between the requirements of national defence and economic power boosted autonomy, the metamorphosed ruling classes in the AW adopted an 'openness' framework in which resource outflows and value are bled from the share of an already debilitated working class. Multiple incidents of conflict and instability, literally as well as figuratively oiling the power

of militarism, were the main conduits of global integration and the main impediments to Arab development and economic growth (Kadri 2014a, b).

The baleful impact of conflict that has been writing off development or its prospects in many developing countries could not but be recognised by the most laggard of institutions, the United Nations. The UN's *High-Level Panel on Threats, Challenges and Change* notes: 'In an increasingly interconnected world, progress in the areas of development, security and human rights must go hand in hand. There will be no development without security and no security without development' (CHS 2003). Yet in typical half-truth language, the Commission on Human Security reduces security to its fragmented manifestation in 'human' (individualised) security; in this way, it blurs the power structures behind its determination. It obscures the fact that human security follows from national and communal security wrought through the tumultuous process of working-class struggle, which indubitably follows from the relationship of the national (developing) structure to imperialism. More so than in other developed areas, in threatened developing countries, like the AW, security cannot be reduced to its indefinite and symptomatic subcomponents of income, food, health security, and so on. Threats to individuals exist beyond the dissected concepts of security of person, security of housing, etc., as defined in the Universal Declaration of Human Rights. These threats, rising in intensity in post-uprising Arab nations, hinge on deteriorating national and regional security arrangements. National security as a totality of social and political variables presupposes all layers of security, including security of person. The point that individual security cannot but follow from national security is foundational to the justification of the structure of sovereignty; the point has been re-iterated by Frances (2004). However, communal security or forms of social cohesion associated with working-class organisations are both muted in his argument. Communal or working-class associated security is a prerequisite for demand-led development, and at a further remove, as incremental independence from wage slavery—autonomous working class—based development.⁴

As posited so far, the threats to state security in an EA context were potentially serious but not as frequently experienced by the AW. An East Asian breakthrough's 'integrity and independence' is subsumed under that more powerful US-led imperialist security cover, including the channels by which foreign resources sustained development as part of building their long-term security structure. The case may be that the

long-term military threat faced by South Korea and Taiwan both provided the incentives for ‘elite cooperation’, ensuring state cohesiveness and the inducements for economic independence and power, and ensured a commitment to industrialisation (Zhu 2002); however, that threat was more of a threat to US hegemony. The specification of the concept of ‘threat’ itself is not an arithmetic calculation between the perceived threat and the potential unreliability of US support, which would induce the Japanese trained elites in South Korea and Taiwan to industrialise-securitise. Threat is the self-evident circumstance in international relations and it exists as the image of underlying international class/capital relations involved in predatory accumulation. In the context of EA, threat is the condition that could undermine the US-led integrated capital relationship, its hegemonic imperialism combined with US-bound capital flows, to which East Asian states and other subsidiary forms of social organisations are media of imperialist power reproduction.

Unless a historical trajectory is considered in terms of different cooperating circles of capital by which the USA hitches ‘Korean or Taiwanese elite cooperation to industrialise’, as a means to an end for ensuring imperial stature and the circuitous rent arising from China/North Korea containment, Zhu’s idea of a developmental state that would retreat as the threat diminishes while China grows does not hold. According to the International Monetary Fund (IMF 2016), the US share of world production is 16% while China is at 18% and by 2020, the USA will produce roughly 15% of global output compared with China’s 20% (measured in PPP from the World Economic Outlook database of the IMF). Growth *a la doux commerce* as Zhu had postulated would not smoothly integrate China into the US-led financial order; it would do exactly the contrary. As China’s market share and dollar-denominated wealth grows, its dissatisfaction with dollar peonage, or of holding its wealth in US currency, would grow. The more China’s wealth is not its own (dollarised), the more of the soft ‘threats’ it would transmit—its Asian Infrastructure and Investment Bank (AIIB) and new payment systems parallel to the SWIFT adumbrate a desire for autonomy. With the power of hindsight, it is this trajectory of unacceptable Chinese autonomy tilting the hard-cast law of uneven accumulation laid down by the power of US-led capital that practically dispels the notion that US-empire had abandoned, even for a moment, its objectives in Chinese containment. As will be discussed in the final chapter, the hard threat is US-led aggression and the real life-buoy is an alliance of working classes undermining capital.

The growth of China appears to have undercut the US-led capital hegemony remilitarising Asia to the point where the breakthrough states might be potentially drained of resources by excessive tensions. However, once the class context supplements Zhu's point, then the historical context of capital accumulation to which war is innate will no longer be the state devoid of class content that threatens, it will be classes and articulation of classes that threaten. Class power balances broker the development trends. War, or not war, will depend on how deeply entrenched has become the war-inclined comprador-class culture in China and EA.

In contrast, Arab lumpen development arose through the high incidence of conflicts, political instability, eroding the development component of security in the state. The higher the security exposure of an Arab state, the more comprador becomes its ruling class. Zhu's (2002) indictment of war as it shifts government attention to day-to-day concerns instead of long-term goals applies to the AW with the added nuance that most Arab governments, as structural representations of ruling social classes, have abandoned much of the national base. Their day-to-day concerns coincided with the concerns of an imperialism whose purpose in the region is its de-development. Avramidis (2006) discussed the slow rate of Arab capital formation and linked the declining quality of investment (low output-capital ratio) and torpid investment rate to uncertainty plaguing the time horizon.

Uncertainty here is not so much the probability associated with risks around a stochastic time series, which can be assessed by an actuary. Additionally, uncertainty is not a case of an individual decision maker or the decisions of many individuals summed up and suddenly deciding to reverse a course of action making matters unpredictable around a trend as in time incoherence. The position of analytical philosophy that social science differs from natural science because a human being situates himself or herself in the present in relation to where he or she wants to be in the future (Cohen 1953), the sort of voluntarism that is not to be found in an atom whose position in the future does not determine its present position, overlooks the fact that agency is the agency of the political class as a historically and ideologically determined process. It is not any individual agency, or its summation, which count as historical agency. It is the intermediated and politically relevant class action, which springs on the basis of historically bequeathed real and ideological powers. The political class as the mediated process, which is a being in itself

(autonomous), and which acts in rapport to the objective and constantly shifting ideological grounds that regenerate its power, is the agent of history. Because ideological shifts are the resultant products of contingent class struggle, uncertainty, including the possibility of revolutionary rupture, are also bound up with social or qualitative time and are immeasurable and unpredictable. They simply do not lend themselves to any form of plausible prediction. Moreover, the problematic of building a genuine anti-imperialist development and its associated capital stock is not so much about the uncertainty of time incoherence; it is about the degree of revolutionary class consciousness and solidarity.

Moreover, unlike EA, which receives the highest capital injections and FDI inflows, FDI to the AW amounts to less than 1% of all FDI flows to developing countries (UNCTAD-WIR 2015). Regional instability, through erosion of market-driven development, especially national agricultural production, has widened the reverberation of recurrent conflicts onto the whole of the Arab social structure, decapitalising both material and human assets. National forces or ‘elites’ managing conflicts is not what differentiates EA from the AW; it is the balance of forces provided by the historical moment, particularly the balance of military forces and the low-risk/low-cost of war when visited upon the Arab states. In addition to the number of conflicts being significantly higher in the AW, its capacity to manage conflict was decimated as a result of class disarticulation swinging the ruling classes away from a nationalist position, whose reproductive base and ‘legitimacy’ springs from the national formation, into compradors. These compradors go through stages of development: they first bleed the national economy and then metamorphose into a war bourgeoisie willing to set ablaze their own social formations at the behest of US-led imperialism. The EA entente left smaller East Asian breakthrough states in the position of advanced imperialist posts endowed with the luxury of US military coverage and financial aid, which only Israel enjoys in the Arab region.⁵

There is a glaring similarity between smaller well-armed and advanced states in EA surrounded by a sea of highly populated poorer regions involved in lower-value-added manufacturing activity and an Israel, surrounded by immiserated or war-torn countries, in many of which the proletariat has become a war-indigent proletariat engaged in the ‘industry’ of war. The war proletariat contributes to imperialist hegemony, monopoly/finance surplus realisation, heightened militarisation, the attendant growth in financialised imperial rents as a result of financial

assets seeking the security of the US market, and as of late, through the magnification of identity wars to eroding internationalist ideology. As discussed in the previous chapter, besides the war-proletariat's crucial position in the domain of militarism, their rate of exploitation, which includes death in war and related dire effects, is far higher than that imposed on the working class employed in the sweatshops of Asia or anywhere else around the world.

Another common denominator between richer small states in EA and their counterparts in the Arab region receiving rents or geopolitical rents rests in their capacity to devolve higher wage shares to labour and resurrect cultures of ultra-nationalism—as in the new Gulf Arab identity. Although industrialisation and the indigenously grown knowledge economy would spur a culture of responsibility and engagement across identity divides (the sociological interactions attendant upon the expansion of the social factory floor), the rent component sows a culture of ghettoism, politicising narrow identity values that rip apart the foundation of working class unity. One must note the exceptional case of South Korea and the repression of its working class, which required more than just passed-down pay-offs to be disciplined, partly because for the Korean workers and their organisations, the US-led slaughter was still vivid in their memory. Here emerges the Achilles heel of East Asian development or the idea of high growth rates unmatched by cultural and social progress of which the devolved higher standard of living is a payoff to maintain capital's rule. The bigger, more populated nations in EA, like Indonesia, were integrated via sweatshop arrangements from which surplus value arises by super-exploitation, while for the AW, super-exploitation pales in significance when compared to the high rate of exploitation arising from commercial exploitation through the medium of war.

According to SIPRI's *Dataset on Armed Conflict* (1946–2005), the Middle East has witnessed 51 years of war compared to 15 for the countries making up the 'Asian miracle'. There is more to the assessment of conflicts and their impact than simply approximating their physical damage or the forgone investment due to risk. Whereas nuclear deterrence exists on both sides in EA, in the Arab region only Israel possesses such weapon. So even when war was not taking place, the magnification of the threat of war with a superiorly armed enemy in possession of nuclear weapons distorted the formation of a culture of popular armed resistance. The Israeli nuclear weapon became an ideological weapon facilitating the introjection of defeatism by Arab comprador

for whom imperialism is a natural ally. Since 2011, nearly half the Arab states have been at war, and most are in a condition of low-intensity conflict. Nevertheless, quantitative exercises assessing war damage bundle in the category ‘conflict’ in any violent intra- or inter-state conflicts with varying economic outcomes whose immediate or circuitous effects on the social structure are indistinguishable. The way in which the national social structure internalises the ideological impact of the war event itself is intrinsic to the war process and may or may not deal efficiently with the outcome of the war at the end of the fighting. The material impacts of war in deaths, injuries, damage to infrastructure, etc. are significant, but their significance varies with the nation’s ability to deal with their immediate outcome and aftereffects. In any case, war is not only about the destruction of assets, it is also the social relationship organising the reproduction of these assets during and after the conflict, especially the sustainability of the reconstruction effort through shifting ideological and institutional reorganisation patterns. Unlike EA where some autonomy remained to guide reconstruction, in the AW, imperialist aggression is essentially a kind of re-colonisation, which is about stripping peoples of their political will. This time around, the re-colonisation of the AW is taking place not through immediate command of the host country by ground forces, but by the debilitation of the state and the fragmentation of the host country into an un-governed territory.

As to re-colonisation, the ideological assault precedes the actual violence, and identity divisions are reconstituted in much the same way as cultural identity was politicised by the colonially engineered Arab state (El-Solh 2004). Even though feudalism was the womb in which identity/sectarianism was conceived, modern sectarian and anti-working class identity is a product of colonial production relations as opposed to pre-capitalist relations (i.e., as a political agency it is not the result of its pre-capitalist historical origins), because it is the form by which the colonially spawned bourgeoisie exercises its class power (Amel 1980). Reconstructing cultural identity into divisive or sectarian identity is the new social-science vogue of mainstream institutions that employ identity experts *en masse*. It reinforces by interpellation the ideological division of the working class, by pitting identity against class (Lee-Boggs 2011).

Trafficking in identity politics, the politics of anti-working class solidarity, which is repeated ad nauseam to inculcate the reconstructed ‘other’, is similar in its psychological impact to advertising two competing brands of the same monopoly: the Buick versus the Chevrolet brands

of General Motors or the Sunnis versus the Shiites of imperialism—it is false competition. In the mainstream (liberal and mass-media) discourse, it is common to speak of this or that identity, such as the white working class, as if it were a distinct class unto itself. But class lines criss-cross the identity label and structurally a class, which is itself a relationship to other classes, knows no rigid boundary. An identity-based class does not exist and classes cannot exist without cultural identity. There is no such thing as white or Shiites classes, these are ideological constructs designed as tools to obscure the reality of class in the USA and elsewhere and, foremost, to divert increasing surplus value to capital.

On its own, identity is a fluid cultural state, an amorphous concept in which any characteristic or variable is a function or subset of any other variable. Apart from the fact that through obscuring the objective material conditions upon which a social class rests via the construction of imaginary historical bonds that splinter workers' solidarity, it also, for the same reasons of not having a materialist grounding for evolving forms of consciousness, lacks a systemic rule or framework that admits an analytical or political understanding of the relations of individuals to collectives. The *modus operandi* of regressive identity politics is to blight the ability and the forms of political organisation of the working class to command a higher share of the social product. There is no class without identity, but regressive identity is an end in itself as opposed to identity growing out of itself into working class solidarity. Culture, exhibited in political identity forms, is both cause and effect of class and each constitutive of the other. Together they form a complex overdetermination that emerges in class structures, of which the state itself is a manifestation of class structure and is overdetermined by class and culture (Althusser 1994). However, the category of imperialistically-devised identity, a concept so fluid such that anything can stick with anything, is not the autogenous continuation of trans-historical values; for the imaginary to be real, such a schism has to be backed by the flood of interpellations awakening and transforming cultural values into political rallying points. It is after all through the disarticulation of consciousness—the mode of perception by which workers invert reality to justify their internecine relationship—that capital hijacks labour's historical agency.

Instead of the normal multiple identities that people enjoy, an exclusive political identity was forced upon them by all forms of ideological indoctrinations and institutional constructs, including constitutionally imposed procedures, which leave the individual with no choice but to

belong to that specific group (Hobsbawm 1996). Through such combined assaults by comprador regimes and an imperialism parading as protector of minorities, or as vulnerable to Islamic terrorism, new Arab sectarian forms and Salafi Islamism have become economic and ideological assets to capital. In times of socialist ideological retreat, the sharpness and speed of identity reconstruction accelerate the political implosion of the working class and the rate at which the share of capital from the social product (formerly accruing to the working class) rises to keep pace with exponential profit making.⁶

Post-war reconstruction carries different meanings in different contexts: Arab reconstruction builds divisive identities standing above the state while East Asian reconstruction rebuilds industry and a state that is an institution of all institutions, albeit as an additional prop in imperialist security. As Naqib (2016) observes ‘all the literature on Arab post-conflict reconstruction has one and only one purpose, which is to divert attention from the ongoing conflict and to occupy the minds with hallucinations; it should be exposed for what it is’.⁷ Naqib bases his affirmation on his long time study of aid to occupied West bank and Gaza, where aid to alleviate the damage to the local economy inflicted by Israeli bombardment or colonial economic asphyxiation has the bizarre effect of reimbursing Israel for the very damages it actually inflicts (UNCTAD 2006). Since nearly all the material equipment and incremental increase money supply required for reconstruction by the occupied territories must originate or pass through Israel, the economic performance of the Israeli economy improves by the degree to which it damages the occupied territories. This cycle of ‘occupy or bomb and earn immediate dollars’ for the damages you perpetrate applies to broader areas forcibly integrated with the global economy by means of war.

Compared to the post-WWII imperialistically led Northeast Asian reconstruction experience, the word ‘reconstruction’ assumes a polysemous character when thought of in an Arab context. US aid to post-war South Korea was so significant such that Moon and Park (2003, 80) unequivocally state ‘were it not for American bilateral aid, South Korea would have never recovered’. The authors extoll the initial high level of bilateral aid amounting to more than 10% of GDP and other legitimising measures and financial assistance conducted through the *United Nations Korean Reconstruction Agency* (UNKRA), which incidentally was mostly US-funded as well. But what is are not the numbers themselves, but the

degree of autonomy afforded to the South Korean authorities and the meticulousness with which the USA followed up on the implementation of the reconstruction plans.

By contrast, recent reconstruction efforts in the AW further deconstructed the state and the unity arising from national identity around the state. Through imperialist-imposed statutory measures laced with geopolitical rents, reconstruction was a partial reconstruction of physical assets with the purpose to reconstruct inter-warring identities. To commence with, the wars in the war-afflicted Arab countries never halted entirely to allow a genuine rebuilding process. In an Arab context, the reconstruction effort was a measure to promote the objectives of imperialism in setting the background for continued war and/or the dissolution of the development achievements that would otherwise buttress the future security of the state. Not that there is much novelty in such a proposition; it is the thesis of this work that empires across history build or deconstruct in line with their interests. In recent literature, a parallel is drawn between Clausewitz's interrelationship of war and politics as it relates to the act of reconstruction as continuation of politics by other means: 'reconstruction was in some sense a continuation of the struggle to achieve through political means the aims for which the war (the American civil war) was fought' (Bassford 1994 referring to General Grant's comments about president Andrew Jackson's reconstruction measures for the South). In relation to Arab reconstruction, Jacoby (2007) concludes that 'the hegemon uses post-war reconstruction processes as an opportunity to preserve and extend an international order friendly to its principles, its security and its prosperity'.

