**A review of Daniel Woodley, *Globalization and capitalist geopolitics. Sovereignty and state power in a multipolar world* (Routledge 2015)**

From Jane Hardy:

‘Capitalism unifies the world into a single interactive productive system under the dominance of capital, where social entities are bound together into an interacting and interrelated whole and in that sense are combined. However, the world economy and nation states are not dichotomous entities, whereby the coercive laws of the value in the former unfold and are inflected in the latter. Rather they are mutually constitutive in a process where nation states are constrained and shaped by the parameters of accumulation processes in the global economy, but at the same time the strategies of states and capital reshape the accumulation processes in the global economy and forge a new set of parameters and dynamics’

Daniel Woodley has produced an important book. It addresses what are widely perceived as reconfigurations of the contemporary world system from a critical theoretical/Marxist perspective and poses awkward questions for all perspectives in international relations. Across over 200 pages of text Woodley elaborates a sophisticated argument that seeks to explain the tensions between transnationalisation (of the economy and governance) and the persistence of inter-state (and inter-regional) geopolitical conflict. Providing compelling answers to the apparent contradiction between economic fluidity and de-territorialisation on the one hand, and political fixity on the other is a key task for all those who mobilise critical perspectives to explain the dynamics of the contemporary world order.

Woodley's thesis is that, notwithstanding US global military preponderance and financial power, ‘the age of imperial state hegemony is giving way to a new international economic order characterised by capitalist sovereignty and the competition between regional/transnational concentrations of power for geopolitical security’ (xiii). Competition remains a central feature of the capitalist world order, but the scale of transnational corporate power (the defining feature of human social organization’ in the contemporary world) means that competition is less between traditional state actors than corporations exercising their power within a framework of ’the transnational state form of capital’ (xiii). Here Woodley echoes, with his own nuances, the central arguments of the transnationalist Marxism of, most notably, William Robinson.

How convincing is Woodley’s argument, how accurate is he in arguing that ‘capitalist sovereignty resolves at a transnational level the tension between equal juridical sovereignty and material inequality in an international political economy mediated by the oligarchic power of finance’? (xiv). Or put another way, how successful have the major capitalist states been in creating a dissent of world system whether determining logic of capital is organised and diffused through structures of economic integration, securitisation and financial surveillance necessitated by the growing internationalisation of production, trade and investment’?

This is not a seamless process. Is there evidence to support it?

Is the world deterritoriallised? Has capital (and does it want to) escape the logic of territorial political organisation? footlooseness comes to mind.

I recalled Tom Baltimore when I was a student saying that it took 300 years for capitalism to emerge from feudalism and that he saw no reason why this should not also apply to Socialism's emergence from capitalism. In parallel fashion, while the tendency is that the transnational list outline real, they develop within a framework of pre-existing capitalist territoriality Anders Lasher argues not obliterate it but bend it to a capitalist logic.

Some questions for Woodley and the trans-nationalists:

 isn't the US the architect of all this?

Don't the international financial institutions exercise surveillance over this and are they not dominated by states?

Don't those subject to these tensions and processes respond politically often via state action?

Are the actions of Russia, China, etc in the geopolitical and military spheres merely passing hangovers from an earlier age?

Does the logic of capital have a flatter quality in which states merely bear that logic?

Isn’t ch7 out of kilter - the rise of counter hegemonies of China and Russia?

Is the Ukraine conflict centred on Russian promotion of inter-regional connectedness ‘in the greater Eurasian space’? (xv)

this may be reading into Putin capabilities and perspectives he does not have

My comments re WIR, suspending the dialectic, etc hold!

Woodley's aim is to ‘reconnect the twin logics of capital and territoriality separated in Marxist and neorealist International political economy through the idea of capitalist sovereignty’ (1). Capitalist sovereignty then becomes the key organising principle of the book, dealt with in chapter 2.

1. ‘The thesis of capitalist sovereignty places the value form-determined relation of power at the centre of theoretical analysis’. Good, that is where it should be, but it should not be registered as an alternative to state power as dialectically interconnected with it, states and capital is performing different functions within the wider totality. Barker, relations of non-exchange. Lenin, capitalist rights claims require a state arbiter.

Now it is true that to some extent the cat is out of the bag and capital roams more freely than earlier in the 20th century. But it is not footloose.

State-power

There seems to be considerable contradiction at the heart of Woodley's book. On the one hand there is reference to ‘the emerging yet unstable transnational state form of neo-liberal capitalism’ 73…. Which is the ‘contemporary global form of the capitalist state’!!!. As a consequence ‘the role of the state is being transformed through the assertion of capitalist sovereignty’ on a global scale 76. Yet, the emerging institutions of global governance ‘are unlikely to survive the eclipse of a hegemon with the determination to defend the given status quo and the international authority to enforce minimum standards of compliance’ 80.

