

## America and Europe: Conflict and Power

For socialists capitalism is based on 2 opposing social classes—the bourgeoisie and the proletariat. The former owns the means of production the latter owns only its labour power. Since the bourgeoisie owns the means of production they also dominate the political apparatus. Economically the bourgeoisie class receives more labour and effort than it pays it makes a surplus profit, exploiting the working classes. This would engender a conflict over expected profits and the control of production.<sup>143</sup> This conflict is manifested by the struggle between nation states where the nation state is not an autonomous uniform unit, but rather driven and controlled by a ruling class.

From this perspective wars and state competition are viewed as conflicts between capitalist classes of different states. For Socialists class conflict is more fundamental than conflict between states. Since capitalism is an expansive economic system, always on the look out for new markets and profits, conflict will ensure in the IPE as capitalism expands.<sup>144</sup> Such expansionism has taken the form of imperialism and colonisation, and now is termed 'transnational corporatism'.<sup>145</sup> Marxists and socialists view the history of the IPE as the history of capitalist expansion, which arises in various forms depending on the epoch, but nonetheless maintains the same purpose.<sup>146</sup>

The core socialist critique of capitalism is that as capitalism expands the system itself becomes contradictory and inherently irrational. Private ownership, price supremacy and the profit motive eventually lead to the accumulation of more and more capital which would lead to over production, and the diminishment of investment opportunity.<sup>147</sup> Thus the severity of business cycle downturns would be accelerated and this would lead to discontent and class conflict, with the eventual rise of a proletariat system to assume ownership of society's wealth and displace capitalism. This natural progression from capitalism to socialism would be inevitable.<sup>148</sup> Capitalism's search for new markets and profits would eventually cease, since both are finite and the accumulation of capital and profit in the hands of the privileged will stimulate a worker revolt against their exploitation. The only resolution to this crisis will be equal sharing of the production processes and of the generated wealth.

## SOCIALISM AND GLOBALIZATION— REGIONALISM TENSION

From the socialist perspective the concept of globalization has reduced the power of the nation state.<sup>149</sup> The neo-marxian and socialist view argues that the nation-state and the liberal market are derived from more basic social and economic forces.<sup>150</sup> They are the consequence of ideas, institutions and material capabilities.<sup>151</sup> The state and market mix are a product of larger social issues. With the advent of globalism the nation state is no longer a buffer between the international economy and the domestic economy. In fact it is a 'transition belt' between the two.<sup>152</sup> In such a system there is an enforcer (the United States), that is responsible to maintain this system, but given the economic impact of globalization is actually at the same time seeing a decline in its relative power.<sup>153</sup>

The macro-regions—the EU, NAFTA, ASEAN—then become the new IPE frameworks of capital accumulation. Even these macro regions are a part of the greater globalization process at work. Economic development in a globalised IPE will be extremely uneven and will be characterized by dependence. Since globalization is capitalism writ large, and is controlled by the core industrial countries, it will not benefit the periphery. According to this marxist version capitalist class exploitation will continue as a core capital class ensures the compliance and complicity of the proletariat in the peripheral lands.

Inter-national class conflict becomes manifested in the core-periphery development of the international economy. This theory assumes that the core and periphery are tied together in an integrated whole so that the accumulation of capital and development in the core produces economic and political underdevelopment in the periphery.<sup>154</sup> Socialism makes the erroneous conclusion that all profits are repatriated to the capital class in the core market. This would leave the peripheral labour poor and capital deficient. Such a concept while simplistic and misleading is the basis of socialist thought concerning regional and global economic development. The periphery is the source of the raw material export market and wealth of the core. The international division of labour imposes

## America and Europe: Conflict and Power

class and state structures that impede the development of the periphery.<sup>155</sup>

Such a core-periphery development and the attendant 'law of uneven development' argue that the advent of national welfare states has accentuated the economic conflicts among capitalist societies.<sup>156</sup> In a welfare state, governments are committed to domestic well-being and will substitute interventionist policies for liberal economics bringing it into conflict with other states that share the same domestic concerns and responsibilities. In times of economic trouble citizens will force national governments to shift the locus of economic uncertainty through interstate competition to other societies.<sup>157</sup> This would mean that regional integration if it is sought out would be used as a method to play out inter-state competition for political and economic advantage.<sup>158</sup>

The basic assumption of traditional marxists, socialists and economic nationalists is that international inter-dependence is a cause of conflict and creates a system of dependency between states. This dependency is never symmetrical or even, and trade and economic ties between states will lead to increasing the political power of the strong over the weak. It is for this reason that socialists advocate protectionism and isolation.<sup>159</sup> Yet the historical record does not lend much support to this position. Patterns of economic and political relations are highly varied. Political opponents may be major trading partners, or they might have negligible economic intercourse. What the evidence suggests is that whether trade worsens or moderates conflict is dependent upon political configurations and circumstance. Inter-related factors in the way in which trade influences international political relations, must be considered.<sup>160</sup>

A central tenet in traditional socialist theory is the inevitable collapse of the capitalist world system.<sup>161</sup> Each phase of development according to socialism, has its own historical mission to fulfill in elevating human productive capacities setting up the next phase to follow. Each phase advances to its end until it can go no further. At this point those holding back the next phase of development will be removed by the class that needs to carry human progress to the next level. Marx believed that capitalism would soon reach its productive