The dimension of political economy that is overlooked in such statements/by such authors is that unlike pre-capitalist modes, the tribute to capitalist empires occurs through financial channels during crises of overproduction. In pre-capitalist phases of history, it was necessary for empires that grew with constant or decreasing scale technologies to build and maintain life in order to reap higher tribute—the healthier and more numerous the peasants, the greater the social products. The distinction with capitalism is that in the pursuit of profits, more commodities are produced with fewer people, and many are necessarily made redundant. More adequately, capitalist overproduction, determined by an alienated moneyed-exchange process (independent of immediate social control), and involving a higher rate of metabolising man and nature, necessitates the reaping of rents from a surplus product that grows by destroying or

setting aside resources. Permanent wars and unemployment are striking characteristics of capitalism that set aside or destroy resources. Hence, it is not imperialist securitisation alone that counts; through creating redundant resources and an increasing rate of denationalising or extinguishing resources, wars cheapen the value of the labourer (human life) by cheapening labour power (the commodity) as the principal input in production upon which the profit rate arises as mediated actuality. Militarism for US-led capital allows the highest rates of exploitation; it reduces a wide range of prices way below value, far more than the super-exploitation of children mining for cobalt, because it consumes man directly in the process of the reproduction of capital. War and ‘reconstruction to extend war’ perform a dual role: securitising the rule of capital and devalorising labour power.

There are no shortages of examples of reconstruction fuelling the continuation of war. The Lebanese case provides a vivid illustration of reconstruction cementing the grounds for future wars. The human costs of the Lebanese civil war (1975–1990) is estimated at around 150,000 deaths, and forgone income losses, not counting the damage to the capital stock, around 12 times the value of Lebanese GDP in 1974 (Eken et al. 1995). But the war never really ended in 1990. Israel occupied the South until 2000; wars continued to rage in the South after 2000; the prime minister Rafic Hariri, the Saudi billionaire leading the post-war reconstruction was assassinated in 2005, throwing the country further into turmoil; Israel reinvaded for a short period in 2006 causing damage to the infrastructure estimated anywhere between 10 and 15 billion US\$ (Harvie and Saleh 2008); a small civil war broke out in the summer of 2007; and a new conflict in neighbouring Syria beginning in 2011 has drawn Lebanese militias to the war campaign in Syria, inviting the suicide bombers and fighting in the North-East of the country. In spite of billions of dollars in Official Development assistance and a debt equivalent to 163.1% of GDP (WDI 2014), the country still endures long periods of electricity blackouts and water shortages.

A much worse picture holds for Iraq. Iraq remains at war and despite massive investments in reconstruction, the physical and, more important, the social infrastructure are decimated. Whereas under the nationalist government of Saddam Hussein, electricity was restored within 6 months after the 1991 US-led assault, the electric-power crisis continues unabated since 2003 (Shafaq News 2013). Even the Kurdish region, which had served as a foothold for Israeli and US soldiers failed to capture any

long-term industrial investment despite American security cover. As soon as oil prices began to fall (late 2014), development in the Iraqi Kurdish region took a nosedive with unemployment estimated at 50% (Vltchek 2016).

The plan of Iraqi reconstruction mimics that of Lebanon. The central state is restructured into various sectarian institutions which command and distribute rents that build allegiance to the sect and not to the state. The Taif Accord for Lebanon [1989] precedes the Bremer constitution for Iraq [2004]. Prior to the Taif Accord, the French-enacted Lebanese constitution of 1926 concentrated power in the hands of the Lebanese Maronite population. The Maronites had so many privileges under French colonialism such that their leadership initially objected to French withdrawal from Lebanese territory, until they had guarantees from the remaining Lebanese factions that they would continue to enjoy these privileges after French evacuation (El-Solh 2004). Efforts to splinter the Lebanese working class began prior to the civil war in 1974. An Iranian-sponsored cleric founded the Amal movement to draw the mainly Shiite population of South Lebanon away from secularism and popular unity around the Palestinian national liberation movement. In my discussions with prominent trade unionist Mr. Shawqi Shoubassi concerning the reasons of the Lebanese civil war, he proclaimed that prior to the civil war, inter-sectoral worker solidarity was growing and eroding the divisions of the French designed 1926 constitution. The cross-sectoral worker solidarity worried capital; solidarity was trampling the French constitution for Lebanon, which *de facto* distributed power and rent on the basis of sect. Shoubassi judged that an imperialist and/or rightist pro-imperialist attack upon the secular nationalist movement became inevitable.

Later measures of Lebanese reconstruction under the auspices of the Saudi-sponsored Hariri government targeted the Sunni youth population from 1990. Tens of thousands of educational grants sent Sunni youth abroad to acquire an education which the disabled war-torn economy was not ready to absorb. The economy could not have possibly re-assimilated these graduates into productive employment. In Lebanon, the distribution of state-rents to cement the sectarian bonds are central: the deputy director of the Central Bank of Lebanon in 2007, when I asked about the growth in the public debt, responded by giving the example that the Shiite head of Parliament had created more than 30,000 government positions for which there was no function but to promote allegiance to the sect's leadership.

Contrariwise, East Asian reconstruction nationalises industrial knowledge (making knowledge accessible in the national language) for the purpose of fortifying national security. Unlike Arab reconstruction, it does not promote labour exodus, thus depriving the national economy of skilled labour as happened in the AW.⁸ Reconstruction of both Lebanon and Iraq was centred on investment in the infrastructure of a particular geopolitical-rent class. It boosted the speculative price of that class' assets while, institutionally and ideologically, it forced upon individuals a particular political identity supported by a pay-scheme aimed at the division of the working class. The ruling class in such formations is not some persons in this and that sect or some analytical category of sect, it is the inter-conflicting sectarian relationship (relationship organised around the means of production) whose very reproduction depends on the rate of national pillage or resource drainage and its allegiance to imperialism.

The contrast between Arab and other forms of post-war rebuilding plans is glaring. Until the USA needed Germany in opposing the advance of communism circa 1948, it had a post-war Morgenthau plan whose purpose was to cripple the German economy so that it would never rise again. Once imperialist security and the primacy of politics came into play, the famed Marshall plan reinvigorated the German development/security nexus. Similarly for Japan, as early as 1947, Japan's reparations to the Allied Powers for the damage and suffering caused by it during the war were toned down considerably because 'the resources of Japan were not sufficient if it is to maintain a viable economy' (Gräfrath 1995). Gräfrath then contrasts this docile tone with the devastating impact of reparations imposed upon Iraq for its invasion of Kuwait by a then US-dominated UN-Security Council, likening their effects to the Versailles treaty. Had Iraq not been invaded in 2003, the hundreds of billions of dollars sought in reparation represented an unserviceable debt burden that could only have led to future wars. In a thorough investigation of the post-1991 UN-imposed reparation scheme under Security Council resolution 687 (1991), Alain Gresh (2000) characterised the procedures of Security Council reparations as flagrant war crimes: while hundreds of thousands of children were perishing under the UN-imposed embargo (Gordon 2010), the UN Security Council demanded that at least 20% of Iraq's oil revenues under the Food for Oil programme should compensate states and individuals that incurred economic damages from Iraq's invasion of Kuwait. Gresh documents how the USA controlled and manipulated the UN operation: appointing

a State Department staff as the de facto head, doctoring the evidence against Iraq so that it pays higher indemnity, obliging Iraq to incur long term debts for the hypothetical costs of suspension in trade during the 1991 war, attempts to indenture Iraq with hundreds of billions of dollars in debts for a mere ten billion US dollars in forgone income losses suffered by Kuwait, and obliging Iraq to pay for the environmental damages to surrounding states.

Even at the height of the war in Syria, the United Nations was fast at work gathering information about the rate of social destruction as if in cahoots with intelligence agencies seeking better information about the impact of its weaponry on the ground or simply a spot in the Syrian landscape.⁹ As reported by Al-Akhbar news, the Lebanese model was being proposed for Syrian reconstruction.¹⁰ The Lebanese model of sharing power and rent through the state between various sects created the permanent conditions by which the country oscillates between high and low-intensity warfare. Lately, the Sunni/Shiite and other sectarian schisms within the working class are given clear territorial form; there are as many countries within the country as there are sects. In a more theoretical sense, division of the working class is the capital process in its state of becoming. With constitutional statutes providing sectarianism with legitimacy, the role of labour as social agency may be banished for years to come. Ironically, the reconstruction and/or neoliberal economic model being proposed for Syria while conflict rages recommends further liberalisation under constitutional reforms that effectively splinter the country, first by de-jure decentralisation allowing warlords to retain their territories, and second; by a constitution that replaces the representation of the citizen in the state by that of the sect or ethnicity:

The Syrian National Council (SNC) has coordinated with Western countries to inject emergency aid—a sort of a mini ‘Marshall Plan’ and it unsurprisingly advocates further market liberalisation in Syria. It is critical of the old economic liberalisation measures from the wrong angle, stating that they were not enough and that they were only modest economic reforms. It therefore advocates lifting of subsidies on necessity goods, fuel and electricity, the liberalisation of prices, the liberalisation of trade and capital accounts, the lifting protection of local industry and the privatisation of nationalised assets... Amazingly, this neoliberal fantasy is being trotted out yet again, against all the mountains of empirical evidence to the contrary

piled up over at least three decades, with all the vigorously bogus sincerity of religious hucksterism. (Matar 2016)¹¹

Furthermore, the United Nations is forecasting a huge figure in the hundreds of billions of dollars, which would be destined for Arab reconstruction. In a region that has seen more wars than any other in recent history and over which international antagonisms appear unbridgeable, the United Nations posits that ‘wars cannot last forever’, and that such funds would represent a ‘global public good’ for the international community.¹² To use the ludicrous language of neoclassical economics, these public goods, if they ever come through, will serve as free rides for the financialised class. But the US-led financialised class is already free riding on huge revenues from militarism—the war on terror lowering the price of labour and many other commodities across the globe and bringing in capital to the US-dollar or risk free market.¹³ Although the amounts associated with militarism are far too significant, it is not their sheer size that matters. In a dynamic growth process, militarism and its financial offshoots are the gyros steadying the global economy, the exogenous stabilising shocks to an otherwise fading system. The ideological offshoots of war reconstituting the power of capital underwrite further expansion of fiat money—no amount of benefits from trade can overshadow the war gains especially as the anchor of the gold-standard is superseded. The notion that imperialism will somehow drop war and its growth by militarism for the pittance of reconstruction is either obtuse or malevolent and, in either case, it beautifies capital as if war is somehow something of a momentary transgression, an unintended consequence, from which it quickly recovers. War to capital is permanent and the professionals engaged in pointing out the benefits of reconstruction without pointing such permanency are in the business of obfuscating the true nature of imperialism. Every penny in tax payments that the working classes of central economies contribute for wars, the US-led financial class earns as credit, and this beyond the immense capital flows to central markets impelled by the growing rate of global insecurity.

As to reconstruction in the wars of 1967 and 1973, consider the evidence from GDP growth in both Egypt and Syria as reported by the World Development Indicators of the World Bank; these clearly show that their growth rates incurred minor setbacks in the specific years of the two major wars of 1967 and 1973: the rates declined to 1% in both war years and remained positive. The costs of these two conflicts

to the AW were severe only in terms of the way the ruling class used defeatism to block the development of conventional war with Israel into a peoples' war and transform itself into a comprador to imperialism.¹⁴ But it was circa 1980 that these states let down their ideological guard through compromise and opened their spigots of wealth via unregulated trade and capital accounts. In a world continually plagued by a crisis of overproduction requiring the destruction of value and human lives by permanent war, the wars visited upon the AW after 1980 had baleful economic and social consequences. The association of cross-national classes, a relationship in which imperialism has the last word, adheres to a profit rate mechanism that must ensure demand on one end and cost reduction through working-class incapacitation on the other. For imperialism, meanwhile, war is both a means to control and cheapen raw materials and a profitable end in itself.

A quantitative comparison of the impact of war or the threat of war on the business cycles of the AW and EA, though it may offer some insights on their differences, cannot offer an interpretation of the restructuring of social forces through ideological shifts in the political and economic systems. A relevant approach begins by treating security as a social and ideological process affecting the mode of resource allocation, class relations and the international mode of integration: the AW through the channels of war and oil, and EA through the manufactured civilian-end use commodity. How each social formation responds to threats and conflicts and/or security arrangements by its ties to imperialism and its position in the international division of labour sheds more light on the developmental potential of each region than does a focus on the quantitative impact of conflicts in terms of lost opportunities and reduced resources, which in any case can hardly be approximated by any econometric method.¹⁵

Conflicts, wars and threats of war are best understood by their impact on class disarticulation and by shifts in ideology or the social stock of knowledge instrumentalised to serve the joint or cross-national ruling class. It is through class and ideological momenta that the impact of conflict is mediated by the type of political regime, the relative power of working classes within the state, and whether or not the ruling class integrates the lower-income low-wealth layers of society. *Post facto*, the poor Arab economic indicators as of 1980 are a product of unfavourable social disarticulation caused by the rise of neoliberalism and the collapse of the Soviet Union, which furnished financialised capital and its military arm

with a free-hand worldwide. Two manifestations foreground the case for Arab disarticulation. First, capital's near monopoly over resource channelling mechanisms is evidenced by the growth of acute income disparity over time (labour share dropping from around 50% in 1980 to less than 25% in 2014 [ILO-STAT 2015]). Second, the reconstruction of identities whose prefabricated concepts are generated by empowering sectarianism, which also results in a growing disparity over time between social being and social consciousness: working people share growing misery but their mode of perception pits them against each other rather than against capital.

Add to that, in fragmenting states where the ruling class is the relationship of inter-conflicting groups devouring their own social formation, there does not exist a cohesive ruling class whose weakening hegemony on the state would spark revolution—not any revolution: the revolution that targets the gradual erosion of private property by extensive nationalisation at the behest of the working class. If this decomposing Arab state model, created by imperialist ideological strength and a new form of auto-defeating state, whose *raison d'être* is to be eroded by voracious comprador or war bourgeoisie, extends far enough, its structural overdetermination, which is global capital, would more likely rupture only to reproduce itself again and again. Things will go from bad to worse if the degenerative Arab state model catches steam. Such negative dialectic is just a logical end, which is pre-destined to fail once revolutionary consciousness takes hold, but the real course of events at the time of writing and the global balance of class forces is pretty much anti-revolutionary consciousness and internationalism.

POSTSCRIPT: THE PECULIARITY OF CONFLICTS IN THE ARAB WORLD

Since the end of WWII, the AW and its immediate region have witnessed the highest rates of conflict and war. These wars include regional wars, Arab-Israeli conflicts, the two Gulf Wars, and proxy inter-state and intra-communal proxy wars such as the Lebanese and Yemeni wars (SIPRI 2015; ICRG 2009; UN 2006). The war devastation across the AW is an expansion of the 'iron wall'—the process by which Arab losses and the inter-Arab divisions foment and further reinforce the power standing of Israel and the USA (iron wall as per Jabotinsky 1923).

In addition to economic losses, one obvious way conflicts affect the region is the flow of refugees from conflict areas to more stable areas. Apart from the Palestinian refugee question, which arguably remains the most outstanding refugee issue globally, as of September 2007 the United Nations High Commissioner for Refugees (UNHCR) estimated that more than 1.2 million Iraqi refugees have sought asylum in Syria, Jordan, Egypt, Lebanon, and the GCC countries (UN 2008). Somalia, Sudan, Yemen, the Western Sahara, Libya and Lebanon are additional cases of refugee flows. The current crisis in Syria has forcefully evicted nearly half of the population from their homes.

Conflicts have also increased the costs of pre- and post-war financing. At twice the world rate of spending on defence from GDP (WDI 2015), the AW's high levels of military expenditures act as a fiscal drag on demand and growth. Since the Arab Spring, military spending in the AW has risen even further. The Arab and Middle East regions were and remain home to some of the world's most militarised states, with high military expenditures as a share of both government expenditures and GDP and high proportion of armed forces as a percentage of total population (Tilly 1991; SIPRI 2015).

Military spending crowds out spending on developmental or social undertakings. In countries such as the USA that carry out accumulation through military industrialisation and/or through a social cycle of militarism where economic reproduction depends on a higher defence spending cycle that also targets military technology, demand, and the expansion of credit for military-associated industries, a positive relationship between growth and military spending has ensued. Such is not the case for Arab countries, where the effect of military spending on growth has been found to be negative, with spending on imported military technology sapping resources otherwise destined to national production (Lebovic and Ishaq 1987; Abu-Bader and Abu-Qarn 2003; UN 2006).

A comparison of military and social spending in a selected number of Arab countries over the 1970s and 1980s (El-Ghonemy 1998) found that most of the countries in the AW have consistently devoted more of their resources to military use rather than to much-needed health and education spending. This finding included both oil-exporting and non-oil exporting countries in the AW. In a parametric estimation of war costs/impact conducted by Gilbert Ritschard for the 2006 UN-Western Asia Economic Survey, results from both demand and supply sides have unequivocally shown that war has thwarted *long-term* growth.

