

Ali Kadri

---

# China's Path to Development

Against Neoliberalism

# China's Path to Development

Ali Kadri

# China's Path to Development

Against Neoliberalism



Springer

Ali Kadri  
National University of Singapore  
Singapore, Singapore

ISBN 978-981-15-9550-9 ISBN 978-981-15-9551-6 (eBook)  
<https://doi.org/10.1007/978-981-15-9551-6>

© The Editor(s) (if applicable) and The Author(s), under exclusive license to Springer Nature Singapore Pte Ltd. 2021

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, expressed or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

This Springer imprint is published by the registered company Springer Nature Singapore Pte Ltd. The registered company address is: 152 Beach Road, #21-01/04 Gateway East, Singapore 189721, Singapore

*To the memory of Chokri Belaïd*

# Preface

Irony has it that in 2020, Secretary of State Mike Pompeo spoke critically of the US-China rapprochement 50 years ago (quoted from Wang [2020]). He almost called it a mistake. The real mistake, however, is in the capitalist system itself. It is either destined to fail or to end all. Capitalism is a system of destruction and not of wealth creation.

After the fact, things are inevitable. This effort is about what is behind the inevitable. It is not a historiography of China's remarkable achievements. Many highlight the accomplishments of China but more so to incite Sinophobia than in dedication to its contribution to humanity. Most Western think-tanks trumpet its tech-development as a call for the US to quell the advancing yellow peril. However, this work posits that China had exponentially developed because socialism, which is definitively the rule of the proletariat, nurtures all-round development with emphasis on pure science, such that as higher technology relocated to China, the spin-offs from the absorption of know-how were significant. Doubtless, China dodged neoliberalism. It is either in the lead or soon to take the lead.

Against the backdrop of China's development experience, this work is a theoretical critique of neoliberalism. Mainstream investigations of China, including the contribution of western Marxism, highlight its isolated problems and neglect its overall success. These are viewpoints that inhibit the rest of the world from a true grasp of its policies. Even when the orthodoxy highlights its successes as lessons-learned, it depicts those against a monstrous landscape of repression, such that, it deters a clearer understanding of the issues. The study of history is itself an ideological tool falling under the thumb of the dominant class *qua* the imperialist class. What is borne by the evidence, the phenomenon before us, is that China enhanced its living standards as well as the living standards of peoples around the world. The rise of China has eroded imperialist rents and shattered the US's image of invincibility.<sup>1</sup>

---

<sup>1</sup>Macheda and Nadalini (2020) offer a succinct account of how China maintained its delinking from imperialism and how it contributed to lowering imperialist rents.

This book attributes the reasons for success to the Chinese proletariat personified in its communist party, which holds ultimate control of production and property relations, especially, landed property. It also holds that China's macroeconomic policies are autonomous. China regulates macro-prices and its trade and capital accounts in ways that recirculate much of the social surplus for the benefit of society. China's external policy reflects its internal policy. The subject of such achievements is a historical subject exemplified in the leadership of the Communist Party whose politics synergise national security with development. In what follows, I qualify the relevant concepts, which will be re-invoked throughout this work to re-concretise the argument.

## What is neoliberalism?

Thus far, history has actualised as phenomenal waste. *A posteriori*, this history has a logic. In their pursuit of higher profit rates, the owners of the means of production usurp more and more from the social product. There are two broad ways by which the pawns of capital carry out this measure. First, capital subdues direct producers by a combination of violence and ideological means. Secondly, it reduces the life expectancy of social producers relative to the historically determined level, such that over society's lifecycle, it keeps more of the social product for itself while lessening its outlays on the reproduction of labour. In both cases, violence is necessary. Theoretically, these processes emanate from the commodity and its attendant value relation. By some degree of violence or encroachment war, the concrete labour objectified in the commodity is alienated from a direct producer who does not own the right to its use value. The commodity would then be destined to exchange for money, the universal commodity, such that market imperatives of cost reduction and competition inform producers on whether they allocated the adequate amounts of labour in production or not. Producers receive market-dispensed information on how to adjust production conditions and survive only after the fact or after their products left to be traded. Thence, the inefficient investments that some undertook to produce must be disengaged or destroyed. As labour power, the commodity that predicates the production of all commodities, trades on markets and involves an investment from society to be produced, it also becomes subject to a process of creation and destruction. And while capital becomes more efficient as it modernises by new technology and sheds labour, the destruction of the labourer along with the labour power he houses in his very being becomes itself an industry of destruction or waste.

The issue gains in complexity because of fetishism. The commodity is ontologically, by its very state of being, an act of disguise because, in putting on a show to equvalate different value contents for the same money form in impersonal exchange, it seizes what is best in people to support its dissimulation (Marx 1867). Just as early man alienated what is ideal in himself onto the animated nature that he worshipped for providing him with sustenance, the dependence on the commodity to organise the reproduction of social life bestows supernatural powers upon it. The

spectacle of the commodity in the act of exchange becomes a proxy for real social relations between people (Debord 1994 [1967]). The reason of the commodity, its dynamic to self-expand by ripping use value from society for the purpose of exchange and private gains, becomes the reason of society. The market signals and its symbolism get couched in an ideology furthering the reign of capital over the many world economies, which have become an economy of the world, or a world system (Braudel 1982; Wallerstein 1974). The commodity's power has recently peaked with the textbooks of economics speaking of a rational man whose utility rises by consumption, while in reality he is literally self-consuming. The mystification is such that social man, a subcategory of the social class, adopts ahistorical or formal reasoning; and hence, enters a state of amnesia in which the labour of society, which reproduces him to produce, completely vanishes. Value proper, the socially necessary labour time that emerges by social labour itself and covers the cost of reproduction, gets slotted against a price whose foundations are designated by capital. For much of Western Marxism, however, value becomes gauged by the hours of labour in an English factory, and not in the labour of death experienced in the trenches of the wars visited upon the Third World. Is it not the case that bombing the Third World for refugees engages living labour and expends socially necessary labour time to produce literally dead labour and cheaper labour power? In other words, is it not the case that the pilot of an F-35 jet fighter realises more surplus value and profits than the developing world person on the ground engaged as forced labour in self-defence, as raw material to the war machine, and as the desired output when he dies. The argument as such may tenuously hold as the nation that owns the technology employs the technology in higher productivity areas, but ownership itself is a constituent of the surplus value. The advanced imperialist nation must not only exclude the subjugated nation from the ownership of technology, it must also clobber the aggressed nation to arrest any of its prospects for advancement, while the very act of clobbering is a surplus value making activity, and the ground for other surplus value making activities. These obvious questions are rarely posed. Western Marxist theorisation is not the real value. It is the moral 'value' of an aristocratic nation, as opposed to socially necessary labour time. Theorising with the circumspect national boundary in mind is the self-reinforcing theoretical activity that heeds capital's constructs of price and time. In an organic and global production process, these are the chimeric levers that impel profit making and its baleful consequences. Under capitalism and subject to the profit motive, a world that was underproducing, relatively overpopulated and underfed, becomes a world overproducing, relatively overpopulated, and still underfed.

At this juncture, there are billions of people who do not engage in 'worthwhile' market activities. The winnowing of the excess commodity labour power relative to spare capacity requires more inadequate food supplies, diseases, and war, otherwise, industries of depopulation. Hence, waste accumulation, the wasting of social nature, man and the nature that presupposes the reproduction of man, emerges as the principal domain of accumulation. As capital shifts more of the costs of production upon society, it de-invests in labour, or peddles the earlier than historically



determined elimination of people as a product to be sold. In the new factory of the world, living labour produces dead labourers with dead labour. And just as any commodity, the higher the concentration of socially necessary labour time transmuted into surplus labour emits higher surplus value; by mediation, profits. As the productive forces of waste face off against waste relations, the contradiction resolves in the autophagia of society.

In standard theory, twentieth-century capital assumes the concentrated form of imperialism, an evolved relation whose contradictions resolve by a higher frequency of encroachment wars. Furthermore, the financialisation and the higher speed of exchange impress upon the social mind their own time. People organise their lives according to the quarterly profit reporting intervals. As capital dominates, the higher pace of exchange ‘annihilates space with time’ (Marx 1863). Capital’s violence submits anything with use value, and of benefit to society, to the edicts of exchange value. The means of producing violence and the violence itself become permanent, objective and alienated because they are commandeered by a fetishised thing: the objective and alienated commodity. However, as labour succumbs and waste prevails, a novel condition arises. Waste, in particular militarism and its industry of war, emerge as the principal market.

The activities degrading social nature, in particular militarism, are subdomains of waste accumulation. These are industries producing waste commodities exchanging on the market. These products take on a price and a money form of value in a capital-constructed social-time made to deliver most surplus labour in quarterly profit intervals. Because social income is a countermeasure of social productivity, the costs of waste to society stretched over its reproduction cycle are the cost cutting measure that capitalists impose such that the profits they report in short intervals rise. Concealed by the semblance of free trade in instant exchange is the lower share of socially necessary labour time allotted to the reproduction of society over its lifecycle. At the end of the day, it is not only the superexploited garment worker who earns a measly wage; it is society, especially the Third World, which earns far less than it requires for a decent living. The garment leaves in its trail harmful pollutants and social ills that literally shorten life and, inversely, expand surplus vis-à-vis necessary labour. Such erosion of life by waste industry is another reason why commercial exploitation, the form of surplus value practiced as enslavement or encroachment wars *en masse*, is a higher plateau of exploitation—not simply a higher rate but a higher structural level altogether. Capital decides on the portion of socially necessary labour time it explicitly negotiates at the moment of sale as well as the concealed portion it spreads over time to redeem the waste it has created. Instead of bettering itself, society labours to clear the damage it inherited. People, for instance, incur taxes and lost years for all the deaths and diseases that reckless production entails. *As capital breaks down all resistance creating the man to whom capital is the natural order (Marx 1867), it owns time, and sections time to its own benefit. Capital may only appear to sell a commodity when in reality it is selling the time of one’s life.*

Time sectioning is a historical process worked out by dominant ideology through its personal and impersonal institutional subordinates. To illustrate with an example

of the roundabout way in which capital bears upon the time of life, consider the reduction of the US interest rate, which raises the prices of basic foods by speculative pressure, and causes hunger far afield. In a less convoluted manner, the victory of the US against a starving nation or a small island like Granada, will boost its global standing and with that the cross-national power ties of the imperialist class. US cronies will then cut short more lives and evade critique of its human right bodies, to boot. Evidently, war and its trappings are top of the range arrangements for capital because they condense socially necessary labour time in an alienated production process whose purpose is to shorten life and sell the shorter lives. Selling shorter lifetime by squeezing socially necessary labour time in conventional time means that the depopulation industry consummates the capitalist order. To elucidate, the more capital commands time, the more the time in socially necessary labour time becomes the shorter time of life destined to the market. Logically, as capital reigns, the system's entropy kicks into higher speed, waste production dominates, more waste products of waste industries assume the form of withering social nature on display in the shopping windows and social media screens. These costs will be borne by society across all spans of time because as the production of waste centres on the sale of shorter lifetimes, capital deploys more of the 'time' in socially necessary labour time, value proper, to waste the concrete time available to labour. It is no longer a case of fighting for an 8 hours-day, it is a case of making sure that shorter work days in Europe do not cause shorter lives in Iraq. As these waste-costs reduce life and the quality of life, the reduction in life expectancy relative to the level attained in a sane society symbolises the variations in the rate of surplus value.

Concealed from view by ideological blinders, waste accumulation is the production sphere of the biggest industries. All social investment from education to health straddles their motors. Costly strong and well-fed people rally around their flags. These industries produce a variety of pollutants and prematurely dead people. Each of their products is market-mediated and arrayed against a price system in social time or over the turnover cycle of society. Each of their products is value and a production relation diminishing the social cost of the reproduction of the working class as it reduces the population relative to the time of the reproduction cycle; hence, it reduces necessary labour and lays the ground for higher surplus value.

Waste industries either speedily mow down lives in wars, or protractedly, by austerity, and pollution related activities. The latter lessen life expectancy in relation to its potentially achievable level or upper class level. These industries extract the most value per socially necessary labour time in the shortest conventional time and dispose of the inputs, the labourers, as outputs, the dead people. As death of social nature becomes a product, the metabolic rate of social reproduction becomes largely determined by the liquidation of social nature. The degree of entropy, or waste that de-reproduces society, is determined by the power of labour. An infighting or identity-consumed working class bereft of revolutionary consciousness hands cheapened life and resources for capital to abuse without regard to man and nature. As the system is waste emitting and highly entropic, and as waste accumulation

encodes its values in the cultures of capital's pawns, its logical as well as its historical trajectories are explosive.

Neoliberalism as the contemporary version of capital's ideology heightens the scale of social dispossession and accelerates the waste. There is utility in a bomb. As an expansion of the reason and the function of the capital relationship, neoliberalism represents a higher degree of commodity adornment. Even waste becomes a fetish. Either pure waste, the wars and the violence, or more products laced with waste, dominate the market. As labour slumbers, socially responsible production lags and economic growth de-reproduces society. The costs of waste borne by society are the profits and the credit that capital earns. These reduce the social costs of reproduction literally by reducing society. Here in terms of open scissors analysis, as the outlays on labour fall and as surplus labour rises, the rate of surplus value soars. More so under neoliberalism, the rate of exploitation mirrors the rate at which society auto-liquidates.

## Whither subject

Historically, the politics of reform have adhered to the dynamic of capital, the sway of profits in the 'last moment.' Figuratively, the last moment is the Marxist way of saying in the long term we are all dead but it is not the same. Concretely, the last moment establishes the primacy of politics or the necessity for capital to cement its rule before it makes its profit. Profit-making requires cost-cutting, underutilisation of resources and an overly entropic rate of metabolic reproduction. Capital *over-consumes* man and nature and pays little in return for the damage. It is 'overconsume' and not 'consume' because the decline of socialist or revolutionary ideology heralds the emasculation of labour as the historical subject and frees the hands of capital. In relation to the prevailing wealth level, the rate of surplus value and its money form in profit are anchored in economising the living conditions of the working class (Marx 1894). Over the lifecycle of society, this rule translates into a reduction of life's time and quality. The substantive destruction, the amount of waste products accumulated so far in the social and environmental calamity, earmarks the substance of the cumulative surplus value.

Despite the calamity, the worship of commodities, the things man produces upon which the reproduction or de-reproduction of life depends, continues to veil the immiserating impact of capital's laws. Capital is no divine entity. Its ways should not be mysterious. That a worker deprived of the means of subsistence works for poverty wages is not a choice one makes by legal contract; it is a slow death sentence. However, fetishism has become more than a jargon of positivism in which things produce things. It has metastasised and captured popular culture and imagination. If it is not the reified market that dictates social movement, it is the abstract person, this or that non-social individual, in power. The state of the social mind is such that things make history but never the social class or its dominant ideology.

As revolutionary practice recedes, capital achieves the absurd and collates its logical end with its real end. The equations that neoclassical economists scribbled

on the blackboards of classrooms create their isomorphs in the value forms for which labour auto-liquidates. As the planet hari-karis at the behest of capital, the hassle-free supply and demand curves parade as replicas of the real historical processes of production and consumption, respectively. The power of capital is so daunting such that the two-dimensional diagram of mainstream economics transfigured real social being into a real two-dimensional man. In this state of nature, surplus value no longer obtained namely from the production of partially-useful commodities. It principally arose from the production of waste, especially the purest form of waste, militarism. This waste was not only to be gauged in the difference between the energy consumed to produce a single saleable item, it was no longer a case of a 500 calories beef-steak in the US, which has taken 20,000 calories to be produced, it was the wasted man who is also a saleable item. Human de-reproduction relative to society's available capacity became a principal production sphere and an end in itself.

## Measuring the waste

The pile of commodities presumed as wealth turned out to be endless wars, deaths from famines and curable diseases, and irreparable harm to nature or, more generally, waste. The accumulation of waste overwhelms social production. This process has a subject: it is the capital relation whose preeminent activity is to produce and market waste.

Measurements arise upon a system of thought and a method of conceptualisation. A datum imparts adequate knowledge of the fact only in the way the concept of the fact was abstracted to represent that fact. Understanding an object is *a priori* not a predicate of itself unassessed by the reason inherent in the subject. By way of a definition, a concept is an intermediation of subject with substance. Where the subject is capital, it constructs the image of the substance it wants to portray. The irreplaceable loss of species and peoples in the war on nature and on the colonies, new and old, are assessed with capital's accounting system and units of measure. Capital clubs/liquidates labour into submission. It imposes an atomistic and thingified mode of social life, erects a theory that reflects the newly established phenomenon, and measures its progress with a system of accounts corresponding to that theory. As such, neither its logical positivism nor any other of its analytical approaches, none of its theories, will commit an error of measurement. Only value, the real toil of society, is left unmeasured. What they set out to measure is what they constructed. Interpersonal comparisons freeing science from the fetters of ideology become inter-commodity comparisons determined by capital's ultra-solipsism. Truth is what the commodity *qua* fetish dreams of, otherwise all is fake.

Furthermore, as the higher rate of liquidating life relative to the class-demonstrated sane level of development, that is relative to the better conditions experienced by higher classes, fulfils the demands of the absolute law of capitalist accumulation (Marx 1867), capital obscures the higher social entropy with the progress of its tech-machinery. While the machine itself is an estranged social

product arising upon the autonomous development in the productive forces, the rate of alienation of society from its scientific development determines the rate at which the machine decimates social nature. Reified machines or technologies on their own do not solve the outstanding issue of an over-metabolising social order. Formulaically, the rate of sane reproduction relative to existing capacity will exceed the rate of human depopulation and species extinction only as the de-estrangement of scientific development exceeds capital's dominance. Conventional systems of accounts and units of measure are lacking exactly because these laws are discarded.

Palpably, capital embellishes and sells waste and wasted humans for a price. In this it is aided by conventional measurements of *posteriori* economic conditions, which preserve the conservatism of dominant ideology. They are convenient to capital, but they bear partial or distorted relations to the objective facts or substance. The same facts, the waste seen holistically, should incorporate the value of the deaths that the imperialist-class visits upon the developing world in relation to the power that the aggrieved masses exercise in self-defence. Yet, these and the more dynamic assessment of the intermediation of subject to substance, the state of becoming of the object under consideration, are discarded by the mainstream. The substance of which facts are constituted, the blood and toil of the developing world, is shaped by the slanted optic of the most powerful subject, imperialism. Not much has changed: imperialism regards peoples of the developing world as non-beings as opposed to human subjects.

In this as in any other process, it is not the facts that relate to or oppose each other, it is the concepts fashioned upon the facts, the different philosophical views, which are at rock bottom class positions; not things, concepts relate or oppose one another. Once things stop procreating things as per the dominant paradigmatic, and once abstraction is built as a social relation drawn from a historical process, then the critique of social conditions relates the partial observation to the dynamics of the whole; hence, categorical knowledge.

## **Eurocentrism**

In Eurocentric accounts, apart from the second-hand emotion shed for nature, the premature deaths of the developing world count for nothing. While millions of US Native Indians have perished under colonial assault, the cry 'we are in a race with time,' was only heard in Europe as sea levels began to rise. In a system accumulating by waste production, it may be self-evident that a beef-steak would cost much more in energy than the cost of its inputs, but what that meal really costs is the systemic de-reproduction of the Global South. Capital and its ideology of waste gel in forms of social organisations, states, and formal and informal institutions whose function maintains the continuity of the commodity and the rule of capital. At the current moment, the capital relation manifests in two conspicuous forms: A Northern structure spearheading capital and a Global South of namely wretched masses. Just as per Malcolm X's adage, 'on noon-Sunday, there is a church for black people and another for white people', structures ought to be identified for the

purpose of putting theory to practice, otherwise labour's weapons cannot confront abstract ideas. These two structures confront each other in a principal contradiction as a South representing labour and a North *cum* capital presided over by the US. Lauesen (2020) transfigures the principal contradiction to the US versus China.

The machination of the law of value incarnate in imperialism, which allocates resources consistently away from people, abides by the system's key dynamic, the profit rate. As the rate of exploitation grew, the rate of consumption of man by man, the consumption of the proletarians of the Global South by the aristocratic nations of the North, also grew. Not only capitalists became things, workers who adhere to capital's ideology also became things; what was good for the commodity was good for society. It was not any deep state that orchestrated the work of capital, it was a commodity-besotted deep class with a deep culture. In terms of substance, the incremental piling-up of surplus value, the historical surplus value, was waste; however, in terms of subject, the ideology promoting the supremacy of ideologically constructed white man had already infiltrated every nook and cranny of social being. The malaise was considerable such that capital incorporated the casuistry of hired Marxists in search of 'new readings of Marx' to beautify the culture of a western civilisation whose *modus operandi* is run of the mill genocides.

Through transference from military violence to ideological power, capital's foresight, pre-set by the commodity's myopic vision, prevailed. For lack of alternatives, the anesthetized masses hugged capital and its curves of quarterly profit rates. Despite that, *ugly* capital could not present itself as a social alternative, and in order to remain as the sole option to humanity, it deployed Western Marxists to demolish the social alternative. These contrasted the contradictions of nurturing the social in the developing world and the sacrifice of self-defence under constant attack from a nuclear armed imperialism against the bows and arrows of the South with messianic versions of socialisms. The stance of 'either utopia at once or nothing' dominated western discourse. Communism 'in an instance' was an impossibility, and to boot, none of the third worldly socialisms enjoyed the privileges of a white voting working class, which reproduced capital because it identified with it. None of the socialist states of the South could risk going to the polls with a population that preferred the sack of wheat to the right to vote. The western left was the cultural manifestation of the imperialist right and its weapons. It fought capital's battles by inculcating the regimentation that the developing world deploys to fend off imperialism as 'state capitalist' practice. While contributing to imperialism's most formidable arsenal, its ideological edifice, it magnified the partial errors in the practice of Southern socialism to discredit it. Partial truth un-situated within the historical avalanche of imperialist aggression, especially as aggression itself becomes an industrial enterprise, is customarily a fascist propaganda tool.

Western Marxists shifted the accent onto tertiary contradictions rather than arresting killing for profits. Instead of exposing a democracy in which the Northern working class has long voted to exterminate peripheral populations, or instead of reversing the vortex of historical surplus value exemplified in supremacist ideology, the western left turned Marxism into a white supremacist ideology. Adjacently, here I am referring to historical surplus value as used by Anouar Abdel-Malek (1961).

Although Silva (1971) argued for an ideological surplus to reflect the equivalent of the Marxist category of surplus value in the symbolic realm, that is not the same. Marx's dialectical method does not foreground its definition of surplus value on an analytical dichotomy. Surplus value may be illustrated by an analysis of the facts counterposed against their corresponding ideas, yet in dynamic processes shaped by the resultant vector of a complex order structured in dominance what must be explained is the state of becoming of subject-object or ideology in relation to material circumstance. Surplus value best be conceptually argued as the contradiction of subject/substance delivered by the force of history, the momentum that shapes the conditions for the creation and allocation of socially necessary labour time.

White nations, which allegedly produce higher surplus value by virtue of their better technology, are said to experience a higher rate of exploitation and are more socialised; hence, readier for social democracy. Marx, the man whose absolute law of capital accumulation associates wealth making with the mass murder of the working poor, the man noted for the saying, 'we have no compassion, and we ask no compassion from you. When our turn comes, we shall not make excuses for the terror', has been transformed into a liberal obsessed with the western machine and its voting system. Long forgotten in the discourse are the historical moments, the balance of forces and their associated weapons, the many NATO military bases strewn across the globe, which are the true factories of capital and the symbols of dominant ideology. Allegorically, the calculus of misery may be put this way: the ideas propagated by western universities and other ideological apparatuses do more harm in a single day than all peoples of the developing world pulling rank to keep imperialism at bay do in a century.

It is this civilisational force that transpires as impersonal and objective history. It pre-imposes the grounds upon which instantaneous choices, necessarily but not exclusively, gel into an auto-destruct mode, which is also a sphere of production. Without changing the power that precedes the making of the grounds upon which social agents tread, the system elects itself no matter where and when. Proposed measures of participatory democracy, governance by public opinion or frequent plebiscites in the North, will only disclose the inherent chauvinism of the thingified Northern majority. Democracy is a form of class-power exercise. As capital and its associated social classes are commodified, history will submit to the diktat of the commodity. To be sure, it is the weight of history which imposes choices whose chance appearance is a realisation of the laws that make them necessary. Although the dominant culture of the dominant civilisation points to the achievements of humanity hither and yon, *post facto* the planet is a minute to midnight. In terms of systems dynamics, the systemic drivers of history are the value relation and its law of value whose optimal culture for growth is waste. Because capital *qua* history, which comes in the guise of a western civilisation, is wired systemically as such, it cannot impart civilisational progress. Capitalism and its combined material and spiritual fallout were never progressive. Its scientific innovation is a commodity or a meatgrinder with band aids. Apart from being an existential task, the required civilisational turnaround faces the intractable mission of convincing peoples of any

colour to shed the deeply engrained white masks of which Frantz Fanon (1952) spoke. China's path of exercising cultural identity as a socialism pitted against imperialism deracinates the engrained values of western civilisation and inverts the particular cultural aspects into a universal internationalism. To self-realise culturally, to exercise one's distinctive qualities against the torrent of the homogenising commodity peels the white masks or de-commodifies history.

The crumbs of imperialist rents laced with the hand me down inward-looking identity politics promoting parcelled civil liberties are the wage and perks premia of the Northern working classes. The process works time and again because the Northern classes are vested in imperialism and its rents and are not the negating 'other' that has to be controlled. The notion that somehow this Northern working class is repressively subjected to forms of implicit and explicit control mechanism leaves out the fact that its activity shaping its reproduction has been tied to the material circumstance that reproduces imperialism; hence, as classes, the Northern bourgeoisie and its working class share the same sphere of appropriation. The Northern control methods are never imposed by the systematic force that leads to ruptures. Northern capital hands its working classes cheaper Southern commodities and more civil liberties not so much for its consent to bomb abroad, but as the brokerage required between inter-competing circles of capital. It is this material foundation, the division of imperialist tribute via the sphere of circulation, which bolsters a global apartheid system.

The Northern working class and its affiliates downstream stand for the ideologically white minority, which literally consumes the lives of the wretched of the Global South. Under fully developed capital, a social reproduction cycle, a process in which the life of Southern man is the commodity on offer to Northern man, has no final realisation stage. The process will not bottom out. The imperialist privilege that beefs up the imperialist wage bill is the material circumstance whose associated liberal activity forges white consciousness. The Northern classes' dedication to imperialism through the western democracy channel translates into 'let us vote to bomb others,' which is both an investment in militarism through their tax contribution to fund the T-bills of the war effort and waged work in the military campaigns of imperialism. Unless the global scales are rebalanced, no matter the social democratic activities, the welfare and the unionism, Western working classes cannot be transformed or educated into revolutionaries because they cannot forego the gains of imperialist violence. Some persons may be truly conscious but as classes, the *volte face* hinges on more than the depth of the catastrophe; in one of its facets, it requires an unlikely return to the oneness of humanity rather than the Veblenian mindset in which some are smug for incurring less damage than others. The spirit in command of history is bound by this materialist chasm. Without a turnaround in the global balance of forces, there is nothing to rearticulate the local struggles into the necessary momentum that carries the day. For the time being, militarism remains the principal waste and surplus value making activity, which socially orders and underlays the conditions for the totality of social production.



## References

- Abdel-Malek, A. (1981 [1961]). *Social Dialectics: Nation and Revolution 2*. New York: SUNY Press.
- Braudel, F. (1982). *The Perspective of the World. Vol. III of Civilization and Capitalism 15th-18th Century*. Berkeley, University of California Press.
- Debord, G. (1994 [1967]). *The Society of the Spectacle*. New York: Zone Books.
- Fanon, F. (1967 [1952]). *Black Skin, White Masks*. New York: Grove Press.
- Lauesen, T. (2020). *The Principal Contradiction*. Montreal: Kersplebedeb Publishing.
- Macheda, F., & Nadalini, R. (2020). Samir Amin in Beijing: Delving into China's delinking policy. *Review of African Political Economy*. <https://www.tandfonline.com/doi/abs/10.1080/03056244.2020.1837094?journalCode=crea20>.
- Marx, K. (1849). Suppression of the Neue Rheinische Zeitung, Neue Rheinische Zeitung No. 301. <https://www.marxists.org/archive/marx/works/1849/05/19c.htm>.
- Marx, K. (1867). *Capital: A critique of political economy*, vol. 1. Moscow: Progress Publishers.
- Marx, K. (1973 [1863]). *Grundrisse: Foundations of the Critique of Political Economy (Rough Draft)*. New York : Penguin.
- Silva, L. (1971). *Teoría y práctica de la ideología*. México, DF: Nuestro Tiempo.
- Wang, C. (2020). How the Trump administration has misunderstood the lessons of Nixon, Kissinger and the past 50 years of US-China diplomacy, SCMP. <https://www.scmp.com/comment/opinion/article/3100553/how-trump-administration-has-misunderstood-lessons-nixon-kissinger>.
- Wallerstein, I. (1974). The Rise and Future Demise of the World Capitalist System: Concepts for Comparative Analysis. *Comparative Studies in Society and History* 16(4).

# Acknowledgements

Thanks to Matteo Capasso, Vincent Cama and Joshua Rickard for their attentive reading of my manuscript and many helpful suggestions.

# Contents

<b>1</b>	<b>From Ironclad to Discreet Rule of the Proletariat</b>	<b>1</b>
	Waste or Development	2
	The Irreconcilability of Neoliberalism with China	5
	The Culture of Neoliberalism	17
	Restating Our Hypothesis	18
	Situating the Issue	21
	Concluding Remarks	23
	References	33
<b>2</b>	<b>Theory Without Subject</b>	<b>37</b>
	The Conditions for Development	38
	Half-Truth and the Mainstream	50
	The Commodity and the War with China	60
	References	63
<b>3</b>	<b>China Defies Neoliberalism</b>	<b>67</b>
	Neoliberalism Contra Autonomy	68
	Second-Hand White Privilege in East Asia	75
	Neoliberalism and the Reign of Commodities	77
	The Context for Resource Allocation	83
	The Necessity of Immiseration for Profits	84
	Conclusion: China Defies Neoliberalism	91
	References	99
<b>4</b>	<b>Towards a Socialist Development Theory</b>	<b>101</b>
	Development Under the Imperialist Constraint	102
	Reified Subjects of Macroeconomics	105
	Kalecki's Position	119
	Capital Formation in a Developing Context	120

Capital Formation with Chinese Characteristics . . . . .	123
Investment . . . . .	124
Macro Policy . . . . .	125
Unemployment . . . . .	127
Agriculture . . . . .	129
Closing Comment . . . . .	130
References . . . . .	131
<b>5 From Discreet to Ironclad Dictatorship of the Proletariat . . . . .</b>	<b>135</b>
Democracy is a Form of Power Exercise . . . . .	139
Fairy Tales of 'Fair Trade' . . . . .	147
Recollecting Thoughts . . . . .	149
Capital is Obfuscation . . . . .	155
The Future that Has Happened . . . . .	157
A Social Yardstick for Progress . . . . .	158
References . . . . .	166
<b>Index . . . . .</b>	<b>169</b>

# Chapter 1

## From Ironclad to Discreet Rule of the Proletariat



**Abstract** By the demonstration effect, China is a model to be emulated, but more so theoretically rather than by replication. If anything, nations of the global South must rid themselves of neoliberally imposed ‘one-size-fits all’ models, which are instrumentalised to shift value to empire. They are best practices in reverse: they serve the interests of the US empire. They rob nations of their history and resources. Theoretically, identification with a model is an impossibility; hence, developing nations need to search for the theory that corresponds to their own conditions and strategies of development. China’s experience, anchored in labour as the historical agent, offers numerous theoretical cues to develop such a model. Thinking development with a subject, as opposed to only substance in mind, voids reductionist politics in favour of more sober class analysis. This work is about the relevant social and economic underpinning of the Chinese development experience vis-à-vis the preponderant neoliberal model.

There is nothing inherently cultural in defunct civilisations that would restore their eminence in the modern age. Although China has been a great state and a leader in science and civilisation, it is only because of the consolidation of communism that it has resumed her Great Power status (Davis 1956). What communism *qua* the rule of the proletariat did is no mystery. It retained, socialised and mobilised national resources by the exercise of autonomy over policy. It internalised technology and augmented the quality and the quantity of the social surplus. As it integrated with the global economy, it rationed the rate of imperialist value usurpation in a manner that enhanced its technical composition of capital. The losses to its environment and labour are gradually being recompensed as more disciplined production emits greater riches. It has clamped the resource leakage, and its growing wealth has transmuted into growing social and defence securities. Subsequently, China has strengthened the measures that deflect global imperialist racketeering. Instead of getting crowded into the selective democratic model of the Western hemisphere, an exercise of power

by the few over the alienated many, China held on tight to its working-class representation in the state.<sup>1</sup> As US-led imperialism, the empire, fully adheres to the rule of the expanding commodity, and as its ruling class internalises the reason of the commodity, the long-standing imperialist privileges of western civilisation are being slowly eroded by that very commodity.

By the demonstration effect, China is a model to be emulated, but more so theoretically rather than by replication. If anything, nations of the global South have to rid themselves of neoliberally imposed ‘one-size-fits all’ models; these are instrumentalised to shift value to empire. They are best practices in reverse: they serve the best interests of the US empire. They rob nations of their history and resources. Theoretically, identification with a model is an impossibility; hence, developing nations need to search for the theory that corresponds to their own conditions and strategies of development. China’s experience, anchored in labour as the historical agent, offers that theoretical model. Thinking development with a subject, as opposed to only substance in mind, voids reductionist politics in favour of more sober class analysis. This work is about the relevant social and economic underpinning of the Chinese development experience vis-à-vis the preponderant neoliberal model.

## Waste or Development

Development mirrors the representation of labour in the state. It principally transpires in the congruence of economic with social ends. The improvement in living conditions is at rock bottom an anti-imperialist position or a stand against the intense expropriation of social labour on a global scale. China’s socialism, meaning the social as opposed to the private control of national production, can be copied. Socialism as an abstract theoretical framework guiding the allocation of resources may translate into a set of practicable policies. However, its ‘Chinese characteristics,’ underlining its particular experience appended to socialism, in ‘socialism with Chinese characteristics,’ cannot possibly be copied. Save others, this fluid and amorphous cultural current cannot even be copied by the Chinese themselves because it is both multifarious within China and changing from one period to the next. Furthermore, it cannot be imitated because culture projects the symbolism of class and class power and, by accentuating its ‘national characteristics,’ China is highlighting the ironclad grip of its national working class on politics. That is not so different from Arab or Yugoslav

---

<sup>1</sup>Northern, Western, whiteness are cross-national and cross-ethnic ideological descriptors. These, as well as the use of the concept Third World, do not simply imply demarcation in incomes between a rich and a poor grouping of nations. They are first manifestations of the practices of the laws of capital exemplified in imperialism and its systemic drive to concentrate its accumulation in the centre by means of expropriation and/or liquidation of developing world assets. Western civilisation, the stock of material and spiritual attainment of society, is a social structure centred in the US, the heir and partner of Euro-imperialism, which expresses the capital relationship. There is indeed a clash of civilisation, but it is between the civilisations of capital whose structure is the North and labour, whose structure is the Global South.

socialism or from any other form of particularised socialism arising after independence from colonialism. At times, the statements emanating from China noting that its model is unique, culturally different, and cannot be replicated, disclose the cross-cutting merchant interests tying sections of the Chinese class formation to the US or diplomacy aimed at easing the war of ideas. No matter the tact, the glimmers of Chinese power, an example of which is the act of building two hospitals in matter of days to treat COVID-19 victims, are ideological statements in an ideological war between two competing camps. Under capitalism, which is definitively the war of each against all, it is literally impossible for 'one tide to lift all boats' or to defy the law of value. In terse definitions, value is *a priori* waste, and violence is capital.

Piling up commodities and improving standards of living is one side of China's success story. Its historical achievement, however, is to retard Western imperialism, or the process of reproducing western wealth via the *industry* of de-reproducing the developing world. So far, the dominant ideas of Western civilisation, capital's civilisation as opposed to labour, its stock of historical surplus value, are about to eradicate man and nature. In relation to historical surplus value, Anouar Abdel-Malek defines it as follows:

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 western 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 limited to 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 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 Western liberal left judges violence as a pathology of the system, or as an exogenous syndrome, conceals the fact that the historical context and its colonial policies were laid down by the violence of European imperialism, and that Asia, Africa and Latin America could only develop along the lines suggested by Western schools of thought. Imperialism as a central factor in the power structure of modern times was viewed in its immediacy and not as a contemporary expression of a historical process. (Abdel-Malek 1981)

Although in its present state, world agriculture could feed twelve billion human beings, almost twice the current population, every year, a dozen-million men, women, and children perish through hunger and every five seconds a child under ten years old dies of hunger (Ziegler 2013). Ziegler discerns that such a result is not inevitable and a child who dies of hunger is a murdered child. As one imputes these losses with the deaths from wars and the shorter lives as a result of austerity, the de-reproduction of the global working classes turns out to be an *industry* of depopulation.

Capital's emphasis on technology, the higher value outlays on constant capital *qua* dead labour, necessitate a reduction in value outlays on variable capital *qua* living labour; all to maintain positive profits. The less is spent on working people throughout their lives or the less they count from the huge numbers of redundant labour, the higher becomes the surplus value whose mediation in social time is the profit rate. A constantly rising organic composition of capital is not just another innocuous equation, it is indicative of capital's roadmap, its inbuilt drive for depopulation. The auto-negation of capital, the process of social production or, equivalently, the state of becoming of society, its auto-differentiation in terms of substance and subject, denies the working class the right to decent existence and, just as often, the right to outright existence. Under monopoly-finance capital, the depopulation attendant upon the labour process shifts into higher gear because imperialism is an intensification of the capital relationship. To be sure, the capital class is only real by the conditions of the labour process. Against this dynamic, one may infer that China is wholly locked with US imperialism in a struggle for *existence*. China's rise shatters the power image of the US, and by implication its dominant ideas.

One says that China is *literally caught in a struggle for existence* because there is a worrisome idea that lurks in the shadows of class analysis, especially at this juncture of imperialism unopposed by revolutionary ideology. A commodified Western imperialist class, a class that has adopted the *reason* of the commodity, may resort to the use of nuclear weapons as it pursues its violent course of expansion. The *reason* of the commodity in command of social life is not mystical or incomprehensible. It is best illustrated with a diagram that mimics the commodity's lifecycle. For reasons to do with its inner contradictions, primarily the repulsion between its use and exchange value—the social opposed to the private—a commodity unfolds by means of violence as self-expanding value. In its element, it unstoppably circulates to grow in quantity and in money-form profits. It does so at any expense because a commodity as a thing is free of the tumult of the human condition. A reigning commodity is without ethics, while ethics do not appertain to it because it is a thing. Existentialist ethics acquiring universal application solely appertain to being human and to having senses.

As the money form of the commodity resolves its expansion under overproduction crises, it also expands fictitious capital. Circuitously, the ease of availability of credit galvanises the real expansion of the economy and with it the metabolic rate of overconsumption of man and nature. The pile of commodities, primarily the stock of waste, otherwise dubbed wealth, accumulates because the commodity's *reason*, the dominant ideology manifest in capital's mode of reasoning introjected by labour lets it do so. Aside from the recent spike in pollutants, war deaths, genocides, and the pillage of whole communities, altogether the production of waste, has ever since the birth of capitalism surpassed whatever socially useful wealth was emitted under capital.

For Eurocentrism, waste, defined as the permanent arms economy, agricultural products deliberately destroyed, and certain industries such as mining, which are being wiped out, was gauged as 'the gap between realised and potential economic growth' (Mandel 1973). Whereas accumulation is a social process, which involves social activity under capital, including health and school spending on children indoctrinated as future soldiers of empire, Mandel reduces it to the economics of the European market operations and its accounting timeframe. It has always been this fetish



of bigger profits associated with better machinery that puts Europe ahead of the rest in terms of culture, which is undoubtedly structural racism.

That the subject capital—unfettered, would breed the current debacle, was rarely entertained. The massacres are far away from Europe. It has always been the easy way out of eying things as substance without discussing the social quality, the abstract but real relationship, because such argument would feature as the historical surplus value and implicate western civilisation. At the current historical conjunction, the probability of collapsing ecosystems *en masse* is more a reality than a prediction of future events (Trisos et al. 2020). Only the *reason* of things and not a thinking, feeling, or remorseful man could have practised the logic of auto-expansion to the point of driving social nature into the abyss.

Under the free reign of commodities, the natural outcome of production is a process of overly entropic auto-consumption. As ideologically conditioned social man turns into the fodder of capital's austerity and war, he or she surpasses the credulity of Pavlov's dog. Without an opposing revolutionary consciousness, reification, a process of thought that confers life upon lifeless things, takes hold and turns the logical end of formal analysis into the historical end. Instead of the theoretical law of unity between the rational and the historical holding as an intermediation of opposites, the interface between the real and the ideal, it holds an identity of real and logical unity. The impossible happens and the solipsism of the commodity's mind becomes objective reality or the horror that prevails. To resituate the argument with regards to China's existential debacle, without an opposing ideology that humanises the course of history, there is every reason for concern that an all-out conflagration is no longer a remote possibility.

## The Irreconcilability of Neoliberalism with China

In the world of ideologies, there are two broadly opposing currents, one of capital and one of labour. Capital reproduces by the commodity-money circuit as it creates favourable ideological currents, or people who adhere to its diktat. Capital peaks as labour's ideology becomes pro as opposed to anti-systemic. Capital or class are subject-wise better identified by their ideological/cultural manifestation in contrast to the substance-wise discrepancies in the shares of wealth. The wealth divide is a symptom of capital's strength or the degree to which the reified working class tolerates the drudgery of work, the famines, the trenches of war, etc. The more labour divides into a pro-systemic opposition group, which could afford the toxin-laced commodities, and a group completely stripped of its will, commodified and readied to be wasted, the more capital resolves the surplus value creation obstacle by structurally shifting production onto higher plateaus of exploitation. Although capital had required layers of the working class to stand up for sectarian rights, earn higher incomes and purchase its high-end commodities, it has also made a bigger industry from consuming the lives of wretched workers both as inputs into commodity production and as outputs. An example of institutions promoting sectarian rights would be the unions styled in the image of US police unions, which are contraptions of racist practice.

The former system, the system of a pro-systemic or sectarian working class consuming/eroding the grounds upon which the wretched classes reproduce, counteracts the tendency of the rate of profit fall as it combines forces with capital to boost imperialist wars under the guise of liberalism and human rights. Imperialist wars are the purest of form of waste and the principal commodity being realised is determinedly waste. Of the waste, wasted wretched people are the paragon of production dictated by capital. Wasted people are the perfect commodity, which instantaneously or in a very short time span consumes superfluous man as he consumes the war commodity. For instance, either the re-voting of Northern social democracy into power or dying under US bombs are *systemic* manifestations of capital. These are facets of the circular process of production *cum* auto-consumption.

The Northern group with the higher income puts on a show of liberal defiance to capital, restarts its economy by producing waste and consuming much waste-laden products, including the wasted lives of the wretched class. By abetting waste accumulation, foremost by means of wars that consume former colonial subjects, it undermines the subject and the negotiating power of the international proletariat.

Neoliberalism is the current colouration of dominant ideology. It is more a methodology than a method, which as capital dominates, it guides the intensification of the rate at which capital de-reproduces labour. Neoliberalism magnifies the rate at which capital usurps value from the social product in money form, which raises its rate of profits and share of global income. As the free flow of goods, capital and resources guided by the *laissez faire* economic foundation of neoliberalism, which also falls under the rubric of globalisation, begins to boost Chinese development, the Western hemisphere retreats into forms of protectionism and national chauvinism. Neoliberalism is the guise of capital's ideology that reflects its standing in the balance of powers. In equation form, the power of neoliberalism may be gauged by the degree to which country not flying in the imperialist orbit captures more of its wealth than it loses.

*Post facto*, capital's resilience may be duly attributed to the compromise with labour to maintain its rule. The core component of capital is its hold on power, a point around which it undulates its concessions to labour. The post-Soviet phase saw a significant retreat in revolutionary consciousness and, laterally, a ratcheting up of the mechanism to extract most value out of labour, *ergo*, the neoliberalism of privatisation, the free trade and capital outflows and the paraphernalia of policy tools that lubricate the activities of the private sector. The case may be that von Mises (1920) and others argued that the free market price system is 'objective' and that it bolsters the division of labour, as opposed to the subjectively planned price system, however that gibberish never gelled into policy until the Soviet Union decayed and withered. Formal ideas do not transmute into ideology by their own momentum, it takes the power of material forms of organisation to turn them into dominant ideology. The notion that there are power-unadulterated prices in a class-world, or similarly perfect markets, is just outlandish. That prices set by capital are objective and efficient, while the prices set by labour according to a plan are subjective and inefficient, is not a theory, it is a whim. Besides being falsification of value, prices are symbolic measures of social power relations. What is more astounding is that when

set against the disasters that the capitalist price system had already led to, it may be worthwhile for von Mises or any other adherent of free markets to apostatise!

The rational is real not as an identity of form with content, but as a process of interpenetration between these categories unfolding as actuality. The reduction of reality to atomistic units assembled with a sophisticated jargon of universalism to formally prove on the basis of non-existent hypotheses that capital's prices allocate resources efficiently is to assume an isomorphic instantiation of forms of thought with substance. That is things thought out happen as they are thought out. However, change is a compromise between the real and the ideal subject to the rapport of power relations. For a while, specifically after the collapse of the Soviet Union, capital was powerful enough to liberalise the condition for value flows and snatch value from across the globe. Most countries fixed their currencies to the dollars and freed the capital account surrendering their national resources to the Western financial markets. At that juncture, the 'rational,' the envisaged world of freely interacting economic agents arriving at a state of bliss in an equilibrium was the rationale of capital manifest in the prices it devised to create a world without a dead-weight social loss—in reference to neoclassical welfare theory.

Against the pristine two-dimensional equilibrium of the mainstream, the dominant theory ejected by the dominant apparatuses of capital, the theory which dictates resource allocation, the number of dead people and other natural species was rising at ever high rates. The zero dead-weight social loss concealed the piles of dead social nature. The efficiency of getting most bang for buck meant mostly more dead people abroad, in lesser developed formations falling under the yoke of intense capital, the cross-national imperialist class. Imperialism, the historical stage under finance capital in which the imperialist class, the relationship to the means of production constituted of the same fabric of power and set of ideologies as those of capital, distinguishes itself by its emphasis on accumulation by violence or purer forms of waste production. In this process of value expansion by violence, neoliberalism is more than just a technique, it is the personification of the dominant/imperialist class in forms of culture and political positions. Any technique or policy is a tool that serves and reshapes a class position.

In wars of encroachment (Kadri 2014), the practice of imperialism is itself a production process that generates a higher rate of surplus value and a policy that restructures power balances to seize a higher share from the global social product. As all property becomes moneyed and exchangeable under capital, the legal category of property fuses with the value category. The value being snatched becomes more than just the few socially necessary labour hours in factories producing run of the mill consumer goods, it becomes the very life of peoples as well as their social and natural basis of reproduction. All of society is the materiel of capital. The product is social and/or all of society produces. Some living labour is rendered dead as input into production. The very death of that living labour is also the consumption item being produced and sold. Life-wasted is value without subject. It is to be valorised by capital's historical predisposition, the only subject in the money form to be snatched as value in socially compressed chronological time.

China is a prize catch to have its socially necessary labour time condensed and consumed in waste production. Just as the Soviet Union was taken apart and its life expectancy dropped to wartime levels in 1990, China is also best taken apart and

stripped of its will and wealth. The decimation of the social structure will be an act of production itself. A weakened China may be subjected to assault, including no less, the contemplation of the nuclear option, and possibly, the more potent ideological weapon, the glitz of western culture. Here one may recall Brzezinski and Griffith (1961) work on using the attraction of American culture to promote dissent as happened in the Soviet bloc. Strangely, the attraction of the free American individual on horseback or on a motorcycle exercising personal freedom in a 'Frontier Eden' constructed upon a land, whose natives were subject to genocide, still entraps the minds of many in the developing world. However, with the recent COVID-19 display of misery in the US, the grounds for the cultural offensive may have been duly reversed (Martinez 2020). The US is a despoiled continent. Conservation of social nature, the harmony long projected by the American Indians, is the undertone of the newly developing anti-imperialist culture. Counter dominant-cultural wars remain central to class warfare, indigenous Third World revolutions, and independent Marxist challenges to U.S. imperialist domination (Petras 1999).

China could not be neoliberal because it improves the standards of living, it invests in the autonomy of other developing states, and it counters imperialist waste-accumulation. Its state control of the means of production and its ultimate national ownership of property emerge in the degree of know-how and resources retained nationally. It constrains the surplus drain in the interests of the masses. It is this holistic assessment, which supersedes the many real contradictions, but partial flaws of China. The offensive against China highlights separate facts, dissected in thought without interrelatedness to show disaster; however, the overall picture is one of steady improvement, especially the anti-imperialist thrust. As all the facts or relations gel together in a totality, China's process of social production, the separate difficulties in their state of becoming are subsumed as feedback loops that bolster development and by implication, build the anti-imperialist platform.

When China's structure is critiqued, it often involves misrepresentation. For instance, as Milanovic (2019) points out that much of China's production is privately owned, its workers are salaried, and pricing is decentralised as opposed to planned; hence, China is capitalist. That is a falsification of fact (Gabrielle and Jabbour 2020; Herrera and Long 2019) – discussed below. Empirical or substantive criteria of what constitutes a social form of organisation is arbitrary. Production and appropriation are in a state of flux and, accordingly, the threshold for identifying capitalism as opposed to socialism should be a dynamic criterion: for instance, how does development turn out in view of existing policy. In a dynamic process, the indicator of progress arises upon a law of social movement.

A substantive definition of capital, the measure of capital in its physical form, is inadequate because it omits class or the subject in social relations. Theoretically, capital defined as a heap of things only presupposes what should be studied to discover capital, the totality or the social relationship organising production under capitalism. Capital, the social relationship, is class violence and a store of ideological power accumulated historically. It is the class that brutally expropriates the social product. Ownership of the means of production, as in control to appropriate the social surplus, assumes many *de jure* forms, but it is the *de facto* command of the market, the exercise

of power proper over the theatre of commodity exchange, which transmutes the legal category into the economic/value category. That power was global capital *qua* imperialism for whom imperial rents have dwindled as a result of China's rise; here is the gist of the argument for why China is not neoliberal. In as much as imperialism is an existential threat for China, China has also become an existential threat to imperialism. The imperialist class alliance cannot draw higher rates of surplus value formed on the basis of a higher metabolic rate of liquidating living labour in social production.

When one speaks of production, one may draw on the contemporary phenomenon, the preponderance of waste and death as products of capitalist production. In waste accumulation, labour is intensively engaged in waste production both as input and as output to be consumed, all as labour power exchanges on the market. While the production of coles, and trousers, and similar commodities dim in significance when compared to waste, these pre-eminently remain spurious moments in a production cycle undergirded by the more significant waste or value relations that de-reproduce society. Commensurably with the strength of capital, the waste domain of accumulation enlists and consumes more of the living labour in shorter time spans, which over the reproduction cycle of society leaves more of the surplus labour to capital. A sovereign China with an autonomous production base does not lend itself to imperialist forms of auto-consumption. It is subject of itself and cannot be drained of value. In co-determined fashion, China is anti-neoliberal because it is anti-imperialist.

Regarding Milanovic's falsification of facts, Gabriele (2020) posits that over 70% of workers in the PRC are still self-employed or employed in non-capitalist enterprises and non-market oriented public organisations. Gabrielle and Jabbour (2020) add that the vast majority of Chinese workers are not directly employed by capitalists. In view of public land ownership, Chun (2013) defines peasants as direct producers in control of their product and adds that the peasantry is a post-capitalist class whose subjective identification and objective positioning are an agency for socialist renewal. The numbers on the true nature of nominal ownership varies considerably. By *after the fact* inference, the degree of the true social ownership of the means of production in China is the degree of social development in China. In the last moment, public ownership and control of finance along with a hands-on approach to market regulations ultimately leave the economy in the hands of the state. Nominal private ownership bereft of control is not the private property at the heart of the capital or value relation. For effective proprietorship to qualify as a fully-fledged value relation, it has to transmute from the legal into the money category through exchange and, equally, by the degree of expropriation of the social product. Here the schism between the management of production at the private firm level for profits and the management of the market by the Chinese state under market socialism begs the question: how does China reign in the forces of the market. Dreschler (2018) fittingly draws on the surviving ethos of the spiritual order—the Confucianism, which submits the market to society in a non-contradictory fashion with always the former acting as means of control to the latter. However, bureaucracy as the institution of social organisation and state control is not independent of class content. Under permanent crises conditions, crises of overaccumulation-overproduction, the spiritual form or

the cultural face by which a market submits to society is just one of many measures by which labour through the Chinese Communist Party (CCP) stays in control.

Alluding to intermittent moments in the history of China to discredit Maoist socialism vis-à-vis its later forms of market socialism, as in the diction ‘*failed* Maoist attempt to resist bureaucratisation and reinvigorate socialism,’ (Li 2008), becomes an attempt to smear rather than serious historiography. To truncate a short span of time from history and build around it a story with ideological bias as a line of thought signals substantive or empiricist reasoning. Such is a mode of analysis that assesses development outside of the historical continuum and outside China’s interrelatedness with imperialism. How could anything in a process be determined precisely as failure when any failure or success is itself the pedestal or a feedback loop for further action and outcomes. That action exemplified in Chinese development before and since the cultural revolution has been hailed a success. Ideology and theory never part ways. However, as dominant ideology trumps theoretical reasoning, one gets the jargon of American football culture superimposed upon social science.

Just like a social class, the nation state is constituted by the class order to reconstitute the class order (Marx 1867). More precisely, it is subordinate to the reproduction of capital in as much as it becomes an instrument to subordinate labour. It cannot be analysed apart from imperialism. Moreover, the borders of the nation state are not the perimeters of value relations. Value transcends the state’s geography not only because of interlocked physical production chains, but because all on its own the suppression of development in the ex-colonies is a predicate for the development of central capital. The state is the crucible and the political facet of the class formation. As the Chinese state retains more wealth for development, captures a higher share from the social surplus, it becomes conclusively anti-neoliberal.

Moving from those who say socialist failure to those who say socialist defeat, Pao-yu (2017) speaks of socialism defeated by right-wing revisionism. She then uses the numbers game, a quantitative assessment of the damage sustained by China after 1980 as proof of China’s collusion with imperialism. Although China has a steady trade surplus with the US and buys into US financial instruments and T-bills, it is as everyone else lending the hegemon in its own currency. Because the US borrows and lends in its dollar, being indebted or lending the US leaves part of the social surplus of any country in its possession. Moreover, Pao-yu misrepresents Lenin’s imperialism as she only highlights China’s cross-cutting trade and financial relationship with the US as proof of inter-capitalist collusion. The gist of Lenin’s reply to Kautsky’s is that the imperialists require control of production or inversely command over the labour process, higher rates of oppression and exploitation, and the power emanating therefrom to capture others’ social surplus through finance. Kautsky’s ultra-imperialism, it may be recalled, treated capitalists as pre-capitalist merchants who gentlemanly share the proceeds of their trade. He noted that ‘every far-sighted capitalist today must call on his fellows: capitalists of all countries, unite,’ and then added, ‘the translation of cartelisation into foreign policy: a phase of ultra-imperialism, which of course we must struggle against as energetically as we do against imperialism, but whose perils lie in another direction, not in that of the arms race and the threat to world peace (Kautsky 1914).’ Not much peace has reigned since. Similarly, Pao-yu

(2017) says ‘the global capital class has become more integrated in their interests than any other time in the history of capitalism-imperialism.’ And whatever puny peace reigns now, it is so by the nuclear deterrent. In a proselytising tone, Pao-yu calls on the international working class to awaken to the socialist alternative. However, working classes acquire their consciousness and class symbols in the process of struggle or in their state of praxis. They do not invent a universal working-class culture in the spur of the moment by some elan. Their particular cultural practice, the identity realising the subjectivity of the masses, pitted against imperialism shifts into the universal anti-systemic position. By doing so, anti-imperialist struggle realises the cultural particularity transmuted into the universality of humanity at once. Identity co-aligning with class, or the process of particularisation mediating universalisation,<sup>2</sup> is the identity of the cultural self with the whole.

At a further remove, Chun’s work draws parallels between the Chinese reform experience and the private sector leaning reform programme, the New Economic Programme (NEP), under Lenin such that there has to be a virtuous correspondence between the reform mobilising resources and socialising private property. And just as Mao (1927), Chun (2013) defines the peasantry as leading revolutionaries.<sup>3</sup> However, she dubs them post-capitalist in contrast to pre-capitalist. As an aide memoire, as early as 1927 Mao stressed that the farm labourers or rural proletariat are the vanguard who have performed the great revolutionary task which for long years was left undone. As to Chun’s pre- and post-capitalist dichotomy, such a frame of reference is inadmissible under capitalism. In the historical era known as capitalism all is capitalist. Those who appear un-involved in capitalist production are either held in suspended animation as part of the global reserve army of

---

<sup>2</sup>The language here draws on the principle of auto-negation. ‘Mind, or reason, as a concrete universal, *particularises* itself into differences which are interconnected by its universality in the same way in which parts of the organism are held together by the single life which all things share. The parts depend on the whole for their life, but on the other hand the persistence of life necessitates the differentiation of the part’ (Hegel 1952). The same principle holds for Marx as well. Whereas the concept for Hegel is the thought in so far as the thought determines itself and gives itself a content; The concept for Marx is a form, a method, of reflection associated with a given stage of cognition and development in language that generalises objects and phenomena.

<sup>3</sup>In many farming Asiatic societies, communalism is a way of life. The Qarmatians of South Yemen under communism serve as an outstanding example. After the South Yemeni communist party gained power in 1967, a delegation teaching communal life visited the Northern villages, but learnt that land was already communally owned, and women enjoyed as much de-facto rights as men. A French anthropologist visiting the region commented that these villages were communists 1000 years before Marx. The examples of indigenous communities facing the White colonial settler intending on socialising rural communities, whose appearance of modernity, with short skirts and machine guns, were a scourge to human emancipation. The violently imposed ‘progress’ was extolled in Western Marxian literature as the bitter pill to be swallowed by the natives as they are readied for socialism (Le Cour-Grandmaison 2015). For mainstream Western Marxism, modernism *qua* progress or the lack thereof was wrongly reduced to a fashion war. Their pro-Rojava Marxian position was such an incidence. At a later stage in the conflict, which involved the ethnic cleansing of the Arab population, the unveiled Kurdish women toted US-provided guns to shoot or evict Arabs in traditional garb. That is the feminist heroism of imperialist sponsored-instrumentalised identity.



labour or awaiting to be consumed-produced as inputs-outputs in waste accumulation. The proletariat is a working class—workers in all types of functions including idled people—armed with revolutionary consciousness. Agrarian ‘backwardness’ does not signal a non-protagonist role for the peasantry in revolutions, if anything, it is the compromising Northern industrial class, emphasising its share of global income as cut from the sphere of circulation rather than equalisation of production conditions, which hindered global progress. The dissection pre- and post-capitalist misdiagnoses the peasantry as a vestige from the past surviving under capital in the present. Such an approach defeats the argument because the very existence of a large peasantry incapable of improving its lot in life is a direct result of colonial and imperialist assault. Traditions, folk and mores of the past are everywhere sublated conditions emerging as the particular cultural guide in pro- or anti-systemic struggles. There are no classes without identity; however, an anti-systemic class practises its own identity as international solidarity.