So what becomes of Capitals power over states? Furthermore, there is ‘the continued relevance of the national state for the defence and hegemonic articulation of local/regional capitalist interests’ 92.

Is lasher’s dialectic the solution here?

105 refers to rising economic powers, and reviving powers like Russia, which ‘would eventually seek to revise existing structure of global governance to support their own geopolitical aspirations and regional financial interest’. I agree but this is not the action of states that are merely subject to global pressures. I agree so long as we bear in mind that these are not territorial aspirations Russia India and China but that the service of their own capitals

On the one hand states are more and more subject to the interests of global capital, such that geopolitics ‘is increasingly inconsistent with the transnational organisation of trade, investment and production in a post-US-centric global economy...’ 1.

This is indeed consistent with the logic of capital as outlined by Marx.

As a powerful logic here - if it is perfectly plausible to argue the capitalism underpins the capitalist state and forces it to behave in particular ways, why not say that globalised capitalism forces the world's states to act in particular ways? The answer lies in exploring the concept of capital and placing competitive accumulation at the heart of the analysis. There is no abstract global capital, but globally oriented transnational corporations in competition with each other.

Would lead too often sounds as if he is mobilising Robert Cox's transmission belt metaphor, which Cox later withdrew

“In the new global economy territorial states are being transformed into administrative instruments for restructuring spatial units in response to investment priorities transnational corporations”. 18

There is no politics here, no sense that states might have their own powers of agency and interest.

110. ‘Far from retreating into irrelevance, the state form of capital has reemerged as a precondition for managing systemic risk in advanced economies..’.

Capitalist sovereignty defined

Hits here that Woodley says contradictory things about the state. In the previous chapter chapter 1 who refers to the decline of Imperial state hegemany and the dominance of states by transnational capital. In chapter 2 he refers to the dependence of capital on states ‘to reproduce the conditions necessary for the production of value’ (22). This could of course be consistent with Capitals dominance.

He also quotes AC’s argument about the ‘dialectical interaction between capitalist and territorial logics of power’ 22.

Hegemony

Woodley addresses some very big questions, such as whether the international system is dependent on the hegemonic leadership.

21 we are in a transitional phase ‘from imperial state hegemony to global corporate power’.

Criticising views that the US made globalization, Woodley makes a valid point that the Sovereignty of capitalists such that the US was forced to respond unplanned processes which led to its own relative decline, and which have promoted new rivals. Nevertheless, within this framework state power remains vital.

Certainly, 18, neoliberal globalization, rooted in the trans-nationalisation of capital, ‘orders political and cultural forms through the corporate reorganisation of advanced and peripheral economies’. But states carry out vital functions this which could not be achieved by capital alone because it lacks legitimacy.

Possibly Woodley can countenance this because it suggests that states do the bidding of transnational capital. But do they also have separate interests?

The final chapter, barely distinguishable from the classic realist analysis of world order change and the relative power of the major states, makes a number of interesting observations including:

 That the US has become the key destabilising force in the world order in its attempts to inhibit the establishment of a new monetary regime not centred on the dollar as the dollar declines - thus recent wars I will attempt to hold back the tide of change, one example of which recent Chinese and Russian decisions on the pricing of oil. The recent agreement with Iran may reflect US concerns for wider system change, notwithstanding the more immediate local concerns of its key allies in the region such as Israel and Saudi Arabia.

Much of this is very interesting, but it doesn't sit easily with the wider thesis that the key driver the transnational capitalist class.

China Russia and Iran tendency towards closer operation, including in the SCO (which India and Pakistan will join in 2016). But is it true that the bricks grouping with China at its heart alongside the SCO claims to reconfigure the world and challenge Western global leadership (200)?

Polarity

Notwithstanding the panitch and gindin argument about US super-imperialism, the US itself in its 2025 theses, is preparing for an increasingly multipolar world. Woodley captures multipolarity very successfully, and explores not just the rise of Russia and China and Iran. The bricks. Etc, but also demonstrates the centrality of Eurasia and the danger of rising Power Cooperation in this central belt.

Multiple polls of growth in the world economy

Crits

In emphasising the power of financialised capital, and the ‘Anglosphere’ at the heart of the financial system, he argues that ‘the assumption that value is derived exclusively from direct exploitation of labour-power as a commodity is unsustainable’ (7). No convincing explanation is provided.

‘Marxian IPE should be concerned less with the production of value through material exploitation of human labour power than the architectural global financial capital is a transnational mode of power realised through the organisation and manipulation of markets and prices by financial eyes to corporations’ (8). There may be some truth in this, but do not states also manipulate fire economic statecraft? Indeed is not much of the rest of the work dedicated to showing how the dominant states manipulate so-called pure markets?

Where then does value come from? It's true that finance capital may roam the world looking to sources of current and future value, but it is hard to find this produced by anything other than living labour in parallel with dead Labour.