Moreover, the so-called peace dividend of the Camp David Accords or the Jordanian peace accords did not free up resources from ‘unproductive’ military spending for more productive industrial or social spending. This was because these treaties ensure that while wars will not be destroying the security component of development in these countries, neoliberal policies in personalised economic institutions will definitely divert resources away from the productive national structure and stunt development.

CLOSING COMMENT

To resituate the argument, the direct impact of war in terms of lost lives and resources is not the sole relation one can discover between wars or conflicts and economic development. Security, understood as an ongoing social process rather than the absence of conflict, has its own effects on national development as well as on the regional system through its relation to class, state, and forms of governance. In the AW, the intermittent *absence* of conflict has left no space for development. While a high frequency of conflicts was absent in EA, the social offshoots of security were at work buttressing human development within and across the regional system. It is at this sublateral level that the relation between security and economic development can be addressed.

NOTES

1. Whereas humanity has been living its darkest ages since 1500 as the killing spree of capital wielding European civilisation goes on unabated, European social democrats remind us that the only thing worse than being exploited by capitalism is not to be exploited by capitalism. The more appropriate term for capitalism is not ‘dark age’ but ‘white age’ (White as social construct). From that optic, exploitation is limited to clothing factories and not wars of extermination. No matter at what human cost, humanity should rejoice at the discovery of Penicillin—invention is constructed as the unique product of the genius of that civilisation. Unless one has tunnel vision, it is not difficult to spot the blatant racism in social democracy; however, it is the way Eurocentric Marxists—including their internationally cultivated labour aristocrats—managed to stick to unmediated forms of production and delink imperialist practice from the extended reproduction of capital, particularly the way it reproduces surplus value via militarism and depopulation that is quite astounding. Instead of capturing

the revolutionary transformation of the working class into the proletariat, the latter term remained stuck in the category of the ever-shrinking numbers of industrial workers. Now, how could there be a revolution in Europe with diminishing industrial workers, when there was not a revolution during the heyday of industrialisation? Where European social being, rooted in colonial surplus usurpation via western democratisation serving as a safety valve for capital (bribe to northern working classes), was determining social consciousness, an esoteric form of western Marxism was reared by capital to de-prioritise the emancipation of the Third World. Not until the numbers of industrial workers in the South began to outstrip their northern counterparts that Northern Marxists began to speak of significant value transfers from the South to the North. The notion that Europe should lead the global Proletarian revolution because it had more factory workers is probably the most outstanding theoretical sham of the twentieth century.

2. Just as Lenin (1902) understood the primacy of politics to be the strengthening of working class rule, so does organised capital as it intermittently compromises profits in order to retain its dominant status. Capital itself is a hierarchical class order whose structure has proven resilient and responsive to challenges because, with its high degree of centralisation, its nucleus has the capacity to undertake reform measures countering revolutionary momentum. For instance, the targeted aid as replacement for subsidy removal measures applied to developing countries by the World Bank cost more operationally than the subsidy removal, but they also humiliate and criminalise huge sections of the working class in developing countries.
3. In Tilly (1985), the relationship of war-making to development is specified, but the determinacy of US-led imperialism is underplayed, as if latent forms of capitalist development did not ride on the back of American gunboats cruising the Pacific Ocean. Moreover, when development occurs in the shadow of US-led imperialism, it is of a *particular* nature because it deepens through ideological channels the indenture of labour to capital.
4. By 'wage slavery' I follow Marx (1867). The concept denotes the condition wherein the whole of the working class must sell its labour power to survive at below the cost of the reproduction of labour.
5. This point is shared with Zhu (2002); however, here it is not the power play of empire's politics devoid of the political economy of imperialist rent making. US-led imperialism undergirds Israeli development and military expansionism. It continuously fans the flames of war in a strategic region. By doing this it adds to the volatility of system of dollarized

- resource flows globally, impelling tremendous Arab and other moneyed assets into the safety of US financial markets.
6. The socialist ideological retreat is serious enough such that Fukuyama's thesis (1992) in which he announces that history came to end after the collapse of the Soviet Union stands vindicated—at least so far. Despite the failures of capital, it seems that 'all existence is evaluated in terms of money alone—and is presented to us as ideal... the partisans of the established order cannot really call it ideal, so instead, they have decided to say that all the rest is horrible,' or that our world is the best of all possible worlds, to which no alternative exists (Badiou 2001). The liberal mantras that introduce the illusion of overturning capitalism through bourgeois democratic reform, without ironclad peoples' organisations and violence, is not only misleading people and foiling the advance of socialism, but also, through its legitimising and reifying capital's forms of governance and its sacrosanct bourgeois democracy, they rationalise the continuity of the violence of capital and its imperialism abroad.
 7. Discussion with Professor Fadle Naqib (Waterloo University).
 8. Schweitzer M., October 2013, The Destruction of Iraq's intellectuals In the whirlwind of Iraq's violent history, the once-powerful academic class has disintegrated, <http://www.aljazeera.com/humanrights/2013/10/destruction-iraqs-intellectuals-2013101114937748151.html> (viewed 15 August 2015).
 8. Syria at War: Five Years On, <https://www.unescwa.org/publications/syria-war-five-years> (viewed 2 July, 2016).
 10. The Lebanese model for Syrian reconstruction: The ESCWA bid to hold Syria hostage to debt, <http://english.al-akhbar.com/node/21483> (viewed 17 August 2016).
 11. For the proposal on decentralisation see Administrative Governance and Decentralization (UN 2013), <https://www.unescwa.org/publications/administrative-governance-decentralization> (viewed 12 March, 2016).
 12. UN official: Rebuilding Arab war-torn countries a 'global public good' <http://www.thearabweekly.com/Opinion/6198/UN-official:-Rebuilding-Arab-war-torn-countries-a-%E2%80%98global-public-good%E2%80%99> (viewed 7 February, 2016). By a comical twist of fate, this is this is the same official who was responsible for market reforms in Syria prior to its collapse and who had heralded a bright future for that country as a result of billions of dollars in FDI inflows.
 13. Although there are no clear figures of war costs, a recent figure flaunted at Davos had put American war debit over the last 30 years at 14.2 trillion dollars. <http://www.zerohedge.com/news/2017-01-18/alibabaa-jackma-drops-redpill-us-wasted-14-trillion-wars-over-past-30-years> (viewed 7 February, 2017).

14. The impact of Arab defeat in the 1967 Arab-Israeli war impacted the internal political structure in an immediate way. The prime minister of Syria in the mid sixties, Yussuf Zu'ayyin indicated that Hafez Assad was considered a moderate. Assad opposed plans to arm the population in order to conduct peoples' warfare and was promoted openly by the US to accede to power following the 1967 defeat (quoted in Ismail 2010). Hussein El Shafe'i, vice president under Nasser, noted a similar point regarding the promotion of Anwar Sadat as the representative of the right wing flank in Nasser's administration to the position of vice president as a result of international pressure after the defeat of Egypt in the 6-Day War of 1967 (El Shafe'i interviewed by Aljazeera in August 2002).
15. Econometric estimation cannot parade as theory for many reasons, but here the forgotten point is that there is a self-differentiating process within and between social or economic variables; that is to say, they are a product of themselves and they affect each other by qualitative change. As such, this state of contingency *a priori* omits the possibility of modelling becoming theory. Moreover, the mainstream choice of dissecting the social state of affairs by overlooking social contradiction also eliminates the model as such from serving merely as an illustrative tool. So it is not only that some variables were overlooked and that theory requires their inclusion in a continuous process of falsification to stand on better grounds, or that it is the quantitative relationship of variables to each other that would count as theory; it is in failing to account for the dynamics of history: that is the subject of history (who is doing what by means of intermediated agency), its defining social relationship, which is rudimentary to theoretical construction.

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Security and Economic Development

Abstract This chapter examines the relationship of security and economic development in East Asia and the Arab world. Economic development derives from and drives security. Security, the totality in which communal and democratic securities accrue to the working class, is itself based upon a complex international flux in class relations that furnishes cover for national security. The unshakable weight of history or of USA's capital command of history, which has the capacity to mobilise huge resources in Marshall Plan-like projects, is also mirrored in its capacity to maintain the global imbalances. Some relatively secure countries do not necessarily develop and others develop as a response to insecurity; but few if any can accomplish what the imperialistically tied states of EA have done in joining the rich club. This chapter reasserts the point that their development is part and parcels of the USA's imperialist reach.

Keywords Resource mobilization · Security · Economic development
Marshal plan · War economy · Imperialism

INTRODUCTION

Economic development derives from and drives security. Security, the totality in which communal and democratic securities accrue to the working class, is itself based upon a complex international flux in class relations that furnishes cover for national security. Diachronic interpretations

of class as agency suggest that security predisposes development, but the temporal/causal order of security *cum* development cannot exhibit a general unilinear direction or causal order. Causality exists but it is to be found in the historiographies of each region or a reading of ‘who did it’. The unshakable weight of history or of US-led capital command of history, which has the capacity to mobilise huge resources in Marshall Plan-like projects, is also mirrored by the global imbalances. Some relatively secure countries do not necessarily develop and others develop as a response to insecurity; but few if any can accomplish what the imperialistically tied states of EA have done in joining the rich club. US-led capital can turn underdevelopment to development around quickly. Apart from the injection of capital, it does so through the promotion of ideologies cementing national unity around resource retention, and capturing gains from trade and capital flows, but primarily through the provision of its own security assurance. Just the perception that the developing state confers enjoy American protection would induce capital flows to find refuge in that state. The teleological order is clear: imperialist protection-capital infusion-growth followed by private flows. East Asian states have overcome the financing for development barriers, their investment rates were the highest for a significant stretch between 1980 and 2000, and some are world leaders in finance (UNCTAD-TDR 1999).

Arab states are insecure; net exporters of resources and their adoption of neoliberalism is evidenced in their stubborn adherence to deregulation in favour of capital in addition to open capital and trade accounts. As working-class power wanes, the term deregulation can be misleading, just like freedom in free markets. The market is a stage for resource flows and the state regulates or deregulates the allocation of resources from one class to another. Because the Arab ruling classes internalised defeat after the 1973 Arab–Israeli war—especially as Egypt shifted into the imperialist orbit after the Camp David Accords (1978)—and because US-led imperialism requires the realisation of its economic surplus and devalorisation of peripheral resources by violent means, war becomes the Arab region’s constant feature. I have argued in (Kadri 2016a, b) that militarism and war spending are ends in themselves because they redistribute real value to the capitalist class and expand financial assets—simultaneously through higher credits (military spending or war debt) afforded to the financial class and, circularly, through austerity. As argued in Chap. 2, Foster et al. (2008) were correct when they reasserted the Kaleckian position that US military spending grew because it soaks up

the USA's vast surplus and staves off economic stagnation, however, this proposition is secondary to the fact that wars of encroachment capture, destroy or under-value real human and physical value in the Third World. Accordingly, the purposeful drainage of Arab ideologies of resistance and nationalist class cohesiveness promotes further wars, brittle state security and development.

The apparent paradox that East Asian breakthroughs developed and the AW did not despite the fact that both are allies of US capital can easily be denuded when one considers that in the holistic condition of capital accumulation more surplus follows from war and commercial exploitation than super exploitation. In accounting frameworks, the wars are a continuation of a whole history of slaughter compounding the historical surplus value while bestowing enough power over US-led capital to grab a higher share of the moneyed capital in circulation. The Arab comprador ruling classes are much closer to US-led capital than their East Asian counterparts because they lack an industrial foundation in their own economies and fly almost entirely in the USA's financial orbit, yet little did this allegiance matter. The industry of the Arab comprador classes was the debilitation of their economies. On another note, one cannot take the issue of personal allegiance too seriously as one cannot personalise class ties. These class relationships are historical and impersonal.

Post-1980, the Arab ruling classes' *volte face* situated them in a sub-orbit of US-led imperialism. Arab class impetus shifted from the national production base to accumulation by devalorisation of national assets, through value divestiture under neoliberalism and war. The East Asian class relationship, which also includes imperialism at its helm, promoted national capitalism strengthening outposts facing the *inevitable* rise of China; a rise which is conditioned by a state whose centripetal authority keeps it from fracturing, for it has long been understood that China grows by the centrality of its command structure (Davis 1956).

In power terms, US-led imperialism has no choice but to contain the growth of China. In value terms, the recent media-promulgated Asian pivot becoming more relevant than the Middle East 'pivot' is meaningful only when the value contribution of Arab destruction and its impact in ideologically disarming the international working class is matched against the potential for a protracted war in EA. It need not be said that Arab state destruction negatively implicates China and the rest of the third world. Conversely for lack of anti-imperialist ideological build-up, neither China nor the third world are doing much to arrest the retrogression.

As I have been at pains to show, capital cannot grow without new forms of slavery, incarnated in systems of commercial exploitation. Currently the repercussions of the ‘War on Terror’, a war on anyone and anything ranging from indiscriminate bombing to policing rogue elements of the working classes and minorities in central nations, bear upon the rise of militarism and possibly fascism further strengthening the rule of capital. While EA has become the ‘factory of the world’ by putting to use lower-quality technology, a process of war and lumpen development has taken hold of the AW. As discussed in Chap. 3, the high human and economic inputs into wars resulted in higher surplus value extracted per population through violence reducing the outlays on necessary labour and regimenting the labour process, albeit, by a global capital weighted down by overproduction crises. In ways of the negative dialectic, the law of value is not just about the disciplining of hours worked in factories producing useful goods such that it allocates the socially necessary labour time ex-ante determined by profiteering; waste and war, or more broadly militairism are also a big factory and here the law of value is about committing workers to die in the industry of imperialist wars.

AN ECONOMIC COMPARATIVE AT A GLANCE

The long-term entente of EA imparts a stable political arrangement in which the perceived longer-term horizon encourages the implementation of higher productivity fixed-capital projects. By remoulding the policy interface in view of the particularity of the obstacles that development projects face, more secure economies rationalise the structure governing capital formation. As discussed already, the principal conduit for the positive outcome in EA was the retention and recirculation of the surplus product in the national economy; hence, EA’s gradated and selective measures of openness, which appear to circumvent the Washington consensus. They only appear to dodge neoliberalism because imperialism is comfortable with their position and with the negotiated distribution of the surplus that guarantees their security-enhancement and successful growth. On the flip side, the unfastened value spigots of the AW have recirculated real or financial wealth in ways that botch productive capital formation and divest the gains from the global trading system. A point-form comparison of resource allocation mechanisms with the more productive EA illustrates the case.

- East Asian countries, by relying on an industrial mode of development, have emphasised re-investment in the working class and the promotion of national knowledge and R&D. In the AW commerce, or buying from abroad and selling at home, makes up the bulk of value added activity. In the AW, the dominant merchant mode of development grows by disinvesting from the working class and denationalising knowledge. EA internalises knowledge through many re-engineering and reverse engineering measures, including translation to the national language. Arab schooling and higher education, becoming more private, have adopted English as their principal language, barring the broader masses from access to learning. The two AW states that promoted Arabisation of knowledge, Iraq and Syria, have been practically flattened. Moreover, many of the newly sprouted ‘American universities’ in the AW are ideological disinformation platforms that contribute negatively to national development through fiscal and knowledge leakages.
- EA directed investment into high-productivity plant and equipment as opposed to low-output-to-capital-ratio FIRE activities (finance, insurance, and real estate) that came to characterise the economies of the AW. The higher rates of profit of the Arab ruling classes are a result of this essentially fictitious economic growth as well as of growing income inequality.
- EA also selectively protected nascent industries, particularly those producing science-content-laden value-added products. It subsidised industry, disciplined profit rates (thereby making returns higher in the long term) and enacted trade protocols with other nations for the purpose of promoting exports. In the AW, short-term profiteering prevailed, cutting into the share of labour. In the AW, diversification away from oil is so unsuccessful such that in 2003, the Gulf States needed 18 US\$ per barrel to stabilise their budget deficit; in 2014, they needed nearly 100 US\$ (UN 2015).¹ It is odd that with such a rising dependency on oil, some commentators still talk about the success of diversification-industrialisation in the Gulf. The 2030 Saudi plan under the prevailing governance structure, combined with low oil prices (in the 50 US\$ range) and increased war spending on the war with Yemen and elsewhere, may just cause the biggest Arab economy to drop like a stone. Whether or not that state will then fragment like Libya depends on the USA’s intervention and/or on the ideological hold of the house of

Saud on the state. With the USA freeing itself of oil dependency and with Saudi disruption possibly curbing China's growth, the fall of the house of Saud and with it the whole of the Arabian social formation may not be far off.

- Generating employment became the key link to poverty alleviation in EA, whereas employment in the AW is a patronage process that generates the equilibrium to sustain political regimes. The imperially hegemonised Arab social restructuring process favours the conversion of the ruling comprador merchant class into an auto-conflicting relationship of several groups profiting from pillaging and de-populating their own economy through war. Through shortening life expectancy way below the historically determined level, the neoliberal and war bourgeoisies carry out depopulation policies similar those conducted by colonialism in the past. Given increasing immiseration as a result of job creation rates falling far below the rate of new entrants into the labour market, unemployment in the AW is equivalent to the rate of abjection and, as such, it has to be measured by the rising poverty rate and not by the rate of engagement in poverty wage activity.
- EA managed its interest and exchange rates in ways that entrenched the benefits of trade, as well as deepening state-sponsored financial intermediation. Nothing was carved in stone. The interest rate was managed to balance savings and investment while promoting investment and the exchange rate was set in way to promote exports without infringing upon the bread basket. The AW pegged to the dollar, opened the capital and trade accounts unconditionally, raised interest rates to high levels that hedge against capital flight and, in a context of declining labour shares, subsidised the national currency with reserves to ensure that inflation did not reduce ruling class-savings in dollars, but rather reduced the disposable income of the working class.