It may be as well to mention that Chinese development is not a theoretical product of voluntarism in politics, as if there some ethical imperative in the CCP whose essence is to steer resource management in the socialist direction. That tendency is and is not there, but the fullness of reality includes the mix of dedication to labour and opportunism in the CCP as well as the pressures of imperialist aggression. In such all-inclusive momentum, the imperialist current is decisive and places the CCP in a defensive position; hence, the building of Chinese national and social security. The works of Chun illustrate the history of progress and the responsiveness of reforms to popular demands. In many instances the CCP reverses market reforms that may undercut the living wage. Such measures amply demonstrate working-class democracy. However, Chun’s definition of Chinese democracy as ‘mobilising the resources of socialism to overcome its contradictions and achieve its own democratisation’ misses the fact that any democracy is an exercise of power. Whatever politics materialise in China must primarily be discerned as a consequence of its struggle with imperialism. To overlook that point tallies with the putative liberal position that perceives capital as a non-spontaneous or rational system whose structure, the white civilisation, only ‘drips with blood’ as an unwanted consequence. The Marxian position is clear cut: capital must progressively drip with blood to sustain a rising rate of surplus value. Violence is endemic to capital both as means and end product of production.

China confronts the alternatives handed down by history whose constituent structure is western civilisation. That real power of history cannot be ignored for it leaves by the wayside the amalgam of historical relations constituting the totality, or the interrelationship of social classes joined in a struggle for power. With imperialism at the helm, the resultant of such forces requires a China stripped of sovereignty and resources, co-opted into a social production process that reinvests less and less into its people and environment. China is to be recast into the social waste production receptacle it occupied prior to national liberation. As opposed to inanimate matter, which can be partitioned like a sausage, the social totality is indivisible. There are no fictitious dyads of internal factors assumed under the national identity set against external factors. There are class ties, which supersede the emblematic allegiance



to nation state. Substantive partitioning of the social formation is instrumentalised by conventional science to lay blame for failure upon the developing world and its aggrieved people.

Liberia, for instance, a formation erected by colonial fiat and subjected to colonial pillage, has had its tribalism to blame for its two civil wars (Absioye 2000). Account taken of imperialist containment/strategic positioning in West Africa, the extant of rubber plantation in the economy, and an unemployment rate that was once as high as 90%, one may ask why only two civil wars and not more. The reduction, personification or characterisation of class in tribe, clan, sect, race, etc., is not the class or the abstract but real social relationship, in interrelation to other classes laying down the historical choices. These one-sided appearances of class are functional tools to dissect class along colour, sect, nationality, etc. With a death toll in the hundreds of thousands, Liberia's woes can then be ascribed to its own culture, separated miraculously from its history, rather than imperialist ambitions and machinations. Imposing the openness context to drain resources and rearing the comprador are not the real subject. The subject is the man of colour in charge of the state. That vulgar empiricism is not unintelligent. It is a hard-earned intellectual effort to breed ignorance in order to cement the imperialist class position. After all, fetishism is a process of self-reification, better put as a process of turning human life into a thing in order to justify the reproduction of capital and its instruments (Marx 1867). The auto-thingification of society can only be reversed by a shift in the power balance of the class struggle, a re-articulation of parts with whole, hence, the historical *necessity* of China. How else would the consumption of living labour by living labour under a capitalism dominated by waste accumulation proceed—living as distinct from dead labour, that vampire-like sucks living labour (Marx 1867)? Such apportioned class is a substance or partial manifestation of class, but not class the subject, imbued with ideology and transcending the substantive boundaries. The subject as class is the immanent power of history, the state of becoming of cross-national class allegiances, which marionets subordinate strata to service capital or otherwise.

A similar segmentation has been applied to China. Weber (2018) claims that 'after 30 years, the revolution had failed to guarantee the most fundamental material needs of the peasant majority in whose name the bitter liberation war was fought.' China's purchasing power parity income and its real per capita income had increased significantly between 1949 and 1979 (National Bureau of Statistics of the People's Republic of China Various years). Not that China has alleviated poverty, because relative to the then existing wealth, its working class was not poor. What the Eurocentrics omit is that history of colonial-imperialist aggression to which the destruction of China's wealth is the historical imperative. Mao's anti-poverty campaign remains unparalleled in world history, and in the global measures of poverty alleviation, it has always been the inclusion of China's success that lifts the world average (Patnaik 2020). Although Weil (2010) takes issue with the relatively low nominal wages at around 1980, these were not low in real purchasing power terms. Although it is difficult to foresee that the rise of China in relation to imperialism will inevitably reshape China's politics into the socially defensive position it has become, and with it the changes to the class formation, in hindthought, the critique of both Hinton (1990) and Weil (2006)

appears to have been narrowly economistic in respect to their assessment of Chinese development.

Apart from leaving out the benefits that accrue to the working class but are not imputed in the wage or salary, the pinning down of low nominal income as failure in development from an overall improving development picture is peculiar. It more importantly omits the fact that development in China occurs by the pressure and or nexus of internal forces reacting to/with external forces. The latter are the imperialist agencies at work. China's productive capacity is not only the product of its own policies. It is also the product of a history in which imperialist forces influence its own policies. The omission of imperialism under-determines and, hence, falsifies the concept/subject of development. Such one-sidedness in subject determination is as if one is conducting a chemical experiment in which the impact of the impurities upon the reaction is all that mattered. This parcellation of history, the vortex of social forces, into separate facts has the 'not so hidden ideological objective' to benchmark all developments against western democracy: the West now is advanced, let us not investigate its past of how it advanced, and let us contrast developments elsewhere with the current Western epiphenomenon, while relegating under-development to formal and separate reasons without a history. That the developing world lost the wars, its sovereignty and wealth to the West is immaterial. De-historicising development voids reality, the accumulation by destruction and waste, which is the true wealth, both as subject and substance, and with it the explanation of the current epiphenomenon. That it took the destruction of China and others in the past to make the heap of pollution and dead at the present assumed as wealth is of no relevance to conventional science.

Mainstream social scientists speak without fear of retribution because the method they disciplined themselves into accommodates their class position. Consider for instance the statement: 'Militaries are sustained by public money that is diverted away from other domestic ends. How the public reacts to the guns-versus-butter trade-off is thus an important question in understanding the micro-foundations of Chinese military power' (Han et al. 2020). How could anyone admit such separation of improvement in living conditions (the butter) from the exercise of violence (the gun)? The guns are the predicate of the butter. The rearing of violence, the militarism, is the holistic Western structure geared towards war—not only military spending. Conversely as well, the butter itself is means to a gun. Such reality is not so complex to grasp, yet it is purposely obscured to exonerate a system. Han's purpose may be to gauge opinion and proclivity to war amongst the Chinese, but even that must be construed in a different accounting framework. It should at least put forth the fact that imperialism will definitively overconsume social nature. In relation to what Chinese peasants could have endured under colonial or imperialist repression, an independent China offers better alternatives.

Amin and Coquery-Vidrovitch (1969) empirically demonstrated the benefit of autonomy by drawing an example from the pre- and post-development of the republic of Congo. At a later stage, the late Samir Amin noted that when the Belgians occupied the Congo, the colony had around three medical doctors; before independence that is. Under Mobutu, possibly one of the worst developing world leaders, it had

thousands of doctors shortly after independence. The subject or the social class cannot be chopped up like a sausage. The imperialist class has organic ties to the comprador. What must be prioritised in relation to advocating improvement in living conditions is that the sustainability of development gains can only take root while confronting imperialism. The development question to any people in the Third World may be better put as follows: do you have any other choice but to defend yourselves, and would development be anything else other than building your holistic defence capacities?

China rises or falls by the balance of history, which is primarily the outcome of its position vis-à-vis imperialism. That history of which one speaks is principally under the command of the capital relationship *qua* imperialism. It is capital proper, manifest in its historically stocked ideology, which is un-dissectible. It is a fluid hierarchical order of dominance, the arsenal of power or the historical surplus value. Such is the weight of history, which every new generation faces.

In terms of wealth as object, the pile of commodities accumulated so far, one may perceive capital, in its CO<sub>2</sub> levels, credit or oil tankers, etc. By an outstanding evaluation convention laden with the bias of the reigning ideology, the object lends itself to quantification. However, each commodity/object has a history and is conceptually subject and object. At the level of subject, the social relation and its associated ideology, history is overdetermined. Its causality is undefinable cross-directionally, or timewise. History has its own social time. For instance, in terms of CO<sub>2</sub> emissions, food production, bombs and all sorts of physical products, including, the humans who die long before their historically determined life expectancy, the conventional units of measures may be deployed to quantify the object, but each commodity gestates in its own social time. Social or abstract time is the real production time into which capital condenses socially necessary labour time to generate surplus value.

In this sort of realm, there trails the conservatism of the past, which designates quantity or price in a unit of measure: one may say so many things, or tons for this or that price. However, upon a closer examination, the wealth or object had its subject, the social relationship governing its historical development, quantified along with its substance. Mainstream science's knack for quantification, the paradigmatic approach, would have assigned a measure for the subject according to its proclivity; for instance, Congolese or Iraqi determined subjects cum social relations are assigned low money-form values on account of colour or some other fancy. Capital sets a standard for quantity or price, which conforms to the law of value, or the law that conceals much value, socially necessary labour time, below the fetish-price in the identity realised in exchange to raise profits. It is the crushing of the subject often with *the very useful bomb commodity*, the lower social class in the hierarchical order of dominance, which determines the extent of value transfer on one hand, and which is itself a sphere of production that engenders surplus value, on the other. As it turned out, nearly every commodity is part bomb, so to speak, or as useful to imperialism as a bomb.

However, dialectics rarely comes to conclusion with analysis such as 'on the one hand and on the other.' Subject and object are in a state of becoming. The subject self-particularises in the object, as in the objectification of concrete labour in the

commodity, while the object also projects itself as a universal character upon the subject, or as the commodity transmutes concrete into abstract labour in the act of exchange, only to rule the subject. As capital decimates social resistance, man who is both subject and object at once, becomes object. Man no longer only sells his labour power, he has to give up his own being. The social labourer *qua* the working class and the labour power are consumed together and transformed in production. His or her earlier than historically determined demise is the principal waste production item and the target of waste production. For instance, shifting pollution to the developing world wastes the population of the developing world in shorter time periods. At an ontological level, the surplus value arising upon the consumption of man undergirds the totality of social production. Man perishes early as a commodity mediated in markets and wasted in wars, while waste associated with the production of any other commodity raises the surplus labour by wasting man. Capitalist accumulation in its state of becoming in production principally hinges on the wasting of man, its initial building block, and teleological endpoint.

The weakness of a nation or a social class may leave it exposed to value drain, but its decimation by war to weaken it is itself value-making, and it is the latter case which holds primacy in the remaking of the global social product. That the West stands superior to Liberia and others in the Global South, while real history is overdetermined with all the parts influencing and being influenced by each other in social time, the true subject in this indifferentiable class struggle is imperialism, or the weight of history. The *leading link* that weakens a developing nation to create and transfer surplus value to empire is the wasting of man, always in adherence to the laws of the wage system and its labour process.

Moreover, the dominant subject, the imperialist class, which undermines all other subjects in the hierarchical order, enforces a state of social amnesia on the process of wealth formation. It imposes the frame of thought, which conceals the bigger underbelly of the wealth iceberg, the massive waste lingering as production. Its paradigmatic (quantifying) approach does so by sectioning time or writing off history. Real progress is about the degree to which imperialism and its ideology are setback within the class struggle.

The rise of China counters dominant ideology. China globalised on its own terms. It converted globalisation into a cooperative development game. As the US's power diminishes, the cultural identity politicised and empowered by capital to snatch rents unveils itself as no more than a moribund instrument. That is not to say that capital-constructed identities are ineffective. At the moment, a danger for China remains infatuation with the culture of liberalism spinning pro-imperialist lore. Yet, weaned from the mother ideology of imperialism, the bourgeois strung identities worldwide, the ultra-chauvinism of pro-imperialist nationalisms and sects, that is the divisions instantiated in the labour process to partake in the social product, either wither or rediscover themselves as crucibles of culture bereft of capital's instrumentalisation. The reification of identity, the mythical histories of masses constructed to pursue the violence as accumulation, reverses course as imperialism falls back. The thrust of anti-imperialism is not so much the alleged cultural appearance political resistance assumes, but more so the direction of resistance and its contribution to anti-systemic struggle.

## The Culture of Neoliberalism

Neoliberalism appertains to the culture of ruling cross-national classes as they lay claim to the value accumulated in the social product by the synergy attendant upon the interface between military and ideological power. Neoliberalism is a class position to which the technique is simply a tool. So long as national positions in the class struggle cement anti-imperialism, the ascription neoliberal to China would not apply irrespective of the rate exploitation in industry. That exploitation would cease the minute a state declares itself socialist is ludicrous. Theoretically, the discrepancy between the social wage and the social product, a measure of exploitation, would persist so long as value relations linger or logically until the abolition of social classes. The rise of China, the retention and accumulation of wealth in defiance of imperialism is anti-imperialist and anti-neoliberal; hence, to discuss whether China is neoliberal or not, as did Weber (2018) is only possible by an omission of the concept of imperialism. It may also involve a distinction between social class and historical stage, such as the bourgeois class and imperialism, which is methodologically flawed because a historical stage is by definition a product of class—a dynamic system must have motivating constituents; hence, anti-neoliberalism/imperialism is constituted by an anti-neoliberal/imperialist class.

Until the onset of the trade war, it so appeared that the rise of China was uninterrupted. The crevice in Sino-Soviet relations that occurred in the early 1960's, later followed by the lauded US rapprochement with China to stymie the Soviet Union (c. 1971), is turning out to be a fatal mistake in US foreign policy history. Nothing jeopardises American empire more than China because the very size of China once mobilised and integrated with broader value relations on equal power footing generates corresponding moneyed wealth. Size alone does not matter, but size with power emanating from sovereignty makes a difference. The size of the Chinese economy and assets in putative money form lends credence to the non-substantive approach to capital: it is the subject (power) rather than substance, social class rather than piles of inputs and outputs in physical production, which valorise an economic cycle. The physical form of capital merely presupposes the value relation. Put differently, a state may be vast, but without sovereignty underpinned by working class security, its output will remain consistently under-priced. In its fixation to speed up the collapse of the Soviet Union, US imperialism conceded to a *sovereign* china, a state that is its own subject, a window of tech-capitalisation, which has grown into its nemesis. Illustratively, the Chinese are no longer the native American Indians confronting the US's manifest destiny with bows and arrows; they robotised their weapons systems. Save the protestant masochism to satisfy the protestant ethic of the Messiah, white man has every reason to be scared as white man's burden recoils onto its state of origin.

## Restating Our Hypothesis

Unlike India where the caloric intake for much of the rural population remains below Sub-Saharan levels despite two decades of around 5% yearly average growth (Patnaik 2018), China's standards of living have steadily risen since national liberation. In much of the developing world, no matter the growth rates, high or low over the last four decades, one witnesses either higher relative or absolute poverty. Contrariwise, Chinese development, dubbed a miracle, had managed to raise living standards (Herrera and Long 2019). However, it is far from a miracle, and is rather a real, rational, and wholly explicable phenomenon. Furthermore, unlike the dominant dictum that attributes the Chinese breakthrough to the market reforms of 1980, the process began as early as 1949. *Post facto*, these 1980 measures were manifestations of resilient socialist adjustments to China's securitisation. The real yearly average rate of growth during the Maoist period was nearly 6% until 1977. That rate would have been higher if we were to smooth the huge slump of 1961 and 1962—the years of parting with the Soviet Union—which would otherwise bring the yearly average significantly closer to the 8% rate experienced since 1980 (National Bureau of Statistics—China, various years). The shock of parting with the Soviet Union underscores the degree of integration and dependence on the cooperation policies earlier erected under Stalin (Charts 1 and 2 in the next chapter graphically illustrate the case).

There are two issues of note here. First, the Maoist period built the foundation of the knowledge economy, which would later prepare China to internalise advanced technology and exhibit significant productive capacity. That science follows industry in the developing world is not automatic. With technology doubling for security purposes, incoming central industry must remain unintegrated with the developing economies while siphoning surplus. For China to have capitalised on the foreign technology implies that it had beforehand reared independent scientific development and articulated the necessary absorptive capacity. The significant Chinese elasticity of supply arising after 1980 did not spring from thin air. It had roots in the social and productive infrastructure built under Mao, specifically, the correlation of science with the demands of technology. In parallel, self-sufficiency in agricultural production also freed the hands of the state to finance industry and garner science-laden productive resources. The past is alive in the present. It is neither the person of Mao nor Deng who endures, but the revolutionary ideology that charted the recent course of history. Whether Deng's cat was catching mice or whether China was feeling the stones as it crossed the river, it did so under the ironclad fist of the Communist Party. To falsify the structural continuity in modern Chinese history is an ideological position that aligns with imperialism.

Secondly, China's national liberation war resonated with internationalism for intrinsic reasons to do with the novelty of the theoretical angle (the peasantry in a vanguard position) and size, apart from the obvious, which is the leadership of an internationalist party. As things turned out, in much of the developing world, the war of national liberation was lopsidedly more about 'national' than 'liberation.' *But it may be as well to mention that by dialectical inversion the 'nationalism above*

*class-solidarity identity' or any other self-serving identity auto-defeats as it defeats imperialism.*

Regardless of the internationalist stance, by the weight of China, its nationalism filtrates into an internationalism as a result of shifting global power balances. China's national liberation war legacy, with its development as part of its security structure, served double-duty for international anti-imperialist war. At first, it was Mao's avowed internationalism. Later, its socialism with Chinese characteristics, which meant a mostly publicly owned economy or state controlled private sector, combined with industrial ingenuity, its nationalism and self-liberation transmuted into internationalism. The more China developed and improved its living conditions qua security, the more the global power composition shifted against the imperialist centre. In a recent piece, Dölek (2018) captures the auto-added impact of China's rise and hypothesises that the defeat of China at the hands of imperialism would give rise to retrogressive results worldwide, while its victory paves the way for revolutionary dynamics. At later stages of China's development, its strategy of all-around internal development, as envisioned by Chairman Mao, exteriorised in development and security for others. At the time of writing, China has reasserted the rights of people to sovereignty in Syria, Iran and Venezuela, and promoted peaceful cooperation through its Belt and Road initiative (BRI).

Popular democracy surfaces as the masses in China exert power over the state to redistribute in their favour and, of late, to preserve the environment. Although the nuclear deterrent is a means for sovereignty, the real security bolstering sovereignty is the steady development of the living security of the working class. On its own, the supersonic nuclear weapon displayed in China's military parade on its 70th anniversary is just inanimate matter. The communist party is aware of that, and as Lin Biao (1965) had rightly remarked, 'China has a spiritual atom bomb, the revolutionary consciousness that people possess, which is a far more powerful and useful weapon than the physical atom bomb.' The directional causality is pellucid. In a process of accumulation by waste, imperialism would necessarily aggress and waste China, irrespective of whether China is nationalist capitalist or socialist so long as it accumulates by indigenous means and enhances its capital formation. Although as the commodity fully commands history and, possibly, the course of imperialist aggression, the deployment of nukes in wars cannot be discounted; however, it remains of sound reason to fight a people's war of self-defence with more sophisticated weaponry. As to whether China could have improved its defence capabilities by indigenous or self-reliant means, or whether its internalisation of technology had to happen through market integration with more developed Western formations, is a counterfactual question. To presume that the former case lends itself to an understanding of the issue, would entail a change in all the states of nature associated with adopting a fully self-reliant mode of development. Obviously, that is more speculation than historiography.

Despite its success, little has been done on the ideological plane to exhibit the anti-neoliberal macro-foundations of the socially-commandeered Chinese model. The explanation may be that just as China quietly climbed, it expects others by the demonstration effect and under its growing international clout to replicate its experience.

Another calculation may be that China has vast financial resources at its disposal. Its provocative ownership of assets in an otherwise US-led capital owned/controlled world undermines the cornerstone of capital's power, its private property institution. Already China finances Iran and Venezuela against the US-imposed embargo to overcome the sort of financial containment that was the Achilles heel of the Soviet bloc. One overriding concern for China may well be to not flaunt its accomplishments and antagonise the hegemon where it hurts most: the war of ideas. Whatever the reasons for its resilience, and many will be valid, the transference between China's growing power and its impact as it erodes the ideological heritage of the Western hemisphere, the conceptual stock that promoted capital's expansion for over 500 years, culminating in neoliberalism, will leave room for social alternatives to grow.

As novel ideas of socialisation arise upon rebalanced international relations in the global environment, the old wealth of Europe, its historical surplus value stocked not only in commodities, but in the current supremacism along lines of race or culture, will come undone. US-led imperialism's attempts to redress the loss of ideological wealth, which is more European than American in terms of cultural structure, can likely be acted out with more imperialist violence led by the now-rising fascist Europe. The US and Europe cannot be weaned from a wealth principally bred by imperialist violence. The premise that better western machines produce more wealth, the substantive approach to productivity, obviates the subject and lays the grounds for chauvinism. At any rate, the wealth is death and environmental poison, while violence is the law of value at work. A fetishism that annuls a synthesising role for politics, even as commodities snuff the human spirit, weighs heavily on the present and future. An orderly workout to disassemble empire and prevent bigger conflagrations will prove difficult.

In China's poverty alleviation programmes, the social wage tallies with social productivity as opposed to the mainstream fiction of abstract productivity setting some micro wage relative to a price of labour. While the increase in the productivity of labour implies lower concrete as well as social or abstract labour, inexorable productivity growth is inherent to developments in the means of production. Capital achieves lower variable capital relative to constant capital, broadly outlays on labour and machinery etc. respectively, which in turn impel the organic composition of capital and the social product to rise (Marx 1867). Unlike capitalism, socialism severs the transformation of surplus labour to capital and redistributes it back to labour; hence, the alleviation of poverty. China fights poverty in relation to efforts which tally national security with national wellbeing. There has to be a balancing act between maintaining integration with global capital without threatening it with extreme doses of social justice or *Iron Rice Bowl*: imperialism abhors the message of equal distribution and might react with aggression.

The productivity of labour in conventionally money-measured quantity is arbitrarily divisible, but social man, the subcategory of social class, and social productivity are not. Social man cannot be ripped from the social context because he ceases to exist. The divisible or abstract labour is an unreal one-sided abstraction, social labour is the fullness of reality, the relationship of class to the means of production. In short, productivity is social, and distribution is dictated by capital's historical



imperative, its law of value. Relatedly, economic concepts of the mainstream, such as scarcity, free competition, prices clearing markets and full employment assumptions are also unreal or metaphysical abstractions. They are formal concepts whose referents in reality are un-interrelated and underdetermined.

Apart from formalisation, mainstream social science resorts to pernicious eclecticism, the selection of historical facts to prove cases in its favour. Socially erected chimeras—Serbs must fight Croats, and Sunnis, Shia, because of ‘historically-rooted’ hatred, or that tribalism in Africa is primordial and awaits the bombs of white man to deliver it through a baptism of blood and fire—are the sort of punctuations that add little to social science. History sliced like a sausage to prove a point is at best specious. There is nothing wrong with slicing (analysing) history in the mind, but every slice of history should be referred back to the totality of history, its laws of motion and always with adequate periodisation.

The twentieth and this century are the age of financial imperialism. It is a commodity driven violent mode of wealth accumulation. The economics is determining in the last moment and is not separable from the prioritisation of power for capital. But that last moment itself is a balance of class forces in which capital *ex-ante* strengthens its rule. Hence, imperialism is sociological. US-European real power and wealth is its dominant ideology interlaced with military superiority. However, as developing countries adopt sovereign or socially accountable macro-policies and loosen the grip of empire, the interface between the declining image of empire and its ideological power ferments a conceptual revolution. At this conjuncture and in such socialist-ideological void, steering the class struggle in an anti-systemic direction presents itself as the necessary historical alternative.

In what follows, I will draw on some salient characteristics of the Chinese development experience to critique the conceptual constructs of neoliberalism. I will not be able to cover the whole gamut of China’s development experience. Allegorically, China felt too many stones as it crossed the river, and although it crossed, it also tumbled here and there. I will focus on some foundational issues as they relate to Chinese development.

## Situating the Issue

The global crises disclosed after four decades of neoliberalism are phenomenal. They are yet to impose a reconsideration of the received mode of analysis based on the claim that economic development depends primarily on the creation of an enabling environment for the private sector, including free markets, and free flows of trade and finance, while restraining the social interventionist role of the state. Although developing countries were presumably set to develop after the implementation of neoliberal policies applied gradually as of the late 1980’s, *ex-post* evidence accumulated so far points to the contrary. Apart from China, most developing world growth has been anti-developmental. In the case of the poorest nations, growth was pinned almost entirely on the export of primary products and, in light of the variability in

that alongside foreign-capital biasing institutions, many otherwise valuable indigenous resources have been permanently disengaged. Neoliberal development has been counterproductive, precarious and uneven, both within countries and across regions (Fine and Saad-Filho 2017).

Socially inclusive growth, the new mantra of the International Financial Institutions (IFIs), cannot logically include anyone in growth without the restitution of labour-committed social agencies. Since the core of neoliberalism empowers financialised private-sector concerns over the social ones, and since national-financialised capital inherently exhibits stronger ties with the international financial markets, it does not follow that growth will ever trickle down or be socially inclusive. Those included in welfare are proxies of stabilisation or means of capital re-empowerment. Moreover, because profit-driven wealth depends on the simultaneous act of cost reduction and rising productivity growth, and because openness generally decimates the latter condition for less-capitalised nations, the wealth of many weaker nations will grow by the liquidation of national assets. In addition to privatisation and engagement in the eradication of national asset industry, liquidation also means a lower share of wages and the immiseration of the working population (Kadri 2019). Liquidation is a process of valorised de-reproduction; put differently, waste accumulation dominates. Waste products gestate and cohere with the social time laid out by capital and, over conventional time, they are costs to society that reduce the wage bill. Empirically, the wage share of much of the global working population has experienced decline since 1980 (ILO-KILM 2015 and 2019). Although on average developing world long-term growth rates under neoliberalism were lower in comparison to the post-war age of capitalism, the profit rates were rising more steeply (UN-WESS 2011; Milberg 2008; Fine 2010). As signification of the rate of surplus value, the sources of neoliberal profits and growth stem more from resource and asset liquidation, in the literal sense, and a reduction of the share of wages. The latter entails a decline in living conditions and relative life expectancies. Rather than productivity growth influencing wage growth, proportionately more of additional growth filters to capital. The rate of profit grows at a positive rate, while the rate of growth in the share of wage incomes is low or more so negative.

Productivity measured in the money form includes the commodities that benefit as well as harm the working class. One cannot decipher which is the quality in the quantity within the moneyed mass posing as sane productivity. Apart from the wasted-worker being himself a commodity, the working class consumes not only less of the more life-enhancing commodity, but it also consumes more of the wholly poisonous commodity. A bomb is an example of the latter. In the production cycle as well as in any realisation stage, a commodity is in bigger part waste. The one-time price paid in exchange for a commodity occurs as a one-time *accounting* incident during the life cycle of the commodity. The cost-prices associated with a commodity over its life cycle are the many mediated value relationships assuming price forms arrayed against the development of the commodity from its inception in raw material to its progress into pollutants. As labour ebbs in the value relations, capital grows by the waste that cheapens and disempowers the working class; thence, its considerable inequality and reverse development. Strengthening the institutions that govern value chains as desired in Palpacuer (2008), requires an articulation of national

with the global power structures that shift the subject as well as substance of social relations. Such articulation however prevails by its systemic prerogative, the power composition within the global system. The workings of the totality, capital, hold primacy in resituating development trajectories, rather than finetuned isolated cases of reform arithmetically added to each other. Social mediation is the process by which the particular gels into the universal only when the universal as internationalist ideology self-asserts. The system as history is overdetermined and its causality is socially intermediated. It takes much oppression and imperialist wars of encroachment over time to disempower labour in one corner where commodities are being produced to be sold in some other corner with higher purchasing power.

Egypt is an obvious example of hollow growth combined with an aborted revolution. After 30 years of 5% positive real GDP growth—until 2010, it experienced rising poverty, child malnutrition and a revolt that did not dislodge its comprador class (UN 2010). Post uprising Egypt, immersed in a context of neoclassical concepts and stripped of revolutionary ideology, recovered to a depreciation of its currency and an inflation that has eaten up more of the share of labour. The institution of development in Egypt is powerless in the face of a global power structure, the ideological monolith of capital, no matter the intensity of its popular uprising. The orders of the dominant subject of history, the US empire, are answerable to, until China presses its social model; otherwise uprisings far and wide will just placate the revolutionary romantics of the North.

## Concluding Remarks

Neoliberalism is the *last* of imperialist ideologies. It is so because either the planet has already degenerated beyond repair or because revolutionary consciousness will reverse the tide. At this juncture, neoliberalism is both a product of imperialism and dominant ideology. And, unless one stretches the definition of imperialism, it is inapposite to equate the sovereign Chinese model with neoliberalism. To explicate China's model, one has to turn its development experience into theory. The unequivocal observation from an immediate reflection of fact relays China's commitment to labour. The identity of state with labour emerges in the social responsibility overseeing production and distribution processes, especially, in state-financing the national industrial programme.

The mainstream mantra analysing the Chinese experience revolves around the power of market reforms dawning in 1978, its associated fierce competition, imitating and upgrading, loose intellectual property rights and the advantage of coming in from behind (Jin 2018). These are said to have lifted a billion people out of poverty (Jin 2018). One can cite as many separate economic facts as one may, and these facts may be innumerable, but it is the conceptualisation of facts that matters. Moreover, each of the facts apart may be true. Together these isolated facts do not constitute a whole nor represent history. Just after Jin (2018) noted China has been successful because of state-led industrialisation, she notes that '*distortions* reflect an imbalance between

households and governments.’ The *distortions, namely investment inefficiency and state financing of less efficient firms*, are a necessary offshoot of past industrial policies that have initially lifted the poverty of the household. These policies no matter how ideal, would operationally hit a snag and burden the process as they run their course. The same could be said of the tremendous poverty alleviation experiment from 1949 to 1980, which is the true poverty alleviation period. That process also hit a bump as it ran out of momentum.

The terminology associated with the concepts ‘distortion and equilibrium’ conceals the fact that any act in objective reality distorts/gets distorted by some logic as a matter of definition. The issue remains why use the notion of equilibrium while there is as much equilibrium in a social process as there is order in kindergarten classes. The mainstream vernacular, its eclecticism rooted in formal logic, contradicts itself at every step as it addresses the dynamics of qualitative change. Despite its flagrant shortcomings, it is deployed as an apologia, which embellishes the disasters that capital had already produced. Its competitive market pretext, the notion that progress under ‘scarcity’ permits only some to live well while others must perish, leaves out the fact that accelerated progress also occurs in planned economies or is namely the outcome of socially sponsored policies. To highlight facts from an indivisible and dynamic process supports the ideological inclination for which the facts were initially selected. So, under Mao Zedong, the miracle maker in poverty reduction (Davis 1956; Hinton 2006), it would still be possible to assert outside of historical continuity that China was left with a billion poor people that were lifted out of poverty by the free market economy. It would also be possible to dub Mao’s drive for industrialisation as wild for calling on people to voluntarily melt kitchen pots in their backyards to surpass the United States (Jin 2018). In such parcelled approach, the all-encompassing context of imperialism, which shapes by its aggression every effort of submission or defiance, goes missing. The notion that China must survive with whatever means of self-defence remains the counter imperialist current, which nurtures the real development in policy. Such omission is not naivete—no one is credulous enough to accept that policies bereft of labour’s social agency can lift anyone from poverty. Such is ignorance bred on purpose as a class position to discredit the endurance of the non-compradorial nature of the CCP. What is certain so far is that without the representation of labour in the state, there are no social gains. While the improvement in the level of development in the productive forces determines higher wealth, the state redistributes more of the wealth only as labour bridges the divide between the economic and social sphere.

That the efficacy of policies serving social ends tapers down with time is no reason to question the viability of emulating the first principles of the Chinese development model. In terms of substance, underdevelopment manifests in poor capacity, while contrariwise building capacity is development. Indeed, many developing states will cease to be labelled underdeveloped if they increase production beyond national requirements. They must yearn for the day when they enjoy the *distortion* of auto-financing their own zombie firms or rather the luxury of financing their own development by national wherewithal. That households or the working classes finance development over the long-term horizon is axiomatic. However, whether they finance

their own future social development or are taxed to finance the financial sector are worlds apart. Whether they own their policy tools and the resource transfer mechanisms, or whether they adopt the hand-me down macro policies of neoliberalism that *intellectually corrupt* in ways that stifle resources, are two different matters. One cannot discredit the same forces that lifted China, while being oblivious to the fact that national financial expansion is itself a positive spinoff of growth in China's command over the circuits of use value and the clout arising thereupon to confront imperialism.

Neoliberalism is a means of intellectual corruption. It is an ideology of fantastic individualism. It masks over the reign of commodities. It accelerates the rate of expropriation of the social product from the social producers. At any time the market pressures producers to reduce costs, it is not that just the price of inputs, which drops by negotiations, it is the power of labour that must drop first before the stage for negotiations is set. Ruling social classes through the violence of states strip labour or developing nations of their autonomy before exchange. The disempowerment of labour and encroachment wars are sub-domains of waste accumulation and the pillars of the capitalist order.

Repression is a necessity, which shifts the social costs of reproduction upon labour. By analogy, it is just like a war upon weakened nations, which generates huge dollar revenues by killing peoples on the verge of starvation. Repression and war de-subjectify the working class and recreate the conditions for higher rates of surplus value. Concomitantly, war generates high profits in the industrial process of destruction. It is itself a sphere of production with labour deploying and consuming the useful bomb commodity – the bomb here serves as example to illustrate how something harmful is also of use value. It absorbs and collateralises the moneyed surpluses of financial capital—the imperialist states invest trillions in encroachment wars. However, the historical impetus of war is 'the earlier than historically determined deaths of pauperised working classes' or the relative depopulation. Once we posit that waste and war are value making and value transfers activities, then there are profits to be made across the board and in all economic activities as a result of the de-sovereignisation and the relative reduction in the numbers of the starved or bombed out populations. At an objective level or the level of the available stock in the reserve army of labour, a powerless working class could never reset its own reproduction with higher value outlays on labour; thence, it will always leave much more of the surplus labour to turn into capital.

A higher relative number of reserve labourers in relation to the social product implies that in case labour regains power, there are more mouths to feed at incomes decided by labour. What one ought to remember is that the value relation is social, capital is social, and imperialism is also social. A sociological reading posits that capital must retain control through political violence, such that the calculus of economics, which determines things in the last moment never dawns. Economics alone, bereft of the agency of capital or the force that suppresses labour to flourish, suggests that a global widow's cruse, a world socialism, is capital's logical end.

However, without undermining labour and setting the historical stage for cheap costs of production, capital ceases to profit. The phenomenal stock of waste is tangible

proof of value theory, while the drive of each capitalist to profit at any expense is the logical or deductive proof. The co-alignment of the historical (the outstanding waste) with the rational (to deduce the whole from knowledge about the drive of each capitalist) further validates the labour theory of value.

Exchange based on the alleged usefulness of commodities has been voided by the massive damage to social nature incurred so far. The story of a 'rational' man who enters an exchange relationship because of the usefulness or the utility provided by a commodity produced by capital is anything but rational. Contrasted with the social outcome of private or personal consumption, it is quite irrational for man, either the fictional abstract or the real social man, to overly self-consume in the process of consumption. A person may consume a commodity he or she likes and may pay a higher price, but that same person may not pay attention to the harm inflicted upon man and nature as capital produces the commodity and, consequently, the consumer abets social as well as his or her own auto-consumption. Waste accumulation engages sections of the working class with higher purchasing power to contribute to wars of encroachment and to socially irresponsible production, which reduces the global life expectancy relative to the historically determined level, albeit, by the specific degree of class privilege. The failure of labour arises upon the practice of false theory, or inversely, a theory imbued by false practice. For instance, targeting higher shares of incomes from the circulation sphere as opposed to equalising production conditions and incomes globally, that is, homogenising labour, is a falsity that accounts for the retrogression. The higher immiseration-depopulation of the South is, to use utilitarian jargon, the revealed preference of Western working classes (Western in the ideological sense, for spatially, these have affiliates down South). However, auto-consumption by rational or irrational man is not a theory, it is an observation from fact, or the epiphenomena. The forces that shape the social context for people to act rationally, to be involved in the struggle reshaping consciousness, and to be in command of their history, or otherwise, are what ought to be theorised.

Commodities do not exchange because of a material substantive or a common property like taste or the number of average hours of work they embed. This reasoning of a substance exchanging for a substance is held by Böhm-Bawerk (1921); the Ricardian and the neoclassical school also adhere to this credo. Substances, one kilo of this for two kilos of that, are indeed exchanged, but neither the substantive content nor the desire for that substantive content propel exchange. Commodities as value trade because within the value relation itself, exchange is the mediation of the contradiction of value with use value. Capital produces a commodity for profits, as opposed

to meeting social demands, and it does so with atrocities that reduce its costs of production and disposal. Instead of a substance common to commodities, there is a social-science law, common to commodities, which enforces the alienation and expropriation of the real product and its money form from the direct producer. This very law of contradiction between use value, what is useful socially, and exchange value, the value appropriated privately in the money form, at the heart of the commodity is the germane relationship that magnifies socially into the material basis of the class struggle.

Capital's commodity is primarily waste; by implication, value is waste and value relations are waste relations. The consumption of waste is not rational. It is not a characteristic of human rationality. It is, however, the rationale of the commodity in exchange that has possessed the mind of social man (fetishism). As posited above, a theory of commodity exchange as per Marx (1867) is a resolution of the value proper versus use value contradiction, all the while under commodity fetishism. On its own, the personally-decided pursuit of neoclassical utility, not that it really exists, has collectively transpired into the near-demise of the planet. The anarchy of social production under capital transpires into the war of each against all. It has also been a permanent war against social nature.

To further illustrate neoliberalism, let us consider the key neoclassical points as posited by Böhm-Bawerk in 1921; not much has changed in the paradigmatic assumptions since. Commodities, according to Böhm-Bawerk, had relevant common properties other than labour, which were not considered by Marx—as shown above, Marx assigns primacy to subject as opposed to substance. The neoclassical points are: scarcity, being subjected to the powers of supply and demand, being privately appropriated and being the products of nature are qualities that avail themselves to understanding exchange (Böhm-Bawerk 1921). However, what is adequate and what is relevant in any thought system follows an ideological bent. These qualities formalised apart are not logically wrong. Together or systemically, in their interrelatedness, and under the hammer of time and space, they sum up to a misrepresentation of fact. Scarcity is income determined in a world that perpetually overproduces, while incomes are class power determined. Supply and demand are production and consumption in a world of haves and have-nots that is less than fully employed. Private appropriation occurs by social expropriation. Nature is never nature alone; it is owned to be sold and to enter the value relations of the reproduction cycle. Ownership of property, including nature, is both a legal as well as being an economic/value category. In an organic whole, nature is the social nature whose destruction is itself a product under capital that market-realises across time, past, present and future. These neoclassical forms of thought hammered as theory are *paradigmatic*: they are one-sided abstractions of quantity without reference to interdependent reality and dynamic social quality.

The designation of characteristics such as scarcity, etc., does not explain the development of the commodity from the point of oppression necessary for its caesarean birth, its production, consummation in sale, or its reversion to nature. Such designations may qualify as psychological props; however, they do not gauge the social

costs. These are the social costs of reproduction *qua* value proper or socially necessary labour time. Any of these qualities, such as scarcity, is a one-sided abstraction, an attribute of the object isolated in thought. Such formal ascription does not illuminate the dynamic of an object as foundational as the commodity to social reproduction and how it transfigures by mediation from value (socially necessary labour time) into use value and exchange value. It is this state of becoming—the process—that is real and that must be captured in thought as it ascends from the abstract, socially necessary labour time (value proper) as objectified substance, to more concrete/abstract concepts such as its contradiction with use value and that between use and exchange value as *subject*. In this unity, substance presupposes subject and is presupposed by the subject, which is the tug of war between the social and the private spheres manifest in the class struggle. Imposing auto-reasoned and formal constructs upon a dynamic reality such as scarcity only accounts for one of many logical developments of the object. The logical expansion of the object, partitioned in thought, abstracted from actuality and stripped from its real development in time and space, bears no reference to its real development. The selection and dissection associated with eclecticism, the hypothetical points in space and time into which the chosen concepts or variables fall, justify logical as opposed to actual veracity. Logically, the consumption of the scarce or abundant resources by each enhances ‘each’s’ wellbeing, while factually the process devastates the wellbeing of each and all. To posit that an exchange between two free agents exists is logically true, however, such exchange bears reference to the actual facts only with the qualifications that the agent is *social* agency determined by the historical period and that freedom is determined by the level of *class power*. No account of reality is independent of class bias.

However, a theory of practice is the critique of the conservative order at the behest of masses whose time does not afford them the leisure to write. In a commodity-dependent world, theory is a reflection upon the state of becoming of the commodity itself, its real development in time. Theory seeks to uncover the laws that govern the commodity’s transcendence from a particular state of being, its objectification of concrete labour, into a more general or universal condition, its transformation into social or abstract labour. In the neoclassical framework, apart from the bias inherent to metaphysical concepts, its apriorism, theory remains both a logical as well as a factual error because it reads social development from the magnification of the relation of exchange between fictional free agents, the *homines oeconomici*, and projects the deduced scenario onto society. What we get is a fictional society in which all contradictions disappear. To be sure, the neoclassical intersection of some average price with some average quantity at an equilibrium point is both unreal and un-theoretical. It simply correlates epiphenomenal prices and quantities, presupposes identity as a real possibility, and tautologically explains the allocation of resources by the very price signals, which are outcomes of a history of resource/power distribution.

The grounds for exchange, the rules of the game and the balance of power between agents, are the context conveyed by history. Under capitalism, the principal activity of exchange occurs between a wage slave, social labour—by definition, and the slave owner, a capital that is a subject of commodity fetishism or the reign of commodities. In the Marxian system, a quantitative average or a quantity, is a *differentia* of the *genus*



quality. Grasped in thought, quantity is a one-sided instantiation, the abstract side of the more concrete quality constantly transformed by mediation. Dialectics reads the quantity as the abstract side of being or a hypothetical point in the measure *cum* the interpenetration quantity-quality. On its own the hypothetical point designating an average is meaningless. Referred back to the unity of the categories quantity and quality, it informs the development of theory insofar as it designates the forces shaping the development of the object, its subject. It does so in a complex whole structured in dominance, the totality, in which concepts are interrelated. They are expressed as relations-contradictions. Research seeks the principal contradiction and-or the decisive or leading link in the contradiction. It is clear that one cannot grasp this link mechanically, and to do so it requires a series of mental efforts, which eventually make possible a conceptual structuring that gives as faithful an expression of reality as can be achieved (Bettelheim 1968; Althusser 1967).

The conceptual shakeup is not merely a reconsideration of the same concepts. It is about the reinvention of the approach by which concepts are defined. More so, it is about expunging bourgeois concepts, concepts *sui generis* reason for themselves. In contrast, once a concept is defined as a relation of substance to subject instead of either form or sensuous substance, its correspondence to shifting dynamics requires that its subject relation be discussed as a sub-relation of the whole structured in dominance. The whole is the totality or the amalgam of social production relations. For instance, production relations as subject hold primacy over substance, or the development of the productive forces, the object. In our world, the development of the productive forces, sums to substance or the hereto astronomical human and natural waste, yet without a change in the corresponding production relations and their attendant revolutionary consciousness, without radical organisation, the waste *qua* substance, will persist. Reading off the barometer of substance empirically or formally, just saying there is too much waste or relative to the ideal of neoclassical formalism peoples' behaviour must change, does not gauge development. Throughout history, a class system wastes in parts and exhibits acute wealth inequality in others. A theologian would be at ease with the trans-historical description as such. However, reading into how the specific laws of the historical period shape material circumstance and how the entrenched rule of commodities takes hold, or how dominant ideology splits labour along identity fault lines to drill austerity and justify value capture in the form of money, are examples of critical readings of subject presupposed by substance. Questions of degree matter, and taking the planet to the point of no return abides by the rationale of the commodity as opposed to human rationality. The belief in scarcity as the world over-produces, for instance, is the new shape of mental enslavement and a sample of the subject relationship adhering to the fetish of the commodity. It is not methodology that has to change, it is the method, which has to be freed from the grip of the dominant ideology laying the groundwork for social relations practiced as modes of reasoning.

Formal constructs cannot be subsumed in the Marxian method without re-qualification. The systems of account/measures of mainstream social science are suspect, laden with bias and inadmissible without demystification. Bourgeois measures, no matter how sincere in reading partial facts, conceal the dynamics of social production. For instance, while environmental damage soars under the anarchy

of production for profit, the substantive approach records each incidence apart, but rarely addresses the subservience of science to power, or mentions the necessity to reverse the social quality of the subject relation, capital, in command of history and the unfolding disaster. The apologetic stance culminates in the absurd notion that capital, the relation that *necessarily* metabolises social nature at high entropic rates, may yet green the planet. Cutting costs for profits implies shifting social and natural production costs onto society. These undermine or support the reproduction of society by the degree of revolutionary consciousness or the lack thereof. A more conscious society ensures a sane metabolic reproduction (Mészáros 1995). In a dynamic order, it is the degree of class prejudice associated with building a system of accounts that lays out the validity of quantity measures. Variations in measures of quantity, the material substance, signal changing quality, but it is the relegation of the measure to its social context that redefine the subject. Every mainstream measure requires demystification.

The fallacies of formal logic are intrinsic to it as opposed to haphazard. In any auto-negating process, fallacies of all sorts, such as the adding-up fallacy, occur because the law of identity is an identity of forms. It should not be a surprise that there is a thrift paradox, an aid paradox, or a reverse capital flows paradox; facetiously, there should not even be a surprise between the plan of putting on socks and the practice itself. The real surprise is that the discovery of paradoxes in entropic systems constitutes a surprise worthy of mention. That is not to say the formal set-up is worthless. It is there to elucidate our understanding and buttress the development of theory, the *system* of thought. Systemic theory subsumes the formalisation and follows the development of the object in real time, its mediations resolving its contradictions.

For instance, the contradiction of capital and labour is capitalism's principal relationship. Yet, both capital and labour could be presented as symbols devoid of structure and history. Their contradictions resolve in thought, at an equilibrium point on a two-dimensional diagram, independently of the real processes capital and labour represent. While in thought devoid of real structure and history, capital and labour could be moulded to the wishes of dominant power. The theory could evolve into a rational choice framework in which each agent chooses production or consumption patterns signalled by a matrix of prices, resolved into another matrix of prices, which delivers an optimal welfare under scarcity or resource constraints.

Under specific historical circumstances, capital and labour are historically determined processes, interrelated, and predicating each other. Their contradictions assume many forms, the most preponderant of which is the North–South divide and the ideological rift attendant thereupon. Relations in the Marxist totality are not the auto-reasoned phenomena of essences or forms, they are autonomous and interrelated contradictions in which one relation leads. These relations are of the real production relations in unison, as opposed to one-sided categories considered apart such as productive and unproductive labour, which lay the groundwork for explicating political economic processes. Analytically, it is only productive labour that produces added-value, but that is analytical and unreal. The real is the actual-historical. It is all of society that produces to either reproduce or de-reproduce. The latter under the prevalence of capital in the class struggle. Analysis annuls the law of

value, and if it proves it, it does so with formal means; hence, it is incomplete. and will remain incomplete.

To analyse and reify, to give structure to what occurs in thought by assigning it to partial facts, dismembers totality, searches for the idea devoid of structure as subject. It is then possible to say that only productive as opposed to living labour produces surplus value, and that higher rates of surplus value are Northern because of their higher mechanisation in the North and the moneyed sums earned therefrom. As capital breaks down the resistance of labour or as capital becomes the natural order (Marx's 1867), fetishism denudated would inform that the inverse of price is indicative of the trends in value creation. In loose jargon, the capitalist sells a commodity whose 'hidden costs' to social nature reduce the wages paid to the labourer who produced that commodity. Of late, the mainstream has stumbled upon the term of hidden costs, another way of saying externality, whereas the hidden is none other than the value relation or the social cost of labour's reproduction. The hidden costs are not a side show but the principal product of capital. These exceed the wages by the degree capital's power exceeds the power of labour.

Higher rates of surplus value are *mediated* by the lower cost-prices in money form outlaid on labour. Class power, including the state of commodity fetishism, is what mediates value to price. The reduction of the social cost of social reproduction, *ergo* value, is the reduction in necessary labour, and conversely, the boosting of surplus labour. If anything, the higher moneyed forms summing to higher Northern profits indicate the opposite, lower surplus value. As per the dialectical categories, productive and unproductive labour are inter-penetrative and in their becoming they are the living labour responsible for social productivity and production.

While Heinrich (2004) relays the message that the quintessential process of destroying wealth to create new wealth under capital is a central theme, he limits the wasted wealth to destruction of resources that are to produce the newly monetised wealth sold for higher profits. Only more moneyed sums representing profits are relevant to the disengagement of resources. The destruction of which he speaks relates to rising productivity creating unemployment and an auxiliary destruction of old capital stock, in addition to some collateral environmental damage, all in order to produce the 'useful' commodity, the Mercedes Benz of Germany. However, the production of waste for waste's sake is the kernel of the value relation and ultimate end of capital. It is the ongoing process in social time, over-determined in terms of causality, mediated by the dominant illusion, and monetised by the market, albeit at some very low prices in the developing world. This waste is a product of the wage system, the underside of capital, working its way into the labour process by depopulation, also namely in the developing world (Kadri 2019). The Euro-Marxist argument is not framed along a North-South divide kept aloft by imperialist aggression. It is that capitalist endeavour, imperialism as the intense capital, which mirrors intense surplus value, via the production of waste for waste's sake as opposed to luxury transport, which is mostly waste in any case.

Waste accumulation, chiefly the massive destruction of the South, under the rule of commodities, catharises capitalist production. The militarism of twentieth century imperialism manifest in wars of encroachment is the export of capital to the colonised

to be wasted. An over-capacitated Western formation auto negates itself, shifting military and poisonous capital that under-capacitates the global South. Waste manifests in numerous production spheres, of which militarism is the purest of forms, and the furnace of surplus value making. In early forms of primitive accumulation, it was slavery and genocides of natives, which were the waste production acting as pedestal for central industry. In this age the pedestal is the reign of an ideology, which conceals the millions of deaths from famine, pollution, disease, as well as, encroachment wars, and posits the disaster as the humanising process of capital. How blind are mainstream social scientists to the law of accumulation by waste, to the rents earned as the wages of allegiance to imperialism, and to the role of institutions that had submitted much of the world by genocides as a bigger pedestal to newer forms of commercial exploitation, the slavery of nations *en masse* by bombardment or neoliberalism, crowns the success of capital's ideology. Foremost, the reformism of central working classes mitigating internationalism, whose function is to entrap more of the value in money form via partnership with imperialism rather than produce it, which in turn is the principal obstacle blocking the maturation of revolutionary consciousness. Reforms leading to the betterment of working classes in Western nations, concession arising in the sphere of circulation, have come at the expense of the pillage of the developing world. The vicious circle is such that more developing world pillage, give way to more imperial rents, and more Western working-class commitment to imperialist wars. The Western liberal left never forfeited the equation that reform goes hand in hand with revolution; however, it omitted that the finance for reform must originate in equalising production conditions rather than a cut from imperialist profits—a share from the sphere of circulation. Reform so far is the payoff for 'well to do' labour to bomb 'less well to do' labour. The path dependence, or more fittingly, the pedestal as such is that profit rates and welfare states are sustained by sweatshops and encroachment wars.

At a further remove, the logic that Northern machinery emits more Northern relative surplus value is hollow because the production *cum* value relation is indivisible and foundationally cross-national. The subject of the better machine remains the suppression of less developed formations by egregious means, their de-sovereignisation or, the brutal de-subjectification of its labour. Value or surplus value are not only the Kilos of things before us. They are relations and cannot be dissected and re-assembled and still be the same. A better measure of the inseparable rates of 'relative as well as absolute surplus values' is the rate of misery in the developing world.

Having said that, what transpires with regards to China is the following. That sovereign China escaped the clasp of imperialism and controlled its own social surplus are facts, which have begun to displace the power associated with the culture of the historically amassed surplus value, Western civilisation.

Short of military confrontation, the US and China are squaring off at every level. China may grow bigger in nominal economic terms, but to survive the assault, it must win ideologically, and it must continue to socialise. It has an easy task, which is to prove the better social model. So far it liberalises only where it is in a position to withstand the social consequences of liberal dislocation—as it did when it joined the WTO. Whenever in doubt of the outcome, it reverses course, such as curbing liberalisation after rising inflation in 1980 or as it reined in national companies extending

activities abroad against its balance sheet (Chun and Tian 2017; Hancock and Hornby 2018). However, as is central to this work, a social dynamic requires a social subject. Regarding the WTO, for instance, the arithmetic appertaining to China producing more to de-industrialise other developing states, a facile mechanism upon which the mainstream builds several stories of ups and downs in productivity (Eichengreen et al. 2004; Fu et al. 2014), ignores the subject of class. The class incarnate in the state is subject in relation to imperialism, the globally dominant class. The ups and downs of the arithmetic matter only when the clout of the historical subject, the imperialism that suppresses peripheral development to its requirements, diminishes. It is not the quantity of things China produces that undermines the development of the other, it is the degree to which imperialism gains. To hold the thought that too many or too little things procreate development on their own without mention of the primacy of imperialism, is not innocent. It exonerates the subject of the Western formation. That interrelation of Chinese development with imperialism, their diplomatic and undiplomatic engagements, manifest in the success or failures of wars and sanctions that the US visits upon the developing world, is the crux of the historical subject of development.

## References

- Li, M. (2008). Review of "The Transformation of Chinese Socialism" by Lin Chun. *Science & Society*, 72(4).
- Absioye, L. (2000). Imperialist interests behind barbarism in Sierra Leone. *Workers Alternative*.
- Abdel-Malek, A. (1981) *Social Dialectics: Nation and Revolution 2* (New York: SUNY Press).
- Althusser, L. (1967). Contradiction and over-determination. *New Left Review*, 41(15).
- Amin, S., & Coquery-Vidrovitch, C. (1969). *Histoire économique du Congo, 1880–1968*. Dakar and Paris: Editions Anthropos.
- Bettelheim, C. (1968). *The transition to socialist economy*. Paris: François Maspero.
- Böhm-Bawerk, E. (1921). *Capital and interest*. Retrieved from <https://socialsciences.mcmaster.ca/~econ/ugcm/3ll3/bawerk/Capital/index.html>.
- Brzezinski, Z., & Griffith, W. (1961). Peaceful engagement in Eastern Europe. *Foreign Affairs*, 39(4).
- Ching, P. (2017). The Current Phase of Imperialism and China. In A. A. Tujan Jr., & J. del Rosario-Malonzo, *Lenin's Imperialism in the 21st Century*. Quezon City: Institute of Political Economy.
- Chun, L. (2013). *China and global capitalism, reflections on Marxism, History, and Contemporary Politics*. London: Palgrave.
- Chun, L., & Tian, Y.C. (2017) *Reorienting Chinese Development in the Twenty-First Century: Is Xiaokang Socialism Possible?* London: Routledge.
- Davis, A. K. (1956). A new look at Chinese history, Part I and II. *Monthly Review*, 7(11).
- Dölek, P. L. (2018). *The character of war in 21st century: Are China and Russia a target or a side of the war?* Retrieved from <https://revistaedm.com/verNotaWorldRevolution/7/the-character-of-war-in-21st-century-are-china-and-russia-a-target-or-a-side-of-the-war>.
- Dreschler, W. (2018). Beyond the Western Paradigm: Confucian public administration. In S. Bice, A. Poole, & H. Sullivan (Eds.), *Public policy in the 'Asian Century'*. Basingstoke: Palgrave.
- Eichengreen, B., Rhee, Y., & Tong, H. (2004). *The Impact of China on the exports of other asian countries*. NBER Working Paper 10768. Retrieved from <https://www.nber.org/papers/w10768.pdf>.

- Fine, B. (2010). Neoliberalism as financialisation. In A. Saad-Filho & G. Yalman (Eds.), *Economic transitions to neoliberalism in middle-income countries: Policy dilemmas, economic crises, forms of resistance*. Oxon: Routledge.
- Fine, B., & Saad-Filho, A. (2017). Thirteen Things You Need to Know About Neoliberalism. *Critical Sociology*, 43(4–5).
- Gabriele, A. (2020). *Enterprises, industry and innovation in the People's Republic of China—questioning socialism from deng to the trade and tech war*. Singapore: Springer.
- Gabrielle, A., & Jabbour, E. (2020). *A China Não é Capitalista (uma Reposta a Branko Milanovic)*. Retrieved from <https://www.ocafezinho.com/2020/04/27/alberto-gabriele-e-elias-jabbour-a-china-nao-e-capitalista-uma-resposta-a-branko-milanovic/>.
- Han, X., Sadler, M., & Quek, K. (2020). Guns and butter in China: How Chinese citizens respond to military spending. *The China Quarterly*, 1(14).
- Hancock, T., & Hornby, L. (2018) China conglomerates suffer different fates in Beijing crackdown, Financial Times, Feb. 23 2018. <https://www.ft.com/content/8ed61466-186e-11e8-9376-4a6390adb44>.
- Hegel, G. (1952 [1821]). *Hegel's philosophy of right*. Oxford: Oxford University Press.
- Heinrich, M. (2004). *An introduction to the three volumes of Karl Marx's capital*. New York: NYU Press.
- Herrera, R., & Long, Z. (2019). *La Chine Est-elle capitaliste?* Paris: Editions Critiques.
- Hinton, W. (1990). *The great reversal*. New York: Monthly Review Press.
- Hinton, W. (2006). *Through a glass darkly: American views of the Chinese revolution*. New York: Monthly Review Press.
- ILO. (2015). *Key indicators of the labour market (KILM)*. Retrieved from [https://www.ilo.org/empelm/what/WCMS\\_114240/lang--en/index.htm](https://www.ilo.org/empelm/what/WCMS_114240/lang--en/index.htm).
- ILO. (2019). *Just 10 per cent of workers receive nearly half of global pay*. Retrieved from [https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS\\_712234/lang--en/index.htm](https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_712234/lang--en/index.htm).
- Jin, K. (2018). *China's steroids model of growth*. Retrieved from [https://personal.lse.ac.uk/jink/pdf/jin\\_princeton\\_press.pdf](https://personal.lse.ac.uk/jink/pdf/jin_princeton_press.pdf).
- Kadri, A. (2014). *Arab Development Denied: Dynamics of Accumulation by Wars of Encroachment*. London: Anthem Press.
- Kadri, A. (2019). *Imperialism with reference to Syria*. Berlin: Springer.
- Kautsky, K. (1914, September). *Ultra-imperialism from Die Neue Zeit*. Retrieved from <https://www.marxists.org/archive/kautsky/1914/09/ultra-imp.htm>.
- Le Cour-Grandmaison, O. (2015). *Coloniser, Exterminer—Sur la guerre et l'Etat colonial*. Paris: Fayard.
- Lin, B. (1965). Defeat US Imperialism and Its Lackeys by People's War. In B. Lin (Eds.), *Long Live the victory of people's war!* Beijing: Foreign Languages Press.
- Mandel, E. (1973). *The dialectic of growth*. Institute for Research and Education. Retrieved from <https://www.iire.org/node/924>.
- Mao, Z. (1927). *Selected works of mau tse-tung, report on an investigation of the peasant movement in hunan*. Retrieved from [https://www.marxists.org/reference/archive/mao/selected-works/volume-1/mswv1\\_2.htm#n4](https://www.marxists.org/reference/archive/mao/selected-works/volume-1/mswv1_2.htm#n4).
- Martinez, C. (2020) Karl Marx In Wuhan: How Chinese Socialism Is Defeating COVID-19, *International Critical Thought*, 10(2), 311–322.
- Marx, K. (1867). *Capital: A critique of political economy* (Vol. 1). Moscow: Progress Publishers.
- Mészáros, I. (1995). *Beyond Capital: Towards a Theory of Transition*. New York: Monthly Review Press.
- Milanovic, B. (2019). *Capitalism, alone: The future of the system that rules the world*. Cambridge: Harvard University Press.
- Milberg, W. (2008). Shifting sources and uses of profits: sustaining US financialisation within global value chains. *Economy and Society*, 37(3).
- Mises von, L. (1935 [1920]). *Economic Calculation in the Socialist Commonwealth*. In F. Hayek, *Collectivist Economic Planning*. London: Routledge.