This is a general problem in that the series of claims are made throughout (many interesting) that are unsupported

Grandiose literature review, slaloming from theorist to theorist when what is cried out for is slowing down and return to the real world and evidence. And a sense of the authors open views would probably reduce the sense of contradiction at the heart of the book as he refers to competing theorists without comment.

Almost no mention of the working class, of capital is a relationship between dead and living labour…. Living labour is territorial, for better or worse, to a considerable degree. Is the thesis about financial eyes oration and the decline of surplus value and logical corollary of the territorialisation?

I share the view that global capitalism forms an essential context for all state activity, and that such activity must satisfy the imperatives of global capital. But states have agency. And capital requires politics. So while Woodley writes well about the new global architecture, it is not at all clear how it articulates with territorial state power and there is no worked out theory of this articulation. My own view is that the immediate tasks and the long-term tasks capital, and the management of the relationship between capital and will subordinate classes, cannot be carried out by capital itself in every instance. State managers therefore, develop their own separate but interacting interests alongside capital. Indeed many of Woodley's comments about states seem to confirm this view notwithstanding his own position. Thus:

While he argues that the contemporary dynamic of the world system ‘reflects the power of capital to incorporate the political inner trends nationally constituted structure of private economic power’ (14) (this denies the specificity of the political by the way - or it's cathartic relation to the economic (Gramsci)), it would be better to argue that global capitalism is a total uneven and combined social system within which states our dynamic moments.

If Marxism is to have an emancipatory vision, it would do well not to write paragraph length sentences of multiple subclauses. Ludicrously long sentences unreadability

Overall this is undialectical essentialism

Where are the relations between capital and labour? Except in merest superficiality

Relations of exchange entail relations of non-exchange.

There is no real attempt to explore the relations between states and TNCs. On the one hand global capital seems to have the upper hand (transmission belt metaphor), but the territorial logic persists. How are they related? Woodley hints at relationship in a number of ways

146 ‘globalisation is taking place in a world of nationstates and cannot be detached from geopolitics, not least the transnational constituted agency of the Anglosphere’. Presumably given the preeminence of TNCs the Anglos there does their bidding!

Yet, 148 ‘the reality is that transnational corporations are far more regional than global in their spatial extent’ and therefore both promote market expansion on a global scale and seek protection from regional economic arrangements, such as the EU. Isn't this a little bit like homestate theory?

160 and again, ‘the determination of Asia and Latin America to overcome relative backwardness through coordinated state intervention, state managed financial architectures….’

The problem is that writing the book as an extended literature review, if there is not careful commentary, we lose sight of the author's own views hence these contradictions.

A

Too many sentences of 120+, 130+, words

Conc - the new messiness about the world order, multipolarity, counter Germany, etc abound.

There's quite a bit of wishful thinking around as far as American decline goes

Germany is indeed forging closer ties the bricks and Russia and China in particular but whether that means a break with Atlantis is is debatable

Russia and Germany working together on the Nord stream.

Meanwhile the EU has adopted its central Asia initiative

a new fluidity

what is very likely is that ‘the world is likely to witness a relative intensification of geopolitical rivalry as Eurasian and East Asian economies recalibrate their financial and monetary systems away from the direct influence of Western-led IFI's’ (210).

The US remains the preeminent power but the deal with Iran shows that it doesn't have everything its own way

weakening of the global Germany of the petrodollar via currency swap arrangements between China and Russia and Iran for instance. In response the US and Saudi driving the price of oil lover to weaken Russia, and of course simultaneously weakens the Saudis and renders much US oil production unprofitable

‘While Russia and China need peace to realise their long-term goals, therefore, the US needs perpetual conflict of push rising contenders off-balance and delay secular realignment of world order - even at the risk of igniting full-scale war in Europe’ (212). We are a long way from that, Woodley captures some of the tensions in the current conjuncture, even if there seem to be many unsupported claims in his work

The final pages indicate Woodley's key argument about the contemporary world order: geostrategic rivalry it is no longer about territory or straightforward interstate conflict but is instead underpinned (and expresses) by pressures from transnational capital to protect capitalist sovereignty the profitability. National security seems to have ceded to what Bastien fan Apeldoorn calls ‘ruling class security’. SCO & BRICS May have counter-hegemonic aspects but the prime purpose is to secure participants security from oppositionist social forces. Meanwhile, a relatively declining US will use military force and statecraft ‘to undermine contenders, suppress local sovereignties and maintain access to resources necessary for the power of transnational capital. This indicates the essential unity of capitalist sovereignty and state power articulated in contemporary politics - Transnational strategic practice that mirrors predatory corporate rivalry full control over global markets and which reproduces structural conditions for corporate oligarchy through the financial circuits of the national and transnational state form of capital’ (214). But this unity is not demonstrated! If transnational capital is key, when they pull the plug on America or why do they allow America to use such force against contenders, where transnational capital operates?

Without a theorisation of state capital nexus we get a juxtaposition.