Situated on the civil-end-use market expansion side of global accumulation, EA's foreign direct investment (FDI) was of the market-and efficiency-seeking type, strengthening linkages and qualitative spill-overs, as opposed to Arab destined resource-seeking FDI (namely oil), which, as 'non-complacent' academia rediscovers anew year in and year out, correlates nicely with environmental degradation and civil strife (as in the fashionable resource curse literature summarised by Rosser 2006).

THE FASCISM IN NEOLIBERALISM

Just as commercial exploitation objectifies human lives, the theory of the mainstream, neoclassical economics, also introduces an objectification of social processes concealed beneath the cliché of an abstract individual who is sovereign and enjoys freedoms to choose in a hypothetical world. It reduces peoples, their interactions and social relations, to things. In that world, prices and the money form, which are also weapons of the ruling class, are either assumed given, and even when recognised as distorted, their distortions are priced and resolved in separate markets—there is a price solution to every problem and, as per the usual, supply and demand meet at fairy-tale equilibrium. All of this amounts to an overgeneralisation that has no referent in reality. Yet, once the platitude of a trans-historical individual whose rights are severed from collective rights assumes the status of dogma, then the rights of whole working populations can be flouted because the rights of a single abstract individual can be made to appear forsaken by capital's media. As mentioned in the previous chapter, although many essentials of livelihood rights were met in Libya, Iraq and Syria, these countries were bombed on the basis of regimes that do not live up to the standards of individuated 'American political correctness'. In one sense, just like the rights of people are trampled upon by fascist ideologies on the basis of race, the rights of the majority in Arab countries, including the right to life for millions, were overrun by the alibi of a 'bad leader' or a regime-culture that tortures in its jails.

Apart from the question of degree, the difference between the dogmas of fascism and neoliberalism is that when class privileges are argued by liberalism, they are easy to justify on abstract ethical grounds, as opposed to the ill-reputed credo of fascism. However, in their method of abstracting and utilitarian ethical standards applied to isolates (the abstract as the detached condition), neoliberalism is no different than fascism. The latter chooses a slice of reality, economising with the truth, to sway public opinion in its favour just as the latter. Consider the much touted trickledown effect. Such effect would only work if organised labour forces capital to reinvest in society; that capital-labour contradiction was omitted because wage slavery is assumed under free exchange of labour for wages, and under fascism because the nation state is an historical absolute to which all individual or communal rights must be sacrificed. Before moneyed exchange occurs, there is a system of social

and political control at work through distorted power platforms, which establishes the precondition for price-making and unequal exchange. The selective mode of abstraction of mainstream social science is fallacious because it never refers the partial condition to the whole from which it originates. The whole is real and it is the capital labour contradiction mirrored in the commodity in which alienated socially necessary labour time (value) comes into contradiction with use value, which later comes into contradiction with exchange value. Marx started with an analysis of the commodity because it holds the a genetic-like chart to historical development under capitalism. Because of the objectification of the commodity, such subject-subject contradiction (labour and capital) becomes object-object contradiction as relationship between humans are replaced with relationships between commodities, hence fetishism. Now, to think holistically, each isolated condition must be referred back to this fetishised dynamic of social reproduction and demystified. The correspondence in method between Nazism and the mainstream has already been made prior to the rise of neoliberalism.

However, ‘social totality’ without ‘mediation’ is rather like ‘freedom without equality’: an abstract—and empty—postulate. ‘Social totality’ exists in and through those manifold mediations through which the specific complexes—i.e. “partial totalities”—are linked to each other in a constantly shifting and changing, dynamic overall complex. The direct cult of totality, the mystification of totality as an immediacy, the negation of mediations and complex inter-connections with each other, can only produce a myth and, as Nazism has proved, a dangerous one at that. The other extreme of undialectical separation: the cult of immediacy and the negation of totality, of the objective interconnections between the individual complexes, is also dangerous, producing disorientation, the defence of fragmentation, the psychology of the meaninglessness of one’s actions, the cynical rejection of morally inspired activity, and the powerless acceptance of one’s conditions, however inhuman they might be. No wonder that Lukács rejects them both. (Meszaros interpreting Lukács [1972])

Thus, even if neoclassical economics adds missing components to its parcelled analysis, it only adds parts from the whole, but does not inductively relate the parts back to the whole; principally, it leaves out history or the continuum in which social forces interact on the basis of social values and vested interests. Yet even though social values and vested interests cannot be value neutral, the mainstream proclaims an ethic of

neutrality or non-ideology that leads to a 'separation of science from the great social issues of any age' (Davis 1956). In relation to our EA breakthroughs or Israel, there are two points to carry forth from here. First, dissecting parts from the whole justified by the sham of neutrality allows mainstream science to affirm that a small thinly populated state rising by imperialist cover and as a result of super-exploitation or war is successful. Second, such a state is also ethical because it lifted its own population out of poverty, regardless of what damage it did to the massive population outside its borders.

THE CONCRETE SHAPE OF SECURITY IN DEVELOPMENT

Unlike EA where despite the disparate incomes of constituent countries, there is considerable similarity in their macro profiles, especially regarding the narrow savings investment gap, the AW exhibits a majority population countries who suffer chronic savings shortages, while the thinly populated Gulf states are huge savers. Together, the Arab countries amount to a region of excess savings. In view of their subordination by militarised imperialism, most wealth, of which the Gulf's financial wealth is renowned, funnels abroad while the remaining pittance funds reactionary Islamist ideology. Arab development enhances long-term security and as such it is an imperialist taboo. Not even the Gulf could convert its huge money capital into real resources. It still exhibits a highly oil dependent and undiversified economy.

Despite its high unemployment rates, the Gulf absorbs the equivalent of its whole population in foreign workers employed in low-productivity jobs, yet the legend that 'Gulf states are too small to absorb wealth' in industrial projects is consistently trotted out. Furthermore, the Arab merchant mode of production (amassing financial but not real wealth) deepens cultural retrogression, of which the subjection and suppression of women by imperialist guided class system is the most visible aspect. One must be wary of the use of the term neo-patriarchy, for such dicta in the past was flaunted by the UNDP Human Development Report of 2002 and provided partial justification for the invasion of Iraq.²

In view of their underdevelopment, Arab countries enjoy ample absorptive capacity, writing off crowding-out effects. None of the Arab countries experience higher wages raising the per unit cost of production and hampering exports such as the case of many in EA (middle-income country traps). Unlike EA, where according to the Asia-Pacific

Subregional Trade Briefs of East and North-East Asia, the intra-regional trade share from world trade stood at around 50% (UN-ESCAP 2014), the AW is a region that is poorly integrated in terms of policy coordination, intra-regional trade—which is only approximately 10% of its global trade—intra-regional resource transfers, and infrastructure (UN 2014). I have argued elsewhere (Kadri 20014) that in the merchant/comprador-ruled states, wealth does not expand via integration with the rest of the Arab market; it is rather the purposeful incapacitation of that market, via conducting commerce alone bereft of industry, that reinforces merchant type accumulation. Integration in EA, based on a leading class of industrial capital, sharing industrial production, and joining economic and financial infrastructures, proceeds by overcoming national inhibitions to intra-regional trade. Despite being highly integrated politically, the Gulf Cooperation Council (GCC) exhibits an intra-regional trade rate of 6% and minimal production and infrastructural linkages (UN 2015). The Qatar-Saudi fiasco that erupted in the summer of 2017 in the form of an embargo by non-sovereign Arab states tailing USA diktat upon another lackey state, Qatar, in a most strategic waterway, implies that the USA plans to further heat the war moods.

A formalised comparison of the poor economic results of the AW, whether or not their cause is the misallocation of resources and whether or not oil is a curse, adds little to understanding the problem of Arab underdevelopment. A proper explanation also cannot be based on the premise that the AW started with more endowments than EA and performed miserably afterwards. In any case, capitalist production is about increasing returns to scale—it is more about the invention and employment of higher technology in production than initial endowment. The explanation has to begin with cross-national class and power relations allowing a margin of autonomy for policy choices that retain a higher portion of the surplus/social product. The reasons for the meagre Arab developmental showing as such become over-determination by imperialist power. This is not power for the sake of power, it is power for the sake of augmenting imperial rents. For instance, the US-supported Saudi war on Yemen is costing the Gulf States billions of dollars when these funds could have been used for development in Yemen. However, when the returns from developing trade with one of the poorest countries, Yemen, whose purchasing power is puny, in a world already oversaturated with output and underutilised capacity, are compared to the return from depopulating or setting ablaze a geostrategic region (Mandeb Straits),

the answer becomes self-evident. The least relevant part of the returns to imperialism is the cost of the weapons bought with several billion dollars from US and European sources. The war on Yemen is a colonial war *par excellence*. It involves depopulation through refugee making, war deaths and starvation, and a demonstration of the cheapness of labour (devaluation) that resonates super ideological value favouring global capital. Here, imperialism strips the Yemeni people from the right to be represented through a state for years to come, direly implicating the regional political system. It militarises the Mandeb Strait, an alternative route to the Hormuz Strait for Gulf oil shipments and raises strategic militarisation efforts and dollar risk premiums on oil and financial transactions globally. It raises global geostrategic tensions stimulating credit-supported military spending and financial flows to US market safety—all the trappings of an imperialist war. Yemen is not much different from any imperialist or colonial war where the ideological and real payoffs to capital are more significant than development efforts.

Imperialist power requires war-like historical ruptures, principally states of defeat, which alienate the Arab working class from its products and its share of power in the state. The efficacy of the means and procedures by which a class presides over a state, be they democratic or popularly democratic, is discernible from the degree to which the share of working class in the social product rises or falls. In order for a comparison to become possible in terms of a taxonomy admitting similarities as well as differences, one needs to establish the crucial historical moment when the two regions, EA and AW, parted in terms of class restructuring. Before 1980, the AW, like EA, exercised a form of nationalist capitalism in which capital and trade accounts were regulated under fixed exchange rates. Until then as well, value retention measures meant more development. In the Arab-socialist states for instance, the development outcomes as a result of higher equitable socialisation were outstanding even by global standards (Kadri 2016a). After 1980, however, Arab ruling classes embarked on a path of self-serving capitulation that coincided with imperialist positioning and militaristic interests. As observed in quantitative terms, until about 1980, real per capita income in the AW grew at about the same rate as that of EA (WDI, various years). However, since then, EA's per capita income has grown at a rate that has allowed it to triple since 1996, while on average per capita income in the AW has stagnated—particularly since the early 1980s: the long-term real per capita average (1980–2015) is at slightly less than zero per cent (WDI various years).

Security is the empowerment of the working class in and through the state. In an Arab context, a pertinent analysis cannot ignore this formative impact of security on the state, first as an institution incorporating the interests of the working class and driving development (The Arab socialist phase) and, subsequently, in the neoliberal phase, a state as nominal presence dominated by the inter-conflicting, but imperialistically integrated, capital strata devouring their own national assets. Recalling that the Arab socialist period of nationalist capitalism resembles the East Asian models and that in the Arab case, the imperialist-imposed law of value governs capital's production of surplus value via commodity realisation in war (the domain of militarism). While in EA, the materialisation of capital in the state assumes two forms: first, the superiorly armed frontal states, such as South Korea, fully integrated in the US-led security nexus, and; second, the remaining swaths of heavily populated states reaping the paltry benefits of entente through low-end manufacturing activity. In both cases, security is the resultant vector of a complex national and international class conflict. The organisational forms of capital, such as the state the NATOs and the IMFs of the world, are some of the institutions with which the working class engages in struggle and whose practice sways depending the leverage of the working class. Understanding these structures and the primacy of politics is fundamental to grasping the three-way relation between conflicts, development, and security.

There is an audacious tendency to tally the arithmetic of fiscal loss or gain to immediate shifts in state policy, without due consideration to the primacy of politics. The notion that the costs of post-war reconstruction following the 1967 and 1973 wars forced through the liberalisation programmes of the eighties and the opening up to the private sector in Egypt and Syria, as in Sadowski (2001), is fallacious.³ As already noted, the growth rates in Egypt in 1968 and 1973 were at one per cent in both war years, implying that the damage to capital's productive capacity was minimal. Syria experienced similar growth figures and both countries grew steadily afterwards (WDI various years). Their debt-to-GDP ratios were manageable, investment rates were steady, and almost no principal macroeconomic variables point to any exigency to annul dirigisme and import-substitution policies (see the statistical annex to Chap. 1 based on World Bank data in Kadri (2016a)). Import substitution policies are class tools that favoured the working class. They were relinquished because the class in charge of the state, the state capitalist class, gravitated as it grew to an alliance with imperialism and higher profits via commercial

activity. The shift in class ties occurred in conjunction with the petrodollar flows from the Gulf, which exaggerated the purchasing power of the dollar vis-à-vis the currency of the protected economies of Egypt and Syria. The state bourgeoisie was eager to expand and formalise its wealth in an international environment that became afflicted with the glitz of free-markets of the eighties. All the while, this class turn coincided with US-backed Israeli victories. Together these factors created an incapacitating Arab path dependence that relies almost entirely on Arab de-integration and the hollowing of industry.

At a further remove, the demonstration effect of the superiority of US conventional war machinery in swift Israeli victories against Arabs allayed its losses or its inability to deal a swift blow to its enemies in Asia (Vietnam); but more important, they created the perception that Soviet conventional military technology and industrial capacity were far too weak to confront NATO. If an exact point in time is required as a point of reference for the AW bourgeoisie's turn to the right, the shift in Egypt's position to the US camp in 1978 (Camp David Accords) was the beginning of the decline of national liberation movements not only in the AW but also around Africa and the Middle East.

As a rule of thumb, developing formations, such as successful East Asian models, combining working-class subsumption in the state with resource/value retention policies create a self-reinforcing relationship with development. However, the mainstream way of assessing nation-states as institutionally autonomous phenomena with characteristics like the construction of a unified territorial base, the pacification of space, the development of industry triggered by development and the military needs of the state, the interplay between the fiscal needs of the state and property rights, the development of a legal system, the role of war as providing technology, the deepening of production, the development of communications infrastructure, and the growth in demand, etc. (I am drawing from the vast literature on the Washington Consensus), is merely a listing of symptoms that miss the content of the modern state as capital's instrument. In such a listing, there might be interconnectivity but it is superficial because it is ahistorical and, hence, without an order of determination. Every state that overcomes underdevelopment will exhibit these characteristics, but that does not explain how it got there in the first place and which social forces shaped its transition. After the fact, it is parochial to pick a positive interface between policy and development outcome, and advise a country under bombardment to follow that example.

Under capitalism as a historical stage, it is principally the state that cements capital's repressive and ideological hold as the precursor for the recreation of surplus value—not of additional surplus product, but a surplus that is extracted via the commodification of nearly all necessities, including labour power, through the alienated medium of commodities exchanging for prices. Such social predicates did not exist before capitalism. Moreover, the internationally animated modern nation state, which had developed in order to manage the reproduction of what is socially necessary for the dispossession of the working class guided by private profiteering, incorporates the whole preceding list as instruments for its own role as an instrument of capital. The state marionettes and is being marionetted by capital. The nation-state manages and disengages the nation's resources at a rate in step with its class content and degree of integration into global capital.

Furthermore, necessarily but not exclusively, the rate of expropriating developing formations varies in step with its auto-generated security or with the security wrought from anti-imperialist alliances. In the language of overdetermination, the state is necessary to development because the development function itself and state autonomy depend on the way the state creates its own security by devolving power and wealth to each of its constituent social classes. The point that the relative strength of states has been and continues to be one of the major mechanisms for determining the comparative individual position of countries within the international economy (Weiss and Hobson 1995, 3) is more meaningful when security *cum* the distributive nexus of the state is considered as a form of class organisation resulting from the relationship with imperialism. Before being the rule or administration of a given territory or whatever mainstream cross-historical characteristic one adds to the definition of the state by selective chess-like strategy, the state is a product of the changing objective and impersonal forces of history or, more straightforwardly, the outcome of the national and international class struggle.

Polanyi (2001) may have rightly located the role of the state in the management of the fictitious commodities (natural resources, money, and labour) whose social substance needs to be denied in order for the market mechanism to function; however, the creation of the reserve army of labour and the premature destruction of labour itself and of labour power via the exigencies of the wage system (including through war as a measure of the law of value reguлтаing the reproduction of labour and disciplining the labour process) as necessary corollaries to

capital are quintessentially economic. To de-economise the value contributed by the ‘coloured nations’ may admit into the analysis the idea that the motives of imperialism involved some un-economic drive for the enslavement of developing countries and regions. No matter how far the primacy of politics strays from immediate economic gains, it is rooted in value theory and its actualisation in profits; hence, it is in the last moment economic.