- Palpacuer, F. (2008). Bringing the social context back in: Governance and wealth distribution in global commodity chains. *Economy and Society*, 37(3).
- Pao-yu, C. (2017). The current phase of imperialism and China. In A. A. Tujan Jr. & J. del Rosario-Malanzo (Eds.), *Lenin's imperialism in the 21st century*. Quezon City: Institute of Political Economy.
- Patnaik, U. (2018). How contradictions within India's agrarian society have changed under neo-imperialist globalisation. *Workshop on "Agrarian Transformation and Imperialism"*. Beirut: Mansion.
- Petras, J. (1999). The CIA and the cultural cold war revisited. *Monthly Review*, 51(6).
- Patnaik, P. (2020) Deception on Poverty, IDEAs, <https://www.networkideas.org/news-analysis/2020/07/deception-on-poverty/>.
- Trisos, C. H., Merow, C., & Pigot, A. L. (2020). The projected timing of abrupt ecological disruption from climate change. *Nature*, 580.
- United Nations. (2010). *Survey of economic and social developments in Western Asia*. Beirut: ESCWA.
- United Nations. (2011). *World economic and social survey (WESS)*. New York: United Nations.
- Weber, I. (2018). China and neoliberalism: Moving beyond the China Is/Is not neoliberal dichotomy. In D. Cahill, M. Cooper, M. Konings, & D. Primrose (Eds.), *Handbook of neoliberalism*. London: Sage.
- Weil, R. (2006). *Red cat, white cat: China and the contradictions of 'Market Socialism.'* New York: Monthly Review Press.
- Weil, R. (2010). *What difference does a revolution make? A preliminary contrast of India and China*. Retrieved from <https://mronline.org/2010/07/18/what-difference-does-a-revolution-make-a-preliminary-contrast-of-india-and-china/>.
- Ziegler, J. (2013). *Betting on famine: Why the world still goes hungry*. New York: New York Press.

## Chapter 2

# Theory Without Subject



**Abstract** This chapter discusses the theoretical conditions for development take-off. Development is a process of change redressing the penury of capacity headed by labour as subject of history. It requires the mobilisation of resource by autonomous means and forces. It entails two conditions. The first is the interface between policy and outcome, a process commanded by labour as subject to ensure socialisation of the surplus. National labour here is posited as a constituent of the international working class. The promotion of national development must promote the conditions for the rise of the international working class. The second interrelated condition is security *qua* sovereignty. There is no development without working class security wrought by means of anti-imperialist struggle. Development under imperialist auspices is a payoff by the imperialist forces to aggress other working classes. This chapter also reviews a selection of the literature highlighting the half-truth of dominant theory. It concludes with a succinct reading of the unfolding proxy wars between China and US-led imperialism.

This chapter discusses the theoretical conditions for development take-off. Development is a process of change redressing the penury of capacity headed by labour as subject of history. It requires the mobilisation of resources by autonomous means and forces. It entails two conditions. The first is the interface between policy and outcome, a process commanded by labour as subject to ensure socialisation of the surplus. National labour here is posited as a constituent of the international working class. The promotion of national development must promote the conditions for the rise of the international working class. The second condition is security *qua* sovereignty. It is intertwined with the first condition. There is no development without working class security wrought by means of anti-imperialist struggle. Development under imperialist auspices is a payoff by the imperialist forces to aggress other working classes. This chapter also reviews a selection of the literature highlighting the half-truth of dominant theory. It concludes with a succinct reading of the unfolding proxy wars between China and imperialism.



## The Conditions for Development

Let us advance that to construct institutions, which promote truly socially inclusive and poverty alleviating macroeconomic frameworks or improve the quality of productive capital, living standards and peoples' institutions, two *a priori* and interrelated conditions should be considered.

First, the scope and scale of coordinated and purposeful economic activity that concurs with working-class biased policy. That is, the sort of *activity* that mediates the national concerns into the regional or international ones; although Nayyar (2008) recognises China's lead by the inertia of original socialist reforms, he nonetheless lumps China with India and hypothesises that the transformation and/or catch-up could span half a century or longer—the knack to 'measure' development in chronological time sacrifices qualitative change in social time. To paraphrase Lenin, the allure of the Chinese model alone could accomplish in days what would be accomplished in decades. The *activity* supposed here aims to lift people from poverty. It is best tested in relation to the weight of labour in the state or its role in the formulation of state policy. Again, one cautions against compartmentalisation, the one-sided notion that labour defined in terms of narrow nationalism—of one sort or another—could be better off without internationalist solidarity. Labour is the cross-national working class. Within developing countries and in the trade-off between welfare and building national security, account must be taken that *for US-led imperialism, aggression is both means and ends*. Under the rule of the commodity, the self-expanding value through the practice of imperialist wars, few if any will be spared the wrath of the law of value. Relatedly, China's higher ability to self-defend against imperialist aggressions or wars, the mainstay of the US's social reproduction order, is its contribution to the area of development as a human or working-class right.

Secondly, and connectedly to the above, a less-widely recognised condition for development is security *qua* sovereignty. Security is defined as the totality of peoples' democratic and national securities, which constitute the substance of sovereignty. This second hypothesis revolves around the idea of how sovereignty in a developing context, the synergy between the welfare of the population and national defence, transpires into autonomy over policy. This welfare is fundamentally different from Northern state welfare, which is the share of imperialist rents redistributed to compensate the Northern working classes.

Jenkins (2008) remarks how aid donors influence governance and how the International Financial Institutions' (IFIs) discourse on good governance designs free market-led development does not capture the fact that under the unfettered rule of capital, aid is anchored in capital as self-expanding value; it is a contribution to waste accumulation. 'European aid' is oxymoronic. Aid is the imperialist investment in a market of principally waste production, which draws surplus value from the industry of decimation and auto-decimation of the developing world. That industry evolves as the engine of capital counteracted by the weakened power of labour. Sovereignty transpires in the developing state's ability to resist engagement in imperialist waste

accumulation. To qualify the argument with reference to China: development in China presents an alternative to the waste model, especially, as it props up by its own mass in international relations the autonomy of developing states. China's ascent lessens imperialist rents or contributes to the retention of the nationally produced social surplus across the globe. The undercurrent of auto-securitisation led by China buoys the anti-systemic struggle.

The first condition addresses sound development in a globalised environment, which cannot blossom in a single country while its neighbours wallow in disaster, or while imperialism industrially destroys-to-grab. The concept 'class' supersedes and is not bound by the affinities of national identity. Such was the undercurrent of the debate on whether the Russian Bolsheviks could command Russia alone, while Europe remained untransformed and capitalist. Class is the real and ideological condition of labour and its modes of appropriation of the social surplus. Nationalism and the nation state may variegate but these are immanently tools of class. Nationalism and the nation state can under socialist governance be instruments for the realisation of an emancipated class; as per Mao's dictum, all classes are different, thence, all states are different, which may be the rationale for the principle of socialism in one or some countries. In other words, differences are significant enough to hamper a mass transition to socialism.

Furthermore, an experiment in development that counters capital in an age of socialist ideological defeat, the current ideological and organisational retrogression as compared to the heyday of socialism early in the twentieth century, will be snuffed in the cradle. Imperialism does not fall asleep while some developing nations bid for development. The inverse implication of Dean Rusk's statement that the world is plotting against the US while it sleeps, is that the US must plot against the world. One may presume that all class politics are conspiratorial, however, the dominant ideology and its illusions deluded peoples into relinquishing their plight to capital. The hold of dominant ideology is a conspiracy unfolding in plain sight. To deprive people of command over their own history is truly conspiratorial. What is worse is that most people move in the direction that capital desires for reasons which they believe to be their own (a take on Saunders (2000)). Capital is so sure of itself such that it abets the removal of the statues of past slave owners in the US and Europe in 2020, because it is certain that its supposedly rebelling masses are structurally complicit with the much more criminal modern day slave owners.

That received theory grips the social mind, sketches the tributaries of popular cultures, and auto-reifies or thingifies people, is standard in Marxism. Capital, which establishes its social relations in conformity with its material productivity, also produces principles, ideas, and categories, in conformity with its social relations (Marx 1847). However, the rate at which people treat themselves as things appears to write off their humanity or the basic existential pains that would spark an ethic of anti-systemic capital. For instance, as the planet brims with commodities and is mined beyond repair, capital convinces the swathe of working classes that a system based on the neo-Malthusian fallacy, the tale of too many people relative to scarce resources or carrying capacity, is the only realistic choice. There is even a philosophical dictum dubbed the 'half-educated,' as in those who know just enough to question

things but not enough to build an alternative, which instils fear of change to an alternative social system. Peoples continue to engage in voracious auto-consumption even as the worst of the social alternative fairs better than capital and its neoliberalism.

A social alternative demands national, regional, and continental anti-imperialist *fronts* that strengthen development. Rooted in a policy transcending the national framework, articulated with an internationalist strategy, and supported by measures of armed and ideological struggles, development realises working-class ambitions beyond national borders. These were the tested strategies of post-colonialism or independence, which are the upshot of working-masses' hegemony in the state, or the labour-systemic measures. These states designed their development programmes in a rather teleological manner. Theirs was a planning approach working out the ways by which the desired goals are met. The objectives were set high as ideals, while actual change may fall short of meeting these objectives, the state of compromise between the real and the ideal remained satisfactory. Development rephrased was about the capture of value from an economic cycle that strengthens national resilience or forms of resistance to imperialism.

In relation to China rising by the internalisation of labour, one recalls that its wages almost trebled over the last 12 years (Trading Economics 2019).<sup>1</sup> Overall and across sectors, Chinese wages rose from around 32,000 to 82,000 RMB between 2009 and 2018 (Trading Economics 2019). The bridging of regional disparities was co-aligned with intra-regional investment and national integration frameworks (Jacques 2012). As China's Asian trading block becomes the bigger chunk of the world economy and as its command of the use value circuit readies it to command the moneyed or exchange value circuit, Aseniero's (1999) question of whether China will leap into the powerful club, has already been answered. In its ascension, China contributed to lifting the sublayers of autonomous development foremost of the developing world. Its metaphor one tide lifts all 'boats,' has to be somewhat requalified as it will certainly lift many, but it will also sink Western imperialism and its civilisation.

The issue whether capital requires expansion into new markets is a truism. Nevertheless, science analyses the obvious only to pierce its façade. Marx, Luxemburg, and Lenin as well as many others have theorised the topic. For Lenin (1916), the intensification of capital as a result of monopoly-financialisation nested in the disparity between the development of productive forces and the accumulation of capital on the one side, and the division of colonies and spheres of influence for finance capital resolves by imperialist wars of encroachment. The notion that war re-establishes imperialist power and rents is a sociological understanding that stresses the primacy of politics (Kadri 2014). Although agreeing on fundamentals, the issue of imperialism in Luxemburg is more of a lockstep between economics and politics. Dragsbaek-Schmidt and Hersh (2018) indicate that the great transformation in world capitalism appears to reinforce the theoretical position of Rosa Luxemburg—in contradistinction with Lenin. In relation to the necessity of capital's concentration to potentially transform China into an imperialism, they restate Luxemburg (1913) that the survival and expansion of capitalism had always depended on access to the labour force and

---

<sup>1</sup>China Average Yearly Wages <https://tradingeconomics.com/china/wages>.

natural resources, as well as to markets in non-capitalist formations. This process also includes the exploitation and submission of peripheral areas while simultaneously leading to a blind alley for capitalism itself. To be sure, Luxemburg (1913) notes:

The general tendency and final result of this process is the exclusive world role of capitalist production. Once this is reached, Marx's model becomes valid: i.e. further expansion of capital becomes impossible. Capitalism comes to a dead end, it cannot function any more as the historical vehicle for the unfolding of the productive forces, it reaches its objective economic limit.

In relation to the above position, there is first a departure from Marx's method, as dialectics per se shuns dead-ends of any sort—the class struggle is unrelenting. Hermeneutics aside, Marx posited that the pursuit of wealth propelled by credit *qua* finance, was the trigger of colonial expansion. Marx (1867) says that 'by the seventeenth century, the idea of credit expansion to cover merchant capital's transition to industrial capital morphed warring companies into warring states.' In the absence of revolutionary consciousness, there are no limits to the cycle of expansion and compression in credit or fictitious capital; hence, no dead-end.

Secondly, Lenin's development (1915) in relation to intensifying monopoly and finance was to couch the labour-capital contradiction into an 'imperialism centred in the great powers that constantly increase the oppression of the colonial world,' such that 'it is impossible to fight for the socialist international revolution unless the right of nations to self-determination is recognised.' While there is a moment under monopoly-finance capital of higher frequency financialisation, high rates of issuance of financial instruments (the harbinger of war as per Lenin), and a higher rate of credit creation via state debt, which substantially differs from previous stages of capitalism, the advanced degree of financialisation does not obviate the labour capital contradiction. This germane contradiction *qua* capital assumes more evolved and expansive forms: coloniser and colonised, imperialist and imperialised. Capital versus labour remains the historically determined ontological state—a condition of being under capitalism. Similarly, the social class remains a state of being no matter how disfigured by capital's ideological assault, foremost the imposition of identity politics, or the identity that veils class - this not to say that one may forego identity altogether, I am just noting the presence of pernicious or capital-construed identities. Foundationally, social labour, the labour of the working class, society and, to a higher degree, the deprived working classes of the developing nations, these are the living labour that assumes the role of principal surplus value creator.

Unlike Luxemburg's, Lenin's sociological imperialism has no physical or economic limit or dead ends that arrests the expansion of capital. Capital does not have an 'objective economic limit.' Theorised at the current conjuncture, capital is not only 'goods,' such as machines or the pile of commodities, the cars, the buses, the bombs, raw material etc., which constitute a wealth that is subject to limits or exhaustion. The real wealth is what has been consumed in the making of these commodities, their disposal, and the many value or production relations under-priced by the savagery of capital, including no less the commodification and consumption of man and nature. Unlike the pre-capitalist age, industrial growth, precisely the primal industry of militarism, is what undergirds the value relation and value creation specific to capitalism.

What grows is the value relation whose culture is barbarism, under which value as substance is subsumed. The measure of such wealth may be gauged by the higher profits that emerge as the inverse image of the violent subjugation of labour, which to reiterate is itself a production sphere and a surplus value making activity.

To expand on Lenin's point as it unfolds in the current juncture. It may be as well to note that industrial scale killing is an industry. Conceptually, capital is a relation of subject/object. The de-subjectification of labour, the reification of the working class, its transformation into things or substance, means there is no end to a negative dialectic of capital whose surplus value grows by the growing symbiosis between waste accumulation, foremost the violence exercised in imperialist wars, and its ideological hegemony. To requalify commodity fetishism with the certitude of hindsight: there are no substantive limits under capital because its outstanding auto-reification of labour to reproduce capital 'spectacularly' wastes man for a market price, and is itself a production/value relationship with an attendant surplus value. After the fact or by the dominant reason of the commodity, the phenomenal waste proves that there is no objective limit to waste accumulation.

The wasting of people for a price is the earliest market activity under capitalism. Its initial genocides were markets for the lowly priced skins of the natives that have generated immense surplus value and profits for Europeans. Prices are articulated with value in a contingent and complex social time governed by the law of value. One should not investigate this with double entry bookkeeping. One lets the immediacy disclose the mediation. As labour succumbs to the ideas of capital, the waste and the profits soar. Conceptualised in terms of subject leading substance, capitalism cannot be steered into a blind alley because its essence, its constituent laws, are a blind alley from birth. It was never a choice between barbarism and socialism, the epitaph falsely attributed to Luxemburg; it was 'barbarism' from the very start. To constitute progress for some in Europe by the immiseration of the colonies, and the devastation of the whole relative to existing potential, is oblique imperialism. Capitalism's label as a progressive historical stage was an alibi for the depopulation of the colonies since c. 1500. Ironically for the developing world in the age of the Anthropocene, as the environment reached a stage that de-reproduces man relative to nature's forgone sane status, the idea of capitalism as progress stands *ex-post facto* discredited. Capital reached no dead end and it now overconsumes the soldiers that have built Western wealth. Perlman (1979) finds that capital wrecks its servants - referring to a nuclear accident that harmed US civilians; now the wrecking is writ large.

Just as the consumption of nerve and muscle in production produces commodities, the consumption of man in waste production is itself an input and an output. The de-subjectification-objectification of labour over the social reproduction cycle of capital creates surplus value by the rate at which waste accumulation lowers necessary labour, thins down the numbers of the working class or cuts short life expectancies relative to the historically determined levels. Capital earns more profits by de-reproduction as a result of manifold social time related value relations, yet it veils the enormous surplus value arising thereupon by the fetish of a power-constructed price system to re-establish itself as the dominant relationship. By ratcheting its command over the reproduction process, the exercise of primacy of politics sits at the heart of capital and its sociological imperialism.

Capital's rate of metabolic reproduction, the rate at which it grows by consuming more of man and nature, underwrites the rate of surplus value. The commodification

of labour, the fusing together of the labourer with labour power to be simultaneously consumed and produced in waste accumulation, would pick up speed to collateralise the higher frequency of credit growth. There is no limit to surplus value creation by a process of waste accumulation, which emaciates, partially obliterates and disempowers labour as the pre-supposed condition by which capital mitigates the tendency of the rate of profit to fall. In Marx volume 3 of *Capital*, the condition of cheaper raw materials counteracting the falling profit rate materialise only as the masses who own the raw material are colonised, de-subjectified and enslaved *en masse*. Along with overproduction, the tendency of the rate of profit to fall de-reproduces and enslaves ex-colonies through imperialist assault.

In relation to the absurdity of greening the environment under capital, as capital finds opportunities in green industry, it will in the competition to satisfy the high-end market demands for environmentally clean commodities, cut costs elsewhere by subjugating poorer outlying labour and ravaging its environment. Although by reason of capital's social type and its inherent predisposition to metabolise public wealth for private appropriation, the 2019 coup in Bolivia, dubbed a Lithium war, illustrates yet another event of greening the environment for those who could afford the greener commodity (Fiala 2019).<sup>2</sup>

A commodity *per se* emerges through value relations and its associated fetishism. Although Perlman (1979) notes that for 'for two hundred years capital developed by destroying nature, by removing and destroying human beings, capital has now begun a frontal attack on its own domestics; its computers have begun to calculate the expendability of those who had been taught to think themselves its beneficiaries,' he left out that the subject 'capital,' its predisposition of growth by waste, which exists as early as the fifteenth century with waged seafaring soldiers ransacking and looting most port cities (Rodinson 1966; Sweezy 1976; Kadri 2016a, b). As the tools of capital, principally its European guns, gained in technological edge, the rate of industrial scale killing began to be observed and communicated at a much larger scale 200 years ago. However, capital's essence, that is by the laws of its development that shape its very being, reproduces best by the de-reproduction of labour—waste accumulation. Such is the value relation in its element.

Moreover, the autophagia of society is not a symptom restricted to modern consumerism as per Jappe (2017), it existed way back as *social* overproduction eliminated or set aside whole indigenous populations. Theorising the causes of social ills in consumption as opposed to production is Eurocentric. Theoretically, consumption is the differentia of production, the latter being the genus. Crises of overproduction cannot exist without their 'significant-others:' crisis of underconsumption and the underutilisation of resources, including the partial elimination of the reserve army of labour. Capital in its primal state exercises Say's law in a way that lets production not only create its own consumption, but also to create the self-consuming society that devours whatever is being produced, no matter how deleterious, for the prices set by

---

<sup>2</sup>Nearly 70% of the world's lithium reserves are found in Bolivia and the metal is used in upscale green industry. Emma Fiala (2019), 5 Fast Facts About the Military Coup in Bolivia, Mint Press News. <https://www.mintpressnews.com/5-fast-facts-military-coup-bolivia-can/262741/>.

capital. As to price theory, it is not the prices in their immediate manifestation that one predicts, which ground theory; such is not theory, such is astrology. A theory of prices is a theory of historical power relations recomposing the stage for exchange by the instantiations of prices as forms of value. What one provisions is the sturdy control of capital over its world interest rates, its dollar hegemony and its capacity to crush resistance, which prefigure the platforms for the immediacy manifest in the multifarious price forms.

Emmanuel's (1972) point that 'in the capitalist world, in which all the natural functions of human society are stood on their heads, the primary problem being not to produce but to sell, he who dominates is not the biggest producer but the biggest consumer, has a few implications. The first of these implications is that the bigger consumer is capable of snatching value via financial channels. Although the value snatch existed before the US incurred its chronic trade deficit since it laid hegemony to the planet as the heir to European colonialism, the continued flight of money value to the dollar market to support US consumption is *supplementary* proof. The hegemony of the dollar credit system is central to dominant ideology. The dollar is a fetish form of the commodity and the shaman of dominant ideology.

Secondly, the problem of capital is to sell what it anarchically produces, which is why it requires ideological production alongside real production. The hypothesis that the biggest consumer nation leads the world is circumstantial proof that production etiologically leads consumption or what is available for social reproduction.

Thirdly, the biggest consumer controls much of production as well as the associated labour process. It reduces production costs to reduce the necessary labour, while it sells to a privileged class enjoying higher moneyed income signifying its shared power with capital. Imperialism's wars of encroachment carry out the cost reductions, which are themselves surplus value activities and translate into value transfers via financial channels. The incremental build-up of value from the subjugated South is the *historical surplus value*.

The bias for Luxemburg's consumption-underconsumption in Western Marxism earmarks the possibility of reform for a system, which is structurally waste-oriented and militaristic. In Western formations not a single penny would be spent on welfarism if it did not reinforce Western hegemony. Logically, the bias for production-differentiated, that is consumption, is a bias for continental analytics/empiricism and its one-sided quantification. It is a prejudice that percolates through the notion that the colonies transfer so little to the centre vis-à-vis the North's sizeable dollar denominated income, such that, the poor do not count because of their lowly priced output. Recalling, by the strength of the dollar fetish or dominant ideology, prices are the reverse image of value - capitalist exploitation assuming the money form prevails by the mechanism of unequal exchange between wage labour and capital, carried out by a law of value that imposes the sham of exchange between equivalents (Marx 1867). Ahistorical positivism is a philosophy justifying the reign of the bourgeoisie: what is before our senses is there by its own inertia and is truth as predicate for itself. To revert to Kant's (1781 [1999]) logical argument that such is a predicate without subject; things do not explain themselves, it is people who explain things. However, real being is historical social being,



the materially grounded process, as opposed to Kant's *a priori-synthesised* abstract. Pertinently, the object/thing before us has no social class or historical reason *cum* subject, which runs counter to the dialectics of substance-subject – it is without social provenance as per Lenin (1909). Explained by an interrogative tone, what purpose other than chauvinism would it serve to define capital as a social relation, as subject, and then assess its corresponding value by the higher price of the product of its better machine, the substance, which is itself presupposed by the capital relation?

Under the paradigmatic approach, the subject omission, the exclusion of the relation, the class, at the origins of white wealth accumulated by colonial slaughter, cannot be questioned. Here, the time of history is not discreet, it is algebraically discrete. Philosophy plays an immediate ideological role. The person-alisation of history, the notion that a thingified person made history by making decisions while in some executive office, allows today's Europeans to state that it is not their present persons who massacred others in the past for their wealth, it was their ancestors. Yet, it is the wealth and power inherited from the past in the Europe inhabited by today's Europeans, which expand capital by the ideas that promote war and slaughter today. So long as Europe's wealth is not socialised, or as the structure erected by genocide continues to further the law of value, the dead European will remain alive in today's Europeans.

The forced integration and commodification of the developing world is a market-mediated and priced process. In parallel, its articulation by means of violence is a value making process slotted against prices whose historical subject, the powers behind price formation, are veiled by fetishism and reproduced by imperialist belligerence. True, within the circuit of money capital, the output of the developing world sums to comparatively little; however, in its interconnection to value relations, or arranged against the rates of surplus value that pave the grounds for the higher rates of profits, the contribution of the developing world is the principal source of profits. Across the continuum of time, the momentarily unpriced or under-priced activities or the inputs/products of the developing world reduce the social costs of central reproduction. During society's turnover cycle, the cheapening of what it takes to maintain life reduces the costs of inputs at every moment in production. These, in turn, through the power exercised over the market transmute either into affordable sustenance or into final products with significantly higher prices; in either case much value for a pittance price. In addition to the run of the mill underpriced input to overpriced output cycle, there is the value that does not map against a price in conventional time, the value deduced *post-facto* from the immiseration of whole nations, which accounts for the piecemeal sacrifice of living labour and society in waste production. The rate of surplus value could then be signalled by the rate of relative depopulation.

As to some formal relationship between value and prices, I argue that the putative story that some sum of output prices equals some sum of value, is a contingent or specious approximation—like all measurements—which adheres to the measurer's bias. Realistically, essence cannot coincide with appearance; this rule alone should void the so-called transformation problem (Marx 1894). Rationally, without shifting value from the under-priced sale of labour power to capital, the de-reproduction of labour, there cannot be either a movement in the system nor a price to regulate the movement. An isomorphic mapping of price into value is baseless. Engels had



rebutted Loria's position that value is identical with price, and that every commodity has as many values as the prices it can get, while price is determined by supply and demand.

Whether a metric hundredweight of wheat is exchanged for a gram or a kilogramme of gold does not in the least depend upon conditions inherent in that wheat or gold. For otherwise these conditions would also have to assert themselves in the exchange, *dominate the latter on the whole*, and also have an independent existence apart from exchange, so that one could speak of a total value of commodities (Engels 1894 - my emphasis).

But as 'supply and demand balance,' the sum of their prices balance, Engels goes on, and in the end to handle 'the concept of value in such a fashion,' not the slightest trace of value will be left. Such is 'the acme of vulgar economics,' he says, and one may reasonably add that the one-time accounting sales gimmick mystifies the socially determined production process. It is possible to measure any social condition with the bias of the measurer accounted for. For instance, the bias of labour aside, one may submit that some sum of prices in a given chronological time approximates the sum of value. However, for these sums to capture the true share of the North from world output, one must deduct the costs of reproducing the Northern social formation and its militarism realised in the South. What are the input costs of Northern militarism, which are realised in the South? These input costs - the expenses that reproduce Northern citizens willing to die in colonial wars, the cutting-edge military technology, and the substantial sums defrayed for raiding Southern peoples, the people that are expensive to bomb and cheap to feed - are realised in Southern markets. With the bias of capital in mind, these should not count towards the profits associated with Northern production because in terms of the stagism dominant in Western Marxism, the stages of austerity, imperialist assaults or the consummation of the military commodity are intermediate as opposed to final. The social production effort of all the Northern formation, has a final realisation stage, which is the Northern market. The North captures the profits as the final realisation stage because it ensures that the peoples of the South are defeated—notice that power allows imperialism to decimate the subject, own real time, dissect an indivisible and time-incoherent process, and decide in accounting terms what is final, all while many in the developing world are led to their final resting place at an early age. The southerners consumed in the war of the North, were its war materiel, and realised its war and austerity products in their earlier deaths. They were a stage of concomitant production and final realisation of all that cumulative investment of the death machine masquerading as a democratic civilisation and a factory of premature human expiration. The Southerners were active participants as both living and dead labour in waste production and as waste products generating the real value transfigured in sums of money grabbed by the North as a result of its victory. In terms of accounting for outputs, the incomes of, say, countries like the Congo and Iraq over a war, austerity, and death cycle spanning twenty years, should be in the trillions; wars cost/generate trillions and lower input costs relative to value to boost Northern profits. However, these countries count for little money in income. Whereas an authentic accounting system gauges how the profit rate increases by how capital lays the groundwork for more of the profit

inducing social conditions, all the while by trampling upon the existing social conditions, what conventional data shows is the opposite. It shows a significant Northern output denominated in the dollar from, which is the real product of un-sovereign Southern peoples whose lives were cut short by austerity and militarism.

The above brings us to the concrete condition of imperialist aggression in relation to profiteering. The nearly one thousand US military bases abroad, an otherwise corporate investment, many of which encircle China to de-nationalise it, are the ex-ante search of the commanding commodity for the cheapening of the imperialised. The commodity self-expands as value by its law of value. That is why, in relation to the first condition, a strengthening of the national front along with a Chinese virtuous development spiral upon which national social tensions taper down, is China's contribution to universal human or working-class rights. The crux of human rights is the tipping of the class struggle against capital or, comparably, the tilting of the balance in international relations in ways that write off opportunities for US-imperialist aggression.

The second condition relays the outstanding proposition that the sovereignty of a people over their human and natural resources is *sine qua non* for development. Even though China protrudes as proof of autonomous development, in today's neoliberal frame of reference, such supposition is thrown out. It is worthwhile to recall that policies of self-reliance were class and national liberation struggle wrought-rights at a time when the developing world enjoyed more clout in the international arena. Despite the state of current retreat, the memories and symbols of national liberation remain interred in the ideological arsenal of the working class. The onslaught of capital targets the erasure of working-class symbols as well as organisation. However, even as a flicker of their former selves, these memories and symbols could be resurrected once the intensity of class struggle evokes the radical alternatives (Fanon 1967).

From the start in 1949, this second condition coheres with the Chinese nationalist development experience. Account taken of China's transitional social and environmental cost, its absorptive capacity braced by revolutionary resolve amplifies the output per unit of tech-knowledge embedded within its supply chain. Gabriele (2020) stresses the hegemonic role of public ownership on the core means of production, in the framework of a harmonic market context where different types of property coexist, as the crucial link in socialisation. Aside from sharpening the efficacy of public ownership and its institutional modalities, China has introduced value-based forms of strategic control upon productive assets, measures in which the strategic centrality of technical progress, endogenization of know-how and innovation, make it a first-class technological power (Gabriele 2020)<sup>3</sup>.

---

<sup>3</sup> Attempts to show China's economic and technical progress act as a call to arms in Europe and the US. The facts are not intended to reveal China's contribution to humanity but contribute to the ideological build-up of Sinophobia. For a list of some the areas in which China has advanced see: China's Global Leadership List <https://worldaffairs.blog/2019/09/23/chinas-globalleadership-list-2019/>

To illustrate with an allegory: a Chinese Mandarin teacher to a foreign student would learn the foreign language of his pupil faster than the pupil's learning Mandarin. It is this higher rate of learning by doing and/or the internalising of knowledge and its associated social surplus, which is lateral support to why China's model outperforms *laissez-faire* neoliberalism. Without the nationalist safeguards, the latter model (neoliberal) latches upon the national economy like a necrotrophic organism that feeds off the dead matter of the host. Let us recall that China outpaces the rest, and it is only through the inclusion of China's alleviation of poverty that world poverty averages appear low has been something of a refrain in the study of development (WESS 2014). Patnaik (2020) notes that 64% of the number of persons lifted above the international poverty line since 1990 was entirely on account of China, while if one adjusts the World Bank benchmark to 2.5 US\$ a day and takes into account the massive privatisation, globally (aside from China) the real poverty rate would rise. Poverty measures are relative to existing wealth, and in relation to basic needs and access to education and health care, China had already eradicated poverty during Mao's days.

The explanation for the perverse neoliberal transformation in the developing world, this specific madness of the age justifying the thingification/auto-consumption of labour, can be anything but straightforward. It may be attributed to social psychosis, the adoption of obscurantist ideologies and cognitive processes by which people inflict upon themselves undue levels of suffering as if in a state of mass *Thanatos*- a massive death drive. It could also be ascribed to an acute state of product alienation, which is a state of estrangement from the self and society, a sort of mass-madness as per Reich (2013 [1929]). Under the pressure of dominant ideology, prevailing conditions, the real time or history, the continuum in which social action incrementally builds, is partitioned by the internalisation/prioritisation of analytical reasoning. As each partial fact sectioned in thought becomes real or, as the impossible happens, since the formal/logical becomes real, the proclaimed objectives of received theory targeting the perfectibility of man get lost in capital's formal constructs. Oddly, not even Plato postulated an isomorphic instantiation of his forms, but then again ideology realises the impossible.

There is much to be said in favour of a correspondence theory of truth, especially as it relates partial facts to the whole, for whatever truth there is, it is a transient moment of the dominant false within this process, which is the whole. However, a specific picture of meaning or a truth about a separate fact remains only a formal truth of that very fact; in reference to Wittgenstein's earlier work of 1922. Because the processes drawn by capital for the betterment of man are composed of several analytical truths that add up to no truth, or are ahistorical, the goals of human perfectibility are unachievable. Such is not a hypothesis, it is the phenomenon or what has happened, the mediated immediacy before us. The consensus holds that social nature is in a terminal state. The road to human wellbeing by a capital class subordinating science, or a class position masquerading as formalism, is inaccessible. The intellectual corpus responsible for the planetary disaster is the subject of the disaster. Conversely, because the phenomenal failure so far unfolds as a unity between the rational and the historical, one may safely say that it is the mind of capital, which works out the dismal historical

events. The assertion ‘capital equals waste’ is real and not a hypothetical proposition in search of proof.

In relation to separate facts, there are separate markets in economics, each market studied unconnectedly using mathematical reasoning (a formal tool), and in each market we arrive at a formal truth; however, altogether, these unrelated truths of separate markets do not explain the overall performance of the economic system. In fact, they blur our vision of it by emphasising side details that omit the capital class as subject. For social psychoanalysis, the skewed view of distinct realities is symptomatic of working-class schizophrenia, which produces the self-torturing working class (Reich (2013 [1929])). For political economy, the ignorance is purposely bred as science and funded as a class position.

Under the illusions of capital, the masses endure current pain by the promise of elusive ‘long-term’ happiness. The very adoption of the concept long-term as something real is *ipso facto* proof of impertinent reification or fallacious reasoning. Just as religion wrested what is ideal in the human psyche, the spirit, and alienated it from man in the days of Von Feuerbach (1841), commodity alienation wrested the social product of society as well as its spirit; commensurably with the defeat of labour, all is alienated.

The reason for the masses’ high-pain threshold may be attributed to a fascination with vulgar formalism, the notion that the truth of mathematics applies equally to logic and history, a sort of one-to-one instantiation or what is true of numbers is true of social events; the putative methods of applying willy-nilly some reductionist math or arithmetic to real processes as did Professor Loria above. Recalling Loria posited that as supply and demand meet, prices and values meet; however, the supply of any commodity is a complex value chain, while its demand is the process of social reproduction by consumption. A commodity exists alone before exchange and continues to exist after exchange, albeit in a different shape. To level reality to some point on the graph does not speak for reality. Such approach is paradigmatic and requires a quantification of all that is social and dynamic. Logical truth, as in the identity of logical forms, is both comforting and indisputable. Yet, that alone, its indisputability, is reason for its falsity.

Reading into the formulae of economics, the calculation of the rates of resource allocation or the arithmetic, by which absolute or relative living standards rise or decline over time is an eligible practice for many, but the time with which these ups and downs are read is the conventionally imposed time. That time is different from the real or social time in which the masses’ power, their being as subject, was demolished *long before* they negotiated the sale of their labour and resources. Capital, the historical subject, eradicates the independent basis for the reproduction of labour in order to deprive it of its tools and socialise it. More important, under-pricing the inputs of labour by *violent coercion* is itself an industry and means to enhance the inputs of other industries. Accounting by means of arithmetic, using a point in time that appears on the sales contract, paycheques and invoice receipts, omits the continuum of time in which the principal reason for the real social bill is the balance of power between capital and labour. The resultant of the class struggle between capital and labour lays out the context in which all prices as forms of value take

shape. To apprehend real time and overcome the real costs to society, for instance those associated with the perceived costs of overcoming divisive identity politics or the uncertainty of the revolutionary transition, the working class has to undertake an autonomous education, to emancipate itself ‘from political and social slavery, hence freeing its mind’ (Gramsci 1971); just another way of saying the war of ideas (the ideological war) is the foremost war, or that the masses must prioritise command of production conditions as opposed to circulation.

Whatever the reasons, class, the abstract but real social relation, the weight of history and power, the predicate of the social product in social time, vanishes under attack from received notions that individual behaviour and effort erected by the virtue of some cultural symbol or tradition, determine a wage and a ‘fair share’ of the wealth. Whereas wealth is determined by social productivity in social time, the time into which peoples’ lives are literally crammed in work to produce, that actuality by reason of undeveloped alternatives escapes the working class. The momentum of faulty conceptual construction already borne out in the eclecticism of mainstream theory and mapped onto ideology finds little opposition in Eurocentric Marxist theory. That strand of thought is infected with the viral pandemic of Marxist-liberalism and its sickly notion of ‘abstract freedom’ (Losurdo et al. 2018). It is the sort that relegates internationalist camaraderie to the background because its industrial proletariat whose moneyed income is higher by the higher tech-machine is the productive labour of the Western factory who will emancipate the world. This is the same labourer who flew very expensive jets/machines for very expensive wages gassing the less developed peoples in their deserts and jungles. This is the labourer whose reproduction and productivity are determined by the rate at which he kills another labourer far afield. It is also the same labourer who assumes that negotiations with central capital through its bourgeois democratic channels will bear positive results for the working class. Such ‘abstract freedom’ is the furthest from the appreciation of necessity, the freedom of which Marx spoke. The necessity to prioritise internationalism and camaraderie in the struggle against the centre’s own imperialism is systemically distorted with mainstream fabrications.

## Half-Truth and the Mainstream

The flows of income are as visible as the ostentatious displays of wealth into which they stock up. Even the conventional press is at ease trumpeting the immense inequality. One versus ninety-nine percent is an adage of the right, the left and the centre. Few if any emphasise the dividedness of the working class, the labour process, as the root cause of disparity. The ‘social’ in social production, the element of control and or distribution as a function of the state rarely filtrates into the mainstream’s discourse. Mishkin (2009) re-poses Lucas’s position (1990) about *paradoxical* international capital flows:

'Why doesn't capital flow from rich to poor countries?' And assertively recounts that 'labour is incredibly cheap in poor countries, and so we might think that capital would be especially productive there. Just think of how hugely profitable a factory might be in a poor country, where wages are one-tenth of what they are in the United States. Capital should, therefore, have extremely high returns in poor countries, and we should expect massive flows of capital from rich countries (where the returns on capital should be far lower) to poor countries (where it should be higher). Although there has been a big increase in the amount of capital moving to emerging market countries in recent years, capital primarily still flows from one rich country to another, where the returns on capital are similar.'

An unnecessarily long quote, but it speaks of the absence of exploitation. The illustrious professor can certainly add and subtract, but arithmetic additions and subtractions never amounted to much theory. Of course, the same applies to the more sophisticated math of modern political realism, new institutional economics and its game theory. A strategy played for a return over time upon a strategy or an offensive is just the sort of theory that mediocre mathematicians pursue as they engage social science. There is no history or complexity to this arithmetic, no class and power relations acted out in colonial genocide and imperialist aggression by which a combination of underdevelopment and an under-pricing of resources are forced upon the masses of the developing world. There are no killing of Africans and Arabs for 'the American oil and minerals under their sands and in their jungles,' ongoing as one writes. Such is a concept of class parcelled out of reality as if it is inanimate matter unrelated to its social environment. To think or to abstract is to scalp a fact from a reality and to give it shape in thought as a concept. Metaphysical abstraction, the partial reality reconfigured as thought, is what everyone does. However, that concept could be dead matter interacting with other dead matter and with itself on the basis of self-propelling natural forces (natural science), or social circumstances acted upon by politically organised social forces (social science). The unity of subject-substance makes of these two different conditions two different totalities with differing laws. The uncertainty of the former totality is the cosmic uncertainty; its subject arises upon the dynamics of non-rational matter. The uncertainty of the latter totality is underpinned by the shifts in the modes of social consciousness; its subject is the class or the dominant ideas. The point has its roots in Hegel (1949): truth depends on how one grasps the unity of substance with subject.

Instead, Mishkin as others, sees the solution in deepening finance, the brain of capital, as he labels it, and to boot, the basis for that brain is 'property rights.' However, property rights were forged by force as imperialist armies subjugate whole populations to acquire their labour, forests and mines. The issue is that the subjugation of the past remains with us in forms justified by democracy and human rights. Peoples are still being exterminated to acquire their property: the depopulations by austerity and war. Positions like Mishkin's are plenty and are not obtuse.

In contrast, Chinese state control of property is the leading lever of economic activity, which puts the brakes on reverse development or arrests the drainage of social wealth. There are two lessons of note from China's ownership of agricultural land, which shed light on the issue of property. First, the ultimate decisions are with the lessor over land rights, meaning contracts are no more than paper agreements

that collectives can annul and redistribute land when necessary. Secondly, institutional indeterminacy is the leeway of government to react to the evolving conditions of reform (Chinese sources quoted by Ho [2001]). Ambiguity lets property rights evolve as the system functions to meet the requirements of the current state of reforms (Ho 2001). However, Ho argues that without clear demarcation lines, such ambiguity may be socially explosive in the future as people imbue with property. He points out that sublease and transfer of land are practically non-existent, while pricing of land is ideologically taboo. Institutional constraints, narrower than those associated with Douglas North's criterion of institution or related only to the legal (state) or administrative spheres, allegedly hold back the system from advancement. Apart from the notion of a natural village, a concept used as a shortcut to overcome the socio-political transformation, which is itself the subject of shifting property relations, North's benchmark is a set of rules devoid of history and social content. His institution of private property nicely corresponds to class ambitions. Why would the case not arise such that less commodification of property becomes a form of self-securitisation in the future, especially as pressure builds on China forcing it to speed up the socialisation of its social product—that future is now. Bestowing a price and commodifying land rips the foundation of the social surplus from the purview of the working class. Aside from the sanctimonious jargon, concertation of land ownership over the long term, as per Ho's political-speak, augurs less rice and baby milk for the Chinese population. These accounts are of analytical realities without real time and shrewd class positions—imperialist class positions, to be sure.

A cursory deconstruction of the Mishkin text above, a language typical of the mainstream, exhibits clear signs of chauvinism. Orientalism is too mild an adjective. Consider for instance his phrase 'it is not surprising that so much charitable aid goes into improving health and education,' and his expression that even 'Indian immigrants are successful in the United States.' *Prima facie*, it is baffling how the US-European structure can be charitable. Not only humans but also nature, rivers and trees could they be capable of speech, would implore European civilisation to restrain its generosity. In attempting to appear un-racist, his utterance that other races, the Indians, could be successful, given the *chance*, acknowledges the fact that he addresses a society, US and Europe, to whom the humanity of the other, the Indian, has to be proven with financial success. As to his use of the word *chance*, the success of the US's financial sector, its brain, which is better than India's and elsewhere, has little to do with *chance* and more to do with the necessity of looting, principally with gunboats, their related diplomacy, and the dominant *faux* science.

Another example of dominant pseudoscience would be Obstfeld's (2009) stance that financial globalization proves beneficial as the developing world curtails the power of *entrenched economic interests* and liberates the economy. This by the way is not only Obstfeld's position, it is the refrain of the International Financial Institutions (IFIs). In a class order, benefits are class determined. Liberalising finance is beneficial to central capital, especially, as the developing country hands over national property to global finance, a sort of transfer of ownership to imperialism without the use of gunboats. It may be as well to recall that the legal property category transmutes into the economic or value category by its exchangeability on the market. Today's



vast property transactions are unbeknown in the pre-capitalist age. Control over the market for property exchange, the central markets of capital, price or influence the currencies and the wealth of the developing world. Liberalising finance eases capital's command over property exchange. Once control of property is relinquished to imperialism, once the imperialists can own and price assets through the exchange and interest rates, development is also relinquished. Of late, stubborn national capital, the class unyielding to US demands in the developing world, is subjected to either sanctions or bombardment.

Even Europe's more social democratic organs, on spectacular display as partners of the developing world, such as the United Nations Conference on Trade and Development (UNCTAD), ape Mishkin and speak of a reverse capital flows *paradox*. UNCTAD (2008) finds it logically fallacious that poor developing countries export capital to the capital rich developed countries. UNCTAD marvels at the growth of 'poor nations' and suggest that it 'highlights the paradox that the capital poor developing world is exporting capital to the capital rich developed countries. This puzzle... is all the more intriguing as many capital-exporting countries have been achieving higher rates of investment and growth... the Report suggests to shift the focus in financial policies from households putting more money aside and imports of foreign savings, to the reinvestment of profits and credit creation through the domestic banking system.' Apart from the banality that all US-European investments pursue profits and, as such, the real paradox is how could the writers of these reports posit that a benevolent US-Europe exports capital to the developing world, and not make sure it is going to return in higher profits/lower relative living standards as a result of exploitation? Imperialism industrially bombs and starves before it engages in negotiations. The paradox is the implicit propaganda that somehow US-led imperialism, the history to which the adjective stupid could not apply, is stupid enough to lose money in the developing world. To invest in the military campaigns or repatriate profits, which are the money forms of value, capital leaves the developing world with less value, or de-reproduces it as a way of value creation. What is more astounding still is that households and domestic banks in poor nations will resave and invest under the guns of AFRICOM, CENTCOM, and other COMS. More cogently, these fail to ask why products of the developing world, made cheap by the uneven coercion/destruction of weaker nations, boost the purchasing power of the centre's population, either directly, through lower prices of goods, or indirectly, through the finance of consumption. In the latter case, the subjugated nations relinquish the prices set for their commodities to the financial centre, and whether price rises or falls, the steady consumption will be financed by higher debts to central populations. The value of lost lives and nature is itself the value transfer, as its social time, the socially necessary labour time expended upon auto-consumption, translates into value and moneyed transfers to empire. Alternative measures of flows from the developing world may be partly assessed by the higher purchasing power of the centre or by the debts issued to finance central consumption.

If such banality was intended as comedy, it is not droll. To conceal the nature of imperialism as the export of the industry of waste and violence is a page torn from the still surviving colonial schools. There is nothing paradoxical about bludgeoning the developing world and reducing the prices paid for its resources and labour, while



snatching its earnings in a direct and/or a roundabout way through finance. That is the work of the law of value incarnate in imperialism—the intensified capital relation. Imperialism levels the social grounds for the concentration of socially necessary labour time in either super or commercial exploitation. An example of the former are the sweatshops, and the latter is the industry of wars of encroachment. As the price obviates or assumes the inverse of value, subject to fetishism and the resultant force of the class struggle, the puny prices paid for the resources of the developing world obscure the significant value transfers over the *social* turnover cycle.

Imperialism exports resources by auto-negating and expulsing pent-up capacity via militarism. The real exported imperialist capital is the resultant of an imperialist formation that underutilises its resources, performs below potential, while being wholly constituted by militaristic accumulation. The spending on wars, which begins with the schooling and health systems of the centre, the wars of aggression, the military bases, the soldiers of empire abroad, and the many western civilians (known as expats) and their sub-contracted cronies in NGO's are labour and capital transfers, investments in waste accumulation. It is these soldier migrants that impoverish developing nations causing them to spew out their people and resources for cheap prices. More important, the export of imperialist and militaristic capital is a high-tech branch plant economy: it consumes living labour to produce dead social nature.

Although the mass of colonially clutched Western wealth, the substance or stock side of historical surplus value, is significant, for instance, a conservative estimate of British theft from India by Chakrabarti and Patnaik (2018) is 45 trillion dollars, such estimates are arbitrarily decided. The leading moment of wealth is its subject, the ideological hegemony. The fortune of the Western hemisphere is its stocked-up dominant modes of thought, its historical surplus value, such that any opposing theory could be brushed aside as an invalid or conspiracy theory. Re-emphasising: in a class system much of class politics must be conspiratorial and/or be a product of a frame of theoretical reference whose very constitution was pre-designed with the most diligent care to delude the masses - here the designer is the reason of the commodity by the degree of fetishism. To point things out, the whole of European wealth is not decisively the money mass or skyscrapers. The crucial wealth is to see how facile it is for the working class to discredit socialism. All one has to do is label an opposing socialist a Stalinist and there disappears the opposition. There are structures of wealth, monuments, which commemorate the victims of communism all over Europe. These are the significations of European wealth. A white civilisation, the structure of capital, whose ideas have killed nearly a billion people in wars and their related outcomes since 1500, caused irreparable damage to the planet, and eradicates millions in famine and curable diseases every year as we speak, is still presumed irreplaceable (Ziegler 2011). Even the alternative to this civilisation is proposed as a messianic story where only white and white democrats can build a proper socialism. But more sober analysis shows that the waste accumulation of today is a magnification of ongoing commercial exploitation, the forms of slavery and colonialism exercised during primitive accumulation, which continue to predicate Western wealth. Slavery, the pedestal of wealth in the past, is the current massive

wars of encroachment against man and nature. Such is a wealth, more appropriately massive waste, which lends itself to measurement according to the beholder's view. It is Europe's waste masquerading as wealth, which requires more than just an arbitrary ideological adjustment to be seen for what it is, it requires a civilisational turnaround, a displacement of the civilisation of capital by labour.

Moreover, the power fabric of imperialism, its ideological dominance, continues to cripple the developing world in answer to the crisis of overproduction. As I have argued in Kadri (2014), even if the developed world appeared to export more money capital to the developing world than it receives, the former would still be grabbing more in value and money. Any capital relationship is by definition a transfer of value from the social and the powerless to the private and powerful. As a matter of course, imperialism subsidises developing world inter working-class conflict. It funds with its dollar the geostrategic control, which boosts its worldwide seigniorage and the insatiable appetite for the dollar (Liu 2008). The flow of central capital to set aflame, emaciate and practically re-colonize the developing world also assumes the forms of cultural hegemony, NGO work and command of communication channels.

The discourse of UNCTAD, its supposed paradox of inverse capital flows, like Loria's position critiqued by Engels, is fixated with prices as the mirror image of value. While prices are a form of value, they are appearances contingent upon the historical balance of forces, the historically administered social plane upon which exchange occurs. The straightforward calculus of money flows cannot explicate the more relevant export of capital to the developing world or why a multimillion-dollar missile targets a cheap hut - the missile is real capital whose counter-value in money form is the credit of the financial sector. The issuance of excessive debt or credit, the fictitious capital, serves non-fictitious end, which is to draw more value from labour by means of austerity and war. To restate the *modus operandi* of the value relation exemplified in imperialism: a nation that is cheap to feed and expensive to bomb is capital's favoured industry and surplus value undertaking. In the joint venture of war and austerity, engaging living labour with sophisticated war-technology, the aggressed developing nation exports the surplus value, its wasted living labour and social nature, as the products to be exchanged for the financial instruments funding imperialist belligerence. Confronted with the phenomenon of imperialist aggression, the industry of waste upon which all of accumulation stands, the mainstreamer puts on his ideological blinders. That commodity, which is the wasted lives or social nature, paid for by a western formation conditioned by nationalistic militarism, falls outside his scope of vision. The fact that empire nurses its labour to rally around the flag with every unit of value defrayed upon labour, to later be engaged in pillaging other labour down South, the commodities produced here do not enter the statistical book of UNCTAD or any other similar institution, except for some token measures. In accumulation by waste and war, the overdetermination of history, the monolithic white structure of the past alive in the present, lumps together living, dead labour (machines) and the dead labourers, all expended in the shortest of social times.

UNCTAD and its ilk would never question why there are hundreds of US military bases and permanent wars to absorb excess economic money surpluses. They frame capital flows outside the politics of the subject and its history, and that superficiality

is a class position, an imperialist class position—to be sure. UNCTAD is an apparatus of the historical subject, imperialism. It holds as an article of faith the imperialist centre as inherently democratic and charitable, and it is either the ignorance of the Third World poor or the corruption of their wealthy that inhibit the smooth aid for the development process; hence, its alleged paradox.

Unlike UNCTAD that stresses government intervention to boost demand and overall growth, the IFIs (International Monetary Fund and World Bank) literally disdain the straightforward demand-side arithmetic of Keynesianism. Ironically the IFIs are right for malevolent reasons. Social formations are not hydraulic systems that monotonically gain with more pressure on the demand side. Economics mimicking the practice of dentistry, as per the Keynesian schools, would only work if capital, the subject, and its value relations, vanish. Otherwise, Keynesianism is an ephemeral remedy to quiet a disquieted populace until the next turn in the business cycle. As to the IFI's point, the system is spontaneous, governed by the expanding commodity, and cannot be reined in by tinkered free market prices, which adjust it back into position, unless the position is somewhere along a downward spiral spinning into dystopia. In reality, prices are not free, and the market is the theatre of exchange staged by historical forces, the reign of voracious commodities restrained by labour to one degree or another, which shape the future outcome in relation to immediate profit signals. Formal concepts, such as free competition, etc., may be necessary to extricate a developing economic condition but insufficient to speculate upon the fullness of reality (Ilyenkov 1974). In the absence of labour's clout, the IFIs 'exercise of power reveals capital's fetishist character'—*Αρχή άνδρα δέικνυσι* (a take on the original from Bias of Priene: power shows the man).

It is a given that under crisis of overproduction, IFI austerity-recipes drag down the developing economy's auto-momentum for developmental growth. However, UNCTAD's cant of 'aid' and 'demand side effectiveness' has proven as much as a sham as the European social democratic jargon: it gives the impression that imperialism aids the developing world to prosper when it is preferable for it to crush development and sponsor militaristic accumulation. It especially underrates the history of militarism in Africa and the Middle East. To the global working class, policies of white supremacy posing as social democratic are more pernicious than the blatant rightist policies of the IFI's. Account taken of the technique pursued in monetary and fiscal policy, the notion that there can be development without *prioritising* an anti-imperialist front, without a class subject of development, is flawed—that specific point is the central theme of this work. China excepted, development under imperialism is not doable. The law of value whose outcome is the phenomenon before us is at work deepening the crisis of social nature via highly entropic waste accumulation. To put it differently, there is one source of surplus value and that is the living labour whose premature death is itself a source of value. Militarism and the industry of waste prevail as the *content* of the system's dynamic. As one searches UNCTAD and Western Marxism, one finds few utterances regarding the measures of depopulation as spheres of surplus value creation.

To its credit, IFI development policy is blatantly capital-biased. It is similar to the edicts of Christian Zionism whose belief system promotes misery and war in anticipation of the Messiah (Petras 2008). Consider for instance their job creation story, although employment is key to poverty alleviation, there will be no mention

that neoliberal policy retrenches public sector expansion and public investment, lowers the regulatory benchmark, the discipline required for the excesses of the private sector, and unleashes short-gestation period investment that creates little or no 'decent' jobs; why decent jobs? As noted by the experience of many countries, sometimes more jobs are created under IFI recipe than otherwise, but these are overall poverty-wage jobs namely flourishing in the informal sector. The official unemployment rate shows remarkable improvement, albeit in the presence of rising poverty. IFI policy redistributes income to capital by cutting taxes and supplying credit to the rich because they can save and invest (the invisible hand), which invariably leads to seepage abroad into safer dollar markets and a lower wage share redistributed over a growing population. By surrendering state investment and regulation to the externally-tied private sector, the sector whose money-capital circuit is the international dollar market, the economy loses wealth and sheds many of the decent jobs.

Capital foists its own criterion for what constitutes labour demand. The benchmark for hiring arises upon the productivity of a on non-existent or an asocial individual set against the money value he produces for the firm, the marginal revenue product. However, employment rates and employment conditions are a residual of development and working-class power. Real social man, whose social productivity contributes to wealth and social reproduction, creates the jobs. The criterion for job creation is social and political. As mechanisation rises or as capital economises by reducing the living conditions of living labour or by replacing living with dead labour, employment creation becomes means for political stabilisation. Add to the faulty private measures promoting jobs, the combination of higher taxes and less public investment combined with a monetary policy that supplies credit for the financial class, and decent jobs *cum* the share of wages can only fall. As wages drop below the historically determined decent subsistence levels, the growth process hollows out. It generates economic growth, all the while alongside poverty and poverty employment. Hollow growth is de-development or lumpen development as per Gunder Frank (1972).

To recognise what is lost under neoliberalism is to recognise what has been achieved under China's sovereign development model. Although Saith (2008) poses that China won, he attributes the failure of India to institutional rigidities, rather than the differential between what is the rule of the working class and what is capital. The rigidities of India to which he attributes its failure in the race were less so institutional and more an act of keeping underfed and underdeveloped a vastly peasant economy. China's policy of land reform plus 'teacher and doctor to the countryside' corresponds to the unwavering and rigid stance of socialism. De Haan (2013) shows that social policy was central to the Chinese experience with spending on health and innovative education to have grown significantly.

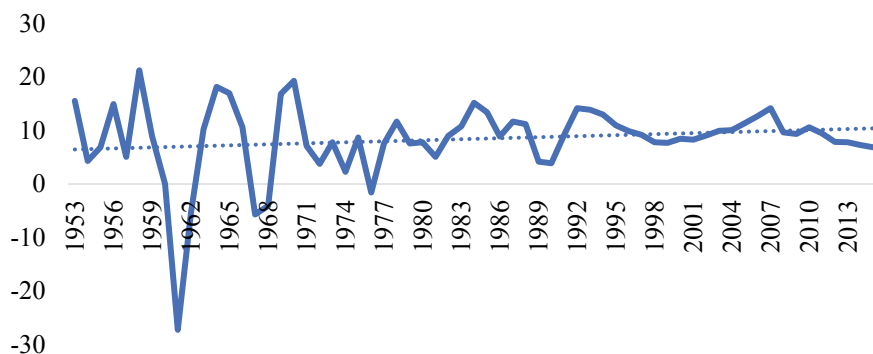
China's autonomous economy combines an expansive public sector growing side by side with a narrower private sector (Gabriele 2020). It is an economy disciplined by restrictions on the capital account, control of management in regulated markets, free economic zones inter-laced with an organic socialist economy, and labour favouring rigidities. Here, I highlight rigidities to portray it in a positive light. The neoliberal constructs of 'flexible as opposed to rigid and free as opposed to command economy'

are class related. One class is free to control a bigger share of the total product. At any rate, this conceptual absolutism, absolutely-free set against absolutely-controlled, appertains to the maxima and minima of logic but not history. By virtue of class ties, neoliberalism is a value drainage mechanism visited upon weak un-sovereign states. It infringes on public assets and resources, and where the demands of central capital require the setting aside of resources, either by contractionary policy or waste accumulation, it dissipates national resources. Instead of a virtuous productivity rising and wage spiral determined by the power of the working class, neoliberalism fragments labour and stifles resources.