Tangentially, this is also a blind spot that Abdel-Malek (1981) and Cope and Lauesen (2016) criticise in Western Marxists who separate historical materialism from the operation of the law of value or those whose way of quantifying value assumes that the higher surplus value produced by better Western machinery is only the product of Western labour engaged in the production of the final commodity just hours before that commodity is born. For these thinkers, it is as if the historical value chain which begins in the imperialist bombing of Iraq and Congo is just a *mission civilisatrice* and as if permanent war, which is of tremendous economic value in itself and which reduces the prices of Third World labour and commodities to an insignificant margin, is not part of the economic value chain of the major industrial corporations of the central nations and their downstream affiliates. The moral condemnation of colonial racism or imperialism is insufficient unless it is backed by a corresponding view of commercial exploitation (the reduction of colonial subject-object to object or slave-like). It may be more of a travail d’esprit, but it is fruitful intellectually to follow the growth of commodity production as expanding value, which is socially a contradiction between the use value put to the service of the working class and the exchange value put to the service of capital. Under the neoliberal phase of history, the imperialist relationship slots security-weak developing states and their ruling classes, like the Arab states, into surrogate instruments of imperialism, whose development impotency rears the objective grounds for more militarism.

The reduction of successful states to their market policies, which influence capitalist transformation through channels of planned or implicit market strategies as per Weiss and Hobson (1995), is a one-sided conceptualisation that reduces the state to a class-eviscerated network. Since the transformation of the state itself and its development policy are products of a specific articulation of class powers in which imperialism is the superior power, market procedures as a series of measures and policies are also not without a common historical (as in class as a historical subject) background allowing for their emergence in one form or another.

In effect, the state's formal/rational side redistributes more equitably, disciplines market excesses, and re-fortifies capital's hold on its apparatuses; but not only its own capital, the international capital relationship as well. The self-disciplining measures of East Asian capital (lower profit rates from industry and tempering rentierism) exhibit resemblance to the experience of American capital intervention and regulation after the Great Depression plus the dirigisme of Japanese capital. Such behaviour and their successful market policies underscore the pre-eminence of the state's class content over market measures. As mentioned in the previous chapter, the USA monitored the dispensation of its aid to South Korea with an eye to correcting any anti-development shortfall of implementing institutions. When the desire of the imperialist class is to strengthen its hegemony, markets must function.

The experiences of the developed economies or successful East Asian economies as 'models' to pursue are often advanced as technocratic history (market strategies) without underlining the interrelatedness of states to the larger web of the international division of labour. Without an understanding of this interrelatedness, the order of power, specifically the power of imperialism in the international order, causality is lost. Once lost, the doors are open to blame games, as in blaming the working class in a developing country for its underdevelopment because it does not know markets or how to market. The asphyxiation of the Polish economy by Brzezinski's financial containment mechanism is a clear example of market subordination to imperialist power: lend US dollars to Poland to produce export commodities, close off the global markets for such commodities, and indenture the Polish economy with unsustainable debts. The order of decision making is clear and so is the order of responsibility. However, inverse culpability is continuously interpellated by the apparatuses of global capital (interpellated as per Althusser's (1994) use of the term), whose ability to invert reality has recently become so powerful, such that the impoverished working classes lay blame for their underdevelopment on themselves.

With respect to state intervention in the economy, the imperialist state through its wars may have intervened more abroad to extract value than at home. The interconnectedness of surplus-value creation holds historical primacy over the fiction of the nationally bounded state function (Keynesian market intervention at home for the advanced economies) which besides being an abstraction isolated from holistic history, never materialised on its own; there was never a time without imperialist

conquests with tribute redistributed in the economy of the imperialist homeland (Cope and Lauesen 2016 provide a succinct expose of the process). To speak of state intervention or successful market strategies at home in the advanced capitalist economies without mention of looting abroad or the imposition of commercial exploitation is a lobotomy of history.

As posited so far, much of Western European post-WWII economic development was initially nurtured by George Marshall as a constituent of security to provide a *cordon sanitaire* blocking Communist expansion. Later, an Asian *cordon sanitaire* provided the development-bolstered security and ideological buffer against China. In due course, development imparted a higher degree of autonomy that shaped these countries' integration into the world economy. Autonomy, including policy autonomy, re-conditioned international factors that would otherwise have curtailed the redistributive/development function of the state, but never to the point at which imperialist hegemony is compromised. In point of fact, there is a twentieth century from which one can test the extremes of violence to which imperialism can go in furthering its power.

The salient explanations for developmental success or failure are either from the mainstream that consecrates a quest for power and profits devoid of value theory, what Parenti (2011) wryly dubs as empire without imperialism and its raking of imperial rents, or from a political left (Foster et al., 2008) that speaks in one-sided value terms of security spawned via militarisation and development aid that partly realises monopoly surpluses in the central nations, without the pre-eminence of under-valorisation and the historical surplus value. What has remained unexplained is that in the shadow of the US-Soviet power struggle, the 'developing world', namely the Non-Aligned Movement, retained and priced much of the value it owned and produced; that was a golden age of post-independence in the former colonies. As the Soviet walls fell, the *cordon sanitaire* moved further north in Europe, strangling Russia with NATO encirclement. In Asia, the so-called Asia Pivot adumbrates the process by which the USA is also attempting to shift the Asian *cordon sanitaire* further north, encumbering Chinese development with territorial disputes that augur disaster.

In policy substance, however, the Cold War context of competition for social progress has been replaced with a privately geared system of lower per-unit cost production destined for export-led profits—a leaden age of development has gripped most former colonies.⁴ What neither mainstream nor Eurocentric left theorists mention is that the moneyless/

or money-insignificant aspects of imperialistically held production inputs and materiel, which must also be continuously removed from the control of their owning social classes and devalorised in terms of prices often by force, are both the real and logical predicates of higher profits.

Aspects of production in value terms precede and determine profit rates. Just as in the value that mothers pass to their children by rearing them and for which the social democracy of Scandinavian states once demanded that the welfare state *wage* the efforts of motherhood, national liberation struggles have demanded that colonialists price their resources in ways that meet their development objectives. Undoubtedly, paying higher prices for commodities whose values had cost the colonialist/imperialist little before national liberation would cut into profits. It is little wonder that imperialist wars must be waged consistently. Imperialist wars in low entry-risk–cost areas, such as a starved Iraq under the embargo that ended in 2003, set aside or maintain resources in suspended animation, obliterate the lives of an imperialistically constructed superfluous labouring population, and demoralise or sap working-class ideological zeal across the globe. As discussed, these are forms of commercial exploitation, which is the modern form of slavery serving as pedestal for modern development and propping the earnings of an internationally privileged class.

Just as there are more secure and privileged smaller NATO-allied states in Asia surrounded by poorer sweatshop economies, there is also a similar order in the AW, manifest in Israel surrounded by war-torn Arab states. The geographic/spatial area development comparison is cross-cutting between regions, but more or less, the AW is an area of war while EA is not. The establishment of relative sovereignty over a given territory is necessary but not sufficient for economic development. Sufficiency depends on the policy that recirculates more of the social product nationally, generating welfare and its ideological by-products. In the case of the richer countries of EA, the ideological spinoffs cemented the rule of capital as part of the nationalist patrimony for which the working-class struggles so as to protect its gains along with the continuous imperialist rents. It is in this interrelation between war and development that imparts welfare to a co-opted working class confronting the potential enemies of US-led financialised imperialism that cases of East Asian development success are to be found. The ideological offshoot of the self-fracturing Arab states generated cultural degradation (a state of anomie), Islamic terror groups and children abduction in Iraq, which re-enact the collapse with self-fracturing identity politics at ever higher rates.

CONCLUDING COMMENT: STATES UNDER SECURITY CONSTRAINTS

Tilly's recycled identity 'war made the state, and the state made war' (Tilly 1985)⁵ could be reissued in another recycled form: class war made the state, and the state made class war. State structures in their institutional forms are organised around the means by which society governs its material reproduction. Without history bearing the resultant vector of class forces in the various forms that states mediate, the institution of the state becomes an immutable *noumenon* no matter what the historical-material developments are. Conversely, the resolved contradictions of social classes via differing security measures also shape state types. As an aside, unlike 'state formation' in conventional or mainstream thought, the state should not be forming into an ideal type, which is the central state with its bourgeois democracy, because such political practice (bourgeois democracy) partly arises as an outcome of the commercial exploitation of the developing world, redistributes part of the looted surplus in the form of wages to central working classes and acts a safety valve for central capital. As such, the material foundation of bourgeois democracy can exist in a developing context just like the passed-down benefits of imperialism for the select few, like South Korea or Israel. Because bourgeois democracy involves a partial payoff from imperialist rents to the working classes, it is anathema to Third World development. Third world popular democratic alternatives assume many forms. The crucial relationship to spot is one that is anti-systemic/imperialist, redistributive in support of internationalism and uncompromising in its prioritisation of internationalism over narrows national bourgeois interest. Once the politics of compromise steer the political strategy of national liberation or development reconstruction, the natural end of such capital-compliant processes is for the once nationalist class to undergo a *volte face* and fall into the lap of imperialism (Frank 1982).

Security in that sense (the totality that is both product of development and sovereignty of states) coalesces with national defence security and with all sorts of subcomponents of security, such as economic security, food security, health security, environmental security, personal security, and community security, as constituents of working-class security whose improvement ratchets up the consolidation of sovereignty. Security and sovereignty bear upon development in different outcomes; however, the eclecticism in theory explaining the contribution of security to development is oblivious to the point that security *qua* working-class security is

itself development. There is a litany of literature on this topic employing econometric cross-sectional data; for instance, see (Cotet and Tsui 2013), which misses security as totality. Common characteristics drawn from modelling various samples to distinguish by matter of degree which states enjoyed enough security to develop and which did not, cannot include security as the historical/decision making process that endows a country with sovereignty over its national resources.

Security derived from an exercise of power in international relations mediating exigencies in the crisis of accumulation generates one-sided development as was the case of growth in countries like South Korea and Israel. Such one-sided security producing one-sided development conscripts a tiny minority of the international working class into the service of imperialism and curtails the internationalist dimension of development. ‘Asian Miracle’ countries cannot serve as models of development because of their security ties to imperialism. They impose doses of dislocation and repression for the extraction of surplus value, which necessarily undermine the development of an increasingly higher number of working people in the downstream countries supplying them with resources.

These miracles display endemic weaknesses. There is the persistent problem of the easily perforated private sector-led social welfare nets in EA, as became evident after the 1997–1998 crisis (UNCTAD-TDR 1999). Sectioned labour gains in the form rents are also manifest at the level of cultural phenomena in the form of intra-working-class schisms and racism. Taking into account the rising historically determined level of income, which follows from the endogeneity of technology under capitalism (development of the productive forces), success stories, in a context of unregulated private accumulation, must progressively generate more absolute and *relative* losers—along the value making chain, which is the global chain. Hence, raising the Asian development model to sanctified status confounds development resulting from imperialist security ties with all-round development.

Better developmental conditions can be put under the rubric state autonomy substantiated by working-class security/representation and policy autonomy, and concomitantly, as a recirculation of the surplus in capital-forming activity that further mobilises national resources. A number of factors, including the regional and international institutions in charge of policymaking and resource allocation, determine the form and direction of this autonomy structure. As already noted, security arrangements, the shifting *cordon sanitaire*, and the international, regional and domestic

balance of power, all influence the autonomy structure and thus the policy space available to people for retaining and redistributing a greater slice of the social product. This balance is not a national power balance; it is an international class balance mediated via the ruling-class governed nation-state. East Asian development is a buffer against Communism and later against the advancing mixed economy of China. Growing unchecked, China can push the *cordon sanitaire* to the South and integrate the Tigers. However, the ruling class base of the Tiger countries, including Japan, lies in the Western hemisphere; they are ultimately comprador no matter what sovereignty cant they profess. Such a debacle brings us to the point of a China looking to supplement its economic power with political power and opposing the advance of the USA through its Asia Pivot. Could the growth of China and rising tensions in EA spell the sort of war related disaster for development as happened in the AW?

NOTES

1. Corruption is the refrain of moralising academics. However, corruption is an innate category of capitalism, which is a system that runs on social waste. Corruption is innate and ubiquitous to capital and not particular to this or that group. Prior to the East Asian crisis in 1997–1998, the international financial institutions were praising the role of corruption in cutting red-tape and transaction costs; after 1998, corruption was to blame for the crisis (UNCTAD-TDR 1999). But the crisis in EA was not an issue related to bribes paid to functionaries, it was a crisis of open capital accounts, excessive borrowing from foreign sources and hot money flows reacting to overproduction, dollar market fluctuations, and price volatility. This is not corruption: it is the system itself. In the AW, the ruling class consortia still attribute failure to corruption as a moral category. The ‘free market’ channels social wealth into private hands because the context of neoliberalism allows it. Corruption in an Arab context is the pegging of the currency to the dollar in open capital and trade accounts and, in an institutional context, already commanded by a merchant class; national wealth flees and the corrupt here are the international financial institutions and their class allies.
2. Instead of arguing for the primacy of working-class representation in the state and working-class security through its acquisition of a higher share of the social product, the UNDP Arab Human Development Report of 2002 selected three areas of underdevelopment inflicted upon the AW by imperialism to culturally place the Arab in a sub-human category: gender, democracy and knowledge. Later, US-led imperialism, literally in its attack

on Iraq, employed these characteristics to imply that the prototype Arab is stupid, undemocratic and oppresses women, as part of its effort to dehumanise the enemy (Fergany 2004).

3. This fallacious position appears in many other Arabic sources, which are too numerous to cite. The other piece of received wisdom is that import-substitution policies failed; as if policies are not wealth distribution measures serving class interests. Policies do not fail by themselves: the working class lost its power at the heart of the state, and the bourgeoisie opened the economy in ways that favoured its interest and de-securitized the state.
4. For the post-Cold War *cordon sanitaire*, the proviso is development akin to growth performance rather than improvements in socialisation, institutional transformation, and a culture of internationalism combined with an advance in living standards. The post-Cold War era is also an age of financialisation, which eschews real production, implements austerity, and/or dips into the share of labour to raise profits.
5. Lenin, critiquing Kautsky's effort to line up the German working class behind the war credits in WWI, characterised the state as the dictatorship of the bourgeoisie to which war was a service and whose smashing is a proletarian objective (Lenin 1917). A closer epigram to Tilly's comes from Randolph Bourne's unfinished essay 'The State', in which he famously observed that 'war is the health of the state'. The essay can be found here: <http://fair-use.org/randolph-bourne/the-state/> (viewed 10 October, 2016).

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The Rise of China and the Potential for East Asian Collapse

Abstract This chapter looks into the rise of China and the potential for East Asian collapse. China's steady growth and real, as opposed to financial wealth acquisition, is shaking the foundations of American empire. The possibility of a transition to a different plateau of balance of forces globally is receiving tremendous attention in the mainstream literature. There are two theoretical points one can rely on in investigating the implications of China's ascent. First, no such transition under capitalism can occur without violence, ranging from proxy wars to immediate confrontation. Second, it is only the strength of an anti-war working class alliance in EA, China and across the globe that could temper the degree of violence. Violence may drain the resources of East Asia sapping its past developmental achievements. I conclude with a summary of the relevant theoretical points encountered in this work.

Keywords Chinese development · Global imbalances · Economic transitions · Imperialism · War economy

Although China's export-led economic growth rates are impressive—around 8% real growth since 1980—its average real GDP growth during the socialist period 1952–1977 was nearly as high as 6%.¹ China's poverty alleviation under socialism remains unmatched in modern history (Davis 1960; Chossudovsky 1986). Although it is somewhat counterfactual to assess the gains from an alternative growth path, the case may be that the social and

environmental costs of the current path of capitalist development far outstrip the benefits had China continued along the road of socialism. Yet, China's steady growth is shaking the foundations of American empire. The possibility of a transition to a different plateau of balance of forces globally is receiving tremendous attention in the mainstream literature. The subordination of mainstream culture to American capital disfigures the real China and renders almost impossible the deciphering of truth. However, there are two theoretical points one can rely on in investigating the implications of China's ascent. First, no such transition under capitalism can occur without violence, ranging from proxy wars to immediate confrontation. Second, it is the strength of the working-class alliance in EA, China and across the globe against US-led imperialism that could temper the degree of violence.

China's economy is composed of a state sector, a domestic private capitalist sector, and a foreign-owned sector. The share of trade from foreign-owned investment has risen over time, but has stabilised as of late. Foreign capital could be controlling as much as two-thirds of China's 21 major industries (Lei 2015).² Although wages have risen, they have not kept up with the high productivity of Chinese workers because foreign capital denominated in foreign currency (dollars) rejects the need for high local wages as it earns its dollar profits from export to foreign markets (Liu 2010). A significant component leading to rising productivity is the increase in the national science content of exported commodities, which has risen to over 50% (Simon 2007). This outcome is indicative of China's fast climb up the knowledge-productivity ladder powered by local means (Liu 2009). Recently, total domestic and public Chinese investment rate has risen vis-à-vis foreign investment; however, as Liu (2010) noted, China needs to accelerate its domestic development with sovereign credit denominated in Chinese currency to proportionally reduce its excessive dependence on exports (financed by foreign capital in dollars) and to denominate its exports in Chinese currency to break free from dollar hegemony. Some of these measures are already in place but not to the degree Liu would have wanted them. There are two points to keep in mind following China's entry into the WTO: China now has a higher rate of dependency on the American financial market, and foreign owners have captured more than 50% of export income (Ma et al. 2015). But one thing remains evident: capital controls are central to Chinese economic success. The degree to which capital controls are circumvented by the rentier sections of the ruling class inside China mirrors the balance of forces between the nationalist industrial class and the comprador class.

China is currently the biggest economy in terms of Purchasing Power Parity prices (PPP). At the current rates of growth and in current prices, China is set to become the biggest global economy in less than a decade. It so seems that even without the Soviet Union and without much socialism in China, the ‘East Wind is prevailing over the West Wind’ (Mao 1957).³ The rise of China had already been perceived as unstoppable at the early stages of its revolution. In two articles published as early as 1956, the late Arthur K. Davis aptly captures the impact of China:

The triumphant emergence of new powers and of revolutionary socialism in Asia has already rendered obsolete the traditionally bigoted Western view of world history. Space-wise, this view encompasses little more than the end of the European peninsula plus North America, with a few vaguely conceived hinterlands like Asia, Africa, South America, and Eastern Europe in the background... The western conception of history stems from the limited experience of the past century, when China was weak, backward, and forcibly opened by and for Western exploitation. During most of history, however, China has been not only a great state, but a leader in science and civilization. With the recent consolidation of the Communist regime, China has resumed her normal Great Power status. We believe that this event, like the Russian Revolution, is a decisive turning point of world history.

Unlike the USA, the successor empire to European colonialism, which regularly resorts to the use of violence to secure imperial rents, China depends on market power (Petras 2016). The latest of its economic expansion plans, an extension in trade and investment that complements its market power, the One Belt–One Road plan, whose name is a metaphoric restitution of the old Silk Roads; both, the sea and land routes. China is already a net exporter of financial capital with huge surpluses in financial capital and output capacity. This plan does not fall outside the scope of its strategy to establish higher market shares by engaging other developing economies through firmer trade treaties and the initiation and implementation of infrastructural plans with the aim of securing demand for its products, but also to secure areas of its strategic dependence on oil. Given the EU lower demand for oil (around 0% growth as of late [OPEC 2016]), China’s growth accounts for much of the increasing rate for global oil demand; hence its putative vulnerability on the energy security front (Platts 2017).⁴ Conditions of instability and/or actual or potential militarisation of areas exporting oil to China, weaken China’s

perceived power and negotiating position. At the current historical conjuncture, China may be big, but it is not *in control*.

The quasi-official line says that the One Belt–One Road plan extends to broader segments of the globe through China’s ongoing capital outflows, investment abroad, and FDI leading to part ownership through association with state, non-state actors, and/or private officials in strategic economic sectors.⁵ It adds that it will furnish some states with economic grants and low-interest loans and constructed large scale infrastructure projects—railroads, airports, seaports, and highways with the aim of stabilising or securing strategic partners. However, these measures are exactly how China has conducted itself on the global market so far and the growth of such trajectory dims in comparison to the financial measures China has been adopting and that really signal its newly acquired power status. Apart from the Asian Infrastructure and Investment Bank (AIIB) and new payment systems (Cross-Border Interbank Payment System [CIPS]) parallel to the SWIFT, Chinese companies began using RMB for trade finance and by 2015, a third of Chinese trade was settled in RMB. The RMB is the third most traded currency in the world and is effectively a fully convertible currency (Hakans and Hynes 2016). These authors conclude, rather assertively, that Russia and China are too formidable as a power block to be confronted directly and, although the USA will not submit its currency power voluntarily, it will agitate with ‘multiple provocations on various fronts for China, similar to the umbrella movement in Hong Kong, the Maidan square coup in Ukraine, and recent political turmoil in South Africa,’ but a new and more equitable currency balance is inevitable.

The authors neglect the impact of global wars as wealth allocating mechanisms and means of containment against China. There has never been a time since the nineteenth century where so many wars without a clear anti-capitalist agenda are taking place and where retrogression in socialist organisation and its attendant ideology were as steep. The unfettered development of the class forces in charge of regulating the labour process by means of violence carries within it its own momentum for further violence. In such a world where militarism boosts finance and flows to the US market, the more of these wars the USA ignites creating instability globally, the more it drains China and Russia. The immediate mutual commercial concerns between China and the USA that may anchor the war process into some reasonability, which precludes all-out war, may be lost as dogmatic politics backing militarism pursues its course. Although remote

the scope for nuclear violence stretches further to the point where humanity might be giving itself more problems than it can solve.

Meyssan (2016) warns that the USA refuses to recognise the end of its unipolar system beginning with the destruction of Iraq in 1991 (Desert Storm) and pursues its wars in the Levant and in Ukraine with the unique aim of cutting the two land supply routes from China to Western Europe; it wants to maintain its interdiction of the Silk Road and erect an impenetrable barrier that will divide Humanity. Historically, China's expansion resembles 'Europe between the end of the nineteenth century and the years before the First World War, when strong nations jostled one another for industrial and military dominance' (Wong et al. 2017). Referring to the role of China in Syria, I had noted that the world appears to be reliving a proxy-war for the division of peripheral formations resembling to some degree a pre-First World War scenario (Kadri 2012). It is also perhaps no coincidence that Yemen and Sudan, the two Arab countries with/in which China traded and invested most, have become fragmented states.⁶ Although history has plenty of examples of Empires competing for tribute through war, the knack for war under capitalism is innate to the system because accumulation cannot be carried over only by the sales of civilian-end use commodities (market realisation). Such market expansion scenario without wars has never happened. Wars, especially the invasion of Iraq, as already established, are seminal to the domain of militarism and to the growth of militarised capital. Already the Trump administration declared that the USA is going to make sure that it protects its interests in the Chinese-controlled islands in the disputed waters, and even if those islands are in fact in international waters and not part of China proper, then the USA is going to defend international territories from being taken over by one country (quoted from Symonds 2017).⁷

On the basis of these and similar statements, Symonds (2017) surmises that 'threats on the South China Sea are the sharpest of warnings that the world is heading with gathering speed towards a nuclear catastrophe.' While the primacy of nuclear war (first-strike capability) is being openly entertained in the USA, the amateurish statement of a new administration is of no particular relevance to the speed at which the world heads towards nuclear war. However, more so now than during the cold war, the pressure that nuclear hubris exerts has to be taken more seriously. Intrinsically, the profit system runs on waste, and as the twentieth century wars show, it is a system prone to implosion by the sociological underpinnings of imperialism and it demonstrates itself by

its overkill capacity. Johnstone (2017), a former Pentagon expert on the impact of nuclear war, asserts that the cold war understanding: ‘any nuclear war is mutually assured destruction (MAD),’ has been forgotten at the present stage. Unlike the Soviet Union however, China is eroding America’s share and control of the world market and two narrowly governed capitalist class structures (the USA and China) are perilously faced off against each other.

War is a social and political process that is already being fought off on several economic, ideological and militarised fronts. The USA may be in a race against time to halt the growth of China before it closes the military gap, but as Johnstone (2017) emphasises there can be no such thing as nuclear primacy. In the current phase of history, the notion that the USA is being cornered into pushing the button portends its ultimate downfall. The USA’s first-strike hype may not be pressuring China into concessions or into internal fracturing; it is perceived as a weakness of US diplomacy. Broaching the potential of the system for self-realisation in ultimate waste (the nuclear imbroglio), the result of a US first strike on China, even if it lives up to the optimal US-designed scenario, will be a failure. This is not to say that the USA will succumb on ethical grounds; ethical considerations are impertinent to imperialist practice. However, the speed at which the development of mutually mass-destructive weaponry in a world of alliances, including biological, and the precedent of first-strike itself, will shape an unprecedented level of future barbarism.

To state the obvious, the expansion of trade and financial policies building Chinese autonomy is not without political peril. The view that China’s ‘peaceful’ development will stealthily outperform American development through militarism is ludicrous. There can be no capital without war. This is not the same as the school of realism, which deduces violence from several cross-historical factors and then reduces theory to game theory strategising. Such is not realism, it is truism in any class society. For millennia, elders of mount Hermon strategised and calibrated the degree of inter or intra-village violence. Violence and technology to capital, the principal relationship under the historical stage that is capitalism, are alienated from social control and intrinsic to the reducing the value of necessary labour for profit making.

The mainstream media had already begun to oxygenate the flames of war by exaggerating the reach of China. In ‘how China rules the waves,’ the Financial Times reports that the Chinese have occupied the major trading ports globally and although civilian in nature, these ports can be

put to dual use (civilian as well as military).⁸ On its own, the enlargements of Chinese markets may undermine the leverage of the USA in its spheres of influence. The USA is fully aware of the risks. However, just as the disruption of the sea and land Silk Roads (more sea than land) by Europeans thwarted the transformation of Eastern merchant capital into more productive capital five centuries ago, the current destabilisation of key trading partners or routes may yet hamper the potential development of Chinese capital. Will China coil on itself as it did in the sixteenth century and lose the race to Western capitalism once more, or will it take a more aggressive stand rebalancing the global order?

THE STATUS QUO

Destabilisation and a rise in militarisation shake the stability of China-partnered states required for smooth market transactions and/or for securing China's strategic trading routes. China has a cross-cutting relationship with the USA: partnership and competition at once. The unprecedented growth of China has thrown the equilibrium of this relationship off balance. China's vetoing of the UN Security Council (UNSC) US-initiated resolution against the Syrian government, a measure it has only sparingly used outside its immediate backyard, foretells the growing reach of China and the importance of the Middle East to its stability over the long term.

China faces in the USA not only a superiorly armed foe, but also a state whose post-Cold War ideological victory, its rise to prominence as the sole unipolar power after the cold war, furnished it with a free hand to globally replicate the uglier image of its 'American way of life.' Just in passing, this way of life has two powerful historical momenta with which China has to grapple. The first is the modernity issue of which Badiou (2015) speaks, and whose appeal of leisure and consumption patterns was a hindrance that Soviet communism failed to confront with an ethic of communism and that was partly responsible for its collapse. The appeal of US-style consumerism is a cultural weapon that weakens the development of a revolutionary consciousness whose decisive constituent is internationalism.⁹ Moreover, the Western working class is susceptible to being co-opted by capital. Although Emmanuel (1972) signalled the difficulty of bridging international working class differences because, as per the popular dictum, capital can hire half of the working class to fight the other half; things have changed since, the bribe to pro-capitalist movements has been endogenised through the civil

society arm of social democracy, and anti-working class measures include a significant cultural component that took root in the developing world. In the struggle against US-imperialism, China requires the support of working classes freed from the myth of liberalism, which may be scarce at this era in history.

The second ‘American way of life’ obstacle facing China is the USA’s exceptionalism and expansionism, which rest on its credo of a frontier Eden or an American history unfolding by Manifest Destiny (Davis 1960). It is the uniqueness and superiority of Americanism as a frontier ideology, a frontier that expands territorially unhampered by considerations of mass-annihilating the other (the natives of North America), which would make it difficult for China to use mutual commercial benefits (cross-cutting benefits) as repositories for negotiating a peaceful transition with the USA. The USA combined its knack for military aggression and cultural hegemony, including its commandeering of international organisations, to continuously underwrite its imperial status. There are only rare examples of international institutions in which the USA does not demand veto privileges before joining. These are hard cast material and cultural trends that the USA will be at pains to part with.

As issuer of the global reserve currency, however, the USA has been a net global debtor in its own currency for over four decades. It has also been a sort of consumer of last resort steadying the Western business cycle. As the successor empire to European empires, it enjoys vast powers and historical privileges that follow from the biased treaties and a history of piled up colonially construed disparities. US debts reflect serious global imbalances. Foreign countries, especially China, hold a not-too-large but significant share of US government debt; the four major Asian central banks (Japan, China, South Korea and Taiwan) alone hold over \$5 trillion; the Gulf States rank second (Hudson 2010, 444). The backing of US debt requires the consolidation of hegemony over strategic resources and or the curbing of the autonomy of aspiring nationalist capitalism where such resources are found (Avramidis 2006; Patnaik 2009).¹⁰

That the world reserve currency—the dollar—is supported by a US-favouring power platform necessarily implies dollar *peonage* or dollar *hegemony* as per the use of the term in Avramidis (2006) and Liu (2010) respectively. (Liu 2010) provides the clearest example of how US dollar hegemony operates in China: ‘the US is investing in China with money it borrows from China and the US is able to do this because the debt and capital are both denominated in dollars that the US can print at will.’

As dollar wealth holders, lenders (including China) are ill at ease with the borrower's (the USA) capability to undervalue global wealth holdings by means of debt deflation or devaluation. Although the refinancing of China's exports with additional dollar supply (US debt) oils the economic engines of the Chinese economy, the ultimate lack of control of China over its own paper wealth, which is denominated in dollars, loops like a noose around its neck. Despite various interlocking mutually satisfying channels of wealth delivery to both China and the USA (the cross-cutting benefits), a contradiction springs forth as China's financial wealth searches for investment venues into which it translates itself into real wealth (as money becomes real assets). Real Chinese wealth is potentially power at the expense of the power of the USA. All else considered steady, the erosion of US-led international clout implies dollar erosion and unsteady global wealth holding denominated in the dollar.

UNPACKING THE CONTRADICTION

Although several scholars had envisaged a significant growth in the industrial workforce in developing countries (Amin 1976; Wallerstein 1979; Frank 1982; Abdel-Malek 1963), China's industrial surge shifted the bulk of industrial labour fully to the South in ways no-one had predicted. In 1950, industrial workers from developing countries composed roughly 30% of the total industrial labour force. In 2010, industrial workers from developing countries made up over 80% of the global industrial labour force (ILO-KILM, various years). In China and the few other newly industrialised Asian economies that enjoy a margin of autonomy in policy, the majority of rural-to-urban migrants have moved into rising-wage employment. The rigidity of the Chinese labour market, its socialist legacy of *the iron rice bowl*, had enshrined certain labour rights that were difficult to undo by the rising capitalist measures and that resulted in a steady wage rise, albeit incommensurate with productivity (Weil 2010). The militancy of the Chinese working class has reinforced this rising wage trend. Labour incidents, not merely strikes but riots and confrontations, were 150,000 in 2015 and although the US wishes to make this into a *Solidarność*, the jury is still out on whether Chinese working class will unseat the communist party (Goldner 2017). As elsewhere, how working class consciousness in China will develop depends on the efforts revolutionary cadres put into fighting the credo of imperialism and its civil society arms. For

the time being, the labour stories provided by Li and Freidman (2016) paint a bright picture of a discerning vision developing amongst sections of the Chinese working class.

For a nationalist-capitalist China with socialist undercurrents of resource allocation, the indigenisation of wealth and technology imparted progress. For most of the world, however, the neoliberal transformation has been perverse, and most actual or potential wage-labourers either become unemployed or are engaged in low-productivity/poverty-wage informal jobs.¹¹ In the language of the Flying Geese paradigm, China is becoming the new Goose that may potentially induce the development of its partners around its old-new Silk Road. However, judging by the development impact of its past investments in the least developed nations, such as Sudan or Yemen, it has not imparted significant productivity gains through its FDI and infrastructure project-linkages to the national knowledge base of these economies. Such positive technical spillovers are central to developing industrial knowledge and possibly enhancing the long-term stability of its partners, a steadiness from which China stands to benefit.

More important, China has not set in motion a counter-neoliberal ideology with which it could build stronger ties to progressive workers' platforms in the Arab or third worlds. Wong et al. (2017) warn that China's expansion is also a contest for institutional influence in East Asia and that 'China must promote a message of social justice and equitable development to counter the soft power of institutional transition that the United States has pushed since the 1980s.' However, there is an obsequious strand in Chinese politics that stems from the rents of the cross-cutting relationship with the USA and that caps the thrust of anti-capitalist propaganda. China was growing steadily and at high rates before prosecuting *the gang of four*, whose real name should have been *the gang of five*, with Mao Zedong being the fifth gang member-the late Arthur K. Davis made this point often in many of his lectures. At this juncture in Chinese history, there is a potential for a turn to the right, especially with many members of the leading groups in the communist party amassing huge wealth, as in the slogan: to get rich is glorious. In discussing the dangers of incorporating capitalism under socialism with revisionists such as Den Xiaoping, Mao Zedong argued against such combination, implying that the growth of capitalism will poison social development (Hinton 2004). However, the real turn to the right occurred with the turn to the USA during the days of Mao and the mysterious death of Lin Biao in 1971, who vehemently opposed rapprochement with the USA.

Yet, as faulty as its high export-led growth with many of the associated social and environmental costs may have been, China's nationalist development model is still better than the laissez-faire neoliberalism afflicting the developing world. Its autonomy, which combines an expansive public sector growing side by side with a private sector, and an economy that is disciplined by restrictions on the capital account and other labour favouring rigidities lingering from its socialist past (like certain life-time employment contracts for the progeny of the national liberation war heroes), had channelled a significant proportion of economic wealth into social gains. In a word, there was relative development. In relation to the literal and theoretical poverty that neoliberalism displays, such macro-discipline model could be popularised as a much healthier ideological alternative against the trend of economic growth via the path of unbridled neoliberalism.

However, instead of promoting its model of restrained but autonomous capitalism as an alternative, China continues to hark back on hollow rhetoric such as the ancient friendships that date back millennia between China and other developing states, especially the Arab states. China's war of independence and revolution did foster friendships with many peoples of the developing world, especially through its unconditional support for the Arab peoples struggle against Zionism, but not necessarily their ruling classes. For instance, its declaration that it 'firmly supports Arab national liberation movements, supports Arab countries' struggle to uphold sovereignty and territorial integrity, pursue and safeguard national interests, and combat external interference and aggression' are meaningful to Arab working classes, but meaningless to Arab ruling classes that regard the US-led imperialist objectives as their own.¹² Such positions are anathema to most Arab ruling classes and only appeal to the broader distraught Arab masses whose vital interest is to combat imperialism and its neoliberal policies.