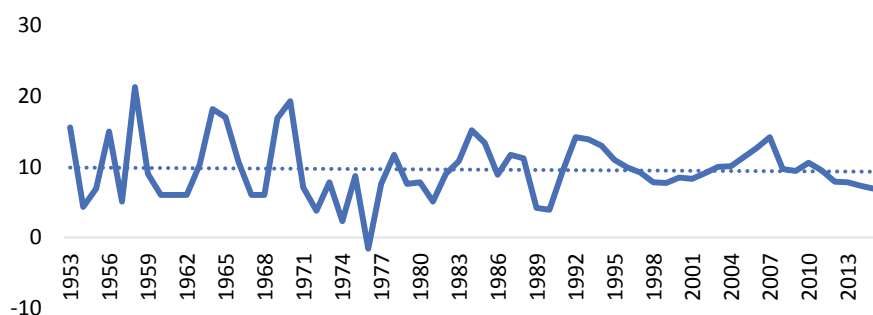
In addition to the state's regulatory framework, the lingering rigidities from China's more socialised past had channelled a proportion of economic wealth into the social cushion necessary to hedge the transitions to the private market (Gabriele 2020). For example, certain life-time employment contracts for the progeny of the national liberation war veterans and other job security measures mitigated the transition to the more mixed market. Other examples are provided by Chun (2013) on the responsiveness of the party to attenuate the social dislocation following openness. In assessing Chinese developments and ruptures within the social structure post 1949, the firm hold of the party ensured more continuity than discontinuity. In hindsight, the post 1980 period is a higher push to industrialisation by unbalanced growth. Supplementing the development of high-tech industry leads economic strategy because it is part of the national security structure. So even supposedly harmonious growth is unbalanced.

Empirically, the period post-1980 exhibits an average yearly growth rate around 8%. Between 1953 and 1980, the average annual growth rate was around 6% (based on a geometric mean through the natural log of the income levels). Charts one and two below demonstrate the continuity of economic performance from 1953. If we remove the outlier year 1961, the year of the break with the Soviet Union, to get a better measure of the average, it so appears that the rates of growth prior to 1980 become slightly higher than post 1980. The Maoist period was particularly maligned by European scholarship (Gao 2018). Speaking wryly of the misrepresentations of facts regarding the 'alleged 30 Million Famine Deaths during China's Great Leap,' Patnaik (2011) commented that 'the population deficit was widely equated with 'famine deaths.' But 18 million of the people alleged to have died in a famine were not born in the first place. The decline in the birth rate from 29 in 1958 to 18 in 1961 is being counted as famine deaths. The Chinese are a highly talented people, but they have not learnt the art of dying without being born.' Below, I have fitted a trendline through China's historical growth rates. Charts 2.1 and 2.2 represent the real economic growth rates since 1953. In Chart 2.2, with the shock year of 1961 (the year of split with the Soviet Union) smoothed back to the average of 6%, the upward sloping trendline straightens out, meaning that the Maoist period was just as good in terms of growth as the post-Maoist. For illustration purposes, I just used the growth rates instead of income levels.

As to the content of growth, relying on 'Sustainability Led by Science and Technology,' most of the tech content of Chinese exports now emerges by national means (Cheng and Ding 2017). China engages its more tech-advanced trading partners in a way that upgrades its own science-productivity content.



**Chart 2.1** Trendline fitted onto yearly growth rates



**Chart 2.2** Trendline fitted onto smoothed yearly growth rates. *Data sources* for Charts 2.1 and 2.2 are from Revision of China's GDP data since 1952, National Bureau of Statistics, PRC (2016) [https://www.stats.gov.cn/tjsj/zxfb/201607/t20160705\\_1373924.html](https://www.stats.gov.cn/tjsj/zxfb/201607/t20160705_1373924.html)

Here is a concise paragraph from Ambassador Chas Freeman, which discloses the growth picture.

China has become an exporter as well as an importer of technology. One in three of the world's 262 unicorns (start-ups that are valued at more than \$1 billion) is Chinese. About one third of the world's patents now originate in China... more than 40 percent of the world's e-commerce. China has just overtaken the United States as the world's most prolific producer of scientific articles... spending on research and development has grown at double-digit rates, by 2020, China is expected to take first place internationally. While most Chinese innovation is civilian in nature, there are some notable exceptions: ballistic missiles with terminal guidance to kill mobile targets like aircraft carriers, quantum communications devices, robot combatants, and hypersonic glide vehicles, for example, in addition to systems paralleling our own stealth aircraft and vessels, aerial and undersea drones, directed energy weapons and rail guns, precision-guided and electromagnetic pulse munitions, and so forth. This year, China established an agency equivalent to DARPA to coordinate further advances in military technology. By 2025, China alone is expected to have a larger science, technology, engineering, and math workforce than all the countries of the Organization for Economic Co-operation and Development (OECD) put together (Freeman 2018).

China imparts productivity gains to the least developed economies. Through BRI, its infrastructural ventures complement the host economy's productive sector. Its

investment in roads, railroads, ports, dams, and airports synergise with local capacity. These mega projects enhance economies of scale or, by implications upon the broader economy, churn out higher output per capital invested. As it practices a socialism with Chinese characteristics, it pollinates the knowledge-production sphere of others. As opposed to the Western intervention of bombing or besieging for dollars, China's assertion of its particularity bolsters universality. Such is socialist realism as opposed to messianic socialism, which dreams into existence a universal cultural identity of class and then hopes to bring about utopian socialism with the power of its imaginary identity.

Class is a real and universal relation. The personification of the working class are peoples deprived of the ownership of their resources who must engage in waged activity to earn a living. Class is a matter of survival. In relation to waste accumulation, the capital class earns off the avails of the human being consumed in capitalist production alongside the raw material. The masses divided by capitalist-oriented identity are a social class and capital's materiel. However, since identity is a constituent of cultural heritage, there is no class without identity. The identities imposed by capital to mask over class are not a product of some essentialist myth trailing from the past. Myth and cultural identities are the manifest immediacy of subject but are not relations of subject to object reproducing being to be subjects. These mythological/reified constructs reinforcing identity against class are instrumentalised by capital to divide the working class; a divided working class earns a lower income share. Myth assumes a real form, as man self-reifies to reproduce capital. A thingified man, the thing, is not subject. All income shares under capitalism are rents ledgered against the different forces within the class formation. Capital-erected identity is a purveyor of rent, a means to reduce labour, the associated wage bill, or the cost of social reproduction *qua* value proper. Naturally, these reductions are surplus value making relations that fuel higher profits. To bring about the rule of the international working class draws on the transference between identity and class realised in anti-systemic struggles. Anti-systemic identity, a cultural current pitted against capital, becomes class by dialectical inversion as it self-realises in struggle. The struggle mediates the particular into the universal. A caveat is called for: unlike transcendental subjects or the abstract man/identity of the mainstream, the Marxian method adopts the concept of social man, defined as a historically determined social relation that mirrors the totality of the material circumstances or living conditions. Ideally, social man is a sub-category of class whose emancipation arises upon the incremental build-up of socialist ideology and working-class hegemony.

## The Commodity and the War with China

Aside from thinking the unthinkable (Gompert et al. 2016), that is contemplating pre-emptive nuclear strike on China, US imperialism destabilises China's partners along the BRI. Imperialistically induced conflicts and disruptions exert an implacable bearing on the under-valorisation of global resources. They cheapen the inputs of the developing world. In particular, the US's sponsored wars in the Arab region, Afghanistan and Ukraine unsettle land routes from China to Western Europe. They



upset vital assets and resource flows along China's trading routes. The below passage from Fallon (2020) emphatically speaks for the US agenda.

U.S. involvement in Afghanistan is an example of a great power fighting a guerrilla war in pursuit of geopolitical objectives greater than simply the defeat of a local insurgency. It is the return of 'The Great Game', where the U.S. and its rivals, Russia and China, seek influence in Afghanistan as a means of securing the resources of Central Asia in particular, petroleum and pipelines. If the U.S. wins, Russia and China remain lesser powers. If Russia or China wins, the U.S. confronts a formidable rival with potential to disrupt the projection of American power.

The oddity is that Fallon and the mainstream have a better understanding of the global connectivity of the fabric of capital's class power than much of Western liberalism and Marxism. They demonstrate by their language that imperialism transcends national boundary and unites bourgeois class across the globe. Even Tony Blair remarked that the West is locked in a power game with China, which 'is a force for bad.'<sup>4</sup> He has also noted that the West must consolidate its position vis-à-vis China, otherwise the power-derived privileges of the UK will dwindle.

There are more strategic spinoffs to wars of imperialist positioning than pipeline positioning. The fixation with *things* such as oil, gas, and pipelines, which only mean something in relation to power and its derivatives in finance, can be distortive. US wars of encroachment, the wresting of hegemony over strategic resources, raise the rents of militarism and finance—in contrast to the industrial and productivity rents of China. In the post-cold war era, US-sponsored aggressions have tipped power balances in favour of the US-led camp and further dollarized the planet. The higher risk and their associated risk premia promote flows to the safer, more liquid, dollar zone. Subject to higher financialization, dollar demand increases fictitious capital, the high and unredeemable debts guaranteed against the future labour of society, more so than real assets. The flows of economic surpluses into T-bills are significant in relation to US global imperial rents, which are wrought from the triad of US strategic control, a highly liquid financial market and universal money-seigniorage.

The analytics of value relations are such that the first, in-between, and last moment of the economic cycle, the moments starting with the reproduction of man, onto the extraction of raw material, until the sale of the commodity, its disposal and back to the reproduction of man, all this loop must be value related and anchored in social reproduction. All of these are value relations arrayed against prices mediated by the market in social time. The production/value relation most associated with financialization relates to waste accumulation, the sphere of militarism and its war industry. Of the accumulation by waste, wasting human lives is the crucial resource to pursue. Capital will pursue the industry of wasting man whether there is oil or other raw materials in the aggressed territory or not. The oft repeated designation 'pipeline control' on its own overlooks the inherent historical reasons for war under capital, the dominance of the law of value, as opposed to the acrobatic of daily politicking. In history as capital, the law of value pruning the reserve army of labour is a domain

---

<sup>4</sup>West faces 'light Cold War' with China, Blair's institute says, Guy Faulconbridge and Axel Threlfall <https://uk.mobile.reuters.com/article/amp/idUKKBN23V2PA>.



of accumulation. Capital accounts first for its own security in the way it handles the labour process, it may employ many in clientelist jobs for stability, but its inner or historical motive is to calibrate the demographic and economic growth rates subject to how fast dead labour replaces living labour. As the demographic trends weigh upon social strategy, the violence exercised to keep the numbers in check could only grow. War, the ultimate form of violence, is business and a measure of control. Imperialism may appear to only war for oil, and in part, it does, but the true reason for war is to lay claim to the process of social reproduction, to ensure that under the prevailing mode of consciousness the rate of population growth accommodates the rate of capital accumulation.

Interrupting the BRI, infusing social formations with proxy wars to restructure power balances and expanding fictitious capital, the unpayable debts without an envisaged corresponding real value, are together a source of value. They further promote the industry of war. They strengthen the means by which empire grabs more of the transfers of value. The nexus war-finance is a win-win situation for capital. Moreover, fictitious capital prompts further imperialist expansion to underwrite the excess credit, while imperialist war, the pure waste economy, on its own absorbs moneyed surpluses. It may be as well to note that the US entraps the real value produced elsewhere through its command of finance and dollarised financial channels. Financialisation homogenises capital, subordinates the real economy to finance, and accelerates the turnover cycle of money capital beyond the responsiveness of the real cycle (Hilferding 1910), all the while, forcing it into a higher metabolic production plateau; the economy overconsumes cheaper natural and human inputs per unit of output. The higher frequency of financial transactions and exchange may compress the time and space to produce, but they also stretch the overuse of social nature by means of violence. Hilferding concludes that ‘the policy of finance capital is bound to lead towards war.’ On the value accounting side, financialization under neoliberalism, the condition in which the demarcation line between industry and financial capital disappeared, as per Patnaik (2008), and as labour succumbs to capital, these conditions shed labour and lower labour income shares. Capital overextends credit to impose debts that induce austerity and orchestrates capital flows to reduce the prices of developing-world assets. One of the usual mechanisms is devaluation prompting inflation by the rate of dependency on imports. The issue of financial repression assumes new lows as the country subjected to austerity lacks food security. In any event, these are more intense symptoms of dislocation under neoliberalism; the edict of capital writ large.

Reverting to the ‘unthinkable war,’ research from conventional social science, the type Freddy Perlman (1969) called ‘ejaculations shaped into publishable form,’ abounds with hallucinatory illustrations of how the US is destined for war with China. Allison (2017) draws parallels with ancient Greek history, the Spartan—Athenian wars to adumbrate the possibility of a Chinese—American war. Reinterpreting that position, Bowers (2017) says:

By 431 BCE, under the leadership of Pericles, Athens had become a formidable maritime power whose empire extended across the eastern Mediterranean region. Its challenge to the supremacy of Sparta, the warrior nation of the Peloponnesian peninsula, was obvious.

According to historian and general Thucydides: Growth of the power of Athens, and the alarm which this inspired in Sparta, made [the Peloponnesian] war inevitable.

Historical analogies and parables may elucidate complex content, yet for mainstream thought the analogy is the methodology. Peace with China for Allison, for instance, would depend on the nature of leadership and alliances. Unlike Ancient Greece, power, and alliances under capitalism submit to alienated market forces. Capital engenders war to undervalue and metabolise more resources, which provide more value. War rebalances the power of subjects in value relations and lays the groundwork for surplus value making in other industries. Imperialist war is profitable on its own and a basis for other-industry profitability.

The BBC's Marcus (2019) further calls Allison's work ground-breaking, and adds, that Thucydides's trap is the dangerous *dynamic* that occurs when a rising power threatens to displace an established power. The sad state of social science self-demonstrates when allegories devoid of historical specificity arise as a *dynamic* for war. That it is 'game theoretically original' that opponents in class society enter into conflict as vital interests are threatened is about as novel as lunar eclipses. Necessarily but not exclusively, the *dynamic* of pre-capitalist wars rests upon crises of underconsumption. However, as I was at pains to show, the *dynamic* of conflict under capitalism rides upon the sturdy currents of fetishized commodities dictating the overproduction and commodification of man and nature, including the objectification of man *qua* the industry of wasting of people. In other words, the decision for war under capital is an estranged decision that resides in the purview of the ruling commodity. War then grows by its own momentum: the commodity self-expands to the diktat of the law of value as it rips the social product from the direct producers by violence. War is a sphere of production. It produces the highest-end commodity, the death of the wretched man in the developing world subjected to the wrath of the million-dollar bomb. Waste accumulation and its militarism are the social process that rears and breeds the Western man who delivers the bomb. The whole of the Western formation, its health and education, aside from military spending, grow to serve that end. The *dynamic* for war is historically determined as opposed to vacuous trans-historical considerations of Spartans and Athenians.

## References

- Allison, G. (2017). *Destined for war: Can America and China escape Thucydides' trap?* Brunswick: Scribe Publications.
- Aseniero, G. (1999). Asia in the world-system. In C. C. Sing & R. A. Denemark (Eds.), *The underdevelopment of development*. Thousand Oaks: Sage.
- Bowers, J. (2017). *Are China and the US destined for war?* Retrieved from <https://theconversation.com/are-china-and-the-us-destined-for-war-78035>.
- Chakrabarti, S., & Patnaik, U. (2018). *Agrarian and other histories: Essays for Binay Bhushan Chaudhuri*. Delhi: Tulika Books.

- Cheng, E., & Ding, X. (2017). A theory of China's 'Miracle'—Eight principles of contemporary Chinese political economy. *Monthly Review*, 68(8).
- Chun, L. (2013). *China and global capitalism, reflections on Marxism, History, and Contemporary Politics*. London: Palgrave.
- De Haan, A. (2013). *the social policies of emerging countries: Growth and welfare in China and India*. International Policy Centre for Inclusive Growth, Working paper no. 110. Retrieved from <https://www.ipc-undp.org/pub/IPCWorkingPaper110.pdf>.
- Dragsbaek, S. J., & Hersh, J. (2018). Economic history and the 'East Wind': Challenges to eurocentrism. *Monthly Review*, 69(9).
- Emmanuel, A. (1972). *Unequal exchange: A study of the imperialism of trade*. New York: Monthly Review Press.
- Engels, F. (1894) *Capital Volume III. Supplement*. Moscow: Progress Publishers.
- Fallon, J. (2020). *U.S. Geopolitics: Afghanistan and the containment of China*. Retrieved from <https://smallwarsjournal.com/jrn/art-us-geopolitics-afghanistan-and-the-containment-of-china>.
- Fanon, F. (1967). *The wretched of the earth*. New York: Grove Press.
- Feuerbach, L. (1841). *The essence of christianity*. Retrieved from <https://www.marxists.org/reference/archive/feuerbach/works/essence/index.htm>.
- Fiala, E. (2019). *5 Fast Facts About the Military Coup in Bolivia*, Mint Press News. <https://www.mintpressnews.com/5-fast-facts-military-coup-bolivia-can/262741/>.
- Frank, G. A. (1972). *Lumpen-bourgeoisie and lumpen-development: Dependency, class and politics in Latin America*. New York: Monthly Review Press.
- Freeman, C. (2018). *The United States and China: Game of superpowers. Remarks to the National War College student body*. Watson Institute for International and Public Affairs, Brown University. Retrieved from <https://chasfreeman.net/the-united-states-and-china-game-of-superpowers/>.
- Gabriele, A. (2020). *Enterprises, industry and innovation in the People's Republic of China—questioning socialism from Deng to the trade and tech war*. Singapore: Springer.
- Gao M. (2018). *Constructing China, Clashing Views of the People's Republic*. London: Pluto Press.
- Gompert, D., Stuth, C. A., & Garafola, C. (2016). *War with China: Thinking through the Unthinkable*. Retrieved from [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RR1100/RR1140/RAND\\_RR1140.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RR1100/RR1140/RAND_RR1140.pdf).
- Gramsci, A. (1971). *Selections from the Prison Notebooks*. New York: International Publishers.
- Hegel G. (1949 [1807]). *The phenomenology of mind* (2nd ed. revised). London and New York: George Allen and Unwin Ltd. and The Macmillan Co.
- Hilferding, R. (1981 [1910]). *Finance capital*. (M. Watnick & S. Gordon, Trans.).
- Ho, P. (2001). Who owns China's land? Policies, property rights and deliberate institutional ambiguity. *The China Quarterly*, 166.
- Jacques, M. (2012). *When China rules the world: The rise of the middle kingdom and the end of the western world*. London: Penguin Books.
- Jappe, A. (2017). *The autophagic society*. Paris: La Découverte.
- Jenkins, R. (2008). The emergence of the governance agenda: Sovereignty, neoliberal bias and the politics of international development. In V. Desai & R. Potter (Eds.), *The companion to development studies*. London: Hodder Education.
- Kadri, A. (2015). *Arab development denied: Dynamics of accumulation by wars of encroachment*. London: Anthem Press.
- Kadri, A. (2016). *The unmaking of arab socialism*. London: Anthem Press.
- Kadri, A. (2016a). Islam and capitalism: Military routs not formal institutions. In E. S. Reinert, J. Ghosh, & R. Kattel (Eds.), *Handbook of alternative theories*. London: Edward Elgar Publishing.
- Kant, E. (1781 [1999]). *Critique of pure reason*. Cambridge: Cambridge University Press.
- Lenin, V. I. (1909). *Materialism and empirio-criticism, critical comments on a reactionary philosophy, Lenin collected works*. Moscow: Progress Publishers.
- Lenin, V. I. (1910). Differences in the European Labour Movement. *Zvezda* No. 1, <https://www.marxists.org/archive/lenin/works/1910/dec/16.html>.

- Lenin, V. I. (1914). *The right of nations to Self-Determination*. Lenin's Collected Works, Progress Publishers, 1972, Moscow, Volume 20, pp. 393-454.
- Lenin, V. I. (1963 [1916]). *Imperialism, the highest stage of capitalism*. Moscow: Progress Publishers.
- Li, M. (2008). Review of the transformation of Chinese socialism. *Science and Society*, 72(4).
- Liu, H. C. K. (2008) 'Too Big to Fail versus Moral Hazard', Asia Times Online, 23 September. [http://www.atimes.com/atimes/Global\\_Economy/JI23Dj12.html](http://www.atimes.com/atimes/Global_Economy/JI23Dj12.html).
- Losurdo, D., Chiarini, A., & Ferreira, D. (2018). *Marxismo ocidental*. Sao Paolo: Boitempo.
- Lucas, R. (1990). Why doesn't capital flow from rich to poor countries? *American Economic Review*, 80(2).
- Luxemburg, R. (1972 [1913]). *The accumulation of capital*. New York: Monthly Review Press.
- Marcus, J. (2019). *Could an Ancient Greek Have Predicted a US-China Conflict?* Retrieved from <https://www.bbc.com/news/world-47613416>.
- Marx, K. (1867). *Capital: A critique of political economy* (Vol. 1). Moscow: Progress Publishers.
- Marx, K. (1955 [1847]). *The poverty of philosophy, answer to the philosophy of poverty by M. Proudhon*. Moscow: Progress Publishers.
- Mishkin, F. S. (2009). Why we shouldn't turn our backs on financial globalization. *IMF Staff Papers*, 56(1).
- Nayyar, D. (2008). *China, India, Brazil and South Africa in the world economy: Engines of growth?* UNU-WIDER Discussion Paper No. 2008/05.
- Obstfeld, M. (2009). International finance and growth in developing countries: What have we learned? *IMF Staff Papers*, 56(1).
- People's Republic of China PRC (2016). *National bureau of statistics*. Retrieved from [https://www.stats.gov.cn/tjsj/zxfb/201607/t20160705\\_1373924.html](https://www.stats.gov.cn/tjsj/zxfb/201607/t20160705_1373924.html).
- Perlman, F. (1969). *The reproduction of daily life, originally in anything can happen*. Retrieved from <https://www.marxists.org/reference/archive/perlman-fredy/1969/misc/reproduction-daily-life.html>.
- Perlman, F. (1979). *Progress & nuclear power: The destruction of the continent and its peoples*. Retrieved from <https://www.marxists.org/reference/archive/perlman-fredy/1979/nukepower.html>.
- Patnaik, P. (2008). *The value of money*. Delhi: Tulika Books.
- Patnaik, U. (2011). *Revisiting alleged 30 million famine deaths during China's great leap*. Retrieved from MR Online: <https://mronline.org/2011/06/26/revisiting-alleged-30-million-famine-deaths-during-chinas-great-leap/>.
- Patnaik, U. (2018). How contradictions within India's agrarian society have changed under neo-imperialist globalisation. *Workshop on "Agrarian Transformation and Imperialism"*. Beirut: Mansion.
- Petras, J. (2008). *Zionism, militarism, and the decline of US power*. Atlanta: Clarity Press.
- Reich, W. (2013). *Sex-pol: Essays, 1929–1934*. New York and London: Verso.
- Rodinson, M. (1978 [1966]). *Islam and capitalism*. Austin: University of Texas Press.
- Saith, A. (2008). China and India: The institutional roots of differential performance. *Development and Change*, 39(5).
- Saunders, F. (2000). *Who paid the piper: The CIA and the cultural cold war*. London: Granta Books.
- Sweezy, P. (1976). *The transition from feudalism to capitalism*. London: New Left Books.
- Trading Economics (2019). *China average yearly wages*. <https://tradingeconomics.com/china/wages>.
- UNCTAD. (2008). *Trade and development report 2008, UNCTAD/TDR/2008*. Retrieved from <https://unctad.org/en/pages/PublicationArchive.aspx?publicationid=2155>.
- United Nations. (2014). *World economic and social survey (WESS)*. New York: United Nations.
- Ziegler, J. (2011). *Destruction massive: Géopolitique de la faim*. Paris: Éditions du Seuil.

## Chapter 3

# China Defies Neoliberalism



**Abstract** In a world of rising relative and absolute poverty, China stands out as an aberration. It dodged the trend. Its compromise to the market economy was always disciplined by two interrelated subcurrents: its unbending stand on theoretical communism and the state as the ultimate owner of property. Whenever the market went against development, it was ideology that adjusted to theory as opposed to otherwise. Unswerving theory then readjusted failure in policy. This chapter addresses China's defiance of the neoliberal mantra. It begins with a discussion of the necessity of autonomy to development. To do so, it must deconstruct the platitudes of neoclassical positivism, a school in which contradictions and power relations rarely emerge as decisive moments. As an ideology masquerading as theory, the messianism of neoclassical economics serves to delude the masses. It posits a bright future as a spinoff to the free market but with a *modus operandi* which excludes the social subject, history, and existentialist ethics. Neoclassical economics is a substantive and paradigmatic science in which things explain things. Such method appertains to the laws of inanimate matter. It would only work in social science if the commodity fully reigns by its reason, or by the logic of its dynamic as self-expanding value.

In a world of rising relative and absolute poverty, China stands out as an aberration. It dodged the trend. Its compromise to the market economy was always disciplined by two interrelated subcurrents: its unbending stand on theoretical communism and the state as the ultimate owner of property. Whenever the market went against development, it was ideology that adjusted to theory as opposed to otherwise. Unswerving theory then readjusted failure in policy. This chapter addresses China's defiance of the neoliberal mantra. It begins with a discussion of the necessity of autonomy to development. To do so, it must deconstruct the platitudes of neoclassical positivism, a school in which contradictions and power relations rarely emerge as decisive moments. As an ideology masquerading as theory, the messianism of neoclassical economics serves to delude the masses. It posits a bright future as a spinoff to the free market but with a *modus operandi* which excludes the social subject, history, and existentialist ethics. Neoclassical economics is a substantive and paradigmatic science in which things explain things. Such method momentarily appertains to the laws of inanimate

matter as it addresses the natural world. It will only adequately correspond to social science if the commodity fully reigns by its reason, or by the logic of its dynamic as self-expanding value.

A commodity is a heartless *material* being whose reason does not spring from a human condition with an existentialist context. It does not know it exists and it does not feel (having sensory faculty) to construct the universal as a law of development guided by a universal ethic. Outside of the human condition, there cannot be a golden rule of ethics. The death of many in waste production, in wars and austerity, hither and thither, could be easily attributed to culture and colour. The reason of the commodity wishes an unrelenting overconsumption of man and nature in production. It intrinsically promotes the de-reproduction of man as a sphere of production. To decimate the social subject in value relations and pay less or nothing for the inputs of social nature means higher surplus value and profits. The ethic associated with the desire of a self-expanding thing is no ethic at all. A commodity pursues its objective, which is to realise for a moneyed-price in excess of the value that went into its making, subject to the deliberation of science, while subordinating science to its power. It overconsumes social nature and pays scientists to investigate how badly it harmed man and nature.

In such a positive world (the positivism of things as they are as opposed to how they have come to be what they are), few question the war and the waste as value relations and products of capital. Obsequious science could forever postpone a verdict on the events because 'truth is elusive.' Its jury will always wait for a final stage, a stage that never dawns. In a commodity governed accumulation process, resource allocation by the law of value favours the more lucrative waste areas, the decimation of human and other natural assets that reproduce mankind for profits. Dead people do not negotiate higher prices for their resources, while killing them with advanced technology and austerity is the core of capital's accumulation. The bulk of waste production earmarks much of the state of the developing world.

China's integration into the world economy was not without social costs. However, it entered the world of markets with autonomy, a nationalist ruling class and, foremost, without revising the precept of the rule of labour. It later gained grounds to herald a re-alignment of the global power balances. At this juncture, the unravelling tectonic *cum* civilizational rift opens opportunities for other developing nations to self-search for more self-reliant development alternatives.

## Neoliberalism Contra Autonomy

Neoliberalism and its financialisation heighten living insecurities. It takes away social and economic policies from the purview of the state and relegates them to international finance. It corrodes state sovereignty and the right of the masses to their resources. China dodged the trend. That China is sovereign, and that China develops, and it could serve as a theoretical beacon is no longer a lacuna nor merely a question whose answer relates to its geographical size. Other big states such as Indonesia,

India, or Brazil cannot do the same. Its development is more about its social forces rearticulated to produce civilian-end commodities, as opposed to waste products and militarism. To realise development without militarism, to own abroad in a planet de facto owned by US empire, to issue concessional loans for development and control a significant part of the use-value circuit, is to hold a stake in history. China's clout facilitates Russia's manoeuvring in Central Asia, Syria, Libya and elsewhere. It is the cover for Putin's (2018) defensive remark as he counter-threatened with nuclear conflagration: once cornered by the US's secretary of state, Putin says: 'as martyrs, we all go to heaven.'<sup>1</sup>

The point not to overlook is China's simultaneous success as an opponent of imperialism and in poverty alleviation. These strides cannot be attributed to the market economy. Markets deliver wellbeing only under the thumb of labour. The phenomenon of Chinese development affords credence to the theory that the Communist Party is innately predisposed to national development through the state. The state is an instrument of the CCP. Labour is an organic component of the state, which holds sway through control of property and major macroeconomic measures. Socialism with Chinese characteristics may imply that markets enjoy enough elbow room to manoeuvre, but always with a freedom on loan from the state. Although the literature brims with examples, a recent illustration may be drawn from the way China compelled foreign factories that produce roughly half of the N95 respirators critical for protecting health workers to put their products at the service of the state. These factories made them and then sold them directly to the government, giving it another foreign policy tool in the form of medical equipment (Campbell and Doshi 2020).<sup>2</sup>

The notion that the Communist Party commands from a height without the support of labour is rather idealised. To command from a height for so long and succeed, the command tower must be in close touch with the base. *A posteriori*, the CCP has capitalised or reinvested in labour, which is anathema to capital.

Relatedly, consider the debate whether the Soviet Union or any socialist state was a decrepit worker state, or state capitalist. In retrospect, that stance was part of the offensive, which dissolved the Soviet Union, freed the hands of the US to conduct its wanton war on terror, and impoverished much of the world. That was a mode of thought that fits the real into a preconceived ideal. It is as if one imagines an idyllic socialist world and contrasts the problematic reality associated with building socialism with the utopia concocted in the mind. No matter how impressive the socialist progress would be, it will always remain below expectations. What is astounding is that any socialist project must be subjected to imperialist offensive, the human rights stories of incarceration of prisoners of consciousness, and the free market ostentation, yet liberal Marxism abets the onslaught. A capitalist system,

---

<sup>1</sup>Masha Gessen, October 19, 2018, Putin Lied About His Nuclear Doctrine and Promised Russians That They Would Go to Heaven, <https://www.newyorker.com/news/our-columnists/putin-lied-about-his-nuclear-doctrine-and-promised-russians-that-they-would-go-to-heaven>.

<sup>2</sup>Kurt M. Campbell and Rush Doshi March 18, 2020, The Coronavirus Could Reshape Global Order, China Is Manoeuvring for International Leadership as the United States Falts, Foreign Affairs, <https://www.foreignaffairs.com/articles/2020-03-18/coronavirus-could-reshape-global-order>.



imploding by imperialist-imposed austerity, war and a US prison system that doubles for slave labour camps, is beyond the scope of vision of the liberal intelligentsia. By such skewed thought prism, only ideas work but nothing real would work. The adoption of formal reasoning is part and parcel of the ideological silo of imperialism.

At a foundational level, any method of reasoning emerges from the construction of a concept. The three broad versions of thought are the formal, the empirical and the historical-dialectical. Adequate conceptualisation, a concept erected upon an understanding of history as a relation of subject to object, is the building block of the latter school. The method there is to be practised as opposed to being applied. This is Marx's (1845) critique of fitting reality into some *form* concocted in thought, which has little or no reference to what is being studied or what is real. With capital's ideology or received theory cultivating the inbuilt bias of class and turning the unreal into real, the forms with which it works are necessarily but not exclusively falsifications of fact. An illustrative allegory of that would be since the Soviet Union represses individual freedoms, it is evil, and as such, it is valid to criticise it such that it is freed of its evil by a US-led capital, which guarantees 'individual freedom.' US-led capital manifest in dominant theory is heir to colonialism and the progenitor of the ideas and institutions whose realisations make the world what it is. With consciousness shaped by the material circumstance of class, Marx (1845) turned things around to denude the obscurantism of dominant ideology. For him, the method of practice is the practice of the method or, as applied to the working class, the discovery of the practical-critical through revolutionary activity. In parallel, the practice of criticising the Soviet Union then and China now on the basis of an abstract human rights approach is the theoretical practice that overlooks imperialism's necessity of expansion by war. To do so instead of prioritising the imperialist centre and mustering global forces to dethrone it, is a theory of imperialism being put to practice.

Stemming from the European centre and infused with its bias, formal assessments of whether the developing nation, which struggles to rid itself of colonial history, is state capitalist or a decrepit-worker state, is alien to Marxist historical analysis. Regarding the unfalsified facts, specifically regarding the structural debilitation of the Soviet Union after the First and Second World Wars, the mainstream overlooks the destruction as a real process that disembowelled Soviet society. After the Second World War, there was little infrastructure left and a significant chunk of the labour force lopped off by the imperialistically sponsored effort (Carley 1999; Pauwels 2019). The Soviet Union *structurally* lost the war, while the cultural and financial containment of the Cold War finished it off. To have a debate on whether Soviets are truly socialists or criminals, when the real subject of history, the capital relation personified in the Western civilisation accumulates by depopulation, is insidious. Debating parcelled or constructed facts to conceal the holistic truth further justifies new imperialist aggressions.

A similar point could be made regarding Uighur Muslims mistreated by China. While the US-Euro alliance bombards, starves and erases millions of Muslims by war, poverty and disease, Western Marxism and liberalism flaunt the fabrications about Xinjiang to lubricate the US-led offensive visited upon China. Imperialism is the historical surplus value, the subject manifest in received theory or dominant ideology,



and the substance represented in the monetised value of wasted lives and nature. The waste is the source of surplus value fuelling profits and, that is why, to aggress developing formations occurs by vested interest as opposed to some inherent cross-historical evil appertaining to a culture. Whether developing nations are socialist or nationalist capitalist, their devastation by war, and the associated accumulation by waste, is simultaneously means and end of value and power re-creation. A practice of theory in distinction from a theory to be practiced would, for instance, discuss how the Soviet Union then and China now wrote/write off many US opportunities for aggression worldwide. It could, for instance, illustrate with the putative case that the US could not have invaded Iraq had the Soviet Union survived the Cold War, or that the obliteration of Syria, as happened in Libya by aerial bombardment, could have taken place without a China. The discussion about whether the Soviet Union was pure or adulterated socialism resembled an imperialism arguing with itself about the colour of the prey it is going to devour.

Imperialism, the intense capital under monopoly finance, is a higher stage of the rule of things or commodities. The growth and speed of finance are responses to the crisis of the real economy. However, inasmuch as they boost immediate profits, these deepen capital's crisis as a result of higher rates of commercial exploitation/war related exploitation that deflates incomes. One may rightly focus and engage in community level struggles, however, without prioritising anti-imperialism, the struggle fragments, and the achievements in one part may undermine the advance of the whole. Through its outstanding control of production and circulation, resilient capital may surrender here and there, but always in ways that balance to cement its rule. In a complex whole structured in dominance (Althusser 1969), it is the dominant relationship, the central link of imperialism, which is to be aimed at by anti-systemic activity for community-level efforts to cohere with internationalist struggle.

China as counterweight to US-imperialism undermines the interface between the perceived power of the US and its ideology. As the US's spectacle fades, its ideology weakens, its efficacy as the historical subject acting at the behest of the commodity diminishes. Much like the pseudo-left, which pontificates that China is capitalist either by commanding heights or disparaged lows, to omit the holistic context, the balance of forces, or the historical moment, Western Marxists err on the side of imperialism and its wars-the higher modes of commercial exploitation. Issues should no longer be ambiguous because the *a posteriori* circumstance, what we see before us *reasoned* by our inherent faculties, the autophagic society, cannot be left unexamined. As our society overly auto-consumes (the autophagia), and as its stock of culture, its theoretical turbidity and disregard for the obvious prevail, including its misrepresentation of the balance of forces, specifically the underestimation of the weight of Western ideology in command of history, development could only spiral downward.

In the post-second war age of capitalism and prior to neoliberalism c. 1980, most economies obtained development through autonomy over policy or by regulated capital and trade accounts. Development was the incremental process associated with resource retention, mobilisation, and recirculation of real and financial wealth within the nation. As nations liberalised (c. 1980), or as the cross-national capital class further welded together by pooling resources in finance and splintered

working classes by identity politics, development faded. Much misrepresentation of fact followed. Working-class freedom from want prefigured as an outcome of national security, sovereignty and policy autonomy were dismissed by empirical studies, which precluded historical agency—not that uncertain history can be modelled but not an attempt was even made to include some weight of historical forces. Relations between economic symbols reflecting variables constructed on the basis of utilitarianism, a phenomenon explaining another phenomenon, and immediacy without mediation, supplanted the agency of class politics. The asocial automaton without history, the *homo economicus*, with an insatiable appetite for consumption, whose dynamics are pre-disposed to consume the consumer, replaced the impersonal and historical social relations embodied in social institutions as subject. ‘Freedom of individual choice,’ an activity that can only be so subject to class freedom, became the alibi of the negative dialectic, things going from bad to worse culminating in the status quo. Under neoliberalism, a person chooses the circumstances she is in, and while the whole negated or annulled the choice of the part—the individual, the world remained the best of all possible worlds with some unwanted consequences. By the illusion of freedom of contract between powerless and powerful, people are in charge of their history. People chose the world they live in. This was a perfect world because for every irrationality, misinformation, or transaction cost that comes into play, there is a market and a price to clear that market; otherwise, it is a misguided institution bereft of social class composition, which accounts for the mishap.

This was theory stitched together with new activities added as they are discovered. In reality, each purposeful social activity/work, is a value relation lumbering across time and ripening for a price to be set by market forces. Each activity was a value relation held in suspended animation by capital, like the pollution that surfaced as the alleged externality to be dealt with—it is an internality as discussed in Kadri (2019). Not that there is adequate indemnity for the damage incurred by social nature, which means that one should not seek compensation to be paid for the genocides of white man, one ought to incite the process of socialisation and redistribution of European assets. However, since new and maturing activities are countless, the number of evolving neoclassical/neoliberal theories is also countless. There are as many theories as there are things imprinted on the senses without a re-qualification of the genus or the type of observable things. Every quality is reduced to quantity without critical assessment by a rational subject. This is a world without social subject and in which parts add to the whole without mediation. The crude empiricism of neoclassical economics, the theory bending *actuality* to itself, is ahistorical and acategorical and, in theoretical construction, as multifarious as the constituents of phenomena—that is a theoretical nihilism, or there is an absence of theory because there are infinite theories.

That toll of consumption, the consumption of the labour and lives of the ‘other’ in a series of value relations, which through the diktat of the market call for lower costs of labour reproduction, is written off. That a lower cost of labour reproduction necessitates a destruction of the foundation of the reproduction of man and nature, is also written off. Mainstream economics theorises an altered reality. With heuristics, it chooses convenient observation that it abstracts, as in selects a partial fact

symbolised by a variable from actuality, it then constricts the relation of that fact to mathematical forms associated with hypotheses that conform with the results it wishes to see. Whereas understanding dynamic processes or processes of qualitative change requires overcoming the stillness of received theory, the conservatism to which data is produced to support the dogma of conventional theory, mainstream science recreates the same convenient conditions (Niebyl 1940). Theory warrants instrumentalising formal logic in the discovery of dynamic processes, but to fit the forms in order to show that an intrinsically explosive system is not explosive or spontaneous and that it obeys rationality, counters the perceived phenomenon. Such is absurd: even to the pragmatist, the absurd is an error obvious to common sense (Peirce 1984). By definition, a cogent process of cognition follows the development of the objects, the external facts organised in thought as a totality by reading their laws of development in real time (Lukács 1919). Because neoclassical economics elaborates class-biased facts, namely the European individual who chooses to consume or produce in harmony with society, while being oblivious to the humanity his society explodes/consumes down South, it is innately racist.

Neoclassical solutions are logically eloquent, but historically irrelevant. Dynamics are about motion, contradictions and qualitative change. What must be explained is the spontaneous and explosive historical system. History is about people organised in social relations; classes engaged in a struggle over the social product. These are the theoretical grounds, the totality, upon which one fathoms a historical subject. The role of these classes in history evades analytical understanding because of their overdetermination, their indeterminable causality and their social time. In the complex whole, the class as subject becomes the class struggle manifest in structural forms. The history of social structures invites further research, otherwise things perceived by the senses, the separate elements at play, explain things, and phenomenon explains phenomenon. Science reads the obvious to find out what is behind the obvious. It is a relation of what is observed to its subject, its driving force, and its predisposition; otherwise, wither 'law' as the principle that defines science. Without law, the systemic recurrence of poverty under capital, would be explained by the manifold types of diet and shades of skin colour, the heterogeneity of appearance quantified/stereotyped, but not by the *systemic* process that people must be stripped of their will and paid less to leave much more for profits.

In the current state of socialist ideological retreat, as mainstream economics treats people engaged in development as things, it may not be too far off the mark. Because of its theoretical dominance, its casuistry is vindicated. Alienation, the estrangement from one's own personhood, the social being, and society amounts to self-thingification. The ideological crisis of socialism lets capital draw the human in the shape it desires on a two-dimensional board and realise that form in reality. As humans become overly classically conditioned, drooling not so much over the new consumable item, but upon the auto-consumption of humanity, perfect reification sets in. Logic culminates in history and creates people who revere consumption to the point of auto-destruction. Marx (1845) defined capitalists, the actual people who own the means of production, as personifications of commodities, but not labourers because as their living conditions worsen, they engage in the activity of struggle, which

inevitably influences their consciousness. Aware of the role of ideological production, specifically the production of ideologies that falsely oppose capital, the bourgeoisie co-opted Western Marxism. Marx suddenly belonged to a western corpus in which imperialism went missing and the machines of the North, namely a by-product of the military industry, justified the wealth of the North. Machines truly became gods giving new meaning to *catchphrase Deus ex-Machina*. As capital boosts the performance of its ideological apparatuses, much of labour's ideology became that of capital's. Western Marxism, pontificating with right and wrong jargon, highlights the run of the mill contradictions in any socialist society, only to grease imperialist aggression and abort popular revolts.

So, at this low ebb in socialist ideology, as the commodity delegated power to capitalists, working classes partaking in imperialist tribute reasoned and acted at the behest of the commodity. The logical forms purportedly reflecting economic variables and instruments such as tariffs, exchange rates, wage rates or interest rates, the symbols of the motion of the commodity circulating in the market, acquired lives of their own and dictated social processes. These macro variables are the apostles of the commodity and its market. Supply and demand, the activities of production and consumption, existing apart and together in real time, realised the impossible and became a formal identity the point made by Engels about Loria's formalisation of reality in the previous chapter, which postulates that as supply equals demand, or as the value produced is consumed, then unless people underconsume in relation to what is being overproduced, one may say that zero value has been produced — this is Engels' concept of surplus labour rephrased in terms of underconsumption. Worst of all, in the state of ultra-solipsism, a state of consciousness in which what one wishes in thought turns real, the price that capital imposed for a thing became the value of the thing.

In the background, capital's institutions governed by the reason of the commodity as self-expanding value marionetted the fluctuations in macro prices. The socially estranged institutions, especially the formal ones of the West as opposed to the personalised institutions of the South, dubbed dictatorships of the developing world, foregrounded the social condition favourable to higher economic returns and always in the interest of the commodity *qua* capital. The more personal and personalised developing world institutions, the formations whose corruption was on display by individual misconduct as opposed to the corrupting policy of the North, these had more of a human character, which bound them to some existentialist ethics rather than the formal institutions whose essence was the historical weight of capital, and its intellectual corruption-essence here is the dialectical category as per the internal laws of development of the object. The Northern states with objectified populations attributing their better development to white democracy rather than white weaponry, are the supporting undercurrent that set the commodity, the self-expanding value, on course to its natural end, the auto-consumption of society.

Oddly enough, so great was the state of global alienation, the lack of social control over the social processes, such that, in view of the existentialist calamity, not even the interest of the living, pollution-breathing narrow minority known as the bourgeoisie, was served. The sickened nature visits less harm upon them, because they have the

wherewithal for better health-treatment and longer lives, but it is harm, nonetheless. The case may be that these experienced *schadenfreude* as they preferred the earlier deaths of others to a saner world. However, it is not spite that propels the global system. Waste is the commodity associated with the highest surplus value and profit. If the notion of waste to some readers is new, one may think of the bomb-commodity, which is of ‘utility’ and yet pure waste realised for profit, and generalise the condition to all the bomb-like harm associated with the cycle of most commodities. To compete and accumulate, capitalists must promote waste products, or offload upon society the products and material by-products, which reduce the social cost of reproduction of the working class. The latter condition is the value equivalent of necessary labour, the minimisation of which relative to surplus labour induce surplus value.

## Second-Hand White Privilege in East Asia

Few countries escaped the woes of neoliberalism. Fabrications denoting the success of the Asian first-tier tigers abound. In much empirical research about this group, security or the US military umbrella was treated formally, as if just another variable in an equation (Kadri 2017). As the kernel of power, security was not approached as the historical vector that forged the necessary context for development. In South Korea and Taiwan—more militarised posts than conventional states, US development agencies oversaw the institutionalisation decisions leading to increasing productive capital formation, whilst simultaneously, enhancing the share of labour from total income. The US promoted socialising land reforms in South Korea and Taiwan to cheapen the cost of labour and free the hand of the state to finance industry. The implementation of land reform attenuated income inequality and released resources for industrial development (Burmeister 1990). State intervention was key to development especially in ‘agriculture, as state agents mobilised bureaucratic resources to direct agricultural production activities in support of the national development project through the creation of strategic agro-industrial linkages.’ However, in the case of rice and other basic commodities, self-sufficiency was more about defence and reducing the cost of labour’s reproduction than the state’s role in fostering inter-sectoral linkages. These latter concerns are crucial to deepening high value-added supply chains only as extensions of US-hand me down technology, in a US-stewarded development process.

The containment of China prompted the US to pump resources into Taiwan and South Korea. In South Korea, the initial high level of American aid amounted to more than 10% of GDP (Moon and Park 2003). Whatever success these countries experienced may be attributed to their functional roles as imperialist land stations. Their relative success—relative because their development is more about building a mercenary army for empire rather than all round human development—cannot be speciously attributed to the emulation of the American free market.

Unlike Socialist East-European economies of the Cold War, which were lent money as part of financial containment (Brzezinski 1971; Brzezinski and Griffith

1961),<sup>3</sup> supposedly to develop their export industries but had the market for their exports closed off, whereas South Korea and Taiwan benefit from US-interlocked production and preferential trade with the US and Europe. States developing under the auspices of imperialism may serve as advanced US-securitisation bases in an outstanding cordon sanitaire, around the former Soviet Union and China. Paradoxically, as hyped models of development to be mimicked by others, they prop the arsenal of imperialism. However, it is the investment pumped into them rather than an internal momentum like the Swiss '*propre en ordre model*,' the Swiss-implemented *sui generis* disciplinary measures to regiment the peasantry in industrial production, which propelled them.

Mainstream sociology relegates underdevelopment to a selection of cultural heritage variables and economic reasons. Underdevelopment is some of this and some of that. Society, the complex whole, has a power structure and is historically determined. To argue that countries cannot develop because they are *culturally* incapable of development is equivalent to racism. Selected verses from Islamic culture, long napping habits, and dancing skill substituting for skin colour are the prosaic of modernity subsumed under dominant ideology. Nothing is 'this and that' apart. The material foundation of social reproduction holds primacy in moulding and instrumentalising culture. More pertinently, because overproduction crises are omnipresent, the historical side of the argument, and logically because of the adding up fallacy, not all countries can develop under capital. The very idea that all countries can develop while pursuing profits is absurd-for some to be rich many have to absolutely and relatively poor. Under capital, the relationship in command of history, such is an impossibility by the rigour of the law of unity between the logical and historical. If all countries grow while overproduction ceases, then we are in a phase of planning where the relation of man to nature is organised by social criteria. Logically, for all countries to grow, the law of value must come to an end. Historically, there are less than a handful of countries that jumped into developed rank. It is neither logical nor historical to hypothesise that development under capitalism can be generalised. As the late Samir Amin commented when an official of the fist-tigers NICs boasted his country's model: for your country to have been a success there must have been many failures. Speaking of the way things are, by the absolute law of capital accumulation (Marx 1867), most countries must be pauperised, and be sources of cheap resources for the benefit of the few richer countries.

To copy the North-Asian model or to experience relative stability, a social formation may be geo-strategically positioned to reap rents as it sells its labour into mercenary-soldiery for empire. Often, the projection of these Asian success stories purposely confounds development with earnings from imperialist security ties. Such is the sort of development that conscripts a population willing to self-sacrifice for empire in return for the second-hand white-privilege it enjoys. As a first-tier Asian tiger serves to extend the hegemony of US empire, it will receive in return much aid

---

<sup>3</sup>Financial and cultural containment as part of differentiated or aggressive containment was spawned by Z. Brzezinski in the early 1960s. It is engagement with economic and cultural 'aid' or, better put with crippling debts, and with the manifest intent to cripple socialism.

or rather investment seeking the security of the patron's financial market. It will also extend commercial or super-exploitation to its more populated neighbours in South Asia. Through the interrelatedness of the class-power fabric, rising US hegemony in one corner implicates the rest of the developing world. Their narrowly defined material gains are anathema to internationalism-infused development; straight to the point, this is only development for the few well-armed northern states, South Korea and Taiwan, at the expense of a growing swathe of poorer countries around.<sup>4</sup>

States enjoying security by the extension of NATO partnerships develop from the market expansion side of capital as opposed to being grounds for accumulation by militarism and its industry of war. Growing in the shade of the US's military reach, and complemented by linkages that augment and recirculate value nationally, the capital stock thrives. However, growth in capital stock without the social and institutional transformation promoting popular democracy and cementing anti-imperialist fronts is not development. Furthermore, it cannot be argued that the reason for the development of the handful of developing countries that rose to first world rank is either their avoidance of IFI neoliberalism and free market recipes or the Keynesians leading their approach. These are plainly branch-plant economies of the centre. The autonomy they enjoy is on loan and instrumentalised by US-led empire.

## Neoliberalism and the Reign of Commodities

Mind-gripping dominant ideology has mystified reality through strands of super-inflated individualism and auto-centred identity politics. It has clouded over the social nature of social production. It has further distorted the cosmopolitan nature of human civilisation, the universality of culture as a store of knowledge and the class politics that command social development. The expansion of imperialistically-reared cultural phenomena, the phantasmagorical identity unchanging across history furthers underdevelopment. Instead of 'the never completed process of becoming and shifting identifications' (as per Hall 2017), divisive pro-imperialist identity asserts identity as capital's rent vehicle but not the real subjectivity of labour. It deprives the masses of cultural development and eviscerates the real identity which redresses the heterogenisation of labour as it realises itself.

Intertwined with the imperialist military bases and NATO's reach, pro-imperialist cultural spinoffs additionally contribute to eroding security and sovereignty (used interchangeably) of the subdued nations. Zbigniew Brzezinski and Griffith (1961) spoke openly about the perceived image of the American cultural model as a weapon in socialist containment. Imperialism operates with the rationing of the social infrastructure of knowledge, private as opposed to communal ideas, the barring of modernisation in the hinterland and critical education, most relevantly, masking over

---

<sup>4</sup>I am not forgetting Japan. There are 23 military bases as per the site US Military Bases in Japan <https://militarybases.com/overseas/japan/>.

the subject of history—the class. Reactionary forms of consciousness, the receptiveness of the masses to a class recoiling upon itself, cannot be reduced to some generic cognitive map shifting in structure in relation to new technology. Dominant forms of consciousness are reproduced by ideological machination to split social being from social consciousness, and to deprive social labour from its social productivity. The victory of the US in the Cold War was a victory for obfuscation, the individuation of social being, and the further alienation of social being from social consciousness. The degree of irreparable damage to social nature mirrors the degree of social alienation from the forces of production and the technological component thereof. By the end of the Cold War, many claimed that Western democracy had won. Indeed, it was the global financial class that won. Few questioned that bourgeois dictatorship exists with or against the will of the people.

Planned markets controlled by labour through the state are believed to have failed. Conversely, the smarter, more efficient and price-driven market of free enterprise had won. Ideologically-imbued terms such as free or efficient markets, and price signals allocating resources suffuse the airwaves. Everything social is obscured by formal-atomistic terminology based on outlandish assumptions of full employment and transitivity (Fine 2016; Fine and Dimakou 2016; Weeks 2014). Worst of all, history is presented as a chess game in which at a given point in chronological time, someone wins and leaves the set. Indeed, someone won, but it was the social class, capital—which never leaves the set. Capital, the class in charge is the weight of history. It has won and the same old relation trailing from the long sixteenth century, the indefatigably aggressive force that tears down the walls protecting less developed formations, grew to tear the very spirit of people out of them. It robbed the resources, and gravest yet, it estranged people from their own social being. As a variation upon Perlman's remark (1969), since labour endures a painful existence, an individual surmounts his ineptitude or the death-in-life, by remaining inactive or by being born dead.

Of all the fetishisms, the glitz of capital's war machine has climbed the highest ladder of the commodity's sainthood. Whether through identification with power or by the plight of a superfluous population beseeching capital for a painless early death, a sort mass-euthanasia,<sup>5</sup> the post-Cold War era re-established the reign of the commodity with no liberated zones to be found. Because of weak socialist alternatives or incoherent expositions of successful social alternatives such as the Chinese model, mass consciousness slipped into a state of defeatism. Undoubtedly, the retrogression

---

<sup>5</sup>The idea is a re-expression of the last sentence in this excerpt of Mark Twain's War Prayer (1905) projected upon the capital relationship: O Lord our God, help us tear their soldiers to bloody shreds with our shells; help us to cover their smiling fields with the pale forms of their patriot dead; help us to drown the thunder of the guns with the shrieks of their wounded, writhing in pain; help us to lay waste their humble homes with a hurricane of fire; help us to wring the hearts of their unoffending widows with unavailing grief; help us to turn them out roofless with their little children to wander unfriended the wastes of their desolated land in rags and hunger and thirst, sports of the sun flames of summer and the icy winds of winter, broken in spirit, worn with travail, imploring Thee for the refuge of the grave and denied it. <https://warprayer.org/>.



has been supported by Western Marxism. David Harvey, a name-brand and a much-revered guru of Western academia has come out against the revolutionary overthrow of capitalism (Martín 2020).

Additionally, there is introjection of defeat. Defeatism, the state of surrender to Thatcher's motto, 'there is no alternative,' derives from *capital as a system* that generalises the alienation of humanity. That capital also forces humanity to relinquish 'its role as the self-mediating being of nature turning this essential human relation into a means of class oppression by removing workers from control of the means of production, thus severing their direct connection to nature and their own labour' (Mészáros 1970; as discussed in Foster 2014). Insofar as the relation to nature is concerned, Foster (2014) designates Mészáros as one of the first major social theorists to put the relation of capitalism and ecological destruction at the very forefront of the burgeoning contradictions of the system—ahead of the Club of Rome's famous 1972 study on *The Limits to Growth*. Foster, reinterpreting Mészáros, jots down that the American pattern of 'high mass-consumption' was not only impossible—*given the reality of imperialism*—but was all the more absurd since this outlook in the event of the universalisation of that pattern...the ecological resources of our planet would have been exhausted well before the end of that century several times over' (Foster 2014; Mészáros 2014). The adding up fallacy is such that if all nations do as the US does to enrich themselves, overpolluting and warring, the planet would have long been a bonfire.

The notion that removing forests and reservoirs results in 'forlorn conditions,' as nature exacts its revenge, was observed by Engels ([1924] 1876): 'at every step we are reminded that we by no means rule over nature like a conqueror over a foreign people, like someone standing outside nature—but that we, with flesh, blood and brain, belong to nature.' This unity of man and nature is social nature—the term I have been using all along. Capital targets social nature for consumption, but always with the intent to erode nature in order to commodify/objectify labour, de-reproduce it, and extract more value from it. The erosion of the subject 'labour', the process of wrenching labour's will from labour, is the control lever of the dynamic of the substance labour, socially necessary labour time, which then devolves into more value or higher levels of surplus value.

For capital, there are few other viable means of deforesting without bulldozing the indigenous tribes. Bringing down the human must accompany the falling tree. Extirpation of nature and depopulation together are the hottest furnace of surplus value making; along the added value chain, the early steps of exterminating a native population to grab its resources, transpires in the profits of the high-end market and, more decisively, the incremental build-up of waste whose costs shift upon the shoulders of labour. The process of expropriation by means of violence and objectification of labour metabolises man and nature in highly compressed social time because it shortens the lives of living labour in production. As production activities, imperialist wars of encroachment are magnifications of the measures visited upon deforested tribal areas. Contingently upon class-power balances, the reason of the commodity tempers the violence to ascertain the rule of capital and deflate the contradictions building at the heart of the system.

For Mészáros (1970) the system maintains cohesion by means of antagonistic second-order mediations, such as the nuclear family, alienated labour/production, civil society, and the state, generating various vicious circles. The issue one takes with Mészáros' remark is the accent on a system that shifts its primary contradictions onto a plane of second order meditations. The issue is one of prioritisation. There is always a show of pity in the centre for deforested tribal areas. At this junction, the Western world, which eradicated innumerable tribes, exhibits theatrical emotions that boil over for a thousand displaced Amazonians, while it generates the policy ideas of war and austerity that loudly and silently kill *en masse*. Similarly, there is a weeping contest for chattel slavery while the ongoing wars and famines of imperialism visited upon the globe are a more devastating form of slavery. The cornerstone of the struggle and its primary contradiction lies in arresting the channels of value transfer that fortify US-European supremacy; the second order mediations are secondary. By European supremacy, I do not mean the mid-twentieth century fascism of Europe; rather the many likes of Leopold II of Belgium and every other liberal voted into power in the centre to have empowered capital's institutions and conducted imperialist wars.

The intensity of the primary contradiction manifest in encroachment wars, once more implies that priority should be placed on demands for equalisation of the conditions of production and reproduction. These should precede working class demands for more income through the sphere of circulation. The trade unions of the Western hemisphere are nuanced variations of US police unions, which quash African Americans. Unionist activity recirculates additional pay for soldiers/workers of empire in the form of rent. As the historical moment, the capital-biased balance of forces, assumes the position of the *universal*, meaning the general condition becomes dictated by capital with very little opposition from labour, a *particular* activity, such as unionism, self-consummates as it identifies with capital. Union activity (the particular) under the thumb of capital (the universalising agency) becomes capital itself and deepens rather than bridges gaps in the international working class. What Marx meant by 'wages rising due to the moral component,' or as he put it, 'in contradistinction therefore to the case of the other commodities, there enters into the determination of the value of labour-power a historical and moral element' (Marx 1867) is not that capital's morality is a repository for higher Northern wages. If anything, Northern workers cannot enjoy higher wages via imperialist pillage and still be moral. He wrote this amidst a debate with other political economists. He was concerned with ascertaining socially necessary labour time as the 'measure' of value—measure here is the dialectical measure, the market-mediated circumstance. Later in discussing the rate of profit, Marx (1894) asserted the conditions of the production process are largely the living conditions of labour, and 'economy in these living conditions (labour's) is a method of raising the rate of profit.' What was economised is the life of man in the Third World. For Marx, ethics or morality under capital are those of the profiteering class; save the revolutionary ethic of labour (Truitt 2005). If it chooses to lift wages by some 'moral' component in one corner of the world, it must relegate others to more misery. The moral maxim of capital adheres to the law of value. It reaches the pinnacle of holiness as it equilibrates the rate of the under-valorised

labour from whom it extracts wealth by elimination of life with the rate it sells to a consuming labour whose fake resistance to capital delays revolutionary rupture.

Value as substance/object manifests in what it takes to reproduce society. ‘Every child knows that any nation that stopped working,’ stopped producing the commodities needed to sustain society, ‘not for a year, but let us say, just for a few weeks, would perish (Marx 1868).’<sup>6</sup> But what has been produced under the unfettered reign of the commodity so far is enormous destruction, so that the heap of waste eclipses anything of use that reproduces society. And if science is about a study of the relation of value, the science *propre* as Marx indicated, then that value relation is a waste relation. Waste was innate to capital at its inception and, while capital shifted into its intensified mode of imperialism under financialisation, it also intensified depopulation and waste relative to society’s capabilities to self-reproduce. The war to waste, a means to production and a production sphere, visited upon the colonised-imperialised world was significant to the circuit of capital since its birth. However, recognition of waste as central, especially as wars became the constant and the pure state of waste, took time. It took social time, the real time into which peoples of the Third World indefinitely cram into some space to suffer, the time which is at the command of capital. By the early twentieth century, Veblen’s wasteful consumption was central to his theory of emulation, leisure, recognition, and conspicuous consumption (Veblen 1924; Davis 1957). In 1924b, Veblen announces that ownership was the legal right of sabotage. In 1960, speaking of the crisis of accumulation in the US, Davis, while noting how imperialism devours social nature abroad, says that at home capital leans heavily on war spending and other forms of systematic waste. He adds:

So great is the expanding productivity of this glittering economic machine that its distributive channels are periodically inadequate to accommodate the flow of its goods and services. *Without waste it would collapse.* And the amount of waste, even on today’s colossal scale, is not always sufficient.

At the current conjuncture, the state of waste is the preponderant cancer and the erratic weather that uproots farmers from the land—a massive global enclosure. However, waste is treated from the consumption side as an illness of an overconsuming society (Jappe 2017) and not as production. In the Eurocentric vernacular, it is just a psychological whim inherent in human nature, which lets consumption lead the production of waste elsewhere. The point is to avoid the fact that waste is produced and sold like any other commodity, and that such production entails the reproduction of man who consumes the wasted lives of others. The sphere of production holds primacy. *The production of waste for consumption makes a production sphere out of the de-reproduction of man.* It is self-evident that the production of millions of tons of bombs produced and consumed by the millions of dead Koreans and Chinese during the US aggression of the early fifties did not count as waste, but as a necessary evil to save the planet. How is that different from eliminating the native American tribes or slavery to bring about civilisation!

---

<sup>6</sup>Marx-Engels Correspondence 1868, Marx To Ludwig Kugelmann In Hanover. [https://marxists.cat.bull.com/archive/marx/works/1868/letters/68\\_07\\_11.htm](https://marxists.cat.bull.com/archive/marx/works/1868/letters/68_07_11.htm).

It now happens that barbarism was all there is to capitalism. Wealth, the stock of value in substance, the cadavers and the pollution, is the realisation of mediated value relations. Capitalism was progressive as a Northern Marxist adage, and no more. The cliché exonerates colonialism as it demands the South to live through the same horrors of capital exercised by Europe all along in order to develop. Today's mission civilisatrice would be found in the bombing of Muslims because they mistreat women. The *reality of imperialism* is not about second order mediations as per Istvan Mészáros. It is about the intensification of the metabolic rate of capital accumulation by a class so engrossed in the reason of the commodity, such that, for a turnaround to happen the ruling commodity must be 'disconnected.' The ultimate de-linking is not only to delink from imperialism by adopting policies of self-reliance, it is to delink from the reign of the commodity; hence, to ditch Western civilisation, a culture submerged in the symbolism of waste erected upon the materialist circumstance of imperialist rents. A similar term to disconnect was used by the character Dave as he discussed his fate with an intelligent machine called Hal in the Sci-fi 'Space Odyssey 2001'.<sup>7</sup>

To prioritise struggles against token deforestation, whales and birds—used allegorically while relegating uranium or carpet bombing and imperialist encroachment to the background, is to assume that welfare-state reform in favour of the central working classes catalyses world revolution rather than involution, the retreat of the central working class into imperialism. It is to omit the fact that just like white South Africa, it is impossible to wean the European/ideologically white class from making a living off the desolation of the developing world under imperialist aggression, without shifting the balance of forces against the whole of the central structure. The real first order mediation arising upon the first contradiction of labour and capital is that which under the new more aggressive phase of capital, imperialism, is the contradiction between the imperialists and the imperialistically aggressed.

As the external stimuli of financialisation collapse time into space and accelerate of exchange, the dynamic of the value relation, the contradiction of use and exchange value resolved by violent expropriation, clicks into hyper speed; hence, constant war. No matter the vicious circle arising upon second order mediation such as the nuclear family, the real mediation that keeps the system together is the state of consciousness reproduced by capital, such that central classes acquiesce to the nuclear weapon and the wars of encroachment against the Third World. That state of consciousness is no individuated cognitive map. It stems from vested interests or from the share of the central classes in imperial rents, from their stake in a central mode of production that has grown in inverse proportion to severing the control of the developing world upon its means of production.

---

<sup>7</sup>The science fiction depicts a thinking machine that slays a human, much like the fetishised commodities whose expansion necessarily reduce the life and the living conditions of mankind.

## The Context for Resource Allocation

On the economic plane and through resource divestiture and asset liquidation, neoliberalism instilled inimical growth in the productive forces, at least their sane side, including the productive capital stock, decent employment and in the incomes of the poorest working strata. As always, waste accumulation literally liquidates natural and human assets and stores the value in dollar assets- a financial market characterised by high liquidity. Under imperialism, value extraction by the higher frequency liquidation of assets, especially the human asset in wars and austerity, finds in the more liquid US dollar market its social and financial equivalent and motivator. The liquidity of the US financial market corresponds to the higher rates at which imperialism liquidates conquered assets for transfer to empire. Capital-biased institutional change further botched up broader participation in the decision-making process as the state retreated and vacated grounds for the imperialistically-funded civil society, which disinvests the politics of the proletariat.<sup>8</sup> Neoliberalism as an ideology does not function by selecting people who are corrupt and in the business of promoting their self-interest. It is not a formal network whose feedback readjusts its development for the betterment of social life; that is the role of its institutions. Gone unchallenged, a social and historical system of capital whose ideology is neoliberalism readjusts to the calls of its alienated ideological growth, the reason of the commodity as self-expanding value. An ideology *becoming* class creates the historical context into which it is only *decisively* possible for corruption to grow; the decisiveness stems from the inner logic of the capital relationship, its predisposition to expropriate what is social by any means, foremost by a combination of intellectual corruption, the distortion of consciousness, and violence. Restating the definition of ethics under capital: what is or is not corruption in the moral sense relates to class values. While the usurpation of the social surplus via free capital and merchandise trade, the unequal exchange, is statutory policy under neoliberalism, because free markets are constructed as moral in relation to the benefits in welfare they supposedly impart, small bribes to supplement the subsistence income of underfed workers represent corrupt behaviour. By literary analogy, what was morally deplorable in the mid-nineteenth century remains with us so long as ‘decrees of damnation pronounced by society, artificially creating hells amid the civilisation of earth... the degradation of man through pauperism, the corruption of woman through hunger, the crippling of children through lack of light; so long as social asphyxia is possible in any part of the world’ (Hugo 1862)—in relation to what science could offer and to the dismal state of nature, things have worsened since. Under capital’s rule, the theft of bread to feed the hungry remains in the spotlight of dominant culture. While the channelling of the social surplus to

---

<sup>8</sup>Of note, the concession made by China to American missionaries; however, these never slipped through the fingers of the state. Their inroads into Chinese society remained superficial. As an example of imperialist intervention, ChinaAid, an American watchdog group that monitors religious freedom in China claims that ‘the repeated persecution of Golden Lampstand Church demonstrates that the Chinese government has no respect for religious freedom or human rights.’ As quoted from the NYT 2018, Chinese Police Dynamite Christian Megachurch, Jan. 12, 2018, <https://www.nytimes.com/2018/01/12/world/asia/china-church-dynamite.html>.

empire by war and neoliberal policies, a process that erodes the basis of subsistence for a whole population, is legitimate.

The moral category of the working class, the ethical, emerges in anti-systemic struggle. This is not just an ideal of deontological ethics—it is not an abstract rule to obey, but a morality evolving upon the consequences arrived at by anti-imperialist practice. It is gauged by material circumstance or by what it takes to replenish the basis of social reproduction, the categorically reasoned practice of internationalist anti-imperialist struggle, as opposed to the welfarism of Northern states. Without labour's opposition, there is only capital's class morality and its predominant mode of thought, the intellectual corruption. By the latter, I mean the use of the conceptual frameworks of dominant ideology to combat dominant ideology. The social categories arising upon anti-systemic struggle, the practice of theory to enhance the theory of practice, are the ethics justifying the elimination of capital, the dethroning of the rule of commodities or things. In pellucid terms, corruption under capital is endemic. It is the alienation of the social product from the labourer dictated by the inner laws of the value relation or the necessity to transfer public into private wealth.

## The Necessity of Immiseration for Profits

In the neoliberal age, *social* remedies for inequality and unemployment, the de-alienation required to stem value usurpation/corruption requires a labour prominent in the state. Capital instrumentalises the state to further the wage system, regiment labour and redistribute the social product. It will first stabilise itself, and secondly, maintain profit shares. Since capital is a cross-national relationship, the reproduction of the wage system is principally the work of imperialism, the highest relationship in the hierarchical whole or the system of capitalist relations. The state's balancing act also organises and curtails the avarice of capital. It regulates competition in time and space and supports the realisation of value (Rubin 1972). Capital valorises and re-valorises itself by means of violence, ideological hegemony and the control of the money form of value. In the complex whole, the dollar, is key to subordinating the developing state. The operation of the wage system, specifically its measures of calibrating productive to unproductive labour by depopulation, requires an oppressive state. Imperialism orchestrates the repressive functions of various states upon the labour process in relation to capital's reproduction. Not to forget, the state is organically articulated with capital. If at times the state appears independent, it is because capital lays the accent on the politics of bourgeois class securitisation and tenders intermittent concessions to labour, while economics is decisive in the last moment (Althusser 1969). That last moment, the envisaged future of social or economic activity, signals to the state a course of action to ensure the extraction of wealth via the wage system.

To absorb the workforce in meaningful employment, labour must confront a capital that grows by replacing living with dead labour. For the Marxian heterodoxy, employment occurs as a stabilisation effort presupposed by the consumption of labour power in production while social wages obtain by labour's exercise of power in the class struggle. For the mainstream, the private or money profit criterion for job creation, the formal position of productivity gauged in money form, or some moneyed benchmark of what constitutes real productivity, underpin the economics of labour demand. However, productivity assessed by the incremental growth in the stock of wealth has been more about growth in the stock of waste. Productivity measures in price form or dollar form exist as an accounting scheme for capital to organise its activity. People are hired to produce in dollar value more than they earn in wages. As demand for the goods produced is capped by the purchasing power of workers retrenched by the declining representation of labour and advancing machinery, unemployment is not only permanent but grows as capital's real and ideological clout grows.

However, under a *social* criterion of job creation, the hiring follows the edict of society through a redistribution of *wealth* that generates a social pay-off. Aside from arbitrary measurement, which bears out what capital desires by the momentum of socially-engineered data (Fullbrook 2019), the fantasy that income shares follow productivity is fallacious. Wealth grows by scientific and technical progress, by the development of the productive forces whose growth is objective to society and its science. On a secular trend, incomes will appear to grow over time. However, the share of the living wage relative to a historically determined adequate living standard, must reduce the necessary labour share or the social cost of labour reproduction, otherwise there will be no surplus value, and by intermediation, no profits. The issue of income shares, moreover, must be examined from an integrated social production perspective, else the rich white nations piling up the historical surplus value, will appear to be a moral model by virtue of their nationalist wealth attendant upon their industrial cultures.

To dilute private property, to thin it down by public ownership, is a necessary condition for the social criterion to create socially relevant jobs. From a Marxian optic, the control of property, including the interface between its economic and legal sides, is the cornerstone of power and the symptomatic characteristic that defines the historical period. Property exchanged as a commodity and owned by the minority bourgeois class versus a property-less majority under capitalism, distinguishes the antagonism of capital and labour (Marx and Engels 1847); it is seminal to defining the periodisation of history. A state such as the Chinese state, whose national struggle fuses with class struggle, dominated by the politics of labour and owning national property, adumbrates the future, or its present dominates its future.

Although the Chinese government says its employment policy is for 'workers finding their own jobs, employment through market regulation and employment



promoted by the government,<sup>9</sup> it is state ownership in China, which is key to understanding its employment and other policies. Here, state ownership of property, especially land, is the bedrock of accumulation in the last as well as in any moment. The command of landed property and the entrapment of wealth through major macro variables retain the savings nationally and redeploy them through social employment to redistribute income. The moneyed wealth must be reploughed in the home economy and, although wealth and income variations intermittently appear, over time, the rise in employment and wages redress initial Kuznets-like effects (environment and income inequality) of industrialization (Li et al. 2016; CGTN 2017).

Just in passing, full employment is prefigured in the constitution of China. The leverage of ownership in land and assets, as the private sector works under license and lease permits, allow the state the last word in labour demand issues. Incomes in China can vary and exhibit discrepancies, the Gini coefficient may appear high, but the control element, which re-establishes the incomes and wealth, remains under the thumb of the Chinese state. No doubt, resources veered away from the working class to combat imperialism lessen the share of income that would otherwise buoy household consumption; however, this is a must because imperialism is always on the offensive. As imperialism retreats and labour gains grounds, the income share of the working class will outgrow the growth in capital's income share. The trade-off between allocating resources to anti-imperialism as opposed to improving national consumption levels is a delicate balance of survival. A population infatuated with Western consumption patterns to the point of sacrificing internationalism and national security was one of the drawbacks of the Soviet Union.

Under neoliberalism, the policy instruments of neoclassical economics and the conceptual tools that guide policy regimes, are symbols teleologically conceived to take society onto some better world. The social forces that influence the groundwork for the formation of macro prices, such as exchange or interest rates, the prices which in turn influence all other prices, are unaccounted for. Prices are presumed asocial or appear from the interaction of formally constructed supply and demand under some form of competition. Atomised social agency is a state of the world nowhere to be seen. To re-articulate an earlier posited point, it is not that neoliberalism based on neoclassical science conceptualises a chunk of reality and then says, that is the supposition with which analysis begins; conventional economic theory literally begins from a reality that is not there at all. There is no supply and demand under full employment and any form of real competition implies price mark-up by historically borne-out social agencies. Relatedly, the hallucinatory vernacular of marginal quantities meeting at equilibrium and power-untainted prices are the fetish whose aura rules over society. Prices had a life of their own and people were treated as excessive *things* to be cleared by the prices whose undercurrent is the law of value: the more and more commodity exchange appears as the exchange of equivalents in money form, more of the social repression would have to be exercised to convince the working class that a most brutal act of exchange is a fair one. Like the sacrosanct price system,

---

<sup>9</sup>China Labour Laws and Regulations Handbook, Volume 1, IBP, Inc.—2013—Business & Economics.



fetishism also grows in the womb of austerity and encroachment wars. Reification, the isolation of substance from subject to elucidate knowledge is a worthwhile step interconnecting a thought process; however, substance alone or quantification taken to its extreme to meet the requirements of paradigmatic science erased subject – as always – to conceal classes. Such an approach became the premise of domineering science, *qua* positivism. The constructed unreal or at times the one-sided reality of things turned into the fullness of reality. Thingification, things begetting things, the epitome of reification *identified* with the actual state of alienation. The horrors of today's capital may be attributed to the rule of powerful things, the ideas that in isomorphic ways transform the two-dimensional forms of mathematics into a reality conducive to the further expansion of the commodity/value.

Macro-prices are indeed instruments that serve the allocation of resources and the distribution of income, but as always subject to political power balances. In the late 2000's, as the US Federal Reserve lowered its interest rate, speculative funds moved into the comparatively smaller commodity market driving basic food prices up and exacerbating hunger in many places around the world. Yet, despite the fact that the social cost of reproduction of labour varies in relation to how the US manipulates its interest rates, no serious effort was adopted to demystify the short-leash by which the reigning commodity holds history. Even as the damage inflicted upon nature ricocheted with vengeance, the putative solutions still call for greening the environment, flaunt capital's tech-meliorism, and peddle de-growth theories. By definition, profits are a variant of economic growth.<sup>10</sup> The first two measures (greening nature and meliorism) do not arrest growth and profits. However, under de-growth or low growth, the world is back to the fascist banality of small German businesses tempering their profit rates to last into the future, while conducting genocide in West Africa (Erichsen 2001).<sup>11</sup> The march of history is governed by systemic currents. Reforms not addressing private property, the arrest of value relations and profits, are makeshift arrangements that do not address the systemic drive. Capital cannot earn profits without growth and without value relations shifting the costs of production upon the shoulder of the masses in real or social time. It is absurd not to see the phenomenon of waste generating profits, and not to mention a value relation, unfolding on its essence, and transmuting fully into a waste relation under capitalism. Such is the depth of complicity of science with reigning power. With an epistemological framework, which knows the truth of everything because it can turn everything, every quality, into a quantity to be measured by a unit of account it has devised, everything could and did go wrong.

Neoliberalism engenders poverty employment (Chossudovsky 2006). Informal poorly-paid jobs are not positions that the productive economy creates on the basis

---

<sup>10</sup>The rate of profit is equal to the growth rate divided by the savings rate of capitalists (Morishima 1964). As capitalists save all and workers spend all (the widow's cruse), the savings rate equals 1 and the profit rate then equals the growth rate.

<sup>11</sup>According to Erichsen (2001) 'there were five concentration camps in all in Namibia, then German South West Africa, between 1904 and 1908. They were called Konzentrationslagern in reports and succeeded South African camps by two years.'

of its own formal design. Orthodox theory postulates the creation of jobs in relation to the going wage vis-à-vis labour's output. It does not set a wage that satisfies the minimum caloric intake, otherwise, its positive science violates the premises of ethical neutrality and non-ideology. The orthodoxy assesses initial endowment without history and, accordingly, it is non-normative with regards to slavery, famine, encroachment wars etc. To be sure, the effective labour units imparted to production in below subsistence jobs of the informal sector are insignificant. By neoclassical standards, informal poverty work pays little and produces little in moneyed revenues. However, it is the planet's vast enterprise comprising many who will undertake the worst service or handicrafts jobs to remain alive. Below subsistence work should not count as employment. Yet, when included in labour statistics, poverty employment shows that the unemployment rate falls as neoliberal policies kick in. It takes misery and dubious statistics to beautify the assets and the image of 'non-ideological' capital. The many released from decent jobs by labour market flexibilisation under neoliberalism resort to begging-like work: these are 'ethically neutral' reductions in transaction costs boosting efficiency.

Save China's success in employment and poverty alleviation, there was a weak response in decent job creation to growth over the period 1980–2014 (ILO-KILM 2015). This just says that labour, which does not significantly contribute to the complex value chain, is structurally being shed per unit of improved capital. The value imparted by direct producers is snatched by middlemen who handle the sale of products to high-end markets. Because demand is rising on account of higher indebtedness funding consumption while decent job demand is falling, the rule that labour demand derives from overall demand falters. It is also a sub-category of an empirical convention known as Okun's law after economist Arthur Okun. Note that these guidelines are invented by observation from priced economic activity within the boundaries of the national state and within accounting periods determined in conventional time. If these rules included the historically stocked transfer of wealth by colonialism and imperialist wars assessed in social time, the time in which socially necessary labour is regulated to reproduce society, then the rule would be that employment in the centre is an offshoot of commercial exploitation in the periphery. As debts rise to bolster consumption, the grounds for encroachment wars, an industry of waste accumulation, rise, and with that the imperialist rents rise to support central and centrally related jobs and wages. Marx mentioned that commercial exploitation, the exploitation that deprives labour of its subjectivity, the type exacted upon slaves, was the pedestal of the wage system in the colonising states (Marx 1894). Although social investment in the Northern formation is decisively an investment in militarism, the taxes levied upon the central working classes directly, or indirectly through strengthening social security capabilities, fund the imperialist war machinery. These taxes are an investment in imperialist war and rent. Restating the point, modern encroachment wars enslave nations en masse, whose peoples' become pedestals of central waste industries.

This otherwise chronically low elasticity of labour demand to income illustrates that neoliberal growth was hollow or anti-developmental. Furthermore, growing inequality under neoliberalism and the lower share of wages corroborate the proposition that employment/income share is politically generated rent (Marx 1867;

Kalecki 1943). A weak and divided labour whose productivity is social earns meagre social wages; that is so irrespective of the supposed moral component propping wages. Capital's morality – had such an ethic existed – it would be labelled as narrowly utilitarian or concerned with class interest. By pursuing profits, decent jobs are created but more are shed by the autonomous growth of technology. The weakness of labour or equally socialist ideology estranges the social wealth created and dissipates betterment of life.

The wage is not the price of each labourer's productivity—not that individual productivity exists separately from social productivity to be measured on its own. The wage is indicative of the working class' share from the social product. Productivity is social and it presupposes the wealth level, but not the shares assigned to labour and capital—these are class struggle determined. The high rate of decent work related unemployment mirrors the anti-labour bias at the heart of dominant theory. The received hypothesis states that labour demand is the total sum of each firm's demand as it levels worker productivity with the wage rate. To assume that abstract productivity exists is to assume that the individual worker has just descended from the heavens to do the work and will go back to the heavens once the job is finished. The individual is social man produced and reproduced by the share of the living wage of society. Aside from the formal being *absolutely* incongruous with a dynamic context, individual productivity is not measurable on its own because the individual as a social relation cannot be ripped from a social context without an arbitrary decision. It is not that deduction or induction cannot be applied to approximate productivity. One can approximate anything. However, measures should not be based on vacuous concepts. The measure of productivity should reflect the effort of society in historical time. It is mediated in a price form, the moneyed sum of which reproduces society and is split between labour and capital according to their respective powers.

Reverted to its mainstream theoretical underpinnings, unemployment is the product of an economic efficiency criterion that equates/identifies the irreconcilables, the private with the public interests. It says what is good for capital is good for labour. By a divine power of its own, the quantity of wealth produced rewards effort without an agency of labour. Nevertheless, declining investment quality, the type whose output undermines social nature, labour-saving capital with high-tech composition, and slowing rates of growth in capital-saving productive industrial stock and agriculture, arrest decent job growth. Add to that inflation fighting monetary policy and fiscal austerity, and the neoliberal recipe breeds poverty jobs and upward redistribution of income and wealth.

Naturally, more of the precarity that has long plagued the developing world emerges up North, a precariat class with a 'lot of anxiety,' which according to Standing (2006 and 2011) may prove a harbinger of the Good Society of the twenty-first century. However, in this as well as in much European scholarship imperialism goes unmentioned. Without value theory considerations, the developing world becomes of low value because in terms of dollar prices it is comparatively low and cheap. Ironically, the price system itself is the historical product of colonial and

imperialist practices, which are value relations. Moreover, the class process under imperialism evolves into working-class defeatism specifically because building ‘the good society of Europe’ under capital requires building the bad society elsewhere.

While central business-cycle recessions set upon the Western hemisphere every decade or so with two successive quarters of negative growth, the cycle of the developing world is intrinsically depressive. The negative central growth rates signal to the law of value to heighten the dose of imperialism, the procedures that strip people from their autonomy and resources. The peripheral formation continually develops in severe crises. Its development, underlaid by monetary and fiscal leakages, and a production process whose high value-added import-dependency along with the import of labour-saving technology, immanently shed decent jobs. The expansion of poverty employment for the private sector, the sort of work that falls outside the effective units of labour required for production of commodities destined for exchange on high end markets, is means of suppression (Rodney 1972; Sylla 2014). To control the labour process is the kernel of wealth creation. However, since productivity is social, all living labour, participating or forced to idle contributes to value creation and social productivity. In indivisible social productivity, the poverty-employed and the unemployed worker emit surplus value by the rate of their immiseration. Recalling that is so in labour’s time, the real time of social reproduction, not the conventional quarterly earnings reports imposed by capital, or the time capital constructs to repress labour. Their very setting aside is the social activity that would still create wealth because the dislocated worker is a logical and historical predicate of the engaged worker.

As to the wasted-life commodity whose production is rarely examined, the shorter life expectancy associated with poverty and war is the marketable product whose surplus value paves the way for other run of the mill market activity. There is money to be made in waste, and the shortening of lives as an end in itself is the waste product that undergirds the totality of production. At any rate, job creation is subject to the hegemony of capital as labour demand adheres to capital’s *primacy of politics*—how capital re-ascertains its rule by making concessions to sections of the working classes in times of crisis. Capital calibrates the jobs it provides or subtracts jobs from the economy with the steadiness of its rule always in mind. Economics may be determining in the last moment, but it is social control that determines the economics. As the immiseration of social conditions takes hold, the economising with peoples’ living conditions, including the war dead and the poverty jobs shortening lives, transmute into high rates of profit—I have extended Marx’s observation, economising with living conditions, to economising with lives (Marx 1894). Altogether these poverty-induced profit rates, in conjunction with the rates associated with wars of encroachment acted out as forms of commercial exploitation ensuant upon the enslavement of un-sovereign nations, interlock with finance to create the nexus of capitalist accumulation. The case holds not only because of immediate war pay-off, such as the US at the moment has the right to control Iraqi oil revenues in an escrow account after years occupation, but because every activity associated with austerity and war is a value relation arrayed against a system of prices mediated by the market. Substance only presupposes value relations, and it is the development of subject, the

development of class power relations that underscores the pre-eminence of war as an industry of waste.

The overwhelming majority of jobs no longer classify as work that delivers effective labour units in production, as per the standard yardstick, the job market became more of a two-tier system of well-paid agents of capital unleashed against the immiserated mass. The tier allied with capital is possibly as thingified as the capitalists because its very reproduction is that of capital's. Formulaically, the command of capital over the cycle of labour-power reproduction, its policies of reducing the social costs of reproduction, must *exponentially* tally with rising profit rates; why exponentially? Besides peoples and nature becoming too cheap for overuse, the crisis of social nature is *ipso facto* evidence of an explosive system. Pauperisation, de-subjectification, and quasi-enslavement, alongside natural devastation, in relation to historically-delimited class balances, become more pronounced. It may be as well to recall that without publicly accountable production processes, and because what is efficient for the private sector is inevitably inefficient for the social sphere, decent jobs and development are pre-destined to fail under capital. The causes of failure are engrained in the overdetermination of history and the resultant of class struggle. The way power, control and decision making are articulated between the various classes, in particular the positioning of the working class and its command of the resource channels vis-à-vis the imperialist class, is the leading link in development and the totality of social production.

## Conclusion: China Defies Neoliberalism

To disengage resources on account of profits in underdeveloped economies lacking capital, is to auto-destruct as population pressure meets dwindling capacity. Whereas the market price associated business cycle may react to capital and portfolio investment and stay buoyant for a while, it operates in a developing enclave or a narrow strip of a social formation condemned to living below subsistence. The real cycle, the social cycle in security exposed or un-sovereign formations, is permanently depressed. Real capital scarcity is at the root of underdevelopment. Side by side with imposed dependency, these plus the weight of history further decommission labour and other resources. As capacity idles, and demand for subsistence commodities rises, penuries and dependency abound. Unlike its predecessor ideologies of capitalism, neoliberalism demands a higher rate of resource underutilisation from less autonomous and increasingly de-capitalised formations. As labour retreats from its role as the historical agent, it accentuates the workings of the absolute general law of capitalist development, a zenith of wealth that meets a growing nadir of poverty (Marx 1867). Deeper dependency lets the formations of the national price system obey developments in world exchange and interest rates, which are *namely* US-led capital determined. By the law of value, the appearance of equal exchange in price form conceals more value drain. As opposed to national forces shaping macro prices in ways that retain wealth, weak open formations transfer value to empire in proportion to their weakness and openness.

China averts much of the vagaries of markets and imposes selective measures of openness. It loosens up as the economy becomes in a position to withstand the shock. For instance, it only entered the World Trade Organisation (WTO) because it could manage the entry jolt. At the time, the sober calculus was to incur intermediate losses in certain national sectors as a price worth paying in return for more autonomy over bilateral trade negotiations often obstructed by the US. The US was meddling into every partial trade deal that China struck before entering the WTO.

As of 2018, a China capitalising on its peoples' sovereignty fended off the US trade war by countermeasures, including tariffs and a slight Yuan devaluation. In sovereignty-vulnerable social formations, the externally determined macro prices, US interest and exchange rates, shift national resources into externally integrated and open sectors. These are then clutched, converted into the dollar form by a foreign exchange policy, which further taxes the masses in order to steady reserve levels. In China, however, publicly owned policies and financial institutions under regulated capital-account ration the rate of usurpation of the social surplus in ways that balance its development needs.

Moreover, non-sovereign monetary policies keep the interest rate unduly high while inflating ruling class assets and subsidising the pegged dollar rates by reducing spending on the social sphere, such as health and education. In a stark example of how capital subjugates conventional time to its social time, ubiquitous indebtedness forces the yearly primary budget (spending on health, education, etc.) to remain in surplus, writing off resources that enhance development. Development, the long-term process of build-up in social wealth, loses by small increments the social flows that would later constitute its stock. Austerity implemented via policies that reduce investment credit to working class assets, and public investments, serve short-termish debt service by *literally* liquidating real material and human assets that could otherwise be deployed in development. By literally, I mean people passing away under war and austerity before their due time.

In security-exposed formations, the interest rate, otherwise used to balance savings and investment while financing long term development at concessional rates, rises to levels that reflect the risk premium of the local market. The heavy surplus drain occurs in the way monetary policy and its high interest rate disincentivise national investment, demand and output. Money has an implacable bearing on value. It is created as credit to capital to reduce, in absolute and relative terms the wage share of labour, which is the social cost of labour reproduction. Money serves to signify value and to entice further value relations. As money lodges in finance, speculative assets and portfolio investment because of higher returns, as opposed to long term industrial investment, national assets are liquidated and dollarised to be shipped abroad. Furthermore, as primary commodities are financialised, sold in future markets independently of national state leverage, the shortage of foreign exchange in peripheral formations has less to do with the declining barter terms of trade (the Latin American dependency framework) and more to do with unregulated trade and capital account openness.

Accounting-wise, the trade and fiscal deficits funded by external borrowing, entrench austerity policies, ration investment and credit to productive sectors, and ultimately lower the wage bill. Capital, through its experience, memories and symbols, is a more astute social scientist than many who eschew value theory.

It targets a lower wage share, which is key to surplus value making, because it lowers the value outlays on labour and, consistently, undermines labour's consciousness and labour as subject. Labour dividedness allows the wage share to sink, not only because fewer people are employed in decent higher paying jobs, but because the state taxes the lower wage share at higher rates to subsidise overvalued currencies for dollarised capital flight, often without anti-systemic opposition. The world dollarisation and its dollar-peg are the principal vehicle of imperialist rents. Dollarisation lubricates the channels of intellectual corruption. The corrupt intellectuality forces the subsidisation of the rich class with taxes that undercut the consumer basket of the poor as the sole measure to keep high reserves or to service international debts. Rephrased, managing the exchange rate peg with the dollar furnishes the national comprador with a mechanism to shift national assets abroad through a national currency subsidised by additional taxation upon a declining wage bill. Subordinately to national security, the litmus test of anti-neoliberal policy is its antidote: did the wages rise? The unequivocal answer is: in China they did.

For condensed capital in the form of imperialism and its neoliberal framework, incomes flow as geopolitical rents, which in turn dichotomise a developing economy. It splits it into an enclave of wealthy comprador and swathes of wretched masses. Resources flow to a highly capitalised modern sector where few decent jobs relative to sizeable capital are created and, in an adjunct manner, poverty job expansion occurs mainly for stabilisation purposes. Patronage networks buying favour or clientelism abound. As the private corrupts the public sector, neoliberalism further curtails the efficacy of the latter sector. In prevailing dogma, patronage in the public sector connotes inefficiency. However, in the absence of social welfare programmes, or public employment meeting social concerns, the creation of lowly paid public sector jobs is both a cushion to redress falling consumption and a long-term developmental payoff, albeit, contingently upon the nature of the jobs created. Also depending on how the impact of state spending filters into higher output, national savings may rise to fund national production. However, subjected to fiscal austerity and plagued by resource leakage, capital and labour flight, the public sector's growth/employment nexus has been dealt a blow. In developing countries still reeling under high fertility rates, trailing from rural cultures forbidden from modernising by imperialist diktat, the rate of labour absorption is less than commensurate with the high rate of new entrants into the labour force. The contradiction of capital accumulation with population growth became most acute in Africa and the Arab world. Capital's alleged solution to such predicaments has been the relative and absolute depopulation measures, especially, as militarism and austerity have become prominent waste industries.

Incidentally, the financial intermediation between financial capital determined by geopolitical rents, remittances and Official Development Assistance (ODA), on one side, and the build-up of physical capital associated with a healthy rise in income and productivity, on the other side, never amounted to much. The aid paradox is no paradox. Just as the investment personified in US aircraft carriers, which protect imperialist class assets, aid is a geostrategic investment for capital to revalorise itself. To de-reify or to introduce the notion of subject into value relations: capital does not develop a Third World country it usurps because if the masses hold sway by the

autonomy transmitted as a result of self-reliance, they might reduce the surplus destined for usurpation. Instead, capital builds the dependency, the consumption side, and the demand for its products *along with the self-consuming labourer*; the latter point is capital's ultimate objective. Remittances and aid must erode savings or weaken the agility of the economy to invest in its future.

From capital's pecuniary optic, inter working-class conflict spun around constructed identity or deepening labour force differentiation boosts the risks and the short-term rents in all the economic sectors making the present more valuable than the future. Speculation and finance overwhelm industrial investment because they are a spinoff of the insecurity or crisis plaguing the real economy. Financialisation intensifies to relieve capital's real production crisis, but it also deepens it because it disparages long term industrial activity, which may increase national wealth and re-empower the working class. Quite the opposite, finance favours the scourge of inter-conflicting identity politics and repels or liquidates national assets. Concurrently, as surplus value creation from super-exploitation tapers down, social auto-consumption, the very liquidation of people offsets capital's loss as it becomes a product/production sphere, which emits higher rates of surplus value.

However, it may be relevant to recall the overarching condition of US-infused geopolitical risk—the condition wherein states are kept unsettled to conduct any long-term development project. Now, add to that the colonially-imparted institutional-capital bias, and the bottlenecks of its sponsored development, and here one has the conducive environment for financial rent, which displaces industry. Together, the socially-bred inter working class divisions and the imperialistically imposed threats preclude the future, or the horizon for industrial investment. To advertise less red-tape and one stop-shop, the paraphernalia of the IFIs, within an un-sovereign institutional context, is both meaningless and means of deception. Without a revolutionary subject in command, it is unlikely for presumptive redistribution allowing for lesser concentration of wealth and/or greater interest in development to occur.

The financial returns of the comprador classes, re-channelled as geopolitical rents, are the materialist grounds for their unity as a class. These compradors could hail from various nations but are homogenous in the dollarised financial assets they share with imperialism. That is not to say that this work is investigating whether these folks get together and conspire, although that must be the case by the nature of class politics. At this stage and at this level of abstraction, it is both ludicrous and superfluous to personify historical relationships. These compradors are actualisations of the financial capital relation. To illustrate: the comprador conflicting positions with one another in the home economy are a sort of prisoner dilemma game. They are not invested in the future of the nation or in long-gestation industry. Their payoff occurs through financial speculation on overvalued assets readied for grab. Uninvested in the future of their nations, they play a onetime strategy game, or they snatch all they can leaving little for future development. The process of de-capitalisation leaves fewer resources and weakens state hegemony and legitimacy. The fraying social cohesion further pre-empt the possibility of a national development project. The incremental growth of the dollar wealth of the comprador piling up abroad bonds



them together, while ease of capital transfer abroad urges each of the comprador classes into a race to convert national assets into dollar and save abroad. They incapacitate their own national production capacity, setting the stage for higher rates of waste accumulation, which namely occurs through the liquidation of human and national resources (Kadri 2014, 2019).

To rephrase the waste thesis against the backdrop of the comprador: the latter forms of accumulation are lingering forms primitive accumulation, amplified to redress the crises of central capital in the modern age. Comprador capital, the class relationship, is an inter-conflicting relationship, which draws value in the form of rents from the very decimation of national assets. What the prisoner's dilemma of game theory leaves out is that the comprador's vested interests meet abroad in the common pool of dollar finance and savings but collide at home over shares of snatched rents because the power rapport with imperialism lays the grounds upon which strategies are to be played. Once the historical playground emerges, once one addresses the real time of history as opposed to algebraic time, as in reading the topology of a return function, then the theory of games remains just that, a mere measurement game and not a system of thought.

In contrast, the wealth of China's leading national class originates in national production. Imperialism does not wield power to lay the groundwork for Chinese entrepreneurs to act upon. China's cross-cutting financial ties with the US, its assets held in US dollars, these are allegorically a noose, which strangles China. Chinese production denominated in its national-currency synergises with its sovereignty. China's capital, specifically its industrial culture and the know-how of production, builds incrementally and recirculates nationally. It grows by external markets and as higher plateaus of living standards obtain to the working class. As to the noose of foreign-held dollars, the BRI is China's attempt to offload the burden of lending to empire while chipping away at its foundation. Borrowing and lending to the US in its dollar expands its debts in relation to the collateral it holds against the dollar, which is imperialist control over strategic assets and commodity/financial flows.

Unlike China, in weak states serving as repositories for super-exploitation, raw material and war, the compradors' inherent function is to de-invest in labour. They disproportionately disengage or neutralise national resources, which could strengthen the national position in international negotiations. However, competing by eroding national capacity has its upside for capital. Just as any multi-layered production chain, deconstructing national production and reducing labour's social cost of reproduction over to the turnover cycle, are industrial activities with their own supply and value-added chains. As aide memoire because the point made earlier was antithetical to received dogma: apart from buying chewing gum and garments, waste and people dying before their time are huge sale items. Received theory dubs these waste products as externalities or unwanted consequences. However, given the size of the waste, these are the internality. It bemuses one how a phenomenon as self-evident as the heap of war and austerity dead, the waste in an asphyxiating planet, evades scrutiny. In waste accumulation-the alienated historical process, the estranged waste-commodity boomerangs onto labour reducing the labourer life and living conditions: he has less because he has waste and, he is less because he is consumed by waste.

Demystifying the mainstream involves showing that social processes of production, consumption and distribution are alienated processes or processes governed by things. How could there have been rational choices and/or sovereign consumers when the social choices that have been made so far did not even save the classes associated with empire. The constraints that would vindicate such approach are either that resources are scarce, such that competition for survival entails differentiated death rates for the planet, or that barbarians from the developing world are at the gate. The phenomenon before us relays a crisis of overproduction, abuse of plentiful resources, and the barbarisms are the military ventures of empire gunning down sovereign countries. Waste prevails. The waste commodity undergoes a value added-process of production and also serves as an export commodity and or service—the export of war-industry capital and labour is possibly the highest tech-sophisticated process and only some of the effects of pollutants and emissions are detected or mentioned in statistics. The competitiveness of the waste export commodity has to be assessed against the rate at which people perish at various stages of waste production, the depth of the waste supply chain and its inter-relation with other production or production sharing processes. The barometer of waste accumulation is the number of people it snuffed before their due time. Time is of shifting quality. The comparison of life expectancies must be conducted within the same historical period, otherwise, the Western formation restates the chauvinist argument that the African is living longer on account of its inventions. Inventions in science have humanity as subject and Africa is subjected to slavery and repression so as not to develop by the laws of capital whose implementing structure is white civilisation. Of the waste endeavours, the wars of encroachment industries require delicate footwork and sophisticated machinery. As should be obvious, the war and its war dead in Iraq or the Congo are bigger export items than these countries' exports of raw materials—not oil or rare metals, dead people. The war visited upon Iraq costs, or inversely, earned capital trillions, while the total income of Iraq at the time of invasion in 2003 was around 50 billion US\$ (WDI 2003). The war in the Congo erases the agency of the masses and facilitates the under-pricing of their subject-interconnected resources. Although the poisons and misery associated with production for profits are considerable, these wars sit atop the pyramid of waste accumulation. They are the imperialist capital invested in the imperialised nation. The process is historical. That is, although it is effected by personal agency, it is not laid down by personal agency. Overdetermined history, the cyclone of indifferentiable social forces headed by the imperialist class, tipped off by the commodity, draws immense value from the production and re-export of wasted lives and nature - commodities indivisible by their class subject.

Of the usurped resources, the mainstream literature emphasises financial flight and brain drain, the resources valued in terms of higher prices by the class espousing the machination of the law of value; however, all of labour socially produces. All of labour, irrespective of skill, and as a result of souring living conditions or wars, flees. Technically some labourers are more skilled, but their loss will only dampen development if the social infrastructure of knowledge that reproduces skilled labourers disappears. It is society, the social organism, with its healthy and handicapped, the abstract but real and historical social process, which produces; thence, the claims to rights as opposed to charity. Wars, such as those recently inflicted upon Iraq

and Yugoslavia, decapitalise the social reproduction base of society and decapitate productive capacity. These are significant value drainage and de-valorisation measures. In terms of value, all compulsory exiles signify value drain or resource usurpation. De-valorisation, the scrapping of national assets, undermines the basis for social reproduction and productivity. It sets free the ravages of the wage system, principally, the contradiction between spare capacity and idle labour. Institutionally-imposed inter working-class divisions, represented by various identity conflicts reconstituted socially as a result of competition for rents around the state, become the mainstay of capital. After all, capital is a fiction personified only through divisions in the labour process. Acute social divisions de-develop societies. In processes of blatant de-development or for states at lower ends of global markets, profits are more financialised or are merchant rents as opposed to industrial productivity rents. The former form of rent dissolves wealth, the latter builds it. Rent orchestrated by the imperialist class rises by the disarticulation attendant upon the retreat of social consciousness. Disarticulation meaning cleaving consciousness away from social being is not unusual, but in view of the social-natural debacle, the extent to which the indoctrinated formal or metaphysical conceptualisations, the rampant intellectual corruption, guide events, is unprecedented.

The structure of the concepts with which received theory fathoms the social and environmental calamity does not address history, does not point to the class in charge as subject, or even describe events as a bedtime story. A cursory look at the issues at the time of writing in 2020, finds an emphasis on sorting trash for recycling, greening this or that environment with more efficient machines, or high school students addressing heads of the state at the UN to reverse course. These are phantasmagorical situations. Capital *systemically* consumes man and nature in production for profits, while heads of states are possibly less historical than a city rat.

By intellectual corruption, one specifies that few revert the particular circumstance to the whole, few observe the articulation with dominant ideology, few realise the coincidence *cum* identity of ideology with class. Almost none examines the predisposition of capital as the subliminal current upon which the planet plunges. The reasons are not supernatural. Thought steers reality, and received thought steered us to where we are. The ignorance of the fact, the self-imposed blindfold, is money well spent on a class position attendant upon the re-creation of value relations *qua* waste relations. Such intellectual corruption may appear to delay the *compensation* attendant upon Europe's admittance of its culpability for a harrowing history; however, the issue of compensation is misleading. Compensation under the same value relations prepares the stage for further atrocities to be compensated. Which compensation is adequate or which is possible under a global moneyed and legal system commanded by Europe is the crux of the matter. Nothing adequately compensates for a history, which literally continues to drip with blood. To rephrase Marx's Theses on Feuerbach, the point is to extirpate the culture of hate innate to the structure of Europe, the point is to change it, or maybe less ambitiously, to bring it to a halt.

Whereas constraining neoliberal finance was vital to Chinese development, because of worldwide US hegemony, financialisation and the dominance of the dollar, the developing world response required to restore nationalism in the practice of

development remains elusive. The comprador coheres with global finance, restrains national production subject to the demands of central accumulation, while promoting a culture of consumerism—the copycat culture of the petit bourgeois southerner aping western consumerist standards. Much of the phenomenal culture of consumerism, more aptly, the act of self-consumption, is co-supportive of intra-national and inter-communal wars. The model of earning without effort, the emulation of the rich, the leisure, the recognition associated with conspicuous consumption are interrelated, while to conspicuously consume in order to be recognised or gain status implies more wasteful consumption (Veblen 1899). Demand for waste instigates more waste production.

Reverting to basics, the production sphere holds primacy in accumulation. It is not consumption that leads. Production creates the self-consuming subject. Conflicts visited upon the developing world are industries of waste and means of imperial hegemony, which conjointly with the stresses that ensue from lack of labour-oriented institutional development, further divorce the working class from its agency. The schism between labour and the state can be traced via the interface between economic growth and development and its related improvement in living conditions. In China, the results are there and it is so evidenced after the fact that China enjoys a popular democracy (a term favoured by the late Samir Amin). Its labour, situated at the heart of the state, negotiates projects destined for development.

Conversely, the usurpation/decimation of national resources, including the rate of death in waste accumulation, the war and the austerity, mirror the feebleness of the masses in the state. As trade and capital accounts are set free, developing countries' command over their macro policy becomes a negotiated settlement in relation to the depth of dependency, especially, on dollar-denominated debt. The now ubiquitous symptom of central banks underwriting the expansion of credit to inflate asset prices, pegging to the dollar, financing internal borrowing with external savings, albeit, side by side with resource and capital flight, clearly show that it is the financialised class in the state, which directs policy. In the post Second War period, finance was theorised/borne out in practice as a lesser impediment to national development (Kalecki 1976). Once class, the relation to social reproduction becomes rooted in international finance, it supersedes the nation or hand-me-down nationalist affinity. However, the nationally based Chinese ruling class, with auto-generated finance, is restoring credibility to the nationalist/anti-imperialist development model. China's autonomous development heralds a rupture at the material and super-structural levels. That the CCP did not compromise on theory is crucial to China's development. In contrast to the revisions introduced by Khrushchev regarding the dictatorship (rule) of the proletariat, China's communist *corpus* was not revised as it let in private markets under socialism. Undoubtedly, there was a tacit inter-party division, but nothing at the scale witnessed at the twentieth congress of the Soviet Communist Party, in which Stalin was criminalised. Whatever compromise China made to the markets, whenever it backfired, ideology readjusted to theoretical first principles (as per the Althusserian rule). So far, the rise of China, the new global realignment of previously uneven tectonic plates, restrains the overconsumption of social nature,

the rate of waste/surplus value, and by implication, the rate of profit *qua* imperial rent.

## References

- Althusser, L. (1969). *For Marx*. London: New Left.
- Brzezinski, Z. (1971). *Between two ages: America's role in the Technotronic Era*. New York: Harper Publishing House.
- Brzezinski, Z., & Griffith, W. (1961). Peaceful engagement in Eastern Europe. *Foreign Affairs*, 39(4).
- Burmeister, L. L. (1990). State, industrialization and agricultural policy in Korea. *Development and Change*, 21(2).
- Campbell, K., & Doshi, R. (2020). The coronavirus could reshape global order, China is manoeuvring for international leadership as the United States falters. *Foreign Affairs*, <https://www.foreignaffairs.com/articles/2020-03-18/coronavirus-could-reshape-global-order>.
- CGTN. (2017). Inequality gap closing in China as rural income rises. [https://news.cgtn.com/news/32597a4e7a597a6333566d54/share\\_p.html](https://news.cgtn.com/news/32597a4e7a597a6333566d54/share_p.html).
- Chossudovsky, M. (2006). *The globalization of poverty and the new world order*. Québec: Global Research, Center for Research on Globalization.
- Davis, A. K. (1957). Thorsten Veblen reconsidered. *Science & Society*, 21(1).
- Engels, F. (1925 [1876]). *Dialectics of nature*. Moscow: Progress Publishers.
- Erichsen, C. (2001). Concentration camps were used by the Germans in South West Africa, Race and History. <http://raceandhistory.com/selfnews/viewnews.cgi?newsid1005964774,9800,.shtml>.
- Fine, B. (2016). *Microeconomics: A critical companion*. London: Pluto Press.
- Fine, B., & Dimako, O. (2016). *Macroeconomics: a critical companion*. London: Pluto Press.
- Foster, J. B. (2014). Mészáros and the critique of the capital system: Foreword to necessity of social. *Monthly Review*, 66(7).
- Fullbrook, E. (2019). *Market-value: Its measurement and metric*. Bristol: WEA Publishers.
- Hall, S. (2017). *Familiar stranger: A life between two islands*. Durham: Duke University Press.
- Hugo, V. (1862). *Les Misérables*. Brussels: A. Lacroix, Verboeckhoven & Cie.
- Jabara, C. M. (1999). *1939: The alliance that never was and the coming of world war II*. Chicago: Ivan R. Dee Publisher.
- Jappe, A. (2017). *The autophagic society*. Paris: La Découverte.
- Kadri, A. (2015). *Arab development denied: Dynamics of accumulation by wars of encroachment*. London: Anthem Press.
- Kadri, A. (2017). *The cordon sanitaire: A single law governing development in East Asia and the Arab World*. Berlin: Springer.
- Kadri, A. (2019). *Imperialism with reference to Syria*. Berlin: Springer.
- Kalecki, M. (1943). Political aspects of full employment. *Political Quarterly*, 14(4).
- Kalecki, M. (1976). *Essays on developing economies*. Hassocks: Harvester Press.
- Li, T. et al., (2016). *Environmental Kuznets curve in China: new evidence from dynamic panel analysis*, Energy Policy Volume 91, pp. 138-147.
- Lukács, G. (1967 [1919]). *History and class consciousness*. (trans: Livingstone, R.). London: Merlin Press.
- Martin, J. (2020). *David Harvey against revolution: The bankruptcy of academic "Marxism"*. <https://www.marxist.com/david-harvey-against-revolution-the-bankruptcy-of-academic-marxism.htm>.
- Marx, K. (1932 [1845]). *The German ideology*. Moscow: Progress Publishers.
- Marx, K. (1867). *Capital: A critique of political economy* (Vol. 1). Moscow: Progress Publishers.
- Marx, K. (1868). Marx-Engels correspondence 1868, Marx to Ludwig Kugelmann in Hanover. [https://marxists.catbull.com/archive/marx/works/1868/letters/68\\_07\\_11.htm](https://marxists.catbull.com/archive/marx/works/1868/letters/68_07_11.htm).

- Marx, K. (1894). *Capital: A critique of political economy, vol. 3, The process of capitalist production as a whole*. Moscow: Progress Publishers.
- Marx, K., & Engels, F. (1969 [1847]). *Manifesto of the communist party, Marx/Engels selected works, Vol. One*. Moscow: Progress Publishers.
- Mészáros, I. (1970). *Marx's theory of alienation*. London: The Merlin Press.
- Mészáros, I. (2014). *The necessity of social control*. New York: Monthly Review Press.
- Moon, C., & Park, M. (2003). Reassessing the post war reconstruction in Korea: Implications for other countries. In N. Azimi, M. Fuller, & H. Nakayama (Eds.), *Post-conflict reconstruction in Japan, Republic of Korea, Vietnam, Cambodia and Afghanistan*. Geneva: UNITAR.
- Morishima, M. (1964). *Equilibrium, stability and growth. A multi-sectoral analysis*. Oxford: Oxford University Press.
- Niebyl, K. (1940). The need for a concept of value in economic theory. *The Quarterly Journal of Economics*, 54(2).
- Pauwels, J. (2019). *Les mythes de l'histoire modern*. Brussels: Investig' Action.
- Peirce, C. (1984). *Writings of Charles S. Peirce: a chronological edition* (Vol. 2, pp. 1867–1871). Bloomington: Indiana University Press.
- Perlman, P. (1969). *The reproduction of daily life, originally in anything can happen*. <https://www.marxists.org/reference/archive/perlman-fredy/1969/misc/reproduction-daily-life.htm>.
- Putin, V. (2018). As quoted from Masha Gessen, October 19, 2018, Putin lied about his nuclear doctrine and promised Russians that they would go to heaven. <https://www.newyorker.com/news/our-columnists/putin-lied-about-his-nuclear-doctrine-and-promised-russians-that-they-would-go-to-heaven>.
- Rodney, W. (1972). *How Europe underdeveloped Africa*. Dar es Salaam: Tanzania Publishing.
- Rubin, I. I. (1972). *Essays on Marx's theory of value*. Detroit: Black and Red.
- Sylla, N. (2014). *Liberalism and its discontents: social movements in West Africa*. Scotts Valley: Create Space.
- Truitt, W. (2005). *Marxist ethics: A short exposition*. New York: International Publishers.
- Veblen, T. (1924). *Absentee ownership and business enterprise in recent times: the case of America*. London: George Allen & Unwin.
- Veblen, T. (1994 [1899]). *The theory of the leisure class: An economic study of institutions*. New York: Penguin Books.
- Weeks, J. (2014). *The Irreconcilable Inconsistencies of neoclassical macroeconomics; Routledge frontiers of political economy*. London: Routledge.
- World Development Indicators (WDI). (2003). Washington, DC: The World Bank.

## Chapter 4

# Towards a Socialist Development Theory



**Abstract** This chapter critiques the foundation of neoliberal capital formation theory, the neoclassical theory of investment, only to later highlight how China re-invented its own course of development. On its own, the system has proven explosive, while by the law of value, capital has to immiserate labour for profits. The real system is not a formal network between inanimate subjects proxying human relations, it is a historical system anchored in a historical subject organising social reproduction, always in line with the vested interest of the dominant class. The attempt here is to shed light on the interface of agency-policy, and social outcome.

China's autonomous development is *ex-post* proof that labour commands the state apparatus. The lead of labour in the state has circumvented imperialist intervention. It has entrenched a process that endogenises more of the social surplus vis-à-vis neoliberal divestment. As described in the previous chapter, China's experience could be summarised by an overriding principle: autonomy over policy (Long et al. 2018). On the substantive level, its excess capacity is proof of the success of its security/development nexus. The meagre stock of capital of 1949 morphed into the exportable capital, *ergo* the BRI. In tech-underdeveloped nations, capital formation is a measure of development and/or the performance of the subject, labour, as it guides development through the state. For the mainstream, capital formation has a hypothetical or no social subject. High performing investment in plant and equipment generated by internal savings and knowhow has a reified subject in capital or an atomistic agent. Things breed things. Save 'distortive' government taxes levied upon capital, thingified-capital's ramifications, manifest in a network of relationships between all the sub-capitals, generate a virtuous growth circle. That any circle is virtuous or vicious is a question of who is on the giving or the receiving end.

This chapter critiques the foundation of neoliberal capital formation theory, the neoclassical theory of investment, only to later highlight how China re-invented its own course of development. As a reminder of the global trajectory for the purposes of this chapter: the system has proven explosive, while by the law of value, capital has to immiserate labour for profits. The real system is not a formal network between inanimate subjects proxying human relations, it is a historical system anchored in

a historical subject organising social reproduction, always in line with the vested interest of the dominant power. The attempt here is to shed light on the interface of agency/policy, and social outcome.

## Development Under the Imperialist Constraint

To re-hypothesise, imperialism *necessarily* wars against the less developed formations. It does so to subjugate *qua* enslave, to control resources or to stem potential development. As one considers the act of depopulation as an industry, the inverse of this hypothesis implies that the sections of the global population remaining relatively alive despite the wars and austerity, and unscathed by illness despite a dying social nature, are rather fortuitous. On the security side, China confronts an imperialism that expands by war. Once more, such historical course, the war course, is inexorably baleful, but not because of something innate to trans-historical cultural values. It is so because capital has to repress in order to boost the rate of exploitation or the rate of surplus value. To lower costs in relation to competition in the high-end market capital sells to, it has to de-subjectify labour by means of violence and war. Here de-subjectification is the crushing of the subject in the value relation as well as full spectrum subjectivity. The erasure of cultural particularity also removes memories and traditions symbolic of the working class.

In addressing mainstream intellectual constructs, I will try not to stoop to the level of the mainstream in the way it adopts trans-historical concepts. A concept referring to some relation across history may retain the same name, but it must be of different essence or laws of development. A market now may keep the same name as a market 3000 years ago, but all of life now depends on the market, whereas it did not then. That is why history must be periodised and why concretisation treated as a subcategory of the abstract relates more closely to a dynamic process than an unreferenced formal or metaphysical set of abstractions (Ilyenkov 1974).

In addition to pursuing accumulation by super-exploitation and militarism, imperialism must also ratchet up its hegemony in order to capture surpluses via financial channels. As it emits financial securities against an uncertain future, unfounded credit or debt, it indentures future labour and wars to lay control to strategic resources and their flows vis-à-vis its debt. The imperialist class has to stock up on strategic control or hike its hegemony, the relations/collateral which have supplanted the gold stock and its standard—another reason why imperialism is constant war. China counters imperialism by its own development and by building infrastructure and other useful investments in the developing world. As it alleviates poverty at home or as the wages redeem the costs of labour reproduction, the available grounds for cheap-wage exploitation shrink. Furthermore, China nurtures the retention of its social surplus through the development of its own instruments of finance (Hudson 2020; Ross 2016; Kadri 2017).



As it implements much of what erodes imperialist hegemony, the capitalisation of labour, the re-empowerment of the imperialised states by structural pressure, and unequivocal opposition to imperialist expansion by war, China must withstand a protracted US-led assault. More so, the news airwaves and US think-tank analysts augur the possibilities of nuclear conflagration.<sup>1</sup> The pretext for the assault on China is its alleged abuse of human rights. However, as imperialism epitomises the material cause of human rights violations, confrontation with imperialism becomes the practice of human rights. Still, in a rare but emphatic statement, the attorney General of the US, William Barr (2020) noted that the real cause for US belligerence is the threat Chinese-owned firms pose to corporate America's domination of the global economy. Such is the reason *for* the antagonism or the new cold war.<sup>2</sup> He added that the prosperity for our children and grandchildren depends on the global economy remaining Americanized or that the US must dominate key emerging growth sectors, including 5G, robotics, and AI. Commenting on Barr, Gowans (2020) said the speech was unusually free from Sinophobic rhetoric and references to alleged Chinese human rights violations in Xinjiang, Tibet, and Hong Kong. He remarked that just like fascism fabricated higher causes like 'the super race without elbow room' as reason to war, US imperialism needs to devise higher causes for its wars, because people will not die for Wall Street. I will not dwell much on China's technical development because the media brims with such debate. All I want to add is that its *auto-driven* tech-advance strengthened the grounds upon which the Chinese masses may successfully fight a people's war.

The premise of the capabilities of people's war, in its many expressions, ideological, diplomatic and military, is the *sine qua non* for development (Hafiz 2005). For obvious reasons, the concept 'people's war' is rarely entertained. Many speak of sovereignty and autonomy but overlook the obvious: these require national and working-class securities. In a developing nation, masses armed with revolutionary ideology are the security. To not utter such concept in a world run by US-led imperialism, which violently caps development here and there to the demands of overproduction crises, is complicity. Overproduction is a social crisis in relation to requirements of profit making in certain markets — it is social and not necessarily real or physical overproduction. More so in the imperialist age and as social forms of control are alienated, war in its various shades is the state of becoming of capital. War is capital self-differentiating. One may allegorise this as such: Just as there was a monophysitism, a union of god and man in religious mythology, there is a union of militarism with the US-European capital formation. For the developing world, labour in command of the state emanates an entwined process of security and development. Such is the foundation of the Chinese model. It presents itself as the historical alternative. The policy implemented in the present to engender future capacity and build

---

<sup>1</sup>See David C. Gompert, Astrid Stuth Cevallos, Cristina L. Garafola War with China Thinking Through the Unthinkable, [https://www.rand.org/content/dam/rand/pubs/research\\_reports/RR1100/RR1140/RAND\\_RR1140.pdf](https://www.rand.org/content/dam/rand/pubs/research_reports/RR1100/RR1140/RAND_RR1140.pdf).

<sup>2</sup>Transcript of Attorney General Barr's Remarks on China Policy at the Gerald R. Ford Presidential Museum. Grand Rapids, MI, Friday, July 17, 2020. <https://www.justice.gov/opa/speech/transcript-attorney-general-barr-s-remarks-china-policy-gerald-r-ford-presidential-museum>.

national self-defence is the prescriptive or *modus operandi* of development. The physical-substantive measure of development is first the capacity, which enhances the capabilities of people's war, while ordinary consumables, are only secondary.