There is an awareness in certain circles of Chinese intelligentsia that where freedom for capital exists it is to blame for the China's woes (Cheng and Ding 2017). These authors also attribute China's success to its own nationalist policies, enumerating eight principles of which, the primacy of labour, public ownership and economic sovereignty are outstanding policies. However, China does not propagate the 'emulate the Chinese experience' model, or its would-be successful ideological offensive, against neoliberalism. For reasons of tact or etiquette, what Cheng and Ding do not say is that China does not promulgate its development

principles because of a Chinese rentier class benefiting from the cross cutting relationship with the USA and knowing that such a measure agitates the hegemon; what the rentier class misses is that the USA is already vexed by the actual growth of China no matter what position China adopts.

Meanwhile, Western NGO's and labour aristocrats have infiltrated the labour movement in China and, instead of focusing on exposing the downstream social and environmental woes that US-led imperialism visits upon the Chinese working class (the primary contradiction), these social-democracy spawned civil society groups are targeting the secondary political contradiction, the communist party, and fomenting unrest weakening the potential for nationalist solidarity that would confront imperialism. Ironically in some instances, these civil society entities use the very socialist rhetoric nominally upheld by the Chinese government.¹³

The anecdote that a 'war with Taiwan is a win-win situation because if we win (that is China), we win, and if we lose, we lose the communist party,' unearths the undertone of divisions within Chinese society. Thus, while confronting many challenges on the outside, China has proven complacent in advancing ideological forms that fortify its internal cohesion as well as an anti-imperialist external position. It is quite an unsettling prospect for a rising global power like China to underplay, or not deploy the counter-imperialist ideological offensive. Its inability to contribute ideologically to rearing social agendas in underdeveloped nations, which require a socialising and stabilising anti-imperialist impetus just as much as the infrastructural development, bodes well for US-led financial and imperialist interests. For the new financial imperialists, building infrastructure is not so acceptable, yet bitterly tolerated for the time being.

Relying on its principle of 'Sustainability Led by Science and Technology,' more than half of the tech-content of Chinese exports now emerges by national means (Cheng and Ding 2017). China is engaged with its more tech-advanced trading partners (especially in North East Asia as South Korea and Japan are big trading partners) in a way that upgrades its own science-productivity content. However, it did not conduct itself in the same manner with its partners in the least developed economies. For China's infrastructural projects to churn out higher productivity of output per capital invested in the developing world, they have to complement the national productive sector; otherwise, roads, railroads, ports, dams and airports perform more as consumption items

rather than production projects. In that regard, China should have moved into the developing world with a more holistic strategy combining an ideology of resistance to neoliberalism with an integrated production platform. Why is China not replicating its own experience abroad?

Although I have touched upon this issue above, I will take it up in more detail. The point of destabilising Chinese partners, as in the USA disrupting vital asset areas and resource flows along China's trading routes or tipping power balances in favour of the US-led camp, has an implacable bearing on the under-valorisation of global resources. Sometimes tipping power balances could involve piecemeal destruction of states. As posited throughout this work, encroachment wars cheapen developing-country labour and resources. They also positively bear upon the rate of imperial financial rents. For instance, the circular flow of Arab petrodollars exchanged for T-bills or weapons is secondary to the much more significant category of US imperial rents wrought through circuitous dollar-seigniorage or as the world scrambles to the US-dollar safety. Destabilising, as in war-infusion to restructure power balances and expand fictitious capital (money without a corresponding real value), also engenders real-value snatch. Financialised imperialism lowers labour income shares in the social product, imposes debts to induce austerity and uses money flows to reduce the prices of national assets and acquire their ownership.

Imperialist social fragmentation and the weakening of peripheral states, as happens in the AW and other insecure areas, are the mainstay of US foreign policy. There is in the US-led imperialist methodology the sort of far-sighted positivism of philosophical pragmatism, and that is not so because of the 'sages' in charge of US foreign policy; the impersonal institutions of the US-led capitalist class, its 'democracy for us only system', capitalise on every opportunity to foment or exploit disasters, of which there are an ever increasing number because of neoliberalism, and as such they guarantee the more intelligent function of formal institutions as the rudder that steers history. In such a context, the madness of presidents does little to personalise the course of events.¹⁴ Such conception is not the same as the late USA's secretary of state, Dean Rusk type of conspiracy: 'while we are sleeping, two-thirds of the world is plotting to do us in,' although no class politics would be devoid of such conspiracies. This is about the historical momentum of disruptions, the context itself or the historically furnished class relations entangled in an act of accumulation, and not some facile perception of persons who sleep while

others conspire. The process of destabilisation accords with the trends of political economy and materialises through neoliberalism combined with actual intelligence and military interventions. It is that history, which is real, and it is that history that requires explication, not some counter-factual logic. The class connection between nationally ruling classes and imperialism continuously feed the objective grounds for social implosion. It is principally the context of lower incomes and the deterioration in the social infrastructure in a climate of open capital and trade accounts that stifles resources. China can erect barriers against such infiltrations, but instead it has come close to embracing ‘the Western model of financial capitalism. The central government has promoted novel trading tools such as margin trading, financial futures, over-the-counter financing, and so on, all to facilitate the development and trading of derivatives.... After the subsequent launch of derivatives-trading products able to absorb a large amount of excess currency, the interests of domestic and foreign financial capital would merge in the form of a Western-style virtualised financial capitalism’ (Tsui et al. 2017). In addition to such ominous warnings, Moody’s has downgraded China’s credit ratings as a result of credit growth running at nearly 300 percent of GDP, government and quasi-government debt rising from 62 percent in 2015 to 68 percent in 2016, and corporate debt increasing from 153 percent of GDP in 2015 to 164 percent in 2016 (Hanly 2017). In addition to many internet side manoeuvres allowing capital outflows (Bitcoin and Bitcoin-like), the new open link between the Hong Kong, Shenzhen and Shanghai stock markets, will allow more foreign investors to directly buy Chinese shares (Goldner 2017). There is a real and a propaganda onslaught destined to maroon China in a credit crisis. Beyond the scaremongering, China is home to enormous banks and maybe ‘too big’ to fail; if it does, it may take the world’s finances with it. All else unchanging and assuming China’s financial rentierism does not get the upper hand, China’s expansion will capitalise its market and share of dollar wealth. But dollar wealth could be devalued with dollar devaluation, a measure US-led capital still holds. Thus, it is the trajectory of the real wealth (its Silk road prospering), the physical stock of capital, its degree of growing knowledge/output synergy underwritten by China’s sovereignty, which will either bring things to a head militarily, or smoothly shift the global centre of gravity away from the USA.

Financial fragility may indirectly annerve the politics of international relations. In the course of capital’s concentration, together with

its associated centralisation of power under the leadership of the USA's financial rentier class, there may have emerged, coincidentally or necessarily, a new political response pattern, springing from the trade and financial imbalances with China: there are more impromptu kneejerk responses to the conflict in Syria, and more generally a reflexive immediacy in politics elsewhere that signals a higher probability of sudden major power clashes. The Russian and NATO air traffic over Syria is a case in point. The responses of an edgy US empire feeling cornered and seeking elbow room can carry the irrationality of capitalist development to new extremes. The new danger of a major inter-capitalist war may not be contained because, unlike the Cold War era when the Soviet Union used to dedicate a third of its party's convention-statement to promote nuclear disarmament, this time around all parties are capitalist, engaged in proxy political battles of all sorts and rearming.

The USA sustains pressure on China to come undone on the inside, namely through financial means circumventing its capital controls and precipitating a crisis after which foreign capital rakes in the Chinese assets at fire-sale prices. Apart from the military encirclement and the destabilisation of key energy suppliers to China, the crisis that US-led financial capital wants to instigate is one that drains the state coffers, induces inflation and results in huge job losses. In other words, a financial bust as happened in EA, but on a scale large enough to instil regime change or tear apart Chinese society. Tsui et al. (2017) warn that unless Chinese regulatory authorities take decisive steps to contain the circuitous financial infiltration by the alliance of foreign and local rentiers, 'the stock market crash will strike further blows to China's real economy. Wealth accumulated over the years by corporatised local governments in the real economy—albeit by suppressing workers' rights and wages and by destroying the environment—could be reduced to virtually nothing, as in the 500-day privatization plan introduced in Russia in 1991.'

In Russia and other privatising Central Asian post-Soviet Union states, life expectancy declined after the shock therapy. The fall of China through financial war, will imply its partial depopulation. As I explained in Chap. 3, pre-capitalist forms of life organisation required an increase in population to produce wealth, whereas capitalism creates wealth (surplus value) by setting aside labour or depopulation. The actuality of production, its resumption in a class struggle in which the Chinese working class has been disarmed of its strong central state, presents a dual bonanza for capital: destruction of value via depopulation

resulting in higher rates of exploitation and the profit feast of capturing China's wealth. In the objective laws of history, a history that has been largely under the command of US-led capital, the current ideology and impersonal institutions lay the groundwork for the creation of value by extending an ethos of war, whereas the subjective decision of the political making circles in the USA may be hard pressed to up the war effort and, possibly fabricate the incidence that sparks war.

In addition to the financial risks, proxy wars and militarisation of the South China sea, China faces certain structural barriers inherent to capitalism. Capitalist development is not inherently uneven; it is necessarily uneven and, in practice, the unevenness tallies with the balance of the class struggle. There are no inherent biological traits pitting humanity against each other, each historical phase has its laws of war making that are necessary to its reproduction. Wong et al. (2017) aptly emphasise that 'if China continues to absorb excess capacity through rapid urbanization without regard for rural culture or ecological sustainability, and if the government fails to address the severe social contradictions caused by rising wealth inequality, labour disputes, environmental deterioration, and official corruption, then the slogans of 'infrastructure-based developmentalism' will have little persuasive power overseas.' In short, neither the USA nor the normal wear and tear of capitalism allow China an easy sailing into the future.

A DEJA-VU MOMENT IN HISTORY

Mainstream academia insipidly attempts to parody the ascent of China with civilisational clashes across history. The practice of the law of value characterises capitalism and to delve too far back in history in order to draw parallels with the China-America case is more about literary religiosity than political economy. The way the US-led capitalist class is reacting to China as it cuts a higher share into the global capitalist pie exhibits similarities the way the British and the French reacted to the rise of Germany in the years before WWI. To illustrate the resemblance, here is Lenin in 1917 on the topic:

Germany introduced the beginnings of state-controlled capitalist production, combining the colossal power of capitalism with the colossal power of the state into a single mechanism and bringing tens of millions of people within the single organisation of state capitalism ... the outcome of the policies of the classes who, long before the war, had caught the whole

world, all countries, in the net of financial exploitation and economically divided the globe up among themselves, were bound to clash.

The present moment in imperialist history, the moment at which an ever-higher velocity of exchange value circulation forces technological innovations to compress time and space (paraphrased from Marx 1894) also reveals that whatever changes to the historical legacy of the institutions of the Cold War and the acceleration of finance-based accumulation reported in quarterly profit rates had required, international conventions were re-written. New justifications for imperialist aggression were invented. Justifications for intervention/accumulation and regime change are practiced under humanitarian pretexts and or, simply by the defence of American interests. More and more, the higher rate of integration of finance capital, its homogeneity, also allows it to decide its rate of profit by slicing deeper into the global wage share. On the labour side, a lack of an internationally organised movement to oppose the status quo precedes the absence of an ideological alternative.¹⁵ No matter how vocal individualistic-loud, romantic, or academic the left voices are, without anti-systemic, ironclad organisations that provide workable alternatives there will be no socialist ideology. Also, cries of moral indignation may be more pro- than anti-systemic in their effectiveness because they depressurise popular sentiment without their re-canalisation into organisational forms. The resulting despondency sets progress even further back. Hence, the class landscape is hegemonised by the language of neoliberalism; and apart from capitalist classes whose wealth production is nationally based, all financialised capitalist classes are submissively integrated with the US market and its capital.

In one possible outcome, the pressure on China, the squeeze on its market expansion and its dollar peonage, may restructure its ruling classes into comprador. Such an outcome is highly unlikely because the national class reproduction base remains the national industrial economy, all the while, the industrial class is looking for ways to control its finance independently of the dollar. The Chinese ruling class may hold out against US-led capital because its returns from the national economy would exceed its revenues from serving as comprador to US-led finance. Another reason why such outcome is more likely is because the growth of capital occurs by cutting into the share of the working class and into the shares of other competing capitals. In this complex and shifting amalgam of class contradictions and alliances, it is the anarchy of production

through competition and its alienated price system (fetishism) that underlay the *raison d'être* of capital and its rates of return. An intermediation of class differences, the competitions of different circles of capital for higher profits, which are pre-set by history makes inter-imperialist collaboration (ultra-imperialism as in world capital getting together in a united front against labour) or the development of anti-imperialist policy mediated by imperialist players themselves untenable (capital self-consumes in competition as well as consuming the labour of the working class, Lenin 1918). Recalling: war is as endogenous to capital as is technology; so to presume that capitalism would be going against its own grain and stop war is also unlikely. War falls outside immediate social control according to the degree to which labour weakens organisationally and ideologically. Thus, we are left with two outstanding facts that adumbrate the future of such competition: the inevitability of war to capital and the decaying state of socialist organisation and ideology.

Recently, a study commissioned by the RAND corporation was titled 'War with China: Thinking Through the Unthinkable,' and, in a most banal fashion, it proposes engaging China in a militarised conflict.¹⁶ The new US-led assault on the Chinese ruling class follows a similar path to Nixon's Madman Theory during the Cold War; as part of the American scare tactic, he pretended to be crazy enough to push the nuclear button. Recently, the candidates for the US 2016 election had both re-enacted a new version of the Madman theory exhibiting their knowledge of Nuclear button pushing.¹⁷ The phantasmagorical nuclear problem of assured mutual destruction has taken a new turn with the election of Donald Trump as US president. Although history's advance towards nuclear war may be mitigated by the fact that capitalising the nuclear arsenal need not result in the realisation of the nuclear bomb itself (investing in nuclear capacity without consuming the product is partial realisation of the surplus), there is at present a stale capital-performance requiring the infusion of new value and more unsettled people in charge (Klare 2016 referring to Trump). The remark by Klare leaves out the madness of Western history and institutions by pointing out that war may be a one-man mad job when in fact Trump's inane predisposition fits neatly into the game theoretic strategy of the American institution.

The palate of some sections of liberalism cannot accept the fact that their 'good' capitalism breeds fascism. Although Hillary Clinton may have not been too different, Trump's election signals how class formations restructure when faced with crises. Knowledge *per se*, or the

underpinning of social consent, is the substance of power and the production of knowledge in its ideological form is subjugated to power. The nexus of power and ideology continuously re-articulates central classes to respond to crises. The liberalism that was promoting neoliberalism was also deepening the demand-side crisis of accumulation to which capital must raise the dose of expropriation through socially constructed/concocted measures and violent means. At home in the centre, such new forms are the right-wing populism and abroad, they are imperialist assaults. The Trump-proposed inward recoiling of the USA is itself an imposition of risk and cost sharing upon other imperialist partners in Europe and elsewhere that have been free riding on the massive military and security umbrella of the USA. The USA alone cannot curb the rise of China. Arresting the ascent of China is an inter-imperialist responsibility; just as happened when combating the Soviet Union. However, this Trump-election proves that the power of objective and impersonal history—the class struggle—is the real establishment and the power broker of last resort for capital, while the interlocutors of liberalism and its media are simply mouthpieces that will fall in line when a more rapacious imperialism raises their shares of imperial rents.

To assess whether the USA's Pivot to Asia will result in war, an analysis of the new rules of engagement provided by the real-time examples of the international war fought on Syrian and Iraqi soils may sketch the state of affairs to come. There are in these wars coordinated and gradually measured escalations fitted to the desires of competing states—they designate the space in which to fight and the type of weaponry. 'You bomb here and I bomb there' is pretty much what is happening in Syria. In between nuclear war and no-war, there is also a spectrum of possibilities oscillating between the surreal realisation of the philosophical categories of being and nothingness; the latter in the literal sense. If the war moves East, it may unfold much as the superpower game is being put on display in Syria and Iraq (one of the states of being of imperialism in practice), or the immediacy and irrationality of politics may take its nuclear toll (a state of literal nothingness). Although not impossible, the later state of complete annihilation is highly unlikely because nuclear war does not deliver to capital what conventional war does: the realisation of the war commodity itself and under-valorisation of peripheral assets. Put differently, in building nuclear capacity capital reaps what it invests in the warhead and only that. Whereas in conventional war, it invests in the war commodity, realises the war commodity in which it had invested and

accrues immediate and subsidiary benefits resituating its real and ideological power, boosting imperial rents and cheapening the resources it requires for production. Conventional war is measured depopulation and devalorisation of the third world, whereas a nuclear winter goes overboard. For the majority of immiserated working classes for which a no-exit existential condition from poverty already prevails and whose needs would be better met by humanistic reason, the nuclear game is understood just as a game from which their historical agency is musing. But if the mass murder in war of the twentieth century is any indication of degree of ruling class insobriety, then the point made by Klare (2016) may not ring so hollow and one must brace for a slightly higher probability of the worst-case scenario.