The parameters latched to the resource allocation channels of the imperialistically-reared neoliberal model de-capitalise a nation. By implication, they erode national autonomy and shift the accent to *stabilisation* or *de-stabilisation* efforts. A nation could be imperially marionetted into stable or unstable position by the levers of finance or other import dependencies. Apart from activities complementing central capital, neoliberalism de-invests infrastructure and plant and equipment as it invests in the institutions of imperialist control. Social stabilisation, the developing nation's welfare function, holds to the degree, which un-implants capital in the state. However, in security-exposed formations, it is often destabilisation that occurs because it is the *imperialist class*, the cross-national class, which holds the power-strings at the bosom of the security-uncovered state. As such, the social stage will be further readied to enact depopulation by measures of extreme poverty and war. In the hierarchical class complex, it is the stability of central US capital rule, as opposed to the downstream classes, which is the gyro of the primacy of politics.

Just as a capitalist must starve/strip a labourer of his negotiating power to hire him for cheap wages, imperialism must deconstruct sovereign states to hire or buy their resources for little money. As an example of deconstruction, consider Libya. The Qaddafi government upheld Pan-Africanism and enshrined development in a statutory social and economic pact (Capasso 2020). However, the US-led imperialist class, personified in NATO, bombed it under an R2P pretext. Consequently, it mustered energy and, by transference, moved to bolster AFRICOM, destabilise the Sahel-belt with its jihadists. The effective NATO-unilateral aggression set the stage to conduct more of the same 'saving-people' by R2P operations. Syria was next; however, it was no cake walk. China and Russia assisted the Syrian government and vetoed US belligerence. The US-led aggression, the run of the mill state repression, the deprivation of basic rights, and the wars, all involve brutality. There are different planes of repression, but the recent brutality in places like the Congo, the Central African Republic or Iraq, render insecure and induce central working classes to recoil into virulent nationalism — without social alternatives, 'it is better them than us'. Apart from the supplementary wealth/waste extracted from the brutalised nations, the acquired representation of power structurally (by the weight of acquired ideology) derails development elsewhere. The overkill measures, exemplified in the millions of victims of the war on terror, are additional power representations.<sup>3</sup>

The totality of capital manifest in its expansion by belligerence is not the abstract idea devoid of concrete content. Encroachment wars lay the social groundwork for production and prefigure the velocity of global accumulation - the annihilation of space by time as per Marx (1859). The totality that is capital arises upon forms of

---

<sup>3</sup>For an account of numbers see Physicians for Social Responsibility as quoted by MintPress News. Do The Math: Global War On Terror Has Killed 4 Million Muslims Or More. A recent study suggests the War on Terror has had two million victims, but in this piece reporter Nafeez Ahmed claims this may be only a fraction of the total dead from Western wars. The numbers are significant in both cases. <https://www.mintpressnews.com/do-the-math-global-war-on-terror-has-killed-4-million-muslims-or-more/208225/>.

social organisation and their institutions in US-Europe, such as the IFIs and NATO, which through the combined power of weapons and liberal cant, impose all modes of oppression downstream. On the labour process side, immiseration bereft of revolutionary ideology is the womb of inter working-class violence. By socialist defeatism or adherence to the conceptual framework of the mainstream, its introjected neoliberalism, resources steer clear of national social and economic pacts, and further build the repressive state apparatuses servicing empire. Circuitously, US-led imperialism immiserates to destabilise and to set in motion a process of accumulation by auto-destruction – not simply dispossession. It grabs rents from lower wage shares and, more important, from the conflicts that liquidate assets and mobilise its idle monopoly/financial surpluses. In either case and attendant upon socialist defeatism, more surplus labour transforms into capital. Institutions, including states, remoulded with the neoliberal *état d'esprit* at the helm, and developing under the onus of hollow and erratic economic growth, privatise or liquidate national assets. In the process they enfeeble the state as the potential vehicle for the developing world working classes on the world stage. Frequently, the excessive practice of the comprador extends beyond what is necessary for its orderly functioning of the state (Alavi 1972); however, here we posit that destruction is an act of accumulation.

In the process, the very person, the life of the self-defeating comprador may get sacrificed on the imperialist altar. The recent list is lengthy from the Shah of Iran onwards. However, a financialised imperialist class and its subaltern comprador are *determinedly* an impersonal social relation and a historical process. For imperialism, the weakening of the developing state and the destruction that follows is itself production and predicate for production. Masses without a representative state condensing their political expressions vis-a-vis imperialism are quasi modern-day slaves. Capital's law of movement, which gathers by the value propelling forward as it liquidates-shifts the public assets into to private wealth, concomitantly deepens working class divisions. It does so along its imposed political identity fault-lines; capital imposes the identity (Hobsbawm 1996), only to become the rent's conveyor belt. The working class tears itself, instead of tearing capital. Working class dividedness is the fountainhead of inter and intra income maldistribution. That income or wealth inequality is on the rise is an epiphenomenon of the gaping North–South class divide. The cultural identities resurrected from the past by the guns of imperialism are dollar fuelled to incubate the jaundiced-peripheral capital.

## Reified Subjects of Macroeconomics<sup>4</sup>

To address the interface of available resources to development without prioritising the social *type* of historical agency mediating the decision to develop is to be held hostage to reified precepts. As the mainstream formalises the relationship between macro and social variables, the interpretation becomes devoid of socio-historical

---

<sup>4</sup>I would like to thank a colleague who wishes to remain anonymous for her contribution to this background on mainstream capital formation.

content. Formalism is a relationship of variables to variables, as opposed to socially organised agents, the dynamic social relation in which every part is a dynamic whole of a larger whole. The so-called mathematical rigour of mainstream economics is a pernicious attempt to conceal class proclivity. As a matter of course, in an overdetermined and dynamic context, quantification and measurement are wholly arbitrary or determined by the method that adheres to class. In what follows, I will revisit and critically examine the *foundation* of mainstream investment and capital formation theory, the substantive side of development, before moving on to more practical considerations. The pitch of my analysis will change as it takes on the mainstream on its own grounds. I will try to keep the positivist sounds to a minimum by interspersing the text with the customary political economy critique. What I am not going to do is address recent studies of capital formation or entertain esoteric discussions between hundreds of thousands of mainstream economists, which impart little or no knowledge (Hobsbawm 1997). Henceforth, I tackle early proponents of the modern theory of investment and no more.

The mainstream theory of investment is principally Fisher's. His was a no-capital stock and no marginal productivity theory of capital (Cohen and Harcourt 2003). Capital is investment, a circulating capital, while investment decisions underwrite much of economic performance (Fisher 1954 [1930]). All investment or capital is used up in production over the one period, which implies that capital and investment are one and the same. Capital 'goods,' or rather 'bads' because of the destruction associated with making them, are of value because they are expected to yield a flow of income in the future. As per the neoclassical chimera, the present value of income is discounted by the rate of interest; it is as if the interest rate reflects how all the people put together value the future vis-à-vis the present. Kuh (1963) summarises the fairy-tale as follows.

It is a theory at the level of microeconomic choice and at the level of total market price determination which has the major ingredients, correctly related to each other, that a capital theory should have. The fundamental ingredients are the productivity of capital and thrift. The opportunity to profit from capital requires the sacrifice of present for future income on terms reflected by the market rate of interest. This is an equilibrium theory of capital.

Fisher's rate of interest, a price form, equilibrates the supply and demand for credit, investment and savings, and the way people value the future. Conventionally, investment is inversely related to the interest rate. Wicksell annotating Fisher suggests that an expansion of investment in fixed capital goods 'will take place when their earnings increase or when the rate of interest falls, so that their capital value now exceeds their cost of production' (Wicksell 1936 [1898]). For Fisher, investment opportunity hinges on 'the rate of return over cost, [where] both cost and return are differences between two optional income streams' (Fisher 1954 [1930]). The rate of return over cost is 'that rate which, employed in computing the present worth of all the costs and the present worth of all the returns, will make these two equals' (Fisher 1954 [1930]). As the 'the rate of return over cost exceeds the rate of interest', new investment kicks in (Fisher 1954 [1930]). New discoveries and inventions raise the 'rate of return over

cost' and further induce more investment: 'with each advance in knowledge comes new opportunities for investment' (Fisher 1954 [1930]).

Aside from the fact that this theory has nothing to do with the 'subhuman' colonised world at the time, Fisher's theoretical model of investment is an algebraic account of profit rates exceeding the interest rate subject to clear foresight of the future. Expectations in the neoclassical theory are pre-envisaged and calculable. The *rational* derivation of relevant existing real-world problems is consistent with the certainty of expectations. *While rationally certain, the real world is uncertain*, and Keynes (1937) commented on such an assumption as follows.

At any given time, facts and expectations were assumed to be given in a definite and calculable form; and risks, of which, though admitted, not much notice was taken, were supposed to be capable of an exact actuarial computation. The calculus of probability, though mention of it was kept in the background, was supposed to be capable of reducing uncertainty to the same calculable status as that of certainty itself.

By the late 1960s, the neoclassical model moved from the stage of investment as circulating capital to investing with the desire to achieve an optimal stock of capital (Jorgenson 1963). Investment behaviour in the neoclassical theory of capital accumulation was about deciding the usage of optimum capital in production. Capital maximises production, which then transmutes into a stream of consumption that maximises utility. 'Reduced to essentials, the neoclassical theory requires only that the criterion for optimal capital accumulation be the maximisation of the utility of a stream of consumption' (Jorgenson 1967).

The oddity here is that all that is produced *satisfies* consumption even as *the purpose of capital is not to satisfy consumption but to earn profits*. Profits, not-intended to satisfy consumption, rise by the rate of the cheapening of labour or by the overconsumption of man and nature. The fundamental contradiction between capital and labour, between private and social ends, is brushed away by reducing consumption and production to an identity of different quantities. As per my constant reminder to re-concretise my argument: pollution, species' extinction, war, etc. are the production items to which capital is predisposed; however, these are only tangentially associated with production and lumped under the rubric 'externality' to be dealt with by a tax or subsidy. Yet by combining all the colonial-imperialist wars and their corresponding slavery and devastation of the environment, the erosion sustained to social nature, these supposed by-products of production, the heap of waste before us, are the real production while the cars, the aircraft carriers and the garments are by-products.

At the time this literature surfaced, not only air and water were free resources in the textbooks, but also most people of the developing world. Of these, there was too much to freely waste *qua* produce. The rigour of the math, fitting reality into the law of identity, becomes the sort of *logicism* that fits reality into the model by the power of dominant ideology. Social being turns into a hypothetical existence, a metaphysical abstract called *homo economicus*. Neoliberalism, the current shape of dominant capital, inculcates an *individuated* state of consciousness. Put bluntly, it transforms the logical into the manifestly real. The utility maximiser becomes the

happily self-consuming consumer. One must always bear in mind that wasting the real, man and nature or together social nature, is itself the key domain of accumulation because profits arise upon shifting social costs onto society or by the rate of labour's de-reproduction over its life cycle. Also, for the happy consumer to auto-consume, the ideological balance of forces between capital and labour would have to be in favour of the former. Now to denude the neoclassical argument: as the self-consuming human becomes a necessary condition for equilibrium, the biggest market will not be the market for the civilian-end use commodities that people consume, but the market for the lives of humankind turned into commodities. As capital violently immiserates labour, and as labour falsely theorises the basis of its struggle, impairment of consciousness and co-opted forms of working-class organisations take hold. Accordingly, the logical framework of capital, arising upon things in command of social life realises its formal end, it becomes actuality or the global crisis.

As mainstream investment theory shifts to optimal capital stock theory and sets the price of capital to its marginal product, the market for each factor then determines the price of each factor—as per John Bates Clark (1899). In this segmented reality, there are many markets, but not a market of all markets or an overall demand. As a stock, capital provides capital services as inputs into the productive process (Jorgenson 1963). Investment as 'the instantaneous change in the optimal stock of capital' varies with supply side conditions and technological advance (Jorgenson 1963). The investment function depends on the user cost of capital, the level of capital, and the rate of depreciation. Equilibrium occurs as the value of the marginal product of capital equals real user cost—the real or shadow price of capital. So as not to be carried away by such fantasies, prices, including the price of capital and labour, are conditioned by the *power* over markets, which is then conditioned by political influence, its corresponding violence and ideology. In an integrated planet, capital's political clout strengthens its same class fabric as it integrates in finance. Power stems from the hegemony derived from the state of social divisions and consciousness justifying imperialist aggression.

Conscripting reality into logic, Hayek (1950 [1941]) presumes visionary producers invest in relation to a desired capital stock and the investment process is an adjustment to equilibrium. Adjustment depends on the elasticity of capital-goods supply. Inelastic supply of machines and technology delays adjustment towards the desired capital level and vice versa. Optimal investment is effectively a decision on the optimal speed of adjustment. The speed of adjustment is dependent upon the elasticity of the capital goods supply. If supply is inelastic, then the adjustment towards the desired capital level will take some time and vice versa. Other supply constraints, such as delivery costs, changing prices of inputs, fluctuating interest rates, and other financing costs can be imputed to the price of capital influencing the choice of investment.

In this libertarian/supply-side investment world, there are infinite separate or individual histories, but there is no history—society does not exist as per M. Thatcher. The freedom to choose from the available options occurs at a point without a context or without the history that laid down the available alternatives. That the developing world was colonially set back a 100 years or so is a meaningless consideration. The

investor is a born-again investor bestowed with an endowment independent of social context at every point in time. One wonders if Von Hayek was the forerunner of born-again evangelicals. Oddly, how much capital does the investor own in relation to others and how that capital was accumulated are crucial questions rendered irrelevant to the investment decision. Then again, if the purpose of theory is to be right, one never goes wrong with the arithmetic of ups and downs.

Path dependence, as borrowed from physics, the autocorrelation of investment with algebraic time, cannot capture self-differentiating quality, its dynamics or the uncertainty thereof. Capital as thing does not procreate capital. As aptly put by Perlman (1969), capital, in the hands of the mainstream, ‘which is at once a name for a social relation between workers and capitalists, for the instruments of production owned by a capitalist, and for the money-equivalent of his instruments and intangibles, does not produce anything.’ In an uncategorised categorical world separated into different facts, each fact on its own is half-truth. In typical positivist fashion, the method, the facts interlaid as ideas conjured in spirit without assessment by the subject, is a method applied as opposed to practised. Things are subject-substance. Their subjects are historical social relations with diverse vested class interests. In Von Hayek the subject is purposefully eliminated because, otherwise, he would have to speak of the racist history of the imperialist class.

At an elemental level, the faulty National-Accounts measures of investment are means to an end and a tool for achieving results, which tautologically show the neoclassical theory in bright light (Fine and Dimako 2016). In richer nations, where better investment data are available, these are constructed with an inbuilt class bias, showing mostly the contribution of the wealthy class to output within a quarter or a year (the capital imposed conventional time), as opposed to the investment in labour, which synergises with the capital stock over social time to create social wealth. As pro-labour government interventions of any sort, taxes or subsidies, implicate the wealthy and distort their ‘pristine’ price system, which guarantees a wise investment decision and an optimal stock of capital, such measures are disparaged. They are false because the prices arising upon free competition, which incidentally does not exist, are better guides for resource allocation. The notion that capital as subject lays the groundworks to set a price to its ‘taste’ is not even entertained.

Robinson (1980) astutely commented on the algebraic construction of social reality by saying that ‘the real source of trouble is the confusion between comparisons of equilibrium positions and the history of a process of accumulation. We might suppose that we can take a number of still photographs of economies each in stationary equilibrium. This is an allowable thought experiment. But it is not allowable to flip the stills through a projector to obtain a moving picture of a process of accumulation.’ Yet as per the inescapable eurocentrism, the accumulation process for Robinson is entirely European-centred. Europe is endowed with superior technology such that in case it exploits an underling or a developing nation, these may fare better than remaining unexploited. She took away the slides story and introduced her own slides. In her slides, to be exploited by Europe is worth the pain endured under colonial plunder and imperialism - because a developing nation progresses only through



contact with a better Europe. Just as the libertarians omit national history, the Keynesians omit international history. There are colonial mass genocides and suppression of industrialisation in the colonies, which are the historical predicates of western civilisation and its progress. These screenshots, which have been stripped from the script, are the value relations that continue to build European wealth. In the imperialist division of labour, the supply-side libertarians target the national working class as well as the developing world with austerity and wars, while the Keynesians are generous to their national class but target mostly the Third World. Both are imperialist class positions, but the latter more liberal class is more pernicious (Lenin 1910).

Doubtless, development is in substantive part an under-capitalisation condition. The emphasis on the production of commodity producing capital equipment is vital. Such is a measure of the commitment to national development. It was so for China and the rest of the developing world as they emerged from colonialism guided by the Soviet model. For a stretch of time after the end of the Second World War and until the onset of neoliberalism, Soviet styled development of the productive forces, with an accent on heavy industry, prioritised national security. Development of peacetime machinery, which doubles for armament, raised the risks that could be incurred by imperialist forces in case they aggress the developing nation. More so for the downfall of revolutionary consciousness than lack of arms, with the demise of the Soviet Union, the security of much of the developing world suffered a setback. The past colonial practice of imposing de-industrialisation upon the developing world, or only allowing them 'hand me down' technology to take effect, re-emerged; however, this time around more so by neoliberal policy advocates than by boots of European soldiers on the ground. Through a combination of militarism erected by the alibi of the war on terror and the deified debts by the growth of finance, imperialism reconstituted itself as subject orchestrating peripheral development. Exceptionally, China with its uncompromising stance on the necessity of the dictatorship of the proletariat, broke through the tech-barrier and tipped the historical balance of forces with the West. At the time of writing in 2020, the Brookings institute announced that 'China's presence now is felt in every corner of the world,' and 'in the span of a few short decades, China has established itself as a global actor, solidifying its role as one of a small handful of countries with interests spanning the globe and the capacity to act on them.'<sup>5</sup>

Save the surrealism where the price clears all markets *à la* Say's law, or that the cost of capital plays a considerable role in investment decisions, there is less fallaciousness in supply-side economics and its *price-determined system* than in the Keynesian demand-determined system. Although the demand side critique posits that higher consumption or rising living standards are necessary for investment to rise, while the price-led system posits that production creates wealth that gets consumed at the right price, under capital's rule it is the latter that holds sway. When in command, capital creates the commodity as well as the social being

---

<sup>5</sup>Global China: Assessing China's growing role in the world, and Global China: Domains of strategic competition, Chabra T et al (2019), Brookings Institute, [https://www.brookings.edu/wp-content/uploads/2019/09/FP\\_20191118\\_china\\_domains\\_chapeau.pdf](https://www.brookings.edu/wp-content/uploads/2019/09/FP_20191118_china_domains_chapeau.pdf).



who consumes the commodity. The Keynesians profess better wages in Europe as well as the conditions for the consumption of the costly waste-commodities. Out of ignorance proxying for class malevolence, supply-siders avow that capital produces by consuming all that stands in its way. As capital reigns, that is as it strips labour of the consciousness that reasserts labour as the historical agency, it acquires surplus value as it *exponentially* devours man and nature in production. As a social relationship, capital self-reinforces as it emasculates the working class to expropriate its resources and products. In terms of stages: the more subjugated becomes the working class, the cheaper and more available its resources, the higher the rate of abuse of social nature by capital (capital consumes more cheapened labour and nature per unit of output); hence, the more the social costs of production shift upon labour and de-reproduce labour. To rephrase the thematic point: the de-reproduction of labour, especially the industry of literally eliminating labour, becomes the domain of accumulation with the intense surplus value. The products of an integrated globe, including the preponderant waste, issue from global supply chains. Not to forget that the making of people to labour is foundational to that chain. Produced as such by a global society that auto-consumes by the orders of the market and its price signals, the over-produced commodity becomes an input-*cum*-signal into waste accumulation. Under the reign of capital, the market is a process of clearing all commodities, including the market for the lives of humans, in various integrated production processes. Although J. B. Say was speaking of the commonplace commodities of his time, because of his blinkered eurocentrism, he could not include colonial slaughter as a production sphere. The ‘sub-humans’ of the colonies count for less than the cheapest commodities of his continent. Say might have not seen all the picture, but he was not far off the mark. The consumption of what has been produced, including the waste, occurs over the lifecycle of society, and always for a synchronic or anachronic price - society pays now or pays later. The sphere of the production of ‘man’s auto-consumption’ is a process imposed upon a global order by the capital relationship manifest in dominant ideology.

Keynesian demand-side theory, a handy tool of Northern welfarism, prioritised central consumption and demand as drivers of investment. While demand-siders seek the betterment of the white man, their Northern imperialism wreaks havoc upon the lower echelons of labour, especially, in the global South. It is partly liberal in the centre and, as its history speaks volumes, barbaric abroad. In the Keynesian type of analysis, the class-malice occurs as imperialism gets assumed away and, as such, the theory becomes a tale that embellishes central capital to justify the politics of aggression. The rest of the world is not a good practitioner or student in the protestant self-flagellating sense. Without equalising production conditions, to raise consumption through demand management is an arithmetic ploy, which often plays into building popular allegiance to empire.

In contrast, the price-led system is cruel upfront. It speaks of belt tightening and painful adjustment periods to redress fetishised deficits imposed to cheapen labour. Although Weeks (2019) skilfully demystifies the myth of deficits or debts as the mediations that rejuvenate capital, the price-led system remains a symptom of logically effected interactions, whose allure is difficult to resist. The oddity is that

most personalise the debts accumulated as credit to capital as if they were personal debts.

Social exchange may be alienated and proxied by a commodity whose price is the facade behind which it conceals the value spent on its production, but the fact remains that the commodity, which comes under human control and serves useful ends in the North, is the same commodity that subjects the South to misery. What is being produced is being cleared by adjusting the supply conditions, which require a clobbering of the developing world. Say's inspired haphazard emphasis on production as the leading sphere is theoretically sounder than a theory, which promotes consumption-led growth or demand in the North, and wars and austerity in the South. In other words, what the North consumes, the South de-consumes, and *a fortiori*, consumption does not lead the economic process.

Hayek errs in the libertarian sense when he suggests that people make choices, not because the choice afforded to working class man is often between starvation or survival with meagre means, for these are still choices in the positive science sense—the atomistic man sense. Logically that is not error; realistically, it is. He errs because capital holds the power to generate the desired levels of consumption and auto-consumption by *ex-ante* commandeering the historical alternatives that lay down the consumption choices as imperatives to a disarmed population. For instance, the IFIs could impose austerity, the historical alternative, and leave people with poorer choices. Agents of history make choices, not abstract individuals. To further de-reify, prices are symptoms of market forces and the notion that prices lead anything is fallacious. Prices are the thermostat of capital's activity signalling the social measures its institutions must carry out to lay the groundwork for profits. The social system is neither a price nor a demand-led system, it is a capital or a labour-led system. Although both demand and price determined systems are more erroneous class positions, as opposed to theory, the more 'inhumane' price-determined theory inadvertently surfaces as etiologically sounder because it prioritises the production sphere.

Let us recap some 'fundamentals' of the neoclassical model: A price-determined system is either at the unique full employment equilibrium or about to achieve it (Weeks 2012). Markets clear by auction and trade occurs at or around the equilibrium price. In this fully employed world, buyers and sellers react to price signals. Prices efficiently combine and allocate resources. The assumption of full employment may overstretch the imagination, but it is reasoned by choice. Those not employed, despite their starvation, have chosen to be unemployed. One ought to be reminded that such is a paradigmatic approach, in which all qualities are reduced to quantities and the system of measurement is class determined. The penchant for positivism in economics is just the reification that turns human social agency into a thing. True enough, for science to qualify as science, theoretical propositions must be measured against nature or experience. However, the issues one takes with neoclassical economics are many: the disconnect between the part and the whole, the impenetrability of a dynamic process by formal constructs, the bias in the selection of what is to be measured and the unit of measure. All of these are either bypassed or pre-designed by capital to obfuscate. Commodities do not measure themselves.

They are measured and are subjected to the interpersonal comparison that winnows theory from ideology. However, when the cross comparison takes place in a realm that does not admit the heterodoxy, all that transpires by debate is a variation on the same theme. Theory will be entrapped by ideology.

Yet, the commodity has a class subject. The manifestation of capitalist class power is visible in its ostentatious display of wealth. However, the real power of class is in the dominance of its ways of thinking and frames of reference. Its power is in how it entraps the mind with logical reasoning that purport to reflect history. The crisis is not only the rich person with the expensive gadgets, the alter-crisis is also the working class man whose logic rightly convinces him that he is a millionaire in the waiting, as per the famed epigram. I say rightly because the logical probability is true, but alas the historical possibility is anything but true. The ideological aspects of social control are the levers of capital's wealth.

Capital's foresight of political events, which could endanger its hold on power, its organised dimension led by the state, is another measure of bourgeois wealth. Seeing ahead is not to be confused with the definition of rational man as object of analytical social science. The object of social science is not abstract man who happens to be where he is today because of where he wants to be in the future as per analytical philosophy. That abstract man may be a psychological being, but he is not the social being constituting social agency, unless personal whims instantiate in social activity without mediation—what man wishes, man gets. For the system to be guided by rational being as per Feigl (1953) means that it is no longer spontaneous, and that adequate information regulates its metabolic reproduction. That may be possible under the rule of the working class and planning, which regulates overproduction, exchange, and distribution. However, it is unlikely through the agency of an inter-competing capital allied against labour. In this latter case, the production of disinformation and divisions in the working class are the longevity of capital. The capitalist system is inherently spontaneous because as soon as the commodity is born it comes with its own veneer, which conceals its origins and production process, and as the commodity reigns or gains grounds, its fetishism, the veneer born with it, hides and heightens more of the atrocities associated with its production. The pile of commodities owned by capital is nothing more than a signification of labour's dividedness and/or defunct socialist ideology. In science that probes social as opposed natural time, to a far greater degree than physics, the issue of quantification depends on who quantifies.

Furthermore, investment behaviour in a competitive market under imperfect information amplifies the responsiveness of investment to industry-wide shocks (Grossman and Stiglitz 1976). This point mimics the Marxian position that capital pursues a path of blind accumulation; Marx's (1867) hyperbolic caption on anarchic competition was 'accumulate, accumulate, that is Moses and the prophets.' For the mainstream, risks originating in information asymmetries, moral hazard or imperfect markets also raise transaction costs. In a formal world, there are markets to correct market failures and the right premium may be defrayed to account for risk, curb moral hazard or any other transaction cost. In such a logical world, all the contradictions are formally institutionalised. Instability is measurable and solvable. Not only is the

real world reduced to a set of equations, but its representative mathematical functions are also devised to show that the world is not an explosive system. Permanent overproduction crises amplified by predatory finance are a passing aberration or an adjustment process to correct steady states associated with diminishing returns. The crises are permanent and the markets of which these mainstreamers speak do not even apply to the western markets they address. Little is said about the developing world and the industry of violence and/or the violently aggressed markets for the skin of the natives. Colonial and imperialist encroachment wars are more like paid holidays for young soldiers of empire re-straightening the path of piety. Judging by their picayune price or money value form, peripheral formations are too cheap and less than human to matter. Judging by the organic ties of the global system, every part of the world economy is a rational and historical predicate for another in real time.

The demand side critique poses that investment follows demand and output. The cost or price of capital has little correlation with investment patterns (Kalecki 1937; Sawyer 1982). Firm-level fund availability, or firm savings, finance investment and supersede interest rates concerns. Risk, incomplete knowledge about the future outcome of investment, and uncertainty, the ontological irreconcilability of forms of thought with actuality, would later temper the demand-side fixation with the interest rate as cost of investment. The solution for uncertainty is the reputed animal spirit developed by Keynes in 1937. The irrational drive to invest explains rising investment before the limitations to knowing the future. Irrespective of unknowable uncertainty, risks assessed upon subjective probabilities construed upon past behaviour, would still be an impediment to investment. The principal risks for Keynes were borrower versus lender risk. The risks to the latter correlate with the business cycle and are less cumbersome to envision; conditioned by better access to information and state intervention to pool and attenuate losses and to stimulate the flow of information, investment proceeds. Risks are associated with the adequacy of market response to price signals, while uncertainty stems from the social depredation of capitalist production. The latter shocks the formation of knowledge about the future swerving the course of events in structural ruptures.

For Kalecki (1937b), borrowing or resorting to external means of financing investment dilutes ownership of the project and increases risk. In other words, increased leverage or the issuing of new equity heightens risk. Risk will also rise as a high share of entrepreneur wealth becomes illiquid (Kalecki 1937b). Higher firm's illiquidity and exposure to debt raises the risks to returns as additional investment falters. The higher firm's debt to assets ratio hikes the interest rate on additional loans. Although Kalecki makes little of the financing for development constraint in a sovereign state, retained profits or firm-savings are the preferred source of investment.

It may be as well to recall that investment for Keynes and Kalecki is *circulating* capital as opposed to an intermediate measure adjusting to some ideal capital stock. Each period has its own optimal investment in relation to expected returns. Investment is volatile and follows expected returns spiced with a degree of courage or animal spirit because it 'cannot depend on strict mathematical expectation, since the basis for making such calculations does not exist; and that it is our innate urge to activity which makes the wheels go round' (Keynes 2008 [1936]). It should be obvious that the issue is not about poor approximation of fact by some subjective probability, for

that is a condition of being. The unmentioned issue is the uncertainty associated with the repression attendant upon social production, which is itself a sphere of production and the principal domain of capital accumulation. What one can be quasi certain of is that capital will erode the basis of living altogether in its pursuit of profits; here is the one-sided or objective material basis for revolutions.

Prior to the development of animal spirit, Keynes's investment decision was a function of the marginal efficiency of capital (*MEK*) or the expected rate of return on new capital. In typical downward sloping demand functions, the cost of new capital or the cost of borrowing is inversely related to the size of the capital stock (Keynes 1936). Investment proceeds onto equilibrium or until the marginal efficiency of capital equals the interest rate (Keynes 1936). To be sure, in his summary of the *General Theory* (1937), Keynes posits that *MEK*, the expected rate of return on capital, does not weigh much onto investment decisions. *MEK* depends on the price of capital assets and since the price fluctuates, this implies that for every different level of asset price, there will be a different *MEK* (Keynes 1937). *MEK* is a by-product of investment and current expectations. Keynes argues that investment 'depends on two sets of judgments about the future, neither of which rests on an adequate or secure foundation—on the propensity to hoard and on opinions of the future yield of capital-assets' (Keynes 1937). Pessimistic views about investment's future yields will increase the propensity to save among investors and dampen investment in the present. Furthermore, the propensity to save is the flip side of the 'liquidity preference,' the preference for holding money. For Keynes, the interest rate influences the 'liquidity preference', in the sense that a higher interest rate should be handed out to investors to part them from their liquidity or money preference (Keynes 1937).

In the summary, Keynes stressed uncertainty. Investment undertaken based on expectations of future profits proceeds as the market prices of capital assets exceed their costs; another way of saying returns on capital exceed the interest rates. Keynes critiqued the mainstream of his days for ignoring uncertainty and for its hypothesis of a calculable future as 'it overlooks the precise nature of the difference [its] abstraction makes between theory and practice, and the character of the fallacies into which it is likely to be led' (Keynes 1937). That investors decide not to invest 'is a barometer of the degree of [their] distrust of [their] own calculations and conventions regarding the future' (Keynes 1937). Although Keynes argues that investment cannot settle into a state of 'stability,' he adds that orthodox theory is one equation short of what is required for a solution, because *MEK* depends on the price of capital-assets, which determines new investment and which is consistently in equilibrium with only one given level of money-income. Recommending the addition of one equation for a system to account for variable income shows that he presumes because an equilibrium is logically possible, it may also be realistically possible. This runs counter to his earlier assessment of the abstraction that leaves a chasm between theory and practice, because for any abstraction to not misdiagnose the discrepancy, it has to include a historical subject or class component in the definition of the object. Colloquially, self-propelling logical objects can be in equilibrium or wherever the mind imagines them to be; socially motivated things, however, must be driven by some vested interest. For a liberal like Keynes, class is a taboo concept. It may also

counter his proposition that it is monetary policy and its associated interest rate, which are not welfare measures, but ruling class tools that maintain MEK or profit rates. In a world of class contradictions, it is inadmissible to entertain equilibrium, for neither dynamic logic nor history tolerate stationarity. One may easily infer the reason why mainstream economics adhered to Keynes's earlier version of equilibrium investment theory as opposed to his later animal-spirit scepticism. At any rate, equilibrium requires a tendency towards the fulfilment of expectations, which is impossible under violent cost-cutting to ensure exponential growth. Save the falsification of reality with ludicrous suppositions of diminishing returns, the real increasing returns to factors of production are the unaccounted damage to social nature. The system is spontaneous, and the neoclassical self-correcting tendencies are logical remedies applied to a hyperreality or at best an illusion.

For the Marxist leaning Kalecki, Keynes's position, not only in exposition, but in the construction, is deficient. Commenting on the theory of employment, Kalecki noted that Keynes's equilibrium state is impertinent to the dynamic course of investment (Kalecki 1937a). He adds, Keynes's concept, which tells us only how high investment should be in order that a certain 'disequilibrium' may turn into 'equilibrium', runs into problems because the growth of investment cannot culminate in a process leading the system toward equilibrium. 'The reason for this failure lies in an approach which is basically static to a matter which is by its nature dynamic' (Kalecki 1990). The self-evident truth is that in a dynamic process or in a process of self-differentiating qualitative change, the very use of the concept of equilibrium is impertinent, and of course, factually and logically impossible (Niebyl 1940b, 1946).

As with other subcomponents of the social product, the real investment dynamic drawn from a world of uncertainty does not edge towards a hypothetical equilibrium because its historical rationale is the value relation. That in substantive form capital, the heap of commodities, appears steady for a while does not mean that the lagged processes of capital as subjects have come to rest. Capital produces things only to produce more things. It is unrestful because the value relation eggs it on to expand. Changes in the capital stock are manifestations of the value relation whose dynamics depend on the nature of the historical subject and the state of consciousness erected upon the de-subjectification of labour by violence. So long as capital hegemonises, its substantive form, the piles of things produced, the visible and invisible commodities, things of use and hidden waste, accumulate to the demand of its logic of growth. The hegemony assuring the inexorable growth of the products of capital, particularly its waste products that cut life short, is the continuity of the weight of history incarnate in dominant ideas and the cultural forms of western civilisation. It may be as well to remember that in this section, I am looking at economists whose work deals with the variations in the capital stock separately from the laws of capital, class and the historical subject.

As for Kalecki, there will be investment that ages and to which returns will dwindle. Competition under unforeseen structural shocks void equilibrium. Furthermore, Kalecki opposes Keynes's rising marginal cost curve for capital goods whose greater demand pushes their prices up and decreases profitability. Keynes's concept is teleological. It envisions *ex-post* investments that equilibrate the disequilibrium

states and level the expected profitability with the rate of interest. *Ex-ante* investment decisions pose a different problem since they spring as expected profits exceed the interest rates. As higher demand for investment commodities boost their future prices, this process also signals a better economic future, then any current investment level must be tautologically determined by the very prices it has provoked. For Keynes no matter the circularity, ‘the elements of the present situation have a striking influence on the formation of long-term expectation,’ which means firms faced with new interest rates and prices of investment goods plan investment anew each time (Keynes 1936).

In relation to Keynes’s point that accumulation (investment *ex-post*) influences investment decisions (investment *ex-ante*), Robinson (1980 [1964]) says that ‘though Keynes himself attached great importance to the idea that the present is always overweighed in forming a view about the future, he treated his schedule of prospective profit as though it was independent of the actual rate of investment’. Observably and intermittently an incremental growth in investment engenders excess capacity and creates a glut unsatisfied by equivalent consumption or effective demand and downward pressure on profits (Lopez and Mott 1999). It is probably difficult to identify an economic theory that does not address these issues: however, here all I am going to add is that this question is commonplace because at any time a formal set-up is operationalised it proves in part fallacious. Here at least one can pinpoint to the fallacy of faulty generalisation taking hold, while unsurprisingly reality is teeming with continuously unfolding logical fallacies.

However, the matter of overproduction and underutilisation of resources is primarily *social*, as distinct from narrowly economic, as in decided by formal solutions to glut and unemployment through shifting prices. Unsold inventory, especially in a downward turn of the business cycle, signals to production conditions and costs to be stiffened by aggression, particularly, in the developing world. Militarism and imperialist war are the demand and the finance components that stimulate the economy and its bubbles to offset falling central incomes. However, because the problem of overproduction is a dynamic one and involves to whom to sell rather than not to produce, the biggest consumer in control of resources and production conditions, *qua* the US, dominates (Emmanuel 1972). For Marx (1867), it is the reduction of necessary labour, which implies the reduction in production costs. To reduce the costs of sustenance for labour leaves more surplus labour to turn into capital. Overproduction is a glut and/or also in relation to the consuming market, there are too many commodities unsold. Overproduction kicks in the moment the capitalist profit dynamic sets in. That is as capitalist production conditions react to markets signals, the rate of exploitation or the rate of surplus value must increase. The law of value, the law that restructures social and exchange relations to induce higher rates of exploitation, resolves the debacle by heightening the contradiction between the social and the private spheres, and evidently so, by more violence. Fortuitously for capital, the facet that is rarely flagged as a sphere of production is the violence itself. Put plainly, capital overproduces for those who can buy and from whom it derives its revenues while suppressing the living conditions of the majority *qua* the costs of production from those who cannot buy.



Whenever 'investment (*ex-post*) increases capacity utilisation which depresses investment decisions (investment *ex-ante*),' it down-swings the economic cycle (Targetti and Kinda-Hass 1982). In accounting terms, as more capital is put to work from the existing stock of capital, less investment comes online and the lesser becomes the contribution of investment demand to current output. That sounds perfectly logical, but it is also perfectly lacking. In these neo-Keynesian frameworks, the relevant supply chain and the economic cycle are central or US-European and dollar denominated cycles—the developing world is either absent or of negligible value. Through no fault of its own, the emerging market never emerges! The social processes of colonial and imperialist aggression are sub-categorically economic as well. They regulate the labour process, thwart potential competition, and cheapen inputs, including those that do not immediately enter the supply chain. There is more than just the teleology of Keynes that is wrong, there is a big part of the world, the developing world, which is missing because that demand-led theory is merely a biased accounting framework and not a social or a value theory. That the economy must be at an equilibrium in the future and that somehow all investment decisions co-align with that final objective are delusory processes. History is contingent upon the real and ideological force shaping the future. It mostly does so by fire and steel, as well as by constructing convenient means and methods or units by which it gauges its own activity. For Eurocentric reasons and despite the war industry and the value usurpation, the future as well as the past of the developing world insignificantly affect the world economy. Unlike the sophisticated machine of the North and its higher technical composition of capital, the atrocities visited upon man and nature in the South insignificantly reduce costs and raise profits. More to the point, the mobilisation of socially necessary labour time in social time is a world interconnected process as opposed to fictionally constructed national value theory. Separating the national from the international social product in terms of value is an impossibility. Using price to separate national from international value is astrology.

The past stock of capital alone does not generate more value on its own without production or value relations. That Europe has more capital stock this period is not the lagged reason why it is going to have more stock next period. A thing does not make a thing. The statistical lag that capital constructs in its measure of time and money is the chimera that conceals the formation of value, the repression to cheapen inputs namely from the developing world. The US carriers do not entice the peoples of the Third World to surrender their resources because they smother them in candy. As to value flows stocking up as profits in wealth or capital, the profits *qua* return to capital, its marginal efficiency, such is not a static process, but dynamic and varies with investment of all sorts, including investment in imperialist encroachment wars. Now to tidy up the picture: bring together the declining profit dynamic alongside overproduction conditions, add to that the repression of the international proletariat, and here we have a hint of the recipe associated with the Marxian business cycle. To de-reify the conventional theoretical order and set the record straight, the Marxian cycle is a social reproduction cycle following the twists and turns in forms of revolutionary consciousness and organisation. In it, the grounds upon which prices and demand form are laid by the US-aircraft carrier and its projected ideology. The measures of that cycle are the share of labour in the social product and, primarily, the strength of the anti-imperialist front.



## Kalecki's Position

The Kaleckian 'Principle of Increasing Risk' assumes that subjective risks faced by entrepreneurs are an increasing function of the rate of capital accumulation. Not so different from Keynes, Kalecki proposes that the 'inducement to invest' is determined by the rate of profit and rate of interest (Kalecki 1937b). As illustrated by Targetti and Thirwall (1989), the rate of investment decisions is an increasing function of the gap between the rate of profit and the rate of interest. In this sense, investors will invest as long as profit (rate of return) exceeds the rate of interest, even if the latter is high. Indicative of high demand, a high interest rate encourages investment. So long as the investment project re-earns the costs of investment, then the investor will undertake the project. However, investment adheres to the social system's demands. Like the system, investment is dynamic and structural or auto-propels by its own historical weight, while behavioural investment decision-making follows fluctuations in overall economic performance. The point here is one ought not forget that investor behaviour is contextual or follows from the circumstances borne by history.

Analysing the 'inner laws of motion of capitalism', Kalecki develops his theory of the overall dynamics of a capitalist system by showing how long-run growth goes hand in hand with cyclical movements around a trend. He never discounts the psychological factors that influence investment, insisting that capitalists react principally to their expectations of realised profits (Kalecki 1972). Kalecki adheres to the tenets of balanced/synchronised growth. He distinguishes between investment decision ( $D$ ) and actual fixed capital investment ( $F$ ), which allows for a time lag between investment decision and actual implementation:  $F_{t+T} = D_t$  (Kalecki 1968). This separation *stabilises the investment function in the short run*, in the sense that it will not rise or fall simultaneously with any event taking place in the very short term. The current expected profitability of investment is based on the firm's past performance and *cannot* immediately change with any new subjective expectation. Kalecki differs with Keynes on the issues of investment volatility in the short term. Investment in any given period is the result of past decisions because capitalists implement their investments after a certain decision period. Any perturbation, such as an increase in taxes, will not bring about an immediate reduction in investment. Capitalists would rather wait till the end of the current decision period and then decide on a course of action (Lopez and Mott 1999). In the systemic Marxian tradition, Kalecki does not allow atomistic or behavioural concerns to foreground capital accumulation. For the marginal efficiency of capital, a price form, to vary in the short term and to chart the course of the system implies that prices supersede systems considerations. Such variability undermines the primacy of demand-led systems. What use would it be to state that one's system is demand-led when investment decisions change with new and sudden subjective expectations (Kalecki 1968). Future investment decisions, *contingent upon the price level*, are readily instantiated. I italicised price movement as unexpected inflation disrupts the flow between decision and implementation because finance may not be available for investment.

In an equilibrium position, firms hold a capital stock commensurate with the demand they face and the rate of profit equals to the rate of interest. To revisit some basics: For Marx, the issue of equalising marginal quantities of any sort to capture dynamics of systems is rather a vulgar pursuit, in reference to pedestrian thought. The only tendency under the profit motive is to crush the subject and to reduce costs while the counter-tendency is revolutionary action. The only 'equilibrium' capital pursues is the political stability of its rule such that no matter what the investment in waste and social deconstruction, the opposition is annulled.

Just as other demand-side economists, for Kalecki, investment raises productive capacity, while fluctuation in investment expenditures readily impact macroeconomic fluctuation; hence, the ups and downs of the business cycle. However, in concordance with Marx's de-valorisation of capital, the new technology writing off older capital stock, as elaborated by the Michael Perelman (1999), Kalecki argues that firms in each period expand their investments up to the point where further investment would not be profitable, or until another cycle begins. Robinson's illustration of Kalecki's cycle posits that as investment begins to increase, 'it raises the level of activity and so fires the hope of future profit from investment. The upward movement continues to feed upon itself until the accumulation of capital depresses the rate of profit. Hope turns to pessimism and a downward movement begins, which will once more reverse itself after a certain time has elapsed' (Robinson 1964).

The dynamics of market expansion, rising profits, in relation to an existing capital stock that falls short of meeting rising demand, determine additional investment. The blindfold of competition lets investors face an uncertainty that precludes them from settling at an equilibrium position. Investment responds to demand signals, while its own dynamic builds capacity beyond the requirements of demand. As the new high level of income makes for greater investment decisions, 'we really are back to the acceleration principle (although interpreted in a different way) for it is the rate of change in income that thus becomes the determinant of investment' (Kalecki 1949).

As mentioned above, the interest rate or the cost of external finance is less significant to investment than internal financing from profits. Investment transmutes into savings (*ex-post* savings equal investment). Not interest rates, changes in economic activity impel investment. Investment finances itself because it creates its counterpart in savings. Reverse acceleration from income to investment presupposes growth in national savings, thus more in profits and internal finance for investment. In a self-reinforcing spiral, the financial constraints that affect investment decisions depend upon the savings out of profits by firms, which in turn grow as income grows (Sawyer reinterpreting Kalecki in 1985).

## Capital Formation in a Developing Context

Balanced-growth theorists, such as Rosenstein-Rodan (1943, 1961) and Nurkse (1952) argue for a 'big-push,' a replication of the widow's cruse with simultaneous rising investment in capital stock, specifically plants and equipment, and savings.

The big push, a sort of electric jolt to the heart of the economy, centres on state-led investment better guaranteed by nationally issued debts than by external savings or foreign debts. Said to originate with Rosenstein-Rodan (1943), the roots of the big-push are to be found in the early industrialisation of the Soviet project. Its latter application was to reconstruct post-war Europe through Marshall-plan like state-led infrastructure and industry.

As to Third World underdevelopment and its vicious circle, this can supposedly be broken via a big-push alongside balanced demand and supply strategies and on par growth rates in all sectors. Low capital and technology, the obstacles to higher productivity and wealth, necessitate the mobilisation of resources. In more harmonious development scenarios, investment is to increase simultaneously in all sectors. Kalecki favours public investment to sectors of the economy into which private investment is not forthcoming, specifically, investment in agriculture and rural areas to increase food production. The latter effort cheapens the costs of labour and frees the residual resources to be employed in industry. Synchronised growth tackles shortages in the supply of the consumer goods market and attenuates inflationary pressure.

In like manner to Marx's reproduction cycle, Kalecki (1976) differentiates between two departments: an investment goods sector (Department I) and a consumption goods sector (Department II). A balance must be struck between these departments such that resource deployment to the capital goods sector (Department I) will not short-change demand for the products of Department II and create inflation. Circuitously, to avoid inflationary pressure and income deflation, an emphasis on the capitalisation of agricultural production is required.

To overcome the low demand trap associated with low wages, otherwise the vicious circle, increased public investment will increase the size of the market (Nurkse 1952). Larger markets incentivise private investors, while 'private investment is generally governed by the pull of market demand', and 'the case for balanced growth rests ultimately on the need for a balanced diet' (Nurkse 1952). The rise in investment and productivity further expand market size. The starting point to overcome the narrow market is to overcome the shortage in investment. For Nurkse, investment packages, overseen by government, realised over a wide range of industries, will rupture the vicious circle. Nurkse's growth hinges on effective government planning, a programme of balanced investment alongside a fiscal policy that mobilises domestic resources. Not that such a position is unusual, there is practically a consensus that industrial capital formation remedies underdevelopment. Rosenstein-Rodan (1943) before Nurkse stressed state-led investment, state planning of large-scale investment projects, increasing investment in light industry, plant and equipment and infrastructure. Private enterprise must internalise new technology and the socially and economically generated external economies.

Unbalanced-growth theorists argue that the shortage of capital is not the sole obstacle to growth in developing economies, but rather the lack of entrepreneurial skills. Hirschman (1958) critiques the balanced-growth theories of Rosenstein-Rodan and Nurkse. However, both theoretical strands agree on the need for expanding industrialisation to overcome the underdevelopment trap. Predictably for their times, both theories also stressed the importance of state intervention in shaping the grounds

and the finance for industry. As if torn from the pages of a modern-day textbook, the message then was governments must lead and sequence investment in key industrial sectors, assuring industrialisation through backward and/or forward linkages.

Unlike Kalecki for whom investment in agriculture must be commensurate with industrial development, Hirschmann was less concerned with inter-sectoral value transfers and more at ease with capitalism's self-correcting processes. Kalecki prioritises meeting the demands of the working class with internally produced foodstuffs. As the reproduction of labour costs less in wages, more funds will be available for industry; hence, the justification for sectoral harmonisation. However, the role of the state for Hirschmann is to invest in projects that will unbalance the economy, as part of greater industrialisation strategy in which the state taps into investment opportunities that do not require already lacking entrepreneurial know-how (Hirschmann 1958). Investment is to be concentrated on selected projects or sectors that add to investment through forward and backward linkages, always without demanding high entrepreneurial capabilities. Import substitution cases are common examples of the sort that can initiate additional investments conducted by less qualified investors. For instance, steel production has strong backward linkages to mining and transportation and strong forward linkages to manufacturing. For Hirschman, primary production such as agriculture has no backward linkages while its forward linkages are minimal (Hirschman 1958).

Hirschman lays less emphasis on agriculture, when indeed that sector exhibits social linkages, which are the building blocks of the economy. In the case of China, its initial take-off can be squarely attributed to land reform and agricultural policy laterally with Soviet supported industrialisation. Capitalisation of the rural sector ensures more value outlays on labour, and more labour to be mobilised into industry at lower costs. The strategy of China was such that no matter the harmonisation of the measures allotted to various sectors, so long as the state was anchored in labour, deviations in resource allocation can be corrected. Boosting agriculture reduces necessary labour. The wage bill declines as a result of cheaper food prices. True, the surplus labour rises. However, as the state committed to development, the surplus labour does not turn into the instruments of capital that suppress labour. Under the guidance of the sovereign state, that surplus labour divides into two areas. The first is the stock of capital that builds national security in the face of immanent imperialist aggression. The second is the higher wage share and/or standard of living obtained primarily as a result of national security. The state is an instrument of capital only when capital is the stronger element in the state. The concept of state capitalism as it stands, without considering that a developing formation needs to build capital to self-defend, is a malicious concept aimed at discrediting autonomous policies in the developing world. The Economist magazine, an otherwise horn of imperialism on exhibit, would often borrow the cliché 'state capitalism' of the Western Marxist vernacular and deploy it in a pejorative manner against any developing state with a

modicum of sovereignty. The latest use is against China: it dubs nations willing to engage Chinese technology as ‘the naive who embrace Chinese state capitalism.’<sup>6</sup>

## Capital Formation with Chinese Characteristics

Investment in a market economy, more pointedly the incremental increase to capital formation, builds by expected returns, or let us just say for brevity, overall demand. Under the weight of shrinking credit to the working class and jobs, the austerity, overall demand as well as demand for investment is less than adequate. Add to that an open capital transfer channel to the broader and safer US financial market, and investment is likely to shun long-term productive activity. It will lodge in the safety of risk-free dollars and their instruments. A financialised private sector in a macro-context of openness, which disparages investment in long-term and low-return investment projects, sheds and liquidates real assets. In terms of the quality of investment, capitalising in plants and equipment and its corresponding industrial culture, neoliberalism induces dependency through a reduction in the quality of the capital stock (Saad-Filho 2005). The more secure international market for finance shifts the accent away from homegrown engineering and tech-knowhow onto ephemeral or speculative pursuits at home. Instead of appropriate linkages with imported technology supplementing home-base technology, as China obviously did, imported machinery stands more for a consumption item rather than a production item. The corrosive symptoms of dependency cannot be detected in the money value of output per worker nor its associated output-capital ratio. As output rises by primary commodity export revenue, geopolitical rents and/or foreign savings (debts), productivity evaluated in money form appears high; not that productivity easily lends itself to measurement, but raw material exporting countries, for instance, whose real productivity growth is insignificant, appear as highly productive when the price of their exported primary product rises. The efficiency of investment per unit of capital, the returns per dollar invested, also falsely appear high. As the market buoys for primary products exporting countries, the salient measure of investment efficiency, the Incremental Capital Output Ratio—ICOR, or how much does it take in investment to generate an extra unit of output, falls, signalling higher efficiency. China’s productive growth was genuine and dependent on multi-layered production processes (a complex input/output framework). The interrelated challenge that China tackled in relation to development and the productivity-investment nexus is of manifold nature. In what follows, I list several practical and theoretical points inspired by the Chinese macroeconomic experience.

---

<sup>6</sup>China v America, Trade without trust, The Economist 18 July 2020, <https://www.economist.com/leaders/2020/07/18/china-v-america>.

## *Investment*

Uncertainty over the investment decision-making horizon requires a state as provider of security. Organising production activity over time begs the question of planning. How to put back the state not only as discretionary interventionist in ongoing activity (the Keynesian case), but also in how to design and articulate factor inputs with output over the longer term. Given the task of catching up, development economics had to involve more than just a state as a backup to investment and demand. It had to have a state with a leading role in ownership and finance of economic projects (Toye 2005). The state must be in control and ahead with regards to the market. Up to the point where market forces begin to intervene in setting the final prices, the state in China with its vast ownership of productive assets manages the inter-industrial input–output relations at social prices, which respect the value of direct producers while guaranteeing growth in industrial investment (Gabriele 2016). Socially designed prices in inter-state industry allocate production and incomes to favour the security of the working class.

Demands for business expansion require the decision of the state either as corroborator or as partner. The final decision rests with the concerned ministries (Herrera and Long 2019). The private sector grows, but always under the watchful eye of the state or in some partnership with it. The state is the final broker or decider of last resort.

A related question appertains to industrial culture and the indigenisation of productive knowledge. It may be all fine to measure the real dollar growth in productivity and investment, but the real impetus remains how much of industrial knowledge is home-spawned as opposed to borrowed. China's depreciated capital stock is more frequently replaced or refurbished with indigenised as opposed to borrowed know-how (Feng 2020; Liu and Cheng 2011). In typical socialist fashion, China focuses on the department that produces the means of production. This business partnership with a final say for the state is coordinated with a hierarchical command structure that sacrifices much in tertiary departments in order to push the internalisation of knowledge in department 'one' (the department that produces the means of production).

As opposed to the comparative advantage and the teleological ordering of the flying geese paradigm, China has a politically motivated frame of developmental thought. The strategic intent is to build national security. Fixation with national security trails from a history that has mistreated China. Security is central to the thought of president Xi: 'the building of a solid national defence and strong-armed forces that are commensurate with China's international status and national security and development interests.'<sup>7</sup> The emphasis on upgrading development and security capacity is the impetus for the rise of the national tech-component in the composition of commodities in China.

Economic growth as per the Chinese model reduces poverty by the degree to which it extends jobs to its workforce and only as a co-booster of the national security priority. The criterion for jobs under socialism is aptly social, meaning stabilisation

---

<sup>7</sup>Xi demands strong army, solid troops, [https://www.china.org.cn/china/2016-10/21/content\\_39538893.html](https://www.china.org.cn/china/2016-10/21/content_39538893.html).

occurs as measures to safeguard labour as opposed to capital. Brown (2010) notes that China has moved to balance its successful growth with better coverage and social security nets as employers face increasing obligations. The long-term development perspective has a bearing on the economy as per its impact on demand and purchasing power refuelling internal demand. As the extension of Chinese free health, education and other social support measures are added, the real median wages would be much higher than the reported money wage. For China, peoples' security from want, the guarantee of the consumption bundle, a permutation upon the *iron rice bowl*, is the strength of national security.

As in all tautological components of demand, economic growth and investment are co-determining. The expansion of markets, whether within the nation or abroad for export, creates the demand that induces investment. However, no matter the size of markets, de-valorisation of capital, loss of asset value because of new technology displacing old, occurs by its own momentum and recurs at unpredictable intervals. In China, the burden of the costs of re-adjustment and rescaling of industry in adaptation to new technology are shared socially. By employing more productive techniques and scaling up the value chain, the additional revenues stand as insurance premiums against downturns, including capital write-off by new technology. Cyclical costs of re-stocking capital with new technology are less acute as the equalising distributional impact of returns of previous investment supplements current costs.

In China, the ongoing internal build-up of capacity, BRI expansion and infrastructural projects foreground a labour-saving capital-formation. Tech-improvement leading to labour shedding is offset via the social employment creation channel in parallel with socially remunerative labour-intensive sectors. The expansion of the arts and creativity are a point of critical mass for China, and cultural sectors are providing more employment across a number of emerging industries (Keane 2013).

## ***Macro Policy***

Macroeconomic policy, as per the Chinese case, is namely about intermediating economic into social wealth.

In other developing countries, neoliberalism undermines social efficiency (Gottschalk 2004). It circumvents the boomerang effect into developmental payoff of state investment in the social sphere. It especially targets the public sector slotting it as an inefficient institution. Yet despite its supposed inefficiency, the IFI-obedient public sector grew for most of the developing world. Its growth was accompanied by indebtedness and spending on the military security-infrastructure - all fuelling financialisation. Illustratively, many developing states imported guns and police know-how to crush rebellion with borrowed money instead of emphasising auto-reliance in public and consumer goods. The efficiency of capital's IFIs manifests in how it disciplines the labour process at the behest of foreign and comprador capital. Their advice to ration public spending is not about deficit reduction. They demean labour to subjugate it.

While expanding on borrowed income to import or fund repressive apparatuses, the neoliberal class has also squeezed public sector employment and wages. In fact,



declining public sector wages spearheaded wage compression towards a supposedly leaner more flexible labour market (Fine and Saad-Filho 2016). The private sector did not fill the loss of employment opportunities that resulted from a beleaguered public sector, which was shrinking its social spending and expanding spending on the repression industry. The excess slack in real and human resources, the resources unemployed relative to a rate of profit-imposed underutilisation of resources, grew as spare capacity shrunk. Moreover, the application of monetary and fiscal contraction alongside indirect taxes, as per the directives of the IFIs, channelled incomes upward and eroded the demand component of the economy. The lynchpin for austerity is to lock the national currency with the dollar under open capital account and to tax the economy beyond working class capacity in order to fund the peg with the dollar. Contrariwise, China regulates the capital account.

The IFIs touted assumption of crowding out is justification to shrink credit to the working class. Crowding out may be logically true, but in reality, there is always room for the private sector to complement the public and vice versa (Weeks 2014). As typical of dichotomous fallacies, such as crowding in and out, the facts were that whatever substantial private investment was there in much of the developing world, it piggybacked on public or major state funded projects—it was rather crowded in.

In times of low growth/poor development, the public sector offers a welfare cushion through expanded public employment. However, as the functional arm of the state, the public sector is the most capitalised institution of the developing economy. Under Chinese-like regulated capital and trade accounts, public investment can be underwritten by national financial resources and state-owned banks. Government spending and investment as functions of appropriate monetary policy, expand growth and employment while their costs can be duly monetised. Differently, neoliberalism taps financial resources from savings and tax revenues. To spend savings on luxury consumption or speculative activity and, to use pro-cyclical indirect taxation to service debts, leaves little for the sort of investment that fuels the growth-employment nexus.

Chinese macro policy, through its state-owned development banks, creates the credit space into which the economy grows. They fund the positive-linkages between foreign investment and local production through the application of rules to foreign investment by which its returns lodge in the area of knowledge-ability. As mentioned above, China's regulated capital account is key to its success. In most of the developing world, the capital account is open or loosely regulated. For Helleiner (1994, 2006), such openness measures run counter to the Bretton Woods Agreement, which seek to stabilise the exchange rate system by limiting capital mobility. The issue with Helleiner and post-Keynesians is this tacit devotion to the capital system. It is as if capital can be regulated without violence and counter violence, the effective security deterrent, to achieve optimal welfare results. Social or economic theory without a core component of violence, or synonymously, without a value relation, is a justification for the many moments in which imperialism, the intense capital, delivers successive blows to the developing world and to social nature.