So far one thing is for sure, the trend of market power expansion by China is compromising the power standing of US-led capital. Judging by the rule of stability and autonomy leading to development as discussed, the prospects for EA—as already observed through newly re-invoked territorial disputes—are not so promising—increasing militarism drains development and the East Asian comprador pawns of US empire will not part ways with it in case it bombs in desperation. On a promising note, China is not engaging in an arms race that would incapacitate its economy to the point of sliding into an implosion as did the Soviet Union—Soviet implosion was principally about working class ideological defeat and, in that sense, China without revolutionary ideology might implode irrespective of successful economics. It is choosing carefully to modernise its army by selective technology upgrading without taking nuclear primacy seriously (Blair and Yali 2006). Chossudovsky (2015) re-emphasises that the already established US strategy of militarisation in the Middle East and its ongoing militarisation in EA undercut China's interests insofar these policies diminish the space potentially accessible through market power. Meanwhile, one observes that the growth of several competing capitalist classes organised around powerful states augurs the likelihood of heightened capitalist competition and conflicts. In such a state of flux, the rise of the social forces, especially in EA, which may thwart the potential for conflict becomes a historical necessity. As for the rest of the developing world, another window of opportunity may be opening as a result of inter-capitalist conflict. In view of the seriousness of the debacle, one can only suggest what Lin Biao had suggested in relation to anti-imperialist praxis creating revolutionary thought: 'as revolutionary thought is grasped by the broad masses, it may become a

source of strength and a spiritual atom bomb of infinite power' (Lin Biao 2002). Such is the time for the real and spiritual struggle against war.

CLOSING REMARKS

My principal hypothesis has been that imperialism is the ultimate class power articulating the developing countries ruling-classes' role in development, and any procedural policies undertaken by these national classes in development must be referred back to the more holistic concept of imperialism to be better understood. From beginning to end, this research is one long essay that focuses on the relationships between security and economic development, based on the insight that each class articulation and its associated security arrangement entail a certain pattern of resource allocation and development. In such a framework, an investigation of the terms of power, instead of terms of trade, and the mode of integration of a given developing country with the international economy affords a more lucid explanation of the determinants of development. These terms of power emerge through an interplay of national and international class forces. In other words, there are no developing world champions of development. Development occurs in the shadow of a cordon sanitaire strategically serving the security concerns of US-led imperialism. In an age of socialist ideological defeat, imperialism is the only champion and the degree of development becomes, allegorically speaking, a residual after the vassal's tribute to empire.

In a developing context characterised by a high frequency of conflicts and deprived of autonomy, including policy autonomy, such as the Arab social formation, capital accumulation is slotted under the domain of militarism. In securing the development of East Asian breakthroughs, it is the imperialist forces that had overseen a process of national institutional change, which recirculates resources nationally, captures gains from preferred trade statuses and engages its downstream neighbours in a super-exploitation framework. Although national class relationships are indifferentiable from cross-national class ties, it is the desire of the weightier force of imperialism (the bully class) to strengthen its hegemony through a cordon sanitaire, which had resulted in the East Asian breakthroughs. In its pursuit of securitising and hedging against the advance of China in EA, imperialism bolstered their nexus of globally-integrated industrialisation together with the national security structure. *A priori*, the hard-cast law of nationally successful capital accumulation

cum development remains rooted in the retention and recirculation of the social surplus within the social formation. Part of the imperialist securitisation game involves buttressing the living security and allegiance of the working class to national identity. Understood in historical terms, the security arrangements in the AW and EA are only secondarily the results of domestic development. These performances are better explicated in relation to their modes of integration with the global economic structure and their positions in the international division of labour. In the same vein, the power of the national ruling classes and their autonomous or non-autonomous policy spaces, in EA and the AW respectively, are subsidiary intermediations of their relationship with imperialism.

The focus on class and the international roots of institutional arrangements steering development does not ignore the effects of domestic factors; in the totality that is security, the argument simply allots determinacy to imperialism. Determinacy is not determinism. In the complex of historical relationships, the leading relationship, or the more powerful relationship that is imperialism, necessarily but not exclusively, dominates developments. Such imperialistically dominated developments as occurred in EA may be characterised by huge quantities of wealth for the few or for a select national working class group at the expense of other national working classes. In the East Asian states that have already caught up, higher living standards have underpinned a nationalist fervour and the sort of consciousness that more purportedly than inadvertently contributes to imperialist security. The grand prize for imperialism is the chimera by which the working classes of the breakthroughs of EA do not perceive that fighting for their homeland is equivalent to fighting for imperialism. Such narrow form of development, development with pro-imperialist consciousness as in Israel and the breakthroughs, impoverishes more numerous working people in other countries downstream and creates more of the lumpen or uneven development across national borders.

In spite of the negative dialectic attendant upon imperialist-led development, there are lessons to be drawn from the allocation/accounting East Asian resources for development. To achieve more even-handed development with positive international implications, autonomy of policy and national sovereignty, both determined by the distance that working-class forces steer the state away from imperialist control, should become interrelated goals and form the necessary but insufficient condition for genuine economic development. To speak in the formal vernacular,

sufficiency will require, in addition to the satisfaction of anti-imperialist fronts, the retention and redeployment of the social product nationally and the establishment of a domestic coalition for a command of the wealth-creating channels by the working class.

In the case of an AW developing by militarism, imperialist powers have a vested interest in undermining the Arab security arrangement and degree of autonomy arising from the representation of the working class in the state. The Arab region is a region of war flows as well as oil flows; the former serves to devalue assets, reconstitute imperialist power on a more solid footing and shifts financial resources to empire, and the latter, that is oil flow-control, is a source of dollar backing and bears strategically on oil-importers worldwide. In addition to scaring financial resources to the safety of the dollar, the recent wedlock between militarism and finance is also a furnace of surplus value creation by the absolute consumption of labour power along with the labourers—depopulation and the premature extinguishing of human lives. In the actuality of production that has internalised and negated the analytical demarcation lines between productive and unproductive labour and emerged in the conditions of the class struggle, militarism continues to destroy value (both human and physical) in order to create new value. With higher value productivity via militarism underpinning physical productivity elsewhere, the war inertia gains speed. The higher rate of surplus value in the sphere of militarism arises from the law of value or the social act that sets back use value behind exchange value considerations by means of war. It relegates the social, as opposed to the private, to a lower end on the order priorities. In order to accomplish higher rates of productivity and imperial rents, capital foments inter and intra working class divisions. Capital, the social relationship, takes its principal shape, not in the act of appropriating the surplus, but in the division of the working class; hence, the primacy of the labour process. In terms of returns to investment, militarism as a domain of accumulation and its war economy releases far more surplus value and moneyed value (circuitous imperialist rents attendant on imperialist power and financial flows) to financial capital than the super-exploitation of EA.

The articulation of the class in power in EA with imperialism recirculated a bigger share of the social surplus in the national social formation, hence the partial development. In Arab countries, Arab class relations collapsed into a single core relationship, which is the transnational joint financial-comprador class laying the groundwork for nationalist collapse.

Exceeding the woes of unrestrained openness under neoliberalism, the ultimate form of Arab collapse is state fragmentation, which sets on course the socialisation or denationalisation of national resources (it detaches resources from national ownership), *ergo*, commercial exploitation functioning under the domain of militarism is the highest form of exploitation and surplus value creation.

Another spinoff of the war or warlike conditions of the AW is the accentuation of its own merchant mode of production. Commerce bereft of industry—traders in charge of the state—which eschews production even more than financial rentierism, recirculates wealth abroad. The dependence of ruling classes in the Arab region on tapping into oil earnings and war-economy rents has lessened their motivation to invest in their local societies. In EA, the entente or the imperialistically provided security blanket eminently set the stage for creating a less inequitable distribution of power and income. The plugging of East Asian leakages and national wealth reinvestment in higher productivity endeavours only steady the performance of the global capitalist system. The subsidiary (hand me down) autonomy of the East Asian state in the allocation, distribution and welfare brings the national decision making process under its purview and strengthens its hegemony over civil society institutions. Such characteristics are visibly lacking in the AW, leaving much space to the Salafism whose scare effect has counter-balanced the ebbing militarisation of the cold war.

In explaining why some develop and some do not, one is well advised to remember the reasons for colonialism. The Third World was colonised because the colonisers could strip it of its political will, cheapen its assets, price its currency, and exploit its resources at will. Such processes are still at play in the postcolonial AW. However, because the US empire has fewer competitors than colonial Britain and, because in the age financialisation the channelling of value through money form is more fluid than ever before, US-led imperialism rakes in imperialist rents by destroying nations farther afield from the security of the cordon sanitaire. The war turbulences it creates in the Middle East drive resources to its market. However, just as in past colonial days, Western capital still needs the collusion of the Arab comprador class.

East Asian countries operate away from such interferences in the shadow of a more serious *cordon sanitaire* hedging the advance of China. But this picture is changing and, short of nuclear war or a financial war fragmenting China politically, the rise of China to global leadership, as

predicted by Arthur K. Davis, Anouar Abdel-Malek and Andre Gunder-Frank, is unstoppable. The strategic option of the East Asian working classes is to stand with China. Insofar as Arab economic development can be explained in relation to East Asian economic development, a point of departure would be to investigate the transfer of cheapened value, human and otherwise, from the AW by means of encroachment wars and, no less, by the negative ideological pressures such wars put on global working classes. Once it is understood that the US-dominated global power structure fosters the rising rate of labour exploitation and expropriation through the combined measures of wars and financialisation, then the dollar peonage of China, as well as EA, becomes visible as a partial but significant offshoot of the imperialist wars visited upon the AW.

NOTES

1. For obvious reasons, the figures for the Maoist period have been revised downwards. The impact of the Sino-Soviet split in 1961 resulted in huge negative Chinese growth rates for two successive years in 1961 and 1962, which had brought down the average, but from which China quickly recovered. National Bureau of Statistics of the People's Republic of China (viewed 3 November, 2016) http://www.stats.gov.cn/tjsj/zxfb/201607/t20160705_1373924.html.
2. Ning Lei, China Has Been Dominated by Foreign Investment in Industry, Share the Mountain blog, August 3, 2015, <http://blog.sciencenet.c>, quoted from Tsui 2017, <https://monthlyreview.org/2017/02/01/the-tyranny-of-monopoly-finance-capital/#en11> (viewed February 17, 2017).
3. Extracted from Mao's remarks to Chinese students in Moscow, 17 November 1957. (Mao Ch-his tasai Su-lien ti yen-lun, pp. 14–15). https://www.marxists.org/reference/archive/mao/selected-works/volume-7/mswv7_480.htm.
4. Just to illustrate the degree of Chinese oil consumption, according to Platts (2017), 'China's apparent oil demand rose 5.3% year on year in the first two months of 2017 to 11.65 million b/d.' Analysis: China's oil demand resilient in early 2017 as industrial sector shines, <https://www.platts.com/latestnews/oil/singapore/analysis-chinas-oil-demand-resilient-in-early-27807742> (viewed 10 April, 2017).
5. A Brilliant Plan: One Belt, One Road <https://www.clsa.com/special/onebelttoneroad/> (viewed 10 October, 2016).
6. For an assessment of China's trade with Sudan and Yemen, see the UN-Comtrade database. The UN-Comtrade database shows that trade

between China and the AW started from a very low base and grew at a rate of nearly 20% yearly between 1980 and 2010, making China the foremost trading partner of the AW. The database also shows that the breakdown of the type of commodities being traded did not change over time: the AW imports manufactured commodities from China and the AW exports fuels, oils and primary commodities (UN-Comtrade various years).

7. Symonds P, Trump threats on South China Sea heighten risk of nuclear war, WSWS website, <http://www.wsws.org/en/articles/2017/01/25/pers-j25.html> (viewed 25 January, 2017).
8. For example, China's plans to bypass the choke point of the Malacca Straits by linking up with its newly developed entrepot in Sri Lanka. <http://ig.ft.com/sites/china-ports/?segmentId=7005c83a-1f5c-33ca-66c5-ca8c9d224ab6> (viewed January 12, 2017). Whereas Patnaik (2009) posited that the US dollar's strength would tumble as dollars held abroad by foreigners get translated into real assets within the US, it turns out that any area of the world where the US establishes hegemony and where a foreign country such as China buys property also weakens US imperial and financial seigniorage. The USA's antagonism with China arises from its amassing real wealth—not (merely) financial wealth.
9. In contrast, the cliché that 'Soviet workers were still performing alienated labour for a wage and had little or no control over the uses to which their lives were put' ignored the fact that the Soviet Union catalyzed national liberation movements in the colonies and armed the national liberation struggles around the world. That was quite an internationalist endeavour whose final consummation was decolonisation. The idea that for an individual who has to sell his or her labour in order to survive, would want some decent merchandise in exchange, even though the making of that merchandise necessitated super-exploitation or war abroad, was anathema to communism. The instance production conditions are neglected and the payments generated around sphere of circulation (demand for higher wages without demand for decent working conditions across the board) begin to justify the exploitation of the other classes downstream, socialism fails ideologically.
10. As the gold standard is superseded, the dollar required a commodity anchor, particularly oil (Patnaik (2009)). That commodity is not only the object itself (the oil liquid); it is also the power emanating from the strategic control of that object (Kadri 2016). Such an understanding of oil as the object itself as well as the imperialist relationship controlling that object is what underwrites dollar-credit expansion; oil as subject and object allows the introduction of internally collapsing states such as Syria and Iraq as tributaries of imperialist accumulation. In addition to the depopulation of these states, the production and consumption of their

populations, which yields surplus value by the degree of the simultaneous consumption of labour and labour power in war, the destruction of these social formations reduces their peoples' control over their resources and, inversely, increases the power of imperialism. Concurrently, wars provide regimentation of the labour process as a result of the hollowing out and erasure of revolutionary theory by the onslaught of identity politics. Moreover, conceptualising oil imperialism in terms of oil as well as the relationship of oil's strategic control through war-making as production would admit a scenario in which Saudi Arabia could be pushed into collapse like Iraq, and/or Iran could be aggressed in order to pressure or weaken China and ratchet up imperialist dollar hegemony. In either case, the destabilisation of China's market expansion strategy especially by disrupting energy supply routes, by means of inducing war in Saudi Arabia or Iran plays into the strategic goal of US-led imperialism. The speed at which Saudi Arabia is decapitalising by privatisation (the 2030 plan) under the watchful eye of US-led imperialism indicates that it may fall first.

11. In addition to the unemployed and urban working poor in the AW, there are more working people morphed into a war proletariat. A war proletariat involved in internecine fighting provides the greatest impetus to imperialism by its very act of self-decimation. In the broader picture, the actuality in which war and famines are permanent scenes, wasting the lives of many labourers, whose death does not diminish the glut in labour supply, demonstrates the very cheapness of labour. The elimination of part of the stock of excessive labour power without effective opposition from organised labour globally also reinforces the retreat in the ideology of socialist internationalism. Given the organic ties of labour, the misery in the South and austerity the North are by no means spurious.
12. China's Arab Policy Paper, Ministry of Foreign Affairs, the People's Republic of China, January 2016. http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1331683.shtml (viewed February 5, 2016).
13. Only recently has China begun to take measures to contain Western NGO's (Chin 2015).
14. Tangentially, the idea that climate change and the historic droughts played major roles in the destabilisation of Syria, Sudan, and Yemen is true only when considered after the fact that investment in rural area and agricultural infrastructures have declined dramatically with the onset of the neo-liberal age (Arab Organization for Agricultural Development [AOAD] 2009).
15. There is a growing capital-funded central movement around climate change and environmental degradation that literally discards the role of social agency in natural disaster; in that vernacular, nature is somehow to

blame for its own follies and green capitalism can restrict the excesses of capital. This not a case of naivete or of people who believe that capital is going to respect the democratic process and just allow the proletariat to dig its grave. Nature and man are both consumed by capital, which is incidentally the rule commodities over human lives. The idea that there can be green capitalism when the central relationship of private appropriation is symbolised by profits whose substance is contradiction with the social is ludicrous. For the whole of the twentieth century, First World reforms wrought gains for the few and misery for the planet. Reforms were the bribes of a civilisation whose picturesque achievement is the Abu Ghraib prison of Iraq; wither reform breeds revolution. Greenry, the act of prioritising nature over man, is a First World class position and a veneer for co-operating with capital to abort any chance of serious resistance. Apart from the few central resistance movements amongst the disenfranchised groups of blacks, immigrants, Latinos and natives, whose positions are anti-systemic, much of civil society organisations and working-class groups whose organisations are flexible and open-ended and whose positions are conciliatory with capital subvert anti-systemic struggle. Although at the present moment the rejection of capitalism is widespread, a significant anti-systemic resistance movement with clear socialist alternatives is nowhere to be found.

16. See David C. Gompert, Astrid Stuth Cevallos, Cristina L. Garafola War with China Thinking Through the Unthinkable, http://www.rand.org/content/dam/rand/pubs/research_reports/RR1100/RR1140/RAND_RR1140.pdf (viewed 15 October, 2016).
17. Had Mrs. Clinton won, it would have been dubbed the ‘Mad Woman’ Theory. However, given that Trump naturally exhibits many traits of dementia and madness, the institution does not need to exert much effort to play the role of madman in power. Somehow this chance occurrence coinciding with the necessity of the power most in charge of history provides credence to the motto: what is rational is real and what is real is rational. Hillary Reveals America’s Nuclear Response Time During The Debate, see <http://www.dailywire.com/news/10086/watch-hillary-reveals-americas-nuclear-response-chase-stephens> (viewed November 7, 2016).

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