On the price side, the forcefully under-priced developing country raw material or unfinished products/inputs shift value for low prices through the open capital account to the developed world. Draining capital from poorer nations amounts in one of its principal facets to losses in life expectancy. Opening the capital accounts



in developing/security-exposed states surrenders the control of national finance to the deeper and more liquid dollar international market. This latter market is more resilient not solely for reasons of US real economy prowess, for the real US economy on its own does not require the creation of so much fictitious debt relative to capacity. The profundity and liquidity of the US market address the demands of capital expanding by imperialism. Imperialism houses a highly liquid market to cover the speed at which it snatches and liquidates the assets of the conquered nations. The channels of open capital-account are the conveyor belts of value transfers to empire. In standard macro analysis and under current account deficits, the national interest rates in developing countries must rise to disincentivise capital outflows, but they also disincentivise the national capital formation.

Under neoliberalism, finance is shallow/rationed for the working classes and deep/prodigious for the globalised financial-class. Credit, the forerunner of economic activity, is often externally controlled by international finance. Entrapping the moneyed value chain within the national economy is the crux of the security/development nexus in China. The interaction of the exchange and interest rates in relation to the regulation of the capital account empower the state over the process of money creation and its bearing upon income distribution. Monetary policy is not just about the expansion/contraction of money supply. It is a tool of capital, a manifestation of the law of value, supplying credit to some classes more than others and implicating growth and the income distribution structure.

## *Unemployment*

In a developing context, labour demand is more than just derived demand. As wages are low, demand is usually low, and it is natural to have employment derive through state sponsored development. In addition to the low growth-poor development cycle, under the private job growth benchmark, the market forces unemployment to remain a social burden. Immiseration implies lower costs of labour reproduction. Moreover, the social problems associated with unemployment, like the rates of poverty-induced crime, morbidity and incarceration, also reduce the social costs of reproduction—as the cost of social stabilisation increases, for instance, to keep the crime rate in check, less of the social product goes into capitalising labour and more into waste.

Unemployment is not a supply side problem. That someone even entertains the idea as such, and only for analytical purposes, is specious. Furthermore, there are never too many people relative to spare capacity. The mismatches between skills required by the employers and those provided by job applicants are minor in comparison to the permanently depressive cycle of the product market, especially in the developing state. Moreover, unemployment is not only cyclical, as in the economy not producing enough jobs relative to a growing labour force, in a developing context it is often endemic because of vestigial high fecundity persisting in the modern age. Fertility rates are high as a lingering effect of rural mores. The capped potential

for economic growth and the imperialistically imposed restrictions curbing development do not introduce enough of the modernisation to re-encode lower fertility rates. A torpid rate of capital accumulation faces off against secularly increasing populations. Unemployment arises from the depletion of wealth, paucity of capacity, and as a result of weak labour representation in the state. Job criteria are private as opposed to social - workers are hired by firms competing in overproducing markets as opposed to being hired as re-investment to redress the social reproduction of labour. A social labour absorption policy is then dependent on building capital as wealth while de-alienating the development of the productive forces.

China, on the other hand, has curtailed the secular population trends (family planning), and reabsorbed much of the working age population under its transformative model of de-alienating technological innovation; hence, relieving the backlog between mechanisation and the creation of supposedly superfluous labour through social jobs and social spending. Such an approach is required for the lower-end market economies—low purchasing power, in the global division of labour, where the demographic growth rates that trail from rural cultures confront a tiny but modern enclave sector with ties to the comprador. The contradiction of capital with population growth, often resolved by war and militarism, creates war *qua* waste jobs, in which the labourer simultaneously serves as living and literally as dead labour - as worker and raw material. The dead people are the raw material and the commodities produced by militarism's industry of war—a subcategory of waste accumulation (Kadri 2019).

The emphasis in the mainstream on the neoliberal criterion, the productivity wage spiral to create jobs, is not innocent. Beneath the suggestion that there are factories with chimneys or service sector jobs whose productivity expands to automatically hire labour at higher wages omits the fact that it is only the agency of labour that determines conditions in the labour market. Nominal wages are determined in the product market as a function of market imperfections and trade deficits, while real wages are determined by labour's political representation (Kalecki 1943). Furthermore, rising technology necessarily sheds more labour per unit of higher value-added producing capital or the modern service sector (one must caveat that value-added is not surplus value; these have different meanings). Accordingly, a chasm arises between the higher paid wage strata of the more modern sectors and the swelling lower paid - lower moneyed-output or unemployed wage strata. The resolution of this contradiction occurs as the well-to-do strata depopulates the lower strata. The war and waste production/consumption industry become the factory emitting the highest rates of surplus value. Through the consumption of living labour, the value of which is the socially necessary labour time spent to reproduce the labourer, in the production of the dead labourers as the desired commodity, the rate of exploitation tallies with the high rates of premature deaths. This identity/collapse of living with dead labour in compressed time, the social time, the earlier deaths by war, poverty, and disease, founds the wealth of capital and the rent for the higher wage-paid strata serving capital. The effects of wars of imperialist aggression and austerity on resolving the technology-employment contradiction, are plain to see. Disposing of the Lazarus-classes and the unemployed before their historically determined life expectancy is the kernel of creation by destruction of capital. The process decimating

social nature per unit of output accelerates under the neoliberal mantra because more of the decimated are the output. The Chinese model of humanising resource deployment, the necessity to include planning schemes correlating employment with existing spare capacity are possible because of the adequate levels of Chinese state ownership and control.

## *Agriculture*

The climate calamity, just as austerity and war, uproots people from direct production in agriculture. Like primitive accumulation, these measures dislocate and socialise labour and resources. Plainly, there are too many ownerless/powerless resources/people to be grabbed for the cheapest costs. However, just as the forms of primitive accumulation intensify in different shapes in response to the crisis of central capital, so does their key form of exploitation, commercial or slave-like exploitation. The modern more massive forms of modern slavery are bombed out states of the developing world. Imperialist wars and wars of colonisation disengage and disperse the human and physical assets of whole nations. The eradication of sources of independent support for labour, especially in rural areas, reduce the autonomy of the working class.

Discussion of rural decline is rarely framed in relation to waste accumulation and depopulation trends. The creation of surplus value occurs by the consumption/destruction of idle or active resources or value. I have so far included the industry of destruction as a production sphere. Clearly, imports of cheaper agri-products undermine national agriculture and for Bernstein (2010), this could only be framed in terms of class analysis. However, western Marxist definitions of classes are not considered in terms of their relationship to the more determining class, the imperialist class. Classes as social relations of production surpass national boundaries. Imperialism as the practice of war and austerity de-securitisises a developing formation. Its primary target is food security and, subsequently, de-subjectification, higher rates of super-exploitation and depopulation. The latter stage is a specific case of commercial exploitation in which the modern slaves perish in bigger numbers by more advanced technology. Here, the working strata of the North and its allies down South through war and Nobel-awarded austerity policies actively consume the lower strata of the Global South.

As an offshoot of trade policy, agricultural trade treaties negotiated with weaker developing world parties compromise food and national securities (Bush 2007). The insecurities are themselves impetuses for an attendant rise in inter-communal violence and militarism. The context undermining national agriculture is laid down by the law of value as means of pauperisation through, *inter alia*, policies of pegged exchange rate, the single interest rate, and the declining wage bill. The pegged exchange rate may appear to subsidise imported foods, the single interest rate may stay too high to mitigate capital flight or dampen investment, especially in agriculture, and the agricultural incomes may be undermined by rising inflation and weakened

rural political organisations, but the appearance of prices are the reified operatives of capital. These are symptoms of the policies associated with capital adhering to the reason of the commodity as self-expanding value. They are the economic façade whose social outcome reaccentuates uneven development between metropolis and hinterland.

At this point, it may be superfluous to recount the success of Chinese agriculture. The literature and media teem with examples. Two decisive moments are worth mention. First, Chinese land reform and farmers' control over their activities under state guidance are models of rural development (Li et al. 2013). The early land reform in China enabled the working class to own wealth and withstand the hardship of exodus from the land as China engaged in export-led activity. The transition came at a cost to the family bonds of the farming community but not agricultural output. Rural-urban migration was assuaged as the rate of absorption in paid urban employment reunited communities (Fan and Li 2019). It was government transfers from an industrial sphere benefiting from agricultural surplus and labour, which had re-capitalised the rural areas. Secondly, the control of agricultural prices corresponds to the demands of the state in revenues as it reinvests in a disadvantaged rural sector (Li 2017). Pumping new technology to modernise the rural sector, in addition to wage equalisation, redress the intrinsic loss of earnings associated with shallower (lesser value-added stages of production) agricultural output. Altogether, it is seminally the securitisation of agriculture that imparts state security.

## Closing Comment

No critique of neoliberalism passes without mention of the trickle-down banality. That anybody had really been convinced by auto-reasoning of such chimera is evidence that it is more the weapons of imperialism rather than its persuasive logic which engrains the dominant ideological forms. Of the many so-called rigorous propositions, the notion that growth will trickle down without labour's command over the channels of resource allocation and distribution is a causal agency assigned to things. Imperialism demolishes entities that do not espouse its systems of thought, and that is why peoples are forced to enorge the false logic.

Capital formation without a social agency is possible as social man reincarnates the spirit of the commodity. The indigenisation of an autonomous development experience similar to the Chinese experience requires a de-reification of the social mind and a re-articulation of the power structure biasing the representation of the working class in the state. Things could be made easy because of the intuitive point that the growing clout of China redresses the deficit in the unipolar system leaving a margin of manoeuvre for the less developed states. Practically, the underdevelopment to development transition requires a national front against the comprador and its patron imperialism. Although under the watchful eye of the US, some comprador classes are turning to China for financing and trade opportunities, the growth of China itself undercuts their foundations because it undermines the US-led financialisation upon

which they thrive. The point one is reminded of here is that command of the use value circuit of commodities entails command of the exchange value circuit.

In addition to the dirigisme of macro policy enabling surplus retention, China's hold on property is decisive in relation to the control of resource flows that build into stock and, as always, in 'the last moment.' Its industrial, trade and capital account measures lock in resources and recirculate the social surplus nationally. In contrast, the impact of leakages on growth in Latin America, the debt service that sapped these countries of their savings, left less of the social product to recirculate nationally (Weeks 2000). Regulated financial flows are the safety latch of Chinese development (Enfu and Xiaoqin 2017).

The foregoing discussion leaves us with a straightforward answer to a run of the mill question. What purpose does it serve to assess underdevelopment without a history of capital, the subject, and its attendant value relation? What purpose other than sophistry aimed at the justification of European barbarism does the obviation of 'who done it' serves? To prove the obvious or the epiphenomenon with another obvious or epiphenomenon discards the history of the making of each epiphenomenon. What is there before us cannot explain by what is there before us. For instance, that the profit rate exceeds the growth rate, as per Piketty (2013), is not an unintended consequence or a curiosity of an otherwise benevolent culture. Both profits and growth rates are subsets of each other formed together and apart by the mediation of social classes as they allocate resources. The profits are the money-mediated form of surplus value, which is wrought by violence or the *état d'esprit* of a whole civilisation. The structures of capital, its forms of Western social organisation, rooted in the militarism and death visited upon imperialised nations are the executive arm of capital pursuing profits by moulding social conditions in ways that ensure most work and the formation of socially necessary labour time for the cheapest input-price. That latter outcome requires the physical and spiritual destruction of the idea and the substance of labour as agent of history. And as I said, the destruction itself is a basal domain of accumulation. The liquidated lives of indigenous people are the rudiments of the historical surplus value of Europe. Science should perhaps investigate why a working class in Europe for the last 500 years tolerated and participated in the genocide of nearly one billion people abroad, and still does so to this date. To restate the truism, science is subservient to power. It is also that same science, which as one writes, falsifies the extent of the real damage capital has inflicted upon nature.

## References

- Alavi, H. (1972). The state in post-colonial societies: Pakistan and Bangladesh. *New Left Review*, 1(74).
- Barr, W. (2020). Transcript of Attorney General Barr's Remarks on China Policy at the Gerald R. Ford Presidential Museum. Grand Rapids, MI, Friday, July 17, 2020. <https://www.justice.gov/opa/speech/transcript-attorney-general-barr-s-remarks-china-policy-gerald-r-ford-presidential-museum>.

- Bernstein, H. (2010). *Class dynamics of agrarian change*. Halifax: Fernwood.
- Brown, R. C. (2010). *Understanding labour and employment law in China*. London: Cambridge University Press.
- Bush, R. C. (2007). *Poverty and neoliberalism: Persistence and reproduction in the global south*. London: Pluto Press.
- Capasso, M. (2020). The war and the economy: The gradual destruction of Libya. *Review of African Political Economy*, 48.
- Clark, J. B. (1899 [2005]). *The distribution of wealth: A theory of wages, interest and profits*. NY: Cosimo Inc.
- Cohen, A. J., & Harcourt, G. C. (2003). Retrospectives: Whatever happened to the Cambridge capital theory controversies? *Journal of Economic Perspectives*, 17(1).
- Emmanuel, A. (1972). *Unequal exchange: A study of the imperialism of trade*. New York: Monthly Review Press.
- Enfu, C., & Xiaoqin, D. (2017). A theory of China's 'miracle': Eight principles of contemporary Chinese Political Economy. *Monthly Review*, 68(8).
- Fan, C., & Li, T. (2019). Familization of rural–urban migration in China: Evidence from the 2011 and 2015 national floating population surveys. *Area Development and Policy*, 4(2).
- Feng, K. (2020). *Innovation and industrial development in China: A Schumpeterian perspective on China's economic transformation*. London: Routledge.
- Feigl, H. (1953). Some Major Issues and Developments in the Philosophy of Science of Logical Empiricism. In H. Feigl, & M. Brodbeck (Eds.), *Philosophy of Science*. New York: Appleton-Century-Crofts.
- Fine, B., & Dimako, O. (2016). *Macroeconomics: A Critical Companion*. London: Pluto Press.
- Fine, B., & Saad-Filho, A. (2016). Thirteen Things You Need to Know About Neoliberalism. *Critical Sociology*, 43(4–5).
- Fisher, I. (1954 [1930]). *The theory of interest: As determined by impatience to spend income and opportunity to invest it*. New York: Kelley and Millman.
- Gabriele, A. (2016). Lessons from enterprise reforms in China and Vietnam. *Journal of Economic and Social Thought*, 3(2).
- Gottschalk, R. (2004). *The macroeconomic policy content of the prsps: How much pro-growth, how much pro-poor*. <https://www.ids.ac.uk/ids/global/pdfs/RGPRSPpaper.pdf>
- Gowans, S. (2020). *US attorney general explains the real reason Washington is hostile to China*. <https://gowans.blog/2020/07/19/us-attorney-general-explains-the-real-reason-washington-is-hostile-to-china/>
- Grossman, S. J., & Stiglitz, J. E. (1976). Information and competitive price systems. *American Economic Review*, 66.
- Hafiz, Y. (2005). *Collected Works. Centre for Arab Unity studies*. Beirut: CAUS.
- Helleiner, E. (1994). *States and the reemergence of global finance*. Ithaca: Cornell University Press.
- Helleiner, E. (2006). Reinterpreting Bretton Woods: International development and the neglected origins of embedded liberalism. *Development and Change*, 37(5).
- Herrera, R., & Long, Z. (2019). *La Chine Est-elle Capitaliste?* Paris: Editions Critiques.
- Hirschman, A. (1958). *The strategy of economic development*. New Haven: Yale University Press.
- Hobsbawm, E. (1996). *Identity politics and the left*. London: Institute of Education. <https://banmarchive.org.uk/articles/1996%20annual%20lecture.html>.
- Hobsbawm, E. (1997). *On History*. London: Little, Brown Book Group.
- Hudson, M. (2020). *Note to China*. <https://michael-hudson.com/2020/01/note-to-china/>.
- Ilyenkov, E. V. (1974). *Dialectical logic, essays on its history and theory*. Moscow: Progress Publishers.
- Jorgensen, D. (1967). The theory of investment behaviour. In R. Ferber (Ed.), *Determinants of investment behaviour*. New York: NBER.
- Jorgensen, D., & Hall, M. (1963). Capital theory and investment behaviour. *American Review*, 53(2).
- Kadri, A. (2017). *The cordon sanitaire: a single law governing development in East Asia and the Arab World*. Berlin: Springer.

- Kadri, A. (2019). *Imperialism with reference to Syria*. Berlin: Springer.
- Kalecki, M. (1937). A theory of the business cycle. *Review of Economic Studies*, 4.
- Kalecki, M. (1937). The principle of increasing risk. *Economica*, 4(16).
- Kalecki, M. (1949). 'A New Approach to the Problem of Business Cycles'. *Review of Economic Studies*, 16(2), 57–64.
- Kalecki, M. (1976). *Essays on developing economies*. Hassocks: Harvester Press.
- Kalecki, M. (1990). Collected Works of Michal Kalecki (Vol. 1). In M. Kalecki (Ed.), *Capitalism: Business cycles and full employment*. Oxford University Press UK.
- Keane, M. (2013). *Creative industries in China: art, design and media*. Cambridge: Media Polity Press.
- Keynes, J. M. (1937). The general theory of employment. *The Quarterly Journal of Economics*, 51(2).
- Keynes, J. M. (2008 [1936]). *The general theory of employment, interest, and money*. Hawthorne: BN Publishing.
- Kuh, E. (1963). 'Theory and institutions in the study of investment behaviour.' Papers and proceedings of the 75th annual meeting of the American economic association. *American Economic Review*, 53.
- Lenin, V. (1910). Differences in the European Labour Movement, Zvezda No. 1, <https://www.marxists.org/archive/lenin/works/1910/dec/16.htm>.
- Li, Z. (2017). *Reform and development of agriculture in China*. Singapore: Springer.
- Liu, X., & Cheng, P. (2011). Is China's indigenous innovation strategy compatible with globalization? *Policy Studies*, 61.
- Li, X., Tang, L., Xu, X., Qi, G., & Wang, H. (2013). *What can Africa learn from China's experience in agricultural development?* IDS Bulletin: Institute of Development Studies.
- Long, Z., Herrera, R., & Andreani, T. (2018). On the nature of the Chinese economic system. *Monthly Review*, 70(5).
- Lopez, J., & Mott, T. (1999). Kalecki versus Keynes on the Determinants of Investment. *Review of Political Economy*, 11(3).
- Marx, K. (1867). *Capital: A critique of political economy* (Vol. 1). Moscow: Progress Publishers.
- Marx, K. (1977 [1859]). *A Contribution to the critique of political economy*. Moscow: Progress Publishers.
- Niebyl, K. (1940). The need for a concept of value in economic theory. *The Quarterly Journal of Economics*, 54(2).
- Niebyl, K. (1946). Theoretical problems in the mathematical presentation of economic analysis. *The Southwestern Social Science Quarterly*, 27(3).
- Nurkse, R. (1952). 'Growth in underdeveloped countries: Some international aspects of the problem of economic development'. *American Economic Review*, 42(2).
- Perlman, F. (1969). *The reproduction of daily life, originally in anything can happen*. <https://www.marxists.org/reference/archive/perlman-fredy/1969/misc/reproduction-daily-life.htm>.
- Perelman, M. (1999). Marx, devalorisation, and the theory of value. *Cambridge Journal of Economics*, 23(6).
- Piketty, T. (2013). *Capital in the Twenty-First Century*. Paris: Seuil Publishers.
- Robinson, J. (1964). *Introduction to the Theory of Employment*. London: Macmillan.
- Robinson, J. (1980 [1964]). Collected Economic Papers: Kalecki and Keynes (p. 3).
- Rosenstein-Rodan, P. N. (1943). Problems of industrialization of eastern and south-eastern Europe. *The Economic Journal*, 53(210/211).
- Rosenstein-Rodan, P. N. (1961). Notes on the Theory of the Big Push. In H. S. Ellis, *Economic Development for Latin America*. London: Palgrave Macmillan.
- Ross, J. (2016). *China's 'socialist development strategy' outperformed Western alternatives, Learning from China*. <https://www.learningfromchina.net/chinas-socialist-development-strategy-outperformed-western-alternatives/>.

- Saad-Filho, A. (2005). From Washington to post-Washington consensus: Neoliberal agendas for economic development. In A. Saad-Filho, & D. Johnston (Eds.), *Neoliberalism: A critical reader*. London: Pluto Press.
- Sawyer, M. (1985). *The economics of Michal Kalecki*. Basingstoke: Macmillan.
- Targetti, F., & Kinda-Hass, B. (1982). Kalecki's review of Keynes' general theory. *Australian Economic Papers*, 21.
- Targetti, F., & Thirwall, A. P. (1989). *The essential Kaldor*. New York: Holmes & Meier.
- Toye, J. (2005). The Significance of Keynes in development economics. In K. S. Jomo (Eds.), *Pioneers of development economics: Great economists on development*. London: Zed Books.
- von Hayek, F. A. (1950 [1941]). *The pure theory of capital*. Chicago: University of Chicago Press.
- Weeks, J. (2000). Latin America and the 'high performing Asian economies': Growth and debt'. *Journal of International Development*, 12(5).
- Weeks, J. (2012). *The Irreconcilable Inconsistencies of Neoclassical Macroeconomics*; Routledge *Frontiers of Political Economy*. London: Routledge.
- Weeks, J. (2014). *The irreconcilable inconsistencies of neoclassical macroeconomics*; Routledge *frontiers of political economy*. London: Routledge.
- Weeks, J. (2014). *Economics of the 1%*. How Mainstream Economics Serves the Rich, Obscures Reality and Distorts Policy. London: Anthem Press.
- Weeks, J. (2019). *The debt delusion: Living within our means and other fallacies*. Great Britain: Polity Press.
- Wicksell, K. (1898). *Geildzins und Guterpreise*. Jena: Gustav Fischer. English translation is
- Wicksell, K. (1936). *Interest and prices: A study of the causes regulating the value of money*. London: Macmillan.



## Chapter 5

# From Discreet to Ironclad Dictatorship of the Proletariat



**Abstract** This chapter is a postscript, which summarises some points, and covers areas underrepresented in the analysis. It proposes that a commodity governed system is spontaneous because of its vulnerability to pressures of overproduction combined with blind accumulation. US-led capital, instead of crowding in China with the lure of its selective democracy, was crowded out of many spheres of influence by China. In doing so, China revolutionised political economy. Its theoretical contribution lies specifically in how it did not succumb to democratic imperialism and its neoliberalism. The answer to this riddle was an already tested formula, the ironclad rule of the working class, however, with the novelty of Chinese characteristics. The latter point is an uncompromising stand on Marxian theory. As China defends its gains, its discreet rule of the proletariat is slowly transforming into the ironclad rule of the proletariat.

This chapter is a postscript, which summarises some points, and covers areas underrepresented in the analysis. It proposes that a commodity governed system is spontaneous because of its vulnerability to pressures of overproduction combined with blind accumulation. US-led capital, instead of crowding in China with the lure of its culture and selective democracy, was crowded out of many spheres of influence by China. What follows is another attempt to underscore the co-alignment of the international working class in anti-imperialist struggles.

Development transpires by the actualisation of labour in the balance of the class struggle. It manifests in better capital stock, higher standards of living, a reversal of capital's ideology and the rise of institutions that realise labour. Development is not facile; it calls for a labour that rolls back capital's hold on the state. The state for capital is the apparatus that absorbs class violence in society, and then exteriorises that violence as legitimate state power.

Just as Marx said that 'the tailor disappears in the costume,' the tailor and all the energy that he expended cutting and sewing, so the whole hinter-world of the confrontation of forces and violence, the worst forms of violence of class struggle, disappear in their one and only resultant: the force of the dominant class, which does not even appear as what it is – the excess of its own force over the force of the dominated classes – but as force tout court. And it is this force or violence which is subsequently transformed into power by the state-machine (Althusser 2006).

In the above metaphor, Marx relies on the logical operation known in dialectics as 'sublation'. The work of the tailor is sublated in the costume. It is negated, yet preserved and hidden from view, just like the concrete labour objectified in the commodity becomes exteriorised in abstract labour. The state also soaks up the *particular* violence of class society and condenses it into the *universal* or legitimate violence of capital. Although a sort of consensus exists regarding the state as the organ that monopolises legitimate violence, as per the trite Weberian phrase, the Marxian approach sees in the state a class instrument in which violence is intrinsic to the dynamic of value relations. As to violence, it is not caused by some transcendental idea or ethic trailing the historic past. For instance, the essentialism of an Islam that lives by the sword is a cliché resurrected now and then to spur conflict and justify the wars upon the pauperised Muslim masses. Violence is endemic to a class society and under a commodified social order it imposes itself as the estranged but sole alternative by necessity. Violence mediates the contradiction between the various moments of the value relation within the commodity. The systemic wars under capitalism are magnifications of the different moments of negation and repulsion within the commodity or the value relationship. As the fetish of the commodity governs, its genome foreshadows social development. Just as an aide memoire: The value relationship is value proper, socially necessary labour time, which negates use value, and which in turn negates exchange value. The first negation alienates the product from the direct producer. In the second negation, the private sector expropriates the socially produced wealth. These principal moments of the value relation are co-determining. Each moment of negation veils itself by the fetishism of commodity, the 'our life depends on the market motto,' and requires violence as a midwife for self-expanding value.

In China, moving the state to the purview of labour was class war couched within the national liberation war. To wrest power in the state and to transform the state into an instrument of labour, was in the oft-quoted words of Mao 'no dinner party':

A revolution is not a dinner party, or writing an essay, or painting a picture, or doing embroidery; it cannot be so refined, so leisurely and gentle, so temperate, kind, courteous, restrained and magnanimous. A revolution is an insurrection, an act of violence by which one class overthrows another (Mao 1927).

One may add that revolutions in the Third World do so as an act of self-defence. Since the value relationship grows by auto-negation and sublation, its progenitor, the European structure, exercises violence to the demands of accumulation signalled by rates of growth or the pursuit of profits. European hordes on an alleged civilising mission migrate south, invading and subduing natives often by outright depopulation measures. It (the European structure) then expropriates and commodifies native resources and culture. After 'it infects the minds of natives with the germ of European violence' (borrowed from *Season of Migration to the North*, by Arab-African writer Tayeb Salih 2003), it uproots the cheapened resources and forces the reverse migration to the North. European violence arises upon the warring objective commodities—things alienated from social control. Its violence is commodity-laced and, contiguously, it re-empowers a racism-laced functional nationalism.

Its formal institutions, the reified forms of social organisation employing thingified capitalists, are predisposed to war. These institutions are inevitably accountable to the commodity. In relation to the law of value allocating resources, it takes the migration of warring Northern troops to the South to disengage and dislocate workers from the South. Violence is nothing inherent to transhistorical cultural values. It is historically specific and related to the material basis of social reproduction. Violence, the exercise that reflects the desire of the alienated commodity to expand by cheapening input costs under competitive conditions, realises a future for humanity marred by one great deportation and massacre after another, otherwise Marx's nightmare. Fredy Perlman depicts the nightmare as follow.

As settlers moved into the deliberately vacated lands where the very air they breathed gave them a taste of the recently eliminated freedom, they transformed vast woodlands into enlarged replicas of the hell they had left behind. The enjoyment of trails and forests ceased: the forests were burned; the trails became obstacle courses to be traversed as rapidly as capital made possible. Joy ceased to be life's aim; life itself became mere means; its end was profit (Perlman 1979).

By the late 1970s, the time in which Fredy Perlman wrote, the colonists of which he spoke had returned to Europe. Where they could, they left behind the comprador class, many military bases, and foremost, their ideology. The post-colonial world remained locked in subordinated capitalist development, albeit, by the pressures of US military bases and the corresponding reigning ideas. The developing world specialised in the production and export of raw materials and outdated-tech related industrial products, whose production depends on the super-exploitation of wage labour drawn from a growing industrial reserve army of *peripheral* workers, who, far from constituting a source of effective demand on the internal market, are essential for profitable production, realisation and capital accumulation through the reduction of wage costs' (Gunder-Frank 1978). By the end of the twentieth century, the cost-prices of the damage to nature, waste products whose gestation period is social-time and are class struggle determined, rose as their harm to the white man became palpable. It so happened that the real products of the value/production relations were only marginally the Coca-Colas, trousers, etc.; the real products of capital mediated in market exchange were the wasted people and nature. People were decimated for a price and their very demise was the commodity, ditto for nature.

Thenceforth, the unheard cries of all the dead people in colonial wars tagged along with the natural calamity. People extirpated by capital, as an intermediate and end stage of production, were also nature. Humans together with nature, under capital, are social nature, a process in which people are organised in social classes and in which nature is legal property meant for exchange. Capital trans-mediate the legal category into the economic category, or a commodity meant for exchange. The subjugation of states, of peoples *en masse*, becomes a form of slavery *en masse*. The capital that sold land and chattel slaves transmutes into the imperialism that pawns whole countries pursuant to encroachment wars and biting austerity. It is not just Venezuelan gold or Iraqi oil that empire seizes, it wrests control of the apparatuses that pervert clarity of

ideas and abort revolutionary consciousness. In a circular manner, it not only underprices assets, but also foments the future conditions for accumulation by waste and militarism. The latter is a production domain of pure waste where the premature deaths of social nature are the commodities on offer. When one adds the massive waste production exercised by the pharmaceutical industry to the wars and neoliberal austerity, the scale of modern forms of commercial exploitation outpaces anything seen in the past.

The case of humans consuming humans occurred prior to capitalism but not as a moneyed consumption in an overproducing world. Western intelligentsia, for instance, focuses on the *particular* scenario of Easter Island (Diamond 2004). However, under capitalism, the process is *phenomenal* and unfolds daily, and it will continue to unfold without an end in sight, unless the reigning state of consciousness subsides. A small society on an island may destroy itself by overexploiting its own consumables. For the planet, however, the auto-consumption via the production of waste mediated by the market has no biological limits. Comparisons across time must account for dynamic change and be historical-period defined, otherwise, one may compare today's social conditions as betterment over stone-age conditions. Still, with the devastation to nature, which may throw the planet off its sane state, times then may prove better yet. Such risk can only be the product of the reason of the commodity and not human reason.

Although it is difficult to split the composition of surplus value totality by origin, it is not only super-exploitation that returned super-profits, it is the consumption of social nature in waste-centred production, and in ways that reduce necessary labour. Least of all, violence is foundational to an organic production process, and without it there cannot be super-exploitation. The price paid for the consumable commodity, the garments, etc., which appears on accounting books, is predesigned to obscure the manifold production of waste in social time, the value relations which underpin profit rates. Capital is the fiction standing by the non-fictitious reality of a labour process, which realises in real time as it shreds the working class. Every bit of social cost unredeemed by capital is rudimentary to surplus value because it compresses—directly or indirectly—the socially necessary labour time in chronological time to undermine the working classes. The life of the labourer produced by the socially necessary labour time afforded to its reproduction is also a commodity being realised. In addition to the subject of wealth, the differentiation of labour, the substance of wealth, the material outcome of production, is the irreparable damage to social nature.

Of the accumulation by waste, the militarism and the wars were fundamental production processes. These spearheaded the process of undermining the autonomy of the proletariat, defined as the working class armed by revolutionary ideology, by reducing the outlays on labour. In social time, the time in which production is organised by the resultant vector of the class struggle, waste accumulation or the consumption of man in the shortest timespan possible as an input and output in/of production amounts to an intensification of surplus value; how so?

Capital buys or rather grabs raw materials and hard labour from people stripped of their will and who cost little to reproduce over their lifecycle. It sells the end-product

to other people willingly introjecting the ideology of capital and consumerism. It shifts the intermediate and final costs of production, which include the wars onto the shoulders of the underclass in global society. Such is the flawless business arithmetic of imperialism.

Because social production is a qualitatively shifting process, a dynamic law corresponding to the changeability of imperialism is better suited for our understanding than the static arithmetic. The cyclical market for the waste associated with production reduces the social costs of labour reproduction as well the average life span of labour in relation to the historically determined level. *Prima facie*, the law of value cheapens the costs of production by the exercise of violence. In addition to being a domain of production, violence intensely consumes labour and resources, that is it exhibits a high rate of exploitation, and through the de-subjectification of labour, channels resources to more profitable areas. As labour loses grounds to capital, the lucrative area for the market increasingly becomes the act of violence itself and its associated product, the depopulation. At an ontological level, whether by war or austerity, the function of the law of capital, the law of value, embodied in the practice of imperialism, is to pursue war in order to resolve the salient contradiction between the development of productive forces and the accumulation of capital on the one hand, and the spheres of influence for finance capital, on the other (as per Lenin 1963 [1916]); but times have changed since Lenin. As labour stumbles or as capital is set free, the law of value becomes more centred on the industry of violence, rather than its function; capital shifts the accent to resolve its basic contradiction with population growth. The contradiction represented in the higher rates of replacement of living with dead labour requires a reduction of the reserve army of labour, by *whichever means possible*. While this historical phenomenon plays out in plain sight, capital co-opted the study of Marxism, the opposing theory in the war of ideas; we now have a white Marxism. As capital reigns unfettered, or commodities as things rule supreme over the organisation of social life, imperialism, the intense process of production, responds to the immediate demands of the expansion of the productive forces and growth in finance. The alter image of the annihilation of space by time becomes the annihilation of the South by the North. The profitable enterprise becomes that which produces dead people or people who die way before their historically determined life expectancy.

## Democracy is a Form of Power Exercise

The gauge of democracy is how development fares under the rule of labour. In the nineteenth century, the rule of labour was dubbed the dictatorship of the proletariat. However, the word dictatorship has been connoted with barbarity, albeit, by the most barbarian civilisation known to mankind, western civilisation *qua* the civilisation of capital. That China had developed and alleviates poverty is proof that its labour *votes daily* in the state. It is popular democracy, as the Samir Amin (2016) stressed,

which imparts the autonomy in policy. Control of value flows in money form or real wealth through capital account control and autonomous industrialisation are the principal features of the Chinese development experience (see Chap. 3). Put in a different way, autonomy is the extent to which people control the decisions that shape their lives primarily through the fruit of armed and other forms of struggle embodied in the state. Elsewhere, the emulation, or more so subservience, of the European democratic model resulted in a marked absence of democratisation as materialisation of working-class agency in the state.

Contrarily, when international organisations and IFIs speak of autonomy and policy space, they neglect imperialism. Imperialism is capital in the finance-monopoly age. It is the room rather than the elephant in the room. For instance, UNCTAD (2014) says: ‘these various tensions between national *policy autonomy*, policy effectiveness and international economic integration are captured, in part, by the idea of policy space; this refers to the freedom and ability of governments to identify and pursue the most appropriate mix of economic and social policies to achieve equitable and sustainable development in their own national contexts, but as constituent parts of an interdependent global economy’—my emphasis. Autonomy in the shadow of US military bases and the ideologically-laden language of such organisations is as close as one gets to realising *Iblis*’s dream, which is to reach heaven (a Mount Hermon parable). This ‘policy space’ is more a laundromat into which the comprador shoves the crimes committed at the behest of imperialism to be white-washed. The complete absence of imperialism or militarism in this and similar reports is more than just falsification of fact. It is also not complicity; these reports are the shape of capital, the historical subject. The drollest observation in such a report appears as war is mentioned. War is not considered as a determining social process underpinning development; rather it is used as an event from which to date things, like pre- and post- war. This comical approach to social science is both audacious and ignorant by design. The people behind these reports are fearless social scientists because they believe that their ‘scathing’ critique will reform empire by its inveterate democracy. So long as one holds that the central vote to colonise or imperialise is democratic, one is a protégé of empire. Omitting imperialism as a cause for accumulation by waste production is a class position by reasoned conviction. It is the material groundwork for the austerity and bombardment carried out by US apparatuses and drones around the world.

European democracy itself has evolved as a resource allocation mechanism paying off sections of the Northern working class to cement central capital’s rule and/or expanding empire. European welfare states are appearances of the European circles of capital, which is in its decisive form, a social democracy breeding fascism at home and imperialism abroad (Browder 1933); Browder’s point is that social democracy arrives at this natural end through an emphasis on the sphere of circulation as opposed to homogenising production and wage remuneration across the globe. Recalling briefly, capital reproduces by the *primacy of politics*. It pays one section of the working class to pit against another in order to secure itself; the cost may be lesser profits. As a whole, the intermittent losses of capital, invested in some sections of labour, are the insurance premium defrayed for its resilience.

With 'whichever means achieved,' the forms of working-class control over the state are democratic as long as they impart positive sum improvement in the living conditions of nationals and extra-nationals. The national borders and the perimeter of the nation are concepts instrumentalised by capital to obscure the international value channels. These should not qualify as the crucible for the measurement of the social product. For instance, by taking GDP as the symbol of the US's social product, the gravest error occurs as we exclude the successive inputs and outputs in the supply chain, the subjects and objects of production, which mostly originate outside its national borders. The real output of the US should illustratively include an assessment of power resulting from wars and all the lost lives and nature scrapped or decommissioned to make way for the cheap products it imports or the value transfers it grabs through dollarised finance. The value of commodified social nature will be borne out by humanity and paid for dearly; however, these production or value relations are not found in the year of reference in which the US GDP was measured and not within the boundaries of the US. The capital constructed measure conceals value or reality. Moreover, the reason one says by 'whichever means achieved' is because, necessarily but not exclusively, violence is a means to self-defend against the unstoppable assault of capital. Contrary to Sorel's (1925) wish, proletarian violence may not save the world from barbarism, but it may attenuate the destruction befallen social nature.

Re-distribution is achieved and implemented by the degree of popular participation. The institutions of labour are enshrined in binding statutory policies, as opposed to being alienated political processes, such as ballot box charades destined to rebreed the same capital class. The grounds upon which democratic procedures form are remoulded subject to imperialist aggression. The efficacy of entrenching the gains from development becomes a learning process, which thrives by the distance the ruling national class keeps from imperialism. That is, by delinking. Autonomy is the decolonisation of development, including a reinvention of the concepts, and practice of putting 'liberation' ahead of 'national' in the dictum 'national liberation.' Accountability to popular democratic forms of organisation, including the strike, augments the social payoff of development *cum* redistribution over time. Autonomy is the common denominator, which holds together the macro themes of sound development, specifically through the nationalisation of knowledge and resources.

Although counterfactual, a vexing question then becomes: why were many national institutions in the developing world non-autonomous and/or why did so many fattened bourgeoisies betray the national agenda?

As forms of social organisation classes supersede and predicate the state. History as class struggle proceeds by auto-negation. Under capital, accumulation is *highly* entropic, it overconsumes man and nature, and grows new sprouts as it decimates others. The waste or resource and energy loss correlate with de-subjection of labour or retreat in revolutionary ideology. The more the hegemony of capital, the cheaper and the less effort it requires to coerce the masses to irresponsibly produce and consume the waste. China is the last new shoot whose very development is



anathema to capital, otherwise the weight of history, or the five hundred years build-up of waste-wealth and its corresponding ideology by an egregious law of value. The realignment of international relations, which allowed a window for China to integrate with the world, was the long-awaited necessity collapsed into coincidence. The capitalist mode of production unavoidably expands onto less developed formations, while concomitantly the labour commandeered production relations in China unleashed the development of its productive forces. In retrospect, history appears to work in mysterious ways. However, we are now in a position to appreciate that what has happened then is that US-led capital suddenly used an excavator to dig its own grave rather than a pick. The notion of freedom as the appreciation of necessity was a class act, as opposed to Western Marxism's individual act, in international relations (from Marx's definition: freedom is the appreciation of necessity). Freedom as the appreciation of the historical necessity to overturn the system is not associated with individualism of Freudian Marxism. The individual is social being and a sub-category of class. It is, for instance, necessary to appreciate and broaden the scope of freedom enjoyed by states in Africa, or states under sanctions, to increase the policy space available to the working class, in order for one and all to be free—such would lay another brick on the road to emancipation.

International relations have now evolved into a principal contradiction between a globalising China versus a neoliberally-aggressive or protectionist US (Lauesen 2020). The assault/sanctions on Iran, Syria, Venezuela and the war in Ukraine are examples of hurdles confronting China's market expansion. Potential Iran collapse compromises China's energy deficit and security. More important, hegemony over the Gulf waterways, especially the two most strategic chokepoints, Hormuz and Mandeb, has namely supplanted the old gold standard as the new collateral of the US dollar (Avramidis 2006; Patnaik 2008; Kadri 2016). China fends off the aggression by propping up states like Iran and socialising and strengthening the home front.<sup>1</sup> It expands by an internal demand component as it alleviates poverty and aids those falling under the onus of imperialist sanctions.

Unsurprisingly, the weight of history is difficult to shed. The subject of the historical value relation culminated in neoliberalism. As an ideology, neoliberalism is the embodiment of the *deep class* in forms of institutions and governance. The deep state as a concept, a variation upon Lenin's concept of public power, concretises class. Dominant class in the imperialist centre is the imperialist class. So, while inciting war in the Congo for tin or the slavery and deforestation associated with sugar cane, which are bigger enterprises than the sale of the coke can, received theory or neoliberalism focuses on an illusory price and accounting system, reified constructs through which capital reproduces. The arithmetic account that assesses the coke business as bigger than the war and misery business, is what made the coke production possible for a cheap price at the coke dispensing machine, and a high price or cost over the life-cycle of society. Neoliberalism further reduces reality to the certitude of hypothetical

---

<sup>1</sup>Iran and China draft 25-year trade and military agreement: Report The draft proposal would see \$400bn of Chinese investment in the Islamic Republic in exchange for heavily discounted oil, July 2020. <https://www.middleeasteye.net/news/iran-china-trade-military-agreement>.



arithmetic, the formal numbers that relate to neither space nor time, and as such, it is the trophy of capital. In an organic and interdependent system, there are arrays of waste-commodities' realisations for prices in social time. Each production stage of the commodity involves waste or war, yet these are reduced to the fairy tale of the one high-end commodity selling in a high-end market for a single price at a single point in time. The act of sale is allegedly the final realisation stage of the commodity. That commodities are disposed of to cause all sorts of damage for a price are in the analytics of the mainstream new stages of commodity realisation. As one can duly see, there are infinite stages of realisation and the problem is intractable. Each noted act of realisation from the infinite acts is pre-decided by the accounting system of capital, which leaves out of the accounts all the costs *qua* products that capital shifts onto labour.

To further elucidate, imagine that the coke can that sold for a dollar today, earned 25 cents in profits. Now, imagine the same can sells for half a dollar tomorrow, but earns 40 cents in profits. To reduce the cost of production from 75 to 10 cents, that is to pay direct producers little prices for their labour and resources, calls for much violence to coerce the masses into accepting the low prices for their input. These oppressive measures and their related wars, pollution, and depopulation are always transmuting into some commodity that has sold for a price or is incubating to be sold. By the time the wasted products of social nature already sacrificed by the violence are realised on the market or gestate into market operations/sell on the market, the coke owner would have pocketed the profits. He does that time and again because he has the gun and the dominant idea to impose the act of sale as a matter of social choice of benefit to society. Meanwhile, the mass of commodities associated with sacrificing social nature thus far will culminate in the phenomenal waste we see before us. As each waste/production process is a value relation and a sphere of production, the sugary drink becomes only a mere by-product of the thrust of the real production process, which is the waste.

The price of the coke and the coke itself are also fetishes, which conceal the real waste products running alongside the lifecycle of the commodity. Capital masterminds its own reproduction by creating the consumer who is credulous enough to acquiesce to the promotion or disappearance of the successive activities in the history of the commodity, the very history that also reproduces his social life. The power of the fetish is such that all the misery inflicted upon man to produce a coke can or a bomb vanish in that moment of sale. The paid-work to implement mass eviction-extinction of tribes to produce a 'useful' commodity, the expulsions and similar social activities or value relations and their history, do not perforate the thick defences of the accounting system of capital. Co-laterally, what has also disappeared is priceless social responsibility; logically and historically, capital or the expanding value relation cannot be socially responsible. What is represented the in fleeting incident of the coke-can sale, the dollar amount that enters in the quarterly accounts of the Coca Cola corporation as credit, is not the real value relation which lays out the conditions for social existence, it is one of the imaginary relations of social beings, people, to the real relations in which they live (Althusser 1994).

To reverse course or to re-introduce social responsibility, development requires democracy, but not selective or European-styled democratic processes (Athenian democracy was dubbed selective democracy). It requires de-alienation and a demystification of production processes. Combined, these de-mystified processes nurture the democracy that adds up to the rule of the proletariat in the organisation of social life, and in ways that discipline the metabolic rate of social reproduction (Mészáros 1995). That democracy is the opposite of Western democracy; it would not permit the consumption of resources for which 16 million Congolese lost their lives since 1990 in what is now known as the Congo Holocaust.

Selective or Western democracy, the rule of the select few personified in the bourgeoisie is another fetish of capital's world of illusions by which it auto-reproduces. Similarly, for a central working class incarnating the ideology of capital and worshipping its fetishes to vote for an imperial government that bombs and invades a developing country is not democracy. A working class enamoured with the one-time voting procedure furthers the more intensified form of capital, its imperialism. It does so for a vested interest. A vote for the Euro-American wars of encroachment is a vote for a share of imperialist rents. As mentioned in Chap. 3, apart from a system accumulating by waste, with all its economic spheres promoting the militarism, the taxes paid by the central working classes are an investment in imperial rents. The central working class whose motto is 'Me too' casts a vote for the imperialist class, which *violently* under-prices and overconsumes man and nature (the descriptor 'Me too' as used by the late Arthur K. Davis). The 'Me too' is served up by cheaper commodities from the developing world, which tautologically prop up the purchasing power of central wage earners. As things cost less or as the production of commodities is financialised (consumer debts), the 'Me too' class has more to buy with. And as material circumstances influence consciousness, the 'Me too' class adopts the ideological prism of capital and its short-termism of corporate profit making. In popular culture, the maxim 'what is good for General Motors is good for America' best summarises its ethos. Yet such ethos, has transformed the drawn-out social processes of sane development into the waste and the militarism, which reduce input expenses by shifting the costs of social nature onto the working classes, namely those of the developing world. The socially responsible time and care needed to produce things with little waste are expensive. Central capital and its ideological progeny create surplus value by squeezing the socially necessary labour time of society into short intervals of chronological time, the quarterly timeframe imposed by corporations, in order to intensify the rate of exploitation and report exponentially rising profits.

From a Marxian perspective, surplus value arises as less in value outlays are allocated to the reproduction labour. That the centre improves the living standards of its adjunct working strata is an outstanding case: the working class of the central bourgeoisie is bourgeois. The counterfactual aside, the labour of aristocratic nations is a model of unionism without internationalism. One can debate the distribution of the shares, however, the success of central national reforms in response to workers' struggles is paid off by colonial or imperialist rents. Because genuine revolutions require homogenisation of labour or equalisation of wages and production conditions—the internationalism to be pivotal, social reforms in the West taking a cut

from the circulation of imperialist rents were counter revolutionary. They reorganised capital. Europe, as well as prosperous middle America, engage in and glorify the bombings of the Third World. As theory systematically bears itself out in practice, one should not entertain failed opposition to imperialist war because a working class theory that succumbs in practice is based on erroneous or un-internationalist theory. Few ever question that the Marxian theory of the Western *corpus* promotes the longevity of imperialism because it theorises the wrong subject or the wrong value theory. In point of fact, the bourgeois democratic model is more efficient to capital's end than the outright fascist allocation model. The latter is blatantly indefensible, whereas liberalism with a dose of identity politics, models in which people can hoist a cultural identity into which they can happily perish of hunger and war as they psychologically realise themselves, may be justified based on the freedom of choice. Peculiarly, that the choices have been laid out by the historical subject and not the abstract individual is not an issue. For instance, many in the Kurdish movement freely choose to ally with imperialism, yet imperialism must devour the Kurdish working classes as well as others. The degenerative process of capital exhibits flashpoints of sectarian improvements, some here and there do well, but it only does so momentarily and then readjusts to its secular trend of waste accumulation; hence, it must devour its servants. The outstanding position of Western Marxism, its adherence to reform *equals* revolution, is an educated imperialist class position. The bribe and/or cut out of imperialist rents wrought by the subservient class vary in ways, which respect the primacy of politics. The consciousness spinoff of a 'paid to root for imperialism' society appears in its many shades of hate embedded in cultural supremacy (Losurdo 2019). Just as in the UNCTAD (2014) report, the omission of imperialist assault from the analysis of underdevelopment means that it is the 'manque de savoir faire', the lack of skill because of culture or race, which accounts for underdevelopment. By logical exclusion, following such argument to its rational end, it is culture and/or race and nothing else, which explain underdevelopment, because the moment one brings in history, one must bring in the past and the ongoing devastation of imperialism and its actualisation in ideological forms. Such inference is anticipated because science kowtows to power. The social science established by capital is devoid of history in the making because it cannot disclose that wealth is a product of past and *current* white man violence.

Yet a working class is an ontological process, a relation of a state of being to a state of becoming, or equally a relation of consciousness to the material circumstances (the knowing social being), best fashioned by revolutionary ideology to capture the social surplus. Undivided labour earns more. No matter how prosperous a Western working class is in relation to its peripheral counterpart, its share of wealth, sane non-waste wealth, depends and is predicated on the standing of the most impoverished of the global working strata. That is so because a class is not just the lump of people or what these people display in wealth, it is a historical subject of wealth making. The simple hydraulic relationship is as per the popular catchphrase, labour either hangs together or hangs separately.

To retheorise is not difficult, but to resituate consciousness into a reform process that homogenises labour, requires a shift in the international balance of forces; *ergo*,

the necessity of the rise of China. History encapsulates change. As capital universalises itself and auto organises in a complex hierarchical order through finance and its money form, labour splits into the concrete spheres of work and identity politics. The share of wages earned by global labour must fall. The central working class is, to be sure, a class that conjointly with capital reduces its own necessary labour by reducing and snatching, albeit by means of imperialist violence, a bigger part of the necessary labour of other hegemonised working classes. It literally exploits the vast swathes of masses in the developing world. And as the latter class dies off early under the oppressions required to maintain the rates of exploitation, it re-enacts the cannibalism of Easter Island on a broader scope.

Super-exploitation, the long working hours for low wages in industrial accumulation (Lauesen 2018), or commercial exploitation, the wars of encroachment at the heart of militaristic accumulation (Kadri 2019), raise the global surplus labour, which under the rule of capital metamorphoses into capital. The surplus labour is the abstract side of the more concrete surplus value; methodically, surplus labour ascends into surplus value. Both exploitative regimes, super and commercial exploitation, require a high dose of repression to materialise. However, commercial exploitation associates with primitive accumulation, the making of wealth by enslavement and much shorter life spans. It is a more condensed surplus value process because the category labour as 'slave' has no subjectivity. Although both exploitative regimes are forms of wage slavery, wars of encroachment curtail the state and hijack the power people exercise over their resources. It is wholesale, as opposed to retail slavery, so to speak.

Another way of looking at this, higher plateaus of surplus value characterise commercial exploitation because the weakening or destruction of states de-subjectify or rip the representation of the masses/labour in social production, or at a more abstract level, in the value relationship. Modern forms of commercial exploitation, the subjugation and destruction of states are exponentiations of preceding forms of chattel slavery, albeit by historical mediation. As the crisis of capital deepens, and it is profound since its birth in the 1500's, capital's metabolic rate rises as it decimates the subject in labour to reengage cheapened resources; thence, the waste. The repression aimed at the de-subjectification of labour doubly correlates with higher rates of exploitation, especially, as exploitation to waste becomes a principal industrial undertaking. A militarism whose principal event is the industry of war exemplifies the collision of waste and exploitation in a single activity. It also bears upon the demographic trends through population expulsions, and relative or absolute depopulation, which alongside austerity attenuate the capital-population contradiction. Commercial exploitation, the practice associated with engaging the resources or devastating already unsovereign or slave-like nations generates a higher rate of surplus value. There is more socially necessary labour time being consumed in the wasting of lives to produce wasted lives. War is the *industry*, which employs people to kill people. An encroachment war, the field whose product is the wasted life and to which commercial exploitation appertains, reduces necessary labour piecemeal and outright by reducing the population or the reserve army of labour. Recalling that here we are dealing with

social reproduction time, as distinct from the money-form related quarterly or yearly cycles of corporations.

Now as then, the selectively democratic 'Me too' lot, the central working class organically tied to capital, assume that underlings are simply part of the natural order. Their Eurocentric frame of reference overlooks history. They obviate the process by which a social being or a class becomes an underling. By doing so, Eurocentrism denies the pillaged wealth and disavows the social responsibility for colonial plunder. It also fails to question the cost-reduction prerequisites of capitalist production, the war, child or slave labour-like conditions or the environmental carnage. And if its proponents do question the history of how peoples become underlings, they inculcate a false or reified subject. For instance, although Israel is responsible for the ethnic cleansing of Palestine, Sartre and Adorno developed an 'emotional solidarity' with Zionism rather than a conceptual one (Losurdo et al. 2018). They quantified the pain, adhered to the conventionally-imposed time of capital, and sided with what they alleged to be the bigger number of dead people. However, Zionism spearheads imperialism, the progenitor of the continual war and death industry on a global scale. The bigger number of dead people is the dying Third World. This banal sentiment is characteristic of a class position as introjected by Eurocentrism. In the blame game of the mainstream, it is either human nature/culture or the unwanted consequences of an otherwise benevolent European civilisation, but never capital, which unleashes bloodletting. In parallel, every bit of Western inflicted history/carnage upon the peoples of the world, is a functional measure and a domain of accumulation in and of itself, which is systemically adduced as an unwanted consequence.

## **Fairy Tales of 'Fair Trade'**

Some may pay the one dollar for the can of coke, but do not relate the cheap tin to war in the Congo, the cheap sugar cane to slave-like labour, or the cheapened costs of unpaid labour and pollutants associated with production before and after consumption to untold expenses borne by people over the lifecycle of society. In real time, in the time it takes to reproduce society with socially necessary labour time, a coke can would cost far in excess of that one dollar paid at the moment of sale. Every step of the coke production and consumption cycle involves value relationships mediated by the market over a social-time turnover-cycle, arrayed against a price system symbolic of shifting power structures. Wherever imperialist guns reach, the capitalist market prevails. Almost nothing under capital exists outside of a market and value relationships.

Instead, the central left misleads working classes as they focus on fantasies of fair-trade, trash sorting and greening the environment, all logical impossibilities under capital. What is logically desirable/undesirable by capital actualises to the extent it excludes labour. To be sure, consumers overlook the value-relations, the determinedly waste producing relations, and recognise the hypothetical account instantiated in

the momentary act of consumption. The consumers pay a little price for the sweet commodity at the point of sale and that is all that counts: after us, the flood.

*Post facto* analysis based on the existing pile of waste masquerading as wealth brings to the fore the irrationality of deductive rationality. The neoclassical idea that each rationally acts, yet together as a system, they necessarily self-exterminate, is not remotely rational. No matter how narrowly defined the rationalism, all should not perish in the pursuit of profits. Beyond the cant of humanitarianism, consumerist classes endorse the political measures their ruling political class implements to produce the cheap things they consume. Just as they detach themselves from the overwhelming waste emitted in production, they also cast that ballot and literally detach themselves from the political process. They do so for reasons of vested sectarian interests. They are beneficiaries of imperial rents. Their consumption bundle and savings rise by the intensity of super and commercial exploitation. They systemically re-elect an imperialist class to do whatever it takes to protect their 'way of life.' Although that 'way of life' is rooted in a highly entropic system whose overproduction, by existential boomerang, reduces their own quality of life. Yet, their notion of good life is predicated on the bad life of the other. All the same, because of the uneven impact of imperialism and eco-imperialism, the rate at which the wasting of lives, or life's auto-consumption, proceeds in peripheral formations exceeds the rate experienced in central formations. Moreover, the costs of poverty, pollution and wars in the developing world are significant. Immersed in social recognition arising from conspicuous consumption and/or the false belief in scarcity, the consumerist class acclimates itself to an eco-imperialism, which inflicts greater damage upon the natural underlings and their environment.

Doubtless, the ongoing social and environmental calamity carries over by a dominant ideology. The expanse of the waste earmarks the power of capital in the class struggle. No longer overdetermination precludes the identification of a subject in a complex totality wrapped in contingency. The substance *qua* waste itself has pointed out a capital so powerful as an idea such it has turned the material, the waste, into something immaterial, an idea without a body or an abstract concept. It is as if the outstanding defeat of labour has borne waste as a concept complete and self-contained without relation to the phenomenal world (Hegel 1807). The waste is a concept of itself or reason for itself. Retreat in socialist ideology has let capital identify with its own idea or ideology without reference to the material circumstance it creates. On the other side of the idealism, the *pro forma* concepts gleaned from pervasive positivism, the undercurrent received-theory, are all about the alleged efficient use or not enough resources for everyone. Empiricism is a substantive approach. Things as they are impose themselves as concepts upon the senses without reasoning how things have come to be. It is a philosophy befitting capital because it de-historicises social activity. The world is then reduced to a numbers game: is there too little or too many this or that without addressing the class system as subject, when indeed the class decides the numbers. The class in power subsumed as ideology could always deem that there are too many people and too few things. So long as real things are immaterial, the material could be falsified. Subsequently, in a world of purported scarcity, the select lot 'justly war' against the developing world to protect their way

of life. They are the 'lifebuoy' of civilisation, and if many from the Third World jump on board, humanity will altogether sink (Hardin 1968). As befitting of an ideology, which falsifies and turns reality upside down, the real world happens to be a planet plagued with overproduction crises. Waste produced by waste accumulation, which also produces consumerist man to be auto-wasted alongside the consumption item, abounds. Additionally, imposed scarcity, a social reality constructed to differentiate labour by politicising and weaponizing identity, also abounds. In terms of real physical scarcity, not even oil is scarce.

## Recollecting Thoughts

In the absence of labour's historical agency, capital's cost-cutting effort and output mostly transmutes into the production of waste for profit. Waste unravels as the identity of capital and the lynchpin of the system. The industry of social de-reproduction determinately trumps social reproduction. Without labour, the reification is complete, and the logical form assumes a physical form as above, the immaterial becomes material.

To requalify the theoretical point: Value relations turn into waste relations, the ruling class becomes the wasting class and the working class becomes the wasted class. The absurdity of capital's mainstream logic, the two-dimensional diagrammatic in which prices clear excess commodities, becomes more and more a condition in which the excess commodity to be cleared is labour power and its bearer living labour. In the contradiction between a capital, which grows by replacing living with dead labour while the sturdy currents of demographic growth in areas prohibited from modernisation expand unabated, the biggest industry becomes that of resolving the contradiction between capital and population growth. Imperialist wars and austerity do not just solve the disparity between productive forces and production relations at the behest of finance capital, as per Lenin (1963 [1916]), they also address the requirements for indefinite growth by creating an industry of pure waste. The life of man is continuously realised as the waste product, a process which underpins the realisation of all other commodities. Capital's instinctual drive to thief the progress obtained by publicly funded science *cum* better machines displaces a labouring population whose high fertility rates trail from feudal values, and whose very de-reproduction is an act of surplus value making. The idea here is an expansion of Engels' note (1883), that under intense wealth production from whose fruit the masses are forcibly barred, capital destroys 'not only the means of life, enjoyment and development that have been produced, but also a great part of the productive forces themselves,' which obviously include human beings. Similarly, it is an extension of profits being generated by economising the living conditions of the worker, to economising by eliminating the worker (Marx 1894). Militarism, possibly in close competition with the pharmaceutical industry in post-pandemic times, are prime waste production domains, whose products are the premature dead persons. The socially orchestrated demise of the



living man in less than his historically due time is the commodity produced, literally by the infusion of living with dead labour. The production of dead people, and the consumption of such deaths for a price, is what mediates the capital-population contradiction.

Capitalists are personified capital (Marx 1867). However, as the liberal-left guided working class identifies with capital, it also personifies capital. Abstract capital, a commodity presupposed by a social relation, a substance and a subject, in the process of self-expansion and self-realisation self-propels by its reason or ideological arsenal. As defined in Chap. 1, it does so by the accumulated historical surplus value whose principal facet is received theory. In addition to the store of culture at its disposal, capital deploys its thingified peoples to war against the social alternative. The thingification is contingent upon the degree to which the liberal left has invested in deluding the masses. That so many people have adopted the reason of the commodity, or have become things as per the phenomenon of alienation (Mészáros 1970), the self-mediating being of nature, man, ceases to self-mediate and hands his fate to the commodity. The lure of consumerism as per Bauman (2003) and Jappe (2017) is not the primary cause of such estrangement. The reason lies in the expropriation and socialisation of the masses, measures that occur as working classes are defeated by outright violence or encroachment wars. There is to be sure a historically accumulated defeatism that is the inverse mirror image of the historical surplus value. It is only because of despondency that whatever gadgets and ideas capital displays to the crushed masses, that its trinkets acquire sainthood. The masses are not ignorant. They have been bludgeoned into submission by a combination of superior military power and white Marxism. At any rate, that the commodity acquires a life of its own may be the only viable explanation for the outstanding devastation of man and nature. In past wars, only a section of humanity defeated and destroyed another. At this juncture, all of humanity self-destructs. Only things and their reason, not humans, nihilistically bring about their collective destruction.

Furthermore, the rule of commodities, or the state in which people uncritically assimilate the rule of capital, is the ultimate form of authoritarianism. The rule of a thing, the commodity, upon things, the thingified humans, is the furthest of all positions from democracy. Correspondingly, the development attendant upon the consumption of commodities by commodities is the type of development that only occurs under a so-called democracy reigned over by commodities. Humans as actual and potential waste, determinedly, as opposed to by a question of degree, produce and consume waste. Moreover, the worker metamorphosed into commodity exhibits a consciousness whose horizon is capped by the prospects of immediate consumption, including the consumption of oneself. In a world of socialist ideological defeat, the prospective of labour metamorphosing into historical agency to re-organise man and nature would wither if it was not for the counteracting systemic tendency that things pass only the value contained in them in production and no more. Only living labour produces surplus value (Marx 1867).

The thingification of humans is not solely a central phenomenon, as in ultra-white Europe or white America. Whiteness and Europeanism are constructs of capital with tentacles all over but whose key structure is nonetheless the states in Europe,



NATO and related social forms of organisation. To set the record straight for 'the politically correct' white modern slave owners, Mobutu and MBS are whiter than many white people. Working class hatred requires symbols. Workers cannot confront abstract ideas without structure. Still, variants of selective democracy are also superimposed upon the developing world. Democracy per se becomes a commodification process to be exported from the core to the periphery. Iraq's democracy after occupation serves to illustrate the point. The US bombs, starves, invades, rewrites the constitution empowering sectarian and ethnic cultural forms as purveyors of rent from the state, setting the stage for inter-sectarian fighting for years to come. Iraqis also cast that vote for the sectarian lackey of imperialism to do whatever to provide jobs for some of his sect members at the expense of other sect members. The dormant or flaring inter working-class war reduces the politics and the wage share of Iraqis altogether. Working-class dividedness also weakens the Iraqi state by the loss of security and sovereignty arising upon the living insecurity of the working class. The rush of the sect to acquire a bigger share from a dwindling income on the basis of its weight in the state, holds the weak state hostage to imperialist strategy. The true voter in the case of Iraq is the Euro-US alliance, the subject of history. The victors of the cold war adopted the historical alternative for Iraq, the real vote cast in historical time was the bombing and the writing of the rules of the game thereafter. The vote of the vanquished Iraqi population is a mere ornament of modern-day slavery. Subdued peoples consume the commodity and the politics of the winner class, which consummate in waste.

That the subject of history votes by the form of power it exercises in its choice of alternatives is clear enough. The rule of the commodity guides development in the balance of forces, the historical moment, and lays out the theatre, which incubates outcomes/choices that tally with the demands of the law of value. By coincidence appearing in the guise of intermediating necessity, the reigning commodity presupposes the accounting system of bourgeois democracy; decorously, the bourgeois appraises the dollar output and counts the votes. However, unlike the white privileged class, imperialism deprives the masses not only of their control over resources, but *comparatively* of much of their lives or longevity. Imperialism, the dominant/impersonal social relation, spares nothing and often consumes its allies/friends, the peripheral comprador and the labour aristocrat. It evidently devours the whole of social nature, lock, stock and barrel. Impersonal relations carried out by thingified people cannot enter into friendships. I used the term comparatively because whereas the centre's labour aristocrats work hand in glove with capital to boost the imperialist campaigns, they are less compromised than their fellows in the hinterland. To present the issue from a quantitative perspective for illustration: The prematurely wasted life is itself a product of militarism, just as a coke can is a product of the Coca-Cola corporation and its industrialism. The more cokes and prematurely wasted-lives are produced and consumed, the more returns capital generates.

The unrelenting assault of imperialism, hitherto the insatiable meatgrinder, more frequently de-commodifies peripheral labour resurrecting the pre-capitalist-commons again and again as tools and means of organisation in anti-imperialist resistance. Because machines and people as things do not produce surplus value, capital by dialectical inversion elicits the development of opposition to its rule or revolutionary consciousness. No social system is stable. The absolute victory of capital, its comprehensive thingification and objectification of labour, arrests the production of surplus value. Capital walks a tight rope between instigating the consciousness that it can crush and not letting loose the consciousness that could unseat it. In places like the US, it co-opts labour with rents purveyed as premia for the continuity of high-end market realisation. The payoff veils its atrocities with liberal human rights cant and acts as a veneer for the waste. In places like Venezuela and Iraq, capital unleashes its operatives or bombs. The dynamics of the labour process supporting the making of surplus value bifurcates into a labouring class, which demands its rights, namely the direct producers of the South, on one side, and rent-privileged labour that fosters liberalism and thingification, on the other side.

There are innumerable ways by which revolutionary consciousness reawakens. It takes much audacity to pursue the reasons for revolutions in a short space, however, I will address only one rather salient point. Reasons for revolutions are categorised more by what is common to them than by the law that thrusts them. Revolutions are said to express some frustration or desire for change whose actual characteristics are circumstance specific. The resurgence of consciousness for the mainstream resembles a case of generalisation-fallacy —what is true of some is true of all, unless some unspotted elements change the outcome. As many types assumed to share some quality under a heuristic assumption, such as obsequiousness, while some significant lot is rebellious and unaccounted for, this latter group generates enough anti-capital opposition *qua* revolution. Although capital desires that all are capitalistically minded, and even as most submit, there are some who network for change and rebel. Such is a quantifiable approach whose solution is to better observe and account for other selected conditions from phenomenon with the same or a different heuristic unit of measure. However, in a social process matters mediate or resolve into something else as opposed to solve. Circumstances differ and how everyone internalises and projects the dominant idea must breed a different whole. Naturally, change in social consciousness favours or disfavors adherence to capital. As some endure to produce for others, the correspondence between revolutionary practice and outcome shaping development in theory is what adumbrates rupture. Although the arithmetic is true and the generalisation fallacy is formally defensible, it is impertinent to revolutionary laws of development. A sturdier approach is one that combines the logical and the historical, such as the dialectic of the law of transformation or auto-negating qualitative change (dialectical logic as per Ilyenkov [1974]). Another way of saying this: a systemic rupture as homogenisation subject to the law of value auto-negates into heterogenisation, or as capital fails to reduce people to similar qualities, it also breeds the conditions for them to rebel against the similitude. Capital has an intrinsic tendency to emaciate all of labour, but not all of labour will be emaciated. There is a considerable difference between these two approaches: the formal emphasises a

network constructed on the basis of similar patterns observed upon atomised individuals in a phenomenon, whereas the dialectic regards a phenomenon as a process of class-mediated quality that self-differentiates.

At a seminal level or in addressing the more reasonable Kantians as opposed to neoclassical empiricists, the difference amounts to a world partly unknowable to the former (the formal), its noumena (things in themselves) are too many for knowing to ensue by deduction/induction, whereas a process of knowability, as distinct from knowing, is possible for the latter. These are age-old but disparate epistemological optics. Another way to conceive of the matter is the formal approach posits that there is so much we know and so much we do not know, whereas dialectics presumes that we are in a process of knowing relative to what we will know. In a dynamic process there cannot be things in themselves (things we know they exist, but we do not know what they are), because all things are in a state of becoming as opposed to being static. Yet, the fallacy of generalisation is accepted by mainstream social science, the science of the name tags—the Nobel prizes—which has given us ‘the progress we enjoy today by virtue of white man,’ because it is powerful enough to choose and measure the things it selects to observe. To draw on an example from economics: its equilibrium theory places the accent in utility on the taste of food rather than on people whose early death provides the food with taste. This theory chooses to obviate the real utility of the system, which is to consume the premature deaths of people. Capital has taken death, the essential condition contained in life itself as its negation (Engels 1883) and promoted the expediency of the process as a profit-making venture. To the latter approach (dialectical logic), it (the logical fallacy of generalisation) is not wrong. It is a stage subsumed in thought to elucidate moments in a process of changing quantity and quality. These categories of quantity and quality are ‘being’ in its state of becoming; they intermediate each other by the law of ascent from the abstract to the concrete. Intermediate is a sounder term than the putative interpenetrate. Dialectics is systemic, it identifies the law or a dynamic of movement that undergirds the whole system. It does not construct an abstract from its manifestation in actuality without relating the abstract to its history and context. In other words, it does not attempt the impossible, which is to take stock of all that exists. It also knows the difference between historical uncertainty and probabilistic risk, or the limitation of predicting multifarious reality (actuality); also, the reason why Hegel shunned predicting the future. The immediacy before us is mediated by the laws of capital. The phenomenon informs of pervasive commodification, waste, and high entropy and, as such, the system is degenerative by its profit motive dynamic; this much we know to be true relative to what is knowable in the future. And just as A.S. Eddington posited that no theory can contradict entropy is nature without being humiliated, so too for society as a result of the calamitous consequences of capitalism. Anteriorly, no system of thought or logic is independent of ideology and suffice it to say that the things in themselves of formal logic are the things falling under the thumb of capital. Just as in the example above: capital highlights that each is happy consuming, while it obscures that all are being consumed. Information is a resource which is accessible to class power. The facts that exist but we know nothing about, the alleged things in themselves, are not those that escape experience, but the

things concealed by capital because it commands the course of scientific progress. Much to the displeasure of Immanuel Kant, it takes the fetishism of commodities to parody his epistemology.

Subject to the law of value, the law that designates and channels resources for the creation of surplus value, undeterred capital erects a sort of liberal-left labour as subject in the value relationship only to be easily suppressed. Unopposed, capital's dynamics are governed by the objective stock of the commodity's reason, its historical experience, namely of violence, lodged in dominant ideology. An example of the violent flux would be the pre-Iraq invasion discussion on whether the US can invade Iraq or are the killings in Korea and Vietnam too recent to be forgotten: thence, imperialism may need to assuage the conscience of white man to prepare for the next campaign. The historiography of events, the memories of thingified capital synapsed in its mind and amassed in its formal institutions, is reflective of capital's reproductive cycle. The Marxian cycle is not a political cycle theory of the business cycle, the well-known stop-go policies, the 'fund or de-fund the demand side of the economy.' It is a value-relation cycle determined by the subject in the class struggle. One may imagine that as the commodity sells for a much lower price and earns higher returns, its production process, past and future, would have to be constituted of higher rates of oppression, enslavement and de-subjectification. In a dualistic world of poor and rich markets, the rule of thumb is in order to cheapen things, capital wrests the will of the masses to deprive them of their resources and sells to those with the purchasing power. Profits require people who consume other real and objectified peoples in the process of production such that the process of auto-consumption resurrects capital as the power that lays down the symbols that command social reproduction. Prices and profit rates are such symbols. It is in these repressive social relations, which are violence and often involve encroachment wars, that the making of the surplus value becomes the rate of violence associated with overly entropic auto-consumption. The turnover time of capital is its 'moral wear and tear,' a component of the ideological sphere, which are swings in consciousness and subjectivities in relation to profit signals (developing Marx's notion of moral wear and tear in Marx (1978 [1885])). Profits emerge as symbolic of a higher dialectical unity of labour and capital shaped by resurrected oppositional forms of consciousness. The demolition of a pro-systemic opposition whose consciousness is on loan from capital, the act of auto-negation without the rupture is itself the transformation of surplus value into profits; not the ridiculous notion of prices of production into values. With a pro-systemic adversary, the labour faking opposition by liberalism to be crushed or to transform itself into fascism, capital has an enemy it has chosen.

As an adequate theory of value should contain a concept of organic change identical with qualitative change (Niebyl 1940a, b), measuring value transfers to the imperialist centre in dollar terms, often by western Marxists, reduces the contribution of war and colonially inflicted deaths over 500 years to nearly nothing. For instance, a recent measurement by Roberts and Carchedi (2019) assesses the value transfers arising from imperialism at \$120 billion or 0.6% of US GDP and 0.2% of what the IMF calls the advanced economies GDP. Because the ties of value relations are organic and prices unfurl as contingent immediacy in relation to power structures,

these rather insignificant numbers restate the old imperialist position that the centre does not need the Third World to develop. Marxism cannot form an ideology that opposes capital if it does not oppose the conservatism of imperialism's systems of accounts. As per the acclaimed necro-politics of repressed individuality, the highly prized trope of conventional academe, the voyages of colonial discovery were no more than vacations to exteriorise the dark evils of human nature.

Colonial or imperialist slaughter is *the* logical and historical predicate of capital. It is all the wealth *qua* waste not by the measures of machine outputs in dollars, but in the value of the subject. One may ask how could a Marxist price imperialism at 120 Billion US\$ when imperialism is the lynchpin of the system. The working-class is a fluid whole whose state of becoming as it self-realises is the international working class. The wealth it creates can only be arbitrarily assigned to national boundaries. Why not say that 99% of Northern income is the product of imperialism; there is more relative truth to this because structurally the North consumes the lives of the South. Let me propose one of many alternative assessments. Assume the price of the life of a Northerner to be closer to one million dollars (the life insurance per head as borrowed from Arghiri Emmanuel), whereas as a Southerner is at ten thousand. Instead, let us calculate the loss of life in the South on par at one million and assess the amounts of lost life in super-exploitation, wars or austerity as transfers to imperialism. Let us add to that the dividends from the compounded effect of the devastation experienced by the South at the hands of the North. At this point, imperialist transfers are likely to be as high as all of Northern income and wealth. Again, measurements are subjective as well as objective. They must address the value of the subject as well as the object. They must have a measure of the social power that grounds the platform for price making. To not qualify the argument that the division of working classes is itself a constructed fetish, is to fall prey to the fetishes of capital, including its price systems and nationalisms. Unequally, the Southerners and their nature are to be consumed in production at a much higher rate, if not by war, then by austerity and inordinate amounts of pollution and environmental degradation. Without labour's revolutionary agency, every new crisis is the starting-point of a large volume of new investment and profits and '*society as a whole*' is the materiel and new material basis for the next turnover cycle (Marx 1978 [1885]).

## Capital is Obfuscation

Regarding the latter point, just as imperialism renames its wars of encroachment as responsibility to protect, R2P, it now names the intensification of the environmental assault on the South a 'Global Green New Deal' (UNCTAD 2019). In one of mainstream's more insidious tales, the world deploys 'the eight trillion US\$ of its sovereign funds' to finance the greening of the planet for sustainable development. Capital, the centuries of European colonial and ongoing massacres, the relation whose law of value fashions the condition for profits by demolishing man and nature, supposedly undergoes a *volte face* and disciplines itself for the sake of mankind. Crises of overproduction necessitating massive underutilisation, the destruction of developing

nations, or the barring of additional resource mobilisation by outright violence, are expected to suddenly disappear. Not that it is an insult to anyone's intelligence to humanise the rule of commodities, but the very idea of lowering profit rates to the low levels of those exhibited by the long-standing German family businesses so that the environment could be served, that fascist platitude of cramming reality into an arithmetic average or mean, not even an algebraic mean of profit rates, is ultra-nationalist corporatism. Not a single Keynesian measure works if it does not chop surplus value from the very lives of the ex-colonised. Under National Socialism, Schacht's monetary policy of free money for full employment worked only because Europe abetted the process to hold down the Soviet Union, the new 'black people' according to Losurdo (2019), or because 'the superfluous' population could be exterminated. Although the Northern welfare state's practice of bomb to control is a variant of fascism, to be fair, unlike fascism, which targets a specific identity group for extirpation, American empire is less racist and indiscriminately targets all identities, even sections of its own white working class.

The 'superfluous population' continues to be mowed down by wars and sickened by poisoned nature. The greening of the planet under the rule of capital requires an end to value relations and profits. As one reads the incisive scholar Ajl (2020a, b), one arrives at the conclusion that under capital, Green New Deals will have the impact of an air conditioning system in an inferno. Argumentatively, the low profit rates over the long run in which the empty logics of the widow's cruse, or rising wages according with rising productivity, work only for the select whites as they eliminate the excessive population and the environment supporting the reproduction of that population. The Veblenian consumption trap, to auto-consume for show and recognition, inbuilt in the language of social democracy, is an argument for the developing world to perish at faster rates. The cultural value is commensurate with the extraction of surplus value.

That Western democracy is an exercise of capital's power, which lays the groundwork and the options for which people vote, rarely pierces the dogma masquerading as debate. As to the alternative form of democratic practice: a labour in possession of revolutionary consciousness *captures power first*, which is the real vote, and only then promulgates the right to vote for different shades of policy that serve labour. Russell (1958), addressing the vulnerability of democratic processes in the developing world as a result of colonially bequeathed poverty, eloquently put the question as follows.

If politics is to become scientific, and if the event is not to be constantly surprising, it is imperative that our political thinking should penetrate more deeply into the springs of human action. What is the influence of hunger upon slogans? How does their effectiveness fluctuate with the number of calories in your diet? If one man offers you democracy and another offers you a bag of grain, at what stage of starvation will you prefer the grain to the vote? Such questions are far too little considered.

The democracy required for all round development is a peoples' democracy. It is what transpires in the class struggle in favour of labour or the scale by which labour fares in the class struggle at the bosom of the state. The brace of popular democracy

is the sovereignty built upon the solid foundation of working-class freedom from want. Once latched to the institution of the state, the organs of labour oversee each step in the social production and redistribution process.

The Chinese revolution voided capital as the historical agent. It then had to hedge imperialism and lay out the spectrum of choices available to labour. People's democracy became the daily labour vote implemented by the state as the activity, which bridges wellbeing with national security. Just as any society, Chinese society had two cultures of democracy appertaining to it, people's democracy in opposition to bourgeois democracy, and it chose the former. A similar situation confronted Lenin in 1913.

The Elements of democratic and socialist culture are present, if only in rudimentary form, in every national culture, since in every nation there are toiling and exploited masses, whose conditions of life inevitably give rise to the ideology of democracy and socialism. But every nation also possesses a bourgeois culture...the Dominant culture (Lenin 1972 [1913]).

Democracy is not labour as an organic constituent of the state, it is the organic constituent of the state. The vote of the working class is not cast one time every few years by un-historical individuals whose medium is capital. The workers' vote is consistently cast by the politics of the state to steer resources first in anti-imperialist struggle and, secondly but not secondarily, towards the betterment of living conditions. The entwinement of security and working-class freedom from want is the practice of democracy responsible for development in China.

## The Future that Has Happened

When the US headed to China in the early 1970s, it did not intend by 'Whiggish credulity, forever betting on material enrichment to make of China a vast Japan or South Korea: a democracy, a friend,' as the Financial Times puts it (Ganesh 2020).<sup>2</sup> History is not naïve, right or wrong; certain semi-professional journalists are. Under capital, history just does what the dominant idea, the intellectual product of thingified people, dictates in order to pave the pathways of the commodity-thing expansion. In more emphatic terms, the law of capital is for things to make more things by destroying old and new things. US-led capital has rebuilt Japan and South Korea to confront China. It must do so by whichever means possible, not because of innate hatred—although Sinophobia lurks in the background, but because a degenerative China produces wealth as it auto-liquidates and releases much wealth to be grabbed by central capital. Wars of encroachment soak up the moneyed wealth or the excess finance, undervalue resources including the downsizing of necessary labour, and are domains of production proper. War is not just a business or good for business, it is also the foundation upon which all business-profitability springs.

---

<sup>2</sup>Ganesh J., America's eerie lack of debate about China. The US is entering an open-ended conflict without much dissent. <https://www.ft.com/content/9b7e64c9-c7c4-47b7-b038-f728bfd23e28>, 15/7/2020.

Whereas imperialist practice is an exercise of the law of value, which subdues and strips nations of their autonomy and social product, China *ipso facto* defied imperialism: it grew against the odds and developed. Its growth was not the hollow growth of neoliberalism. As I have shown in the case of Egypt, hollow growth is the type of steady real growth, which engenders poverty and child malnutrition. China is exceptionally rich in real and human resources because the force it gathers from its sovereignty price-revalorises its assets on terms which correspond closely to its social costs of production. To take Kalecki from national to international context, the price of its labour kept on rising by the clout of its negotiating power in the international arena—recalling Kalecki theorises that wages rise by union power. In standard parlance, the case can be made contra neoclassical economics: the concept of capital is not just the pile of things, it is the social relation that governs the development of things, or subject and substance. Substance presupposes subject; however, it is the former that reproduces their state of becoming, the way things are in actuality. Subject, the social class, reproduces with the productive forces at its disposal and de-reproduces by the degree of alienation from the productive forces.

Commodities or things may continue to produce commodities or things, until necessity deems otherwise or until the subject, the working class, in production or value-relations, commands the making of social life. Then, people organised in classes as subject responsibly produce. Reading the pile of things construed as wealth alone without a social subject is the received theory whose conservatism accelerates entropic de-reproduction.

However, a commodity-governed system is *spontaneous* by its vulnerability to pressures of overproduction combined with blind accumulation. US-led capital, instead of crowding in China with the lure of its selective democracy, was crowded out of many spheres of influence. China did it, and in doing so, it revolutionised political economy. Its theoretical contribution lies specifically in how it did not succumb to democratic imperialism and its neoliberal mantra. The answer to this riddle was an already tested formula, the ironclad rule of the working class, however, with the novelty of Chinese characteristics. The latter point was to engage the market economy with an uncompromising stand on Marxian theory, practical failures compromised the ideology of the market but not the perception of the class-divide upon which Marxist theory stands. As China controls more of the use-value circuit, it will inevitably lay hold upon the moneyed or the exchange value circuit. Its defensive posturing requires that its discreet rule of the proletariat slowly transforms into an ironclad rule of the proletariat. Audacious support for Iran under sanctions in 2020, discloses a China still committed to the internationalism of Chairman Mao.

## A Social Yardstick for Progress

Successful working-class rule benchmarks its performance against social as opposed to private criteria. The mainstream has its own economic efficiency criterion, which simply boils down to more bang for buck (Milton Friedman's jargon). Such yardstick



is set against non-existent assumptions of full employment and atomistic, abstract agents, or private rather than social considerations. It would not require a Plato cave parable to inform that the formal is unreal. However, such hallucinatory frame of reference is not without social function. It logically proves that through the pursuit of profits, commodities expand commodities and create wealth, which gets redistributed to the ‘poor,’ albeit miraculously without an agency of class. What is logical is eloquent but all the same hypothetical. In the hands of the bourgeoisie, the mystification of formalism or actuarial techniques serve to curtain class and replace it with the agency of the non-existing abstract individual, the *homo economicus*. As a concept, it is even less qualified to reference real people than the concept of man in metaphysical thought, the sort that sins or is prone to sin by divine predisposition. At any rate, in theology and neoclassical economics, man is hedonistic. This concept is a one-sided abstraction of a biological man born with whims but without a social history: an automaton.

The criterion deployed by the CCP is social, it has a subject or is working class derived. It is not because a machine produces so much that wellbeing improves, it is because the products of the machine serve society, and they can only be so in a state whose sovereignty is the interface between working class and national securities. Development is a process of securitisation that builds national defences as the intermediated outcome of all-round working-class capitalisation. To rephrase Hobbes (1929 [1651]), the promises of bread without the sword, are but words and of no strength to secure a man at all. Labour in the process of self-defence mediates the expansion of wealth inherent in the productive forces via redistribution or poverty alleviation. Until a few decades back, it was often said that capital generates wealth and much wealth has been produced under bourgeois tutelage. From where one stands today, that wealth is the narrow strips of white privilege, otherwise it is just waste. There was decisively no progress under capitalism; István Mészáros’ caption ‘barbarism if we are lucky,’<sup>3</sup> should not have been a forecast of the future, it is the future that has already happened. Wealth is the hitherto un-compensable damage to man and nature.

At the time of writing, China is said to be leading in Artificial Intelligence and its Huawei, the largest provider of telecoms equipment, is the flashpoint in the trade war with the US.<sup>4</sup> China has also become influential around the world. It is so in Africa at the level of trade, investments and geopolitical relations, but according to Sam Moyo (2016) ‘it is far from being a hegemonic re-coloniser.’ Ajamu Baraka, a leading scholar of Africa, ascertains that ‘the African radical, anti-imperialist, internationalist movement, sees the Chinese state and the Chinese people much differently than the U.S. state and its ruling class. We centre the collective human right of self-determination and national sovereignty for all peoples, nations and states, and, therefore, take a position of resolute opposition to the efforts by the U.S. state

<sup>3</sup>Barbarism on the horizon. An interview with István Mészáros, 18/11/2013. <https://blogdaboitempo.com.br/2013/11/18/barbarism-on-the-horizon-an-interview-with-istvan-meszaros/>.

<sup>4</sup>The Economist, Huawei and the tech cold war, China v America Trade without trust, 18 July 2020. <https://www.economist.com/leaders/2020/07/18/china-v-america>.

to isolate, subvert and militarily threaten the Chinese state.’<sup>5</sup> China’s investments in Africa infringe upon the hegemon’s turf—recalling US-led capital stakes wherever its neoliberalism and dollar extend. The confrontation has emerged in industry, commerce as well as at the level of ideological hegemony. The foreign minister of China, Wang Yi, may enunciate that China does not want to unseat the US, or does not export ideology or interfere in other countries’ internal affairs,<sup>6</sup> but China’s charm is irresistible to others. By now, the sordid image of the US and its aggression have led the many long trampled upon nations of the South to speak of the Asian alternative to neoliberalism. A sickened world reaches out to China, while China’s deal with Iran leverages the opponent of the hegemon next to the most strategic waterway. The case may be that a new doctrine is in order: Wang Yi is speaking softly, while impaling the hegemon (a pun upon Roosevelt’s speak softly and carry a big stick; you will go far). Whether by coincidence, necessity or, more precisely, their state of becoming in actuality, China emerges as the Western formation plunges in an ethically and aesthetically repulsive parade. The US empire in decline has become an American TV reality show, in which the head of state, Donald Trump, head of state as of writing, is himself a real reality-show actor. Just as happens in reality shows, illegitimate offspring are publicly disavowed, so too the comprador progeny of empire, they must prepare to face abandonment and a gory end. For Kagarlitsky (2020), ‘Chinese commodities became a problem for the world economy,’ as they impede the development of global production. Nations must revert to protectionist measures and re-industrialise to create jobs. In the process, the world will line up behind the US in its war with China. At first glance, this is a falsification of fact because China has been with the WTO since 2001, and world trade enhancing development has boomed as result of the wealth effect imparted by China, especially, to the developing world. China trades with civilian end-use commodities that require stability and higher purchasing power. Its trade redistributes real income to the working class, which releases resources to impart higher output per value outlays on labour. In a gesture that was at once anecdotal and meaningful, a banner that says ‘thank you China for the affordable toys to our children’ was hoisted in gratitude on the day of the Eid in one of the cities of the Islamic world. The US suppresses the production capacity and trade potential of many countries it taps into for primary products or militarism. By doing so, it reduces the incomes of the working classes and the affordable goods available to them. Whereas China sees in mutual prosperity, industrialisation and trade a positive sum game. From a theoretical angle, the ‘commodity is money’ (Marx 1867), and the money form of the commodity whether it is Chinese or from any other country will lodge in the universal currency, which is the dollar. In broad terms, nearly all commodities are dollarised and, as such, partly owned by the US, no matter where they are made. It is not haphazard that the US’s financial market has the liquidity and depth that correspond to its business of snatching imperial rents

<sup>5</sup> Ajamu Baraka, BAR editor and columnist 29 Jul 2020, Black Agenda Report, No to the New Cold war with China. <https://blackagendareport.com/no-new-cold-war-china>.

<sup>6</sup> China-US Relations: Chinese FM addresses major issues facing two nations. <https://news.cgtn.com/news/33417a4e31514464776c6d636a4e6e62684a4856/index.html>.

through the financial channels it commands. Its open financial market responds to the speed at which the commodity turns over as it realises in the money form of value. The dollar as the universal currency is the universal commodity. To dethrone the dollar is to dethrone empire. Furthermore, to command resources and arrest the drainage of its assets through the dollar, the developing world will have to restrain the dollarization of the world economy. It will have to stop converting the money form of the commodity into a dollar form whose subject is the US. It has to primarily roll back the power of the US at all levels, including no less the military balance of forces, and the weight of history or the dominant ideology of the US and Europe, and understandably so, this requires all sorts of confrontations. Just as China must hit the trenches to fend off its ascent, so will the developing world, which must rid itself of that monstrous civilisation and its dollar arrangement. Commodities as things do not mean much. Commodities as subject and object self-realising in the universal commodity, the dollar money form, mean a lot.

The ugliness of empire on display, the incarceration rates, the racism at home and wars of annihilation abroad have long stood for aesthetic *beauty* because of the perceived power of the US. The Western formation overproduces and overconsumes in an already dilapidated planet, while depriving much of the planet of necessities under the pretext of scarcity. It exercises the right to protect others by their very destruction as the elementary enterprise of capital and, circularly, justifies the aggression on the basis of Southern hordes who will snatch the jobs of the prosperous North. The chimera of 'there is not much to consume in a world that overproduces, let us bomb them to save them and, let us bomb them again so they do not migrate North,' are examples of a mainstream social science built to delude. Interrelatedness implies that such farcicalities permeate the whole logic of the dominant ideas. Moreover, because the absurdities held as facts are in direct contradiction to phenomena, and still they are also held as reasoned beliefs, such dissonance only occurs because working classes faced with the colossal firepower of empire abolish their subjectivity along with common sense as mere survival strategy. There is an absence of opposing power to US-led imperialism along with an absence of alternative socialist ideology and weak forms of socialist organisation, which raise the sacrifice and the costs of transition to the socialist system.

Justifying aggressions by the constructed facts or the 'alternative facts' is not about ignorance of the facts *qua* phenomena. Under capital, none of the facts are really facts. At best they are partitioned images from reality unconnected socially or in real time. For instance, white settler society is aware it has exterminated the native population to settle the land, it would still hold the belief that its civilisation has improved the land by a meliorism that exceeds the cost of genocide. As such, it never ceases to exterminate. Apart from the act of extermination, none of the facts correspond to phenomenon. On the basis of the damage incurred so far, white civilisation did not improve the land. However, the facts literally do not enter into or matter in the canon of the powerful class. Facts are what desire constitutes as facts to become fodder for class positions, which prop up accumulation by waste production. The reversal of this state of consciousness, the *etat d'esprit*, requires more than just community level apostasy, it calls for a reversal in the balance of forces. The rise of China shatters

how global society perceives the US as the megalith of power. It also shatters the lethargic stasis noted by Badiou (2017) that ‘in Western societies, once in power, you can change some small details, but there is no question of changing the capitalist basis of society.’ Not so, once imperialist formations, the pillars of global apartheid, are subjected to significant power from the outside, they will fragment.<sup>7</sup>

No matter how one shapes facts by desire, the crisis disclosed by phenomenon could almost speak for itself. At this historical intersection, ideological war with the US could be easily won. However, China for Sinophobic causes and for reasons of liberalism, which have also infested Marxism, is not being sufficiently assisted in its war of ideas. The retrograde Monthly Review, possibly the only left platform in the US not directly funded by some variant of Open Society, has published a piece that doubles as intelligence work, rather than serious analysis. Norfield’s (2020) article restates the three principal smokescreens of Western chauvinism.<sup>8</sup> First, it notes that China’s political system is ‘authoritarian;’ this accusation emerges from a Western entity, a social formation so spiritually homogenized, such that the other’s opinion may have been completely erased. Western society could go to the polls forever reproducing the same class. A working class, which does not recognise that the law by which it thrives manifest in the waste, is profits by some form of white cannibalism *qua* imperialism, is capital as opposed to labour. Secondly, it points out that the mountains of U.S. weaponry and its means of intimidation with worldwide military bases are *just* significant. Indeed, just significant; however, it inadvertently dropped the notion that these weapons are the foremost instruments by which the subject in history, the white class, self-realises. Without the weapons actualised as commodities in the reproduction *cum* wasting social nature, there is no surplus value to write home about. Without imperialism, value relations and Western wealth or waste, practically vanish. Lastly, the third smokescreen occurs as he says that the prospects for the Anglosphere powers are not good because of their political *idiocy* born of generations of arrogance now adding to their difficulties in navigating a world that is changing increasingly outside their control. This is the usual trite: we made a mistake so far as we killed hundreds of millions since 1500, but that was an unintended consequence. The undertone of this is: history is personal, bound by an ethic of sorts and despite the mistakes, progress is there to be seen. Norfield’s (2020) information about the enormous dollar-denominated financial assets changing hands are mentioned without their association with war. These are collateralised by war and taxes upon the working class. The frequency of issuance of financial papers is what impels war (Lenin 1963 [1916]). This even-handed approach, just as Chomsky’s (2002) analogy confounding Saddam, ‘the evil dictator’ with the evil empire, which created an image in the public mind that two mythological evils are at each other’s throats; hence, justified the invasion of Iraq. To neglect empire as the leading link in history and lump together ‘authoritarian’ China with an empire ‘prone to make

<sup>7</sup> Alain Badiou December 27, 2017: The alleged power of capitalism ... today is merely a reflection of the weakness of its opponent. <https://www.criticatac.ro/lefteast/alain-badiou-of-its-opponent/>.

<sup>8</sup> Norfield Tony (2020) China & U.S. power, Monthly Review MR-online. <https://mronline.org/2020/08/04/china-u-s-power/>.

mistakes' but is otherwise righteous, is not a point that socialist magazines hold. Aside from its improvement of well-being, China's achievements in countering 500 years of cumulative *historical surplus value*, enshrined in the deep-seated national identities and grandiose institutions of Europe, which have devastated the planet, is nothing short of a miracle.

Arresting the civilisation of waste is the historical necessity. It is to be appreciated as an exercise in *social responsibility, the freedom of which Marx spoke*. In relation to the counterfactual argument that China is an imperialism in waiting, one must distinguish that the context in which empire operates is not just the universities and the military bases run by its servants, it is also the historical course, which brings forth persons who execute the politics and the daily market operations within *ex-ante* imposed margins of manoeuvre. History reflects the state of the abstract and impersonal social relation in command, the historical legacy of capital, which above all grips the mode of thought. An example of such thought would be to claim that refugees are barbarians that sink central wages, while ignoring the reasons, the profits from the wars that buoy imperialist rents and create the surplus value that arises upon the dead families of the refugees. Without China altering the balance forces, nothing would structurally deracinate the intellectual corruption, the *private ideas* reared by capital: the thought traded as commodities responsible for the *status quo*. Nothing, in as much as nothingness is a state of being, would socialise the modes of thought needed for socialism without a China-shift of the global balance of forces. Revolutionising the social mind, negating the conservatism of Eurocentrism is both a historical and an ethical imperative.

Conjointly, Chinese development against the odds was about the purposeful mobilisation of resources in ways that improve living standards and with it the underlying resources available for peoples' war. The notion that China is a potential imperialism of some sort is fallacious because: first, China opposes the currents of capital as history, and so it restricts its advance by the law of value exercised as violence; and, secondly, it is itself shaped by the confrontation and it must reascertain socialism. If one assumes that conditions will mature for China to metamorphose into some empire, one has to presume the facts away or that the reproduction of Chinese capital, which grows by empowering working classes alongside opposition to imperialism, has not occurred. It is to say that the pivot to Asia, the trade wars, its imparting a better standard of living, etc., are flimsy or non-existent. These events were they to be unreal and were its ruling CCP be preparing to create a chauvinistic working-class willing to undertake the violent subjugation of other masses and nations, China would be imperialist. The problem however, with counterfactual thought is not just the few real conditions, which must be assumed away, it is every other event associated with the newly proposed hypothetical conditions, which has to be known; such is an impossibility. Put up for discussion, the reality as such becomes an alternate-reality.

Scare mongering, the Sinophobia, is the reason why dominant thought trumpets an illusory situation in which China emerges to destroy others. However, laws are knowable. The social process, which necessarily but not exclusively, under similar conditions breeds similar outcomes, is something one can fathom from a reading of history. For instance, conditions where colonial capital reigned uninhibited in Africa

or the Middle East are dismal on account of snatching people's resources often by outright genocides. One can draw parallels between colonialism in relation to surplus value making and the profit dynamic, which requires cost reduction. This is the *knowability* discussed above—as opposed to knowing; the latter is the epistemology in which truth is *a priori* illusory because there is always something we do not know and, hence, one may say in a postmodern tone that it is okay to bomb and invade the developing world because one is not sure that all people are suffering on account of the invasion, or whether the pain may be vindicated by future progress. As evidenced by the continuity in the course of events so far, the ethical judgment has been postponed. The verdict of the mainstream is either ridiculously eschatological or depends on the progress of scientific discovery. And while eschatology is a thing beyond the thing in itself, waiting for scientific discovery to end is as dark-humoured as waiting for Godot. Reflexively, the mainstream does not even entertain an ethical imperative to stop imperialist assault.

Contradictions resolve through conflict of one sort or another. Empire will spare no weapon to arrest China. John Pilger notes that 'more than 400 American military bases encircle China with missiles, bombers, warships and nuclear weapons. From Australia north through the Pacific to South-East Asia, Japan and Korea and across Eurasia to Afghanistan and India, the bases form the perfect noose.'<sup>9</sup> That is not inter-imperialist rivalry between two competing imperialisms. Imperialism is a dominant set of ideas coinciding with accumulation by war. It is for instance a consensus regarding the creation of money out of thin air to exacerbate the misery associated with the making of surplus value. It is about accepting that only a tiny percentage of dollar foreign exchange trading is with non-financial firms, while the fictitious capital that is spinning between financial institutions searches for the next war or austerity to become real. Imperialism is the historical surplus value, and a history of aggression to derive super profits, not through exchange or by buying and selling markets. Buying and selling, the merchant activity, is known for millennia and will not create value to be realised in markets. Prior to c. 1500, there was buying and selling but that activity was not the value relation associated with capitalism. It was not the social relation of the market upon which most of life has come to depend. Very few things were commodified and sold for money, and if all long-distance trade came to a halt then, social life would go on as usual, while a market crash now would usher massive unemployment or starvation to the world. The value relation involves dispossessing the direct or social producers of the socially necessary labour time invested in production. It also involves expending socially necessary labour time recuperating the damage trailing capital as well as producing marketable waste for capital. Over the social turnover cycle, the more labour is dispossessed, the less is left for its reproduction, and the more surplus value emerges. Labour sells its labour power as a commodity whose price is determined by the power of labour in the class struggle. For the appearance of fair trade between the labour power commodity and its corresponding wage rate to take hold, labour should be clubbed into submission

---

<sup>9</sup>John Pilger: Another Hiroshima is coming—unless we stop it now. 5 Aug, 2020. <https://www.rt.com/op-ed/497096-john-pilger-hiroshima-china-us/>.

either by the violence, the fetish of the commodity, or more concretely, the combined effect of both.

For capital and its totality of social production, any improvement in living standards in the hinterland or an increase in the power of China would erode the foundation of surplus value creation. These would also curtail the power the US deploys to organise production and to snatch value or transfer value through finance to the centre. Correspondingly, China hinders two operations of imperialism, the concentration and centralisation of capital. Together these are supplementary reasons for constant war; recalling, the dynamic of the system is war as it re-adjusts production relations to productive forces subject to riveting finance (as per Lenin 1963 [1916]). Theoretical development, as has been shown in this work, also posits that there is added momentum to the war activity as war becomes an industry in its own right. The relations of production become waste relations attendant upon the efficacy of waste production. In a thingified world, as more waste is produced per unit of inputs, development in received theory justifies higher plateaus of waste production. As waste or de-development itself becomes a domain of accumulation, much of the world must be de-developed or set aside, to counteract the dual crises of falling rates of profits and overproduction.

Sensing the threat, US-led imperialism intensifies its offensive against China. In the Middle East, the area where many cold war scores are settled by proxy, Iran is engaged in conflict with US cronies. As the US signalled its dissatisfaction with free tech-trade, or in that charged moment, Israel has distanced itself from China (Feith 2020). Former smaller states, which were imperialist satellites—organic extensions of imperialism or colonial settler states, will have their umbilical cords severed as empire ebbs. In their last gasp, implicit class ties between Israel and other compradors are gelling into open alliances in an effort to realign and strengthen the imperialist front. However, the movement of history was class-determined, and it will remain class determined. As the class fault-lines re-emerge between pro- and anti-imperialism across national boundaries, the next stage in the class struggle might shed the illusory nationalism that has for long betrayed the working class.

China's act of self-defence materialises in people's war preparedness. A more adequate form of people's war must involve a higher degree of socialisation; naturally, if China is to survive, it has to finance the national front as well as working classes far afield. It must fight back, and it is better to fight with a working class free of want as well as supersonic missiles.

However, China is susceptible to the Euro-American cultural dazzle suggested by Brzezinski and Griffith (1961) against the Soviet Union. Some American-educated Chinese, the visiting academics, and the Hong Kong and Macau professors are gripped by the US's model of voting booth democracy. These are deleterious to China's working-class democracy. One cannot overemphasise that capital is by definition a falsity propped by the dividedness of the working class. Capital bereft of its labour process and wage system is a mirage. For instance, whereas China began to eradicate poverty in 1949, the US, more accurately its associated ideology, has sunk the world. Yet, it is the US that is said to observe human rights. It is these putative perversions of reality that maintain capital as subject of history. So long as capital's

fabrications are upheld as a system of belief, there is no determinism for the planet to move onto a different saner social system. China's advance may denude the lies of capital, but without broadly-based revolutionary consciousness and organisation, the planetary descent is nothing short of inexorable.

## References

- Ajl M. (2020a). 'Either you are fighting to eliminate exploitation or not': A leftist critique of the Green New Deal, Canadian Dimension in conversation with essayist, researcher and historian Max Ajl interviewed by James Wilt/June 14, 2020.
- Ajl M. (2020b). Clean Tech Versus a People's Green New Deal, Rich nations' proposals for greening the economy need to acknowledge that their wealth rests on economic exploitation and ecological spoliation of poorer countries. A Technology and Nature Special, WINTER 2020.
- Althusser, L. (1994). Ideology and ideological state apparatuses (Notes toward an Investigation). In: S. Žižek (Ed.), *Mapping ideology*. London: Verso.
- Althusser, L. (2006). *Philosophy of the encounter: Later writings, 1978–1987*. London: Verso.
- Amin, S. (2016). Egypt: Failed emergence, conniving capitalism, fall of the muslim brothers-A possible popular alternative. In A. Kadri (Ed.), *Development challenges and solutions after the Arab spring*. London: Palgrave.
- Avramidis, S. (2006). 'Articulation by the "Barrel of a Gun": Development under the Threat of War in the Near East', New Directions in Marxist Theory, 8–10 December, Historical Materialism Conference, London.
- Badiou, A. (2017). *The alleged power of capitalism ... today is merely a reflection of the weakness of its opponent*. LeftEast. <http://www.criticatrac.ro/lefteast/alain-badiou-of-its-opponent/>.
- Bauman, Z. (2003). *Wasted lives: Modernity and its outcasts*. New Jersey: Wiley.
- Browder, E. (1933). *The meaning of social-fascism*. New York: Workers Library Publishers.
- Brzezinski, Z., & Griffith, W. (1961). Peaceful engagement in Eastern Europe. *Foreign Affairs*, 39(4).
- Chomsky, N. (2002) 'Will the US invade Iraq?', *Zmagazine*, 1 September 2002, <https://www.chomsky.info/interviews/20020901.htm>.
- Diamond, J. (2004). *Collapse: How societies choose to fail or succeed*. New York: Penguin.
- Engels, F. (1883 [1934]). *Dialectics of Nature, Notes and Fragments*. Moscow: Progress Publishers.
- Feith, D. (2020). *The Chinese challenge to the U.S.-Israel Relationship, Beijing brings investment dollars, but also tensions with America*. <https://www.wsj.com/articles/the-chinese-challenge-to-the-u-s-israel-relationship-11589576485>.
- Frank, G. A. (1978). *Dependent accumulation and underdevelopment*. London: Palgrave.
- Ganesh, J. (2020). America's eerie lack of debate about China. Financial Times <https://www.ft.com/content/9b7e64c9-c7c4-47b7-b038-f728bfd23e28>, 15/7/2020.
- Hardin, G. (1968). The tragedy of the commons. The population problem has no technical solution; it requires a fundamental extension in morality. *Science*, 162.
- Hegel, G. W. F. (2018 [1807]). *The phenomenology of spirit*. Cambridge: Cambridge University Press.
- Hobbes, T. (1929 [1651]) *Leviathan*. Oxford: Clarendon Press.
- Jappe, A. (2017). *The autophagic society*. Paris: La Découverte.
- Kadri, A. (2016). *The unmaking of Arab socialism*. London: Anthem Press.
- Kadri, A. (2019). *Imperialism with reference to Syria*. Berlin: Springer.
- Kagarlitsky, B. (2020). How Mao Zedong tried to lay foundation for a "cold war" between China and the USA and why its end is looming only half a century later, Realnoe Vremya. [https://m.realnoevremya.com/articles/4490-china-vs-usa-who-will-win?\\_url=%2Farticles%2F4490-china-](https://m.realnoevremya.com/articles/4490-china-vs-usa-who-will-win?_url=%2Farticles%2F4490-china-)



- vs-usa-who-willwin%26utm\_source=desktop%26utm\_medium=redirect%26utm\_campaign=mobile#from\_desktop.
- Lauesen, T. (2018). *The global perspective: Reflections on imperialism and resistance*. Montreal: Kersplebedeb Publishing.
- Lauesen, T. (2020). *The principal contradiction*. Montreal: Kersplebedeb Publishing.
- Lenin, V.I. (1963 [1916]) *Imperialism, the highest stage of capitalism*. Moscow: Progress Publishers.
- Lenin, V.I. (1972 [1913]) *Critical remarks on the national question*, (Vol. 20). Moscow: Progress Publishers.
- Losurdo, D. (2019). *Nietzsche, the Aristocratic Rebel: Intellectual biography and critical balance-sheet*. Koninklijke: Brill Academic Publishing.
- Losurdo, D., Chiarini, A., & Ferreira, D. (2018). *Marxismo ocidental*. Sao Paolo: Boitempo.
- Mao, Z. (1927). *Selected works of Mao Tse-Tung, Report on an investigation of the peasant movement in Hunan*. Retrieved from [https://www.marxists.org/reference/archive/mao/selected-works/volume-1/mswv1\\_2.htm#n4](https://www.marxists.org/reference/archive/mao/selected-works/volume-1/mswv1_2.htm#n4).
- Marx, K. (1867). *Capital: A critique of political economy* (Vol. 1). Moscow: Progress Publishers.
- Marx, K. (1894). *Capital: A critique of political economy, vol. 3, The process of capitalist production as a whole*. Moscow: Progress Publishers.
- Marx, K. (1978). *Capital* (Vol. Two). Harmondsworth: Penguin Books.
- Mészáros, I. (1970). *Marx's theory of alienation*. London: The Merlin Press.
- Mészáros, I. (1995). *Beyond capital: Towards a theory of transition*. New York: Monthly Review Press.
- Moyo, S. (2016). Perspectives on South-South relations: China's presence in Africa. *Inter-Asia Cultural Studies*, 17.
- Niebyl, K. (1940a). Modern mathematics and some problems of quantity, quality, and motion in economic analysis. *Philosophy of Science*, 7(1).
- Niebyl, K. (1940b). The need for a concept of value in economic theory. *The Quarterly Journal of Economics*, 54(2).
- Norfield, T. (2020). *China & U.S. power*, *Monthly Review*, MR-online. <https://mronline.org/2020/08/04/china-u-s-power/>.
- Patnaik, P. (2008). *The value of money*. Delhi: Tulika Books.
- Perlman, F. (1979). *Progress & nuclear power: The destruction of the continent and its peoples*. Retrieved from <https://www.marxists.org/reference/archive/perlman-fredy/1979/nukepower.htm>.
- Roberts, M., & Carchedi, G. (2019). *The economic of modern imperialism*. Retrieved from <https://thenextrecession.wordpress.com/2019/11/14/hm2-the-economics-of-modern-imperialism/>.
- Russell, B. (1958). *Bertrand Russell's best*. London: Routledge.
- Salih, T. (2003). *Season of Migration to the North*. NY: Penguin Classics Series.
- Sorel, G. (1925). *Reflections on violence*. London: George Allen & Unwin.
- UNCTAD. (2014). *Trade and development report 2014, UNCTAD/TDR/2014*. Retrieved from [https://unctad.org/en/PublicationsLibrary/tdr2014\\_en.pdf](https://unctad.org/en/PublicationsLibrary/tdr2014_en.pdf).
- UNCTAD. (2019). *Trade and development report 2019, UNCTAD/TDR/2019*. Retrieved from <https://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=2526>.

# Index

## A

### Accumulation

- militarism, 63, 77, 138
- waste, 4, 6–9, 12, 13, 16, 19, 22, 25, 26, 31, 32, 38, 42, 43, 54, 56, 58, 61, 63, 83, 95, 96, 98, 111, 129, 138, 145, 149

### Africa, 21, 56, 93, 142, 159, 163

### Aggression

- imperialist aggression, 12, 13, 19, 31, 38, 47, 51, 55, 70, 74, 82, 108, 118, 122, 128, 141

### Agrarian, 12

### Agriculture, 3, 75, 89, 121, 122, 129, 130

### Alienation, 27, 48, 49, 73, 74, 78, 79, 84, 87, 150, 158

### Arab world, 93

### Autonomous, 9, 30, 37, 40, 47, 50, 57, 91, 98, 101, 122, 140

### Autonomy

- autonomy over policy, 1, 38, 71, 101

## B

### Belt and Road initiative (BRI), 19, 59, 60, 62, 95, 101, 125

### Bourgeois democracy, 151, 157

## C

### Capitalism

- state capitalism, 122, 123

### China

- Chinese Communist Party (CCP), 10, 12, 24, 69, 98, 159, 163

### Civilisation, 1–3, 5, 12, 40, 46, 52, 54, 70, 77, 81, 83, 110, 116, 131, 139, 149, 161, 163

### Class

- class struggle, 13, 16, 17, 21, 27, 28, 30, 41, 47, 49, 54, 73, 85, 91, 135, 137, 138, 154, 156

### financial class, 57, 78

- imperialist class, 4, 7, 9, 13, 15, 16, 52, 56, 91, 97, 104, 105, 110, 144, 148

### merchant class, 3

### neoliberal class, 125

- social class, 10, 12, 15–17, 20, 25, 41, 78, 137, 158

- working class, 2–6, 11–14, 16, 17, 19, 22, 24–26, 32, 37–39, 41, 42, 47, 49, 50, 52, 56–58, 60, 72, 74, 75, 80, 82, 86, 89, 91, 92, 94, 95, 98, 102, 105, 110–112, 122–124, 126, 127, 129–131, 138, 140, 142, 144, 145, 147, 149–151, 155–159, 161–163, 165

### Commercial exploitation, 32, 54, 88, 90, 138, 146, 148

### Commodity

- commodification, 41, 42, 45, 52, 63, 74, 75, 87, 130, 136, 143, 151

- fetishism, 13, 20, 27, 28, 31, 42, 43, 45, 78

- reification, 5, 42, 49, 73, 87, 149

### Communism, 1, 54, 67

### Conflict, 55, 60, 63, 94, 97, 98, 105, 136, 164, 165

### Consumption, 7, 13, 16, 26–28, 30, 40–44, 49, 53, 72–74, 79, 81, 93, 94, 98, 107, 110, 111, 117, 121, 123, 125, 128, 138, 147, 148, 150, 156

Contractionary, 130

Contractionary policies, 130

Crisis of overproduction, 55, 56

Crisis of underconsumption, 43, 63

## D

Demand, 12, 27, 40, 43, 46, 49, 56, 58, 61, 74, 80, 82, 86, 88, 89, 91, 92, 94, 98, 103, 106, 108, 110–112, 114–126, 136, 137, 139, 142, 151, 152, 154

Developing World, 3, 8, 13, 14, 16, 18, 21, 22, 31–33, 38, 40, 42, 45–48, 51–53, 55, 56, 60, 63, 68, 74, 77, 82, 89, 98, 102, 103, 105, 107, 108, 110, 114, 117, 118, 122, 125, 126, 129, 137, 141, 144, 146, 148, 151, 156

Dictatorship of the proletariat  
discreet, 1, 135, 158

Dollarisation, 93

## E

Economic

economic and social policies, 68, 140

economic development, 21

Engels, 45, 46, 55, 79, 85

Eurocentrism, 4, 109, 111, 163

## F

Finance, 7, 9, 10, 18, 20, 21, 24, 32, 40, 41, 51–53, 61, 62, 68, 71, 75, 90, 92, 94, 95, 97, 98, 102, 108, 114, 119, 120, 122, 123, 127, 139, 146, 149, 155, 157, 165

Financial

financial capital, 25, 62, 93, 94

financial class, 57, 78

financial institutions, 22, 38, 52, 92, 164

financial sector, 25, 52

Fiscal policy, 56, 121, 125

## G

Gold standard, 142

## H

Hegemony, 40, 42, 44, 54, 55, 60, 61, 76, 84, 90, 94, 98, 102, 108, 116, 142, 160

Homo Economicus, 28, 72, 107, 159

## I

Imperialism

ideological hegemony, 42, 54, 84, 160

Imperialist hegemony, 103

Imperialist war, 6, 23, 32, 38, 40, 42, 62, 63, 79, 80, 107, 129, 145, 149

Income, 5, 6, 13, 14, 22, 25–27, 44, 46, 50, 57, 60, 62, 75, 80, 83, 85–89, 93, 105, 106, 115, 117, 120, 121, 124, 125, 127, 129, 151, 155

income disparity, 40

income distribution, 87, 89, 127

income inequality, 75, 105

India, 18, 38, 54, 57, 69, 164

Industrialisation, 23, 24, 58, 110, 121, 122, 140

Industry, 3, 5, 18, 22, 32, 42, 43, 49, 53, 55, 56, 58, 61, 62, 74, 75, 91, 94, 110, 114, 121, 122, 124–126, 128, 138, 149, 160

Inflation, 23, 32, 62, 89, 119, 121, 129

Insurgency, 61

Interest rate, 44, 74, 86, 87, 91, 92, 106–108, 114–117, 119, 120, 127, 129

Internationalism, 18, 19, 32, 50, 144, 158

Investment

private investment, 121, 126

public investment, 57, 92, 121, 126

Iran, 19, 20, 105, 142, 158, 160, 165

Iraq

Iraq war, 46, 96

Israel, 165

## K

Kalecki, 89, 114, 116, 119–122

Keynes

Keynesian, 56, 77, 110, 111, 124, 126

## L

Labour

labour demand, 57, 85, 86, 88–90, 127

labour history, 37

labour market, 88, 126

wage labour, 137

Lenin, Vladimir, 10, 11, 38, 40–42, 45, 110, 139, 142, 149, 157, 162, 165

Luxemburg, 40–42, 44

## M

Macroeconomic, 38, 105, 120, 125

Manufacturing, 122

- Mao Zedong  
   Maoism, 24  
 Market, 4, 6–10, 12, 16, 18, 19, 21–25, 31, 38, 40–47, 49, 51, 52, 56–58, 61, 63, 67–69, 72, 74, 75, 77–79, 83, 85, 87, 90–92, 97, 98, 102, 106, 108, 110, 112–115, 117, 118, 120, 121, 123–125, 127, 128, 137–139, 142, 143, 147, 152, 158, 163, 164  
 Marx, 10, 13, 20, 27, 39–41, 43, 50, 70, 73, 80, 81, 85, 88, 90, 91, 113, 117, 120, 121, 135, 136, 142, 149, 150, 155, 163  
 Marxian theory of value, 135, 145, 158  
 Militarism, 14, 31, 46, 47, 54–56, 61, 63, 69, 77, 102, 103, 128, 129, 131, 138, 140, 144, 146, 149, 151  
 Military  
   militarism, 14, 31, 46, 47, 54–56, 61, 63, 69, 77, 102, 103, 128, 129, 131, 138, 140, 144, 146, 149, 151  
 Monetary policy, 57, 89, 92, 116, 126, 127, 156  
  
**N**  
 National  
   national capital, 53, 127  
   national defence, 38, 124, 159  
   national identity, 12, 39  
   national liberation, 12, 18, 47, 58, 136, 141  
   national policies, 140  
   national resources, 1, 7, 58, 92, 95, 98  
   national security, 20, 38, 58, 72, 110, 122, 124, 125, 157  
   national sovereignty, 159  
 NATO, 77, 104, 105, 151  
 Neoclassical  
   neoclassical positivism, 67  
 Neoclassical theory, 101, 107, 109  
 Neoliberal  
   neoliberal policies, 21, 57, 88  
 NGO, 54, 55  
  
**O**  
 Opposition, 5, 50, 54, 80, 84, 93, 103, 120, 145, 152, 154, 157, 159, 163  
 Orientalism, 52  
  
**P**  
 Policy  
   fiscal, 56, 121  
   foreign, 10, 17, 69, 92  
   monetary, 56, 57, 89, 92, 116, 126, 127, 156  
   neoliberal, 21, 57  
 Political Economy, 49, 158  
 Poverty, 13, 18, 20, 23, 24, 38, 48, 56, 57, 67, 69, 70, 73, 88, 90, 91, 102, 124, 128, 139, 142, 148, 158, 159, 165  
 Price, 6, 7, 15, 20–22, 25, 26, 28, 30, 31, 42, 43, 45, 46, 49, 52–54, 56, 61, 68, 72, 74, 78, 85–87, 89–91, 96, 98, 106, 108–112, 114–116, 119, 122, 124, 126, 130, 137, 138, 142, 143, 147, 149, 150, 154, 155, 158  
 Primitive accumulation, 32, 54, 95, 129, 146  
 Production, 1, 2, 4–12, 15–18, 20, 22–27, 29–32, 41–47, 50, 60, 62, 63, 68, 73–82, 85, 87, 90, 91, 93–98, 104–107, 109–112, 114, 115, 117, 121–124, 126, 128, 137–144, 147–150, 154, 155, 157, 158, 161, 165  
 Pro-poor development strategy, 126  
 Proxy war, 37, 62  
  
**R**  
 Racism, 5, 76, 161  
 Reform, 11, 12, 18, 23, 32, 38, 44, 52, 57, 75, 82, 122, 130, 144, 145  
 Resource  
   resource allocation, 7, 49, 68, 83, 122, 130, 140  
 Resource underutilisation, 91  
 Russia, 39, 61, 69, 104  
  
**S**  
 Science, 1, 13, 30, 40, 48, 49, 51, 52, 58, 59, 67, 68, 73, 81, 85, 86, 112, 131, 149  
 Sect, 13, 16, 151  
 Sectarian, 5, 6, 145, 148, 151  
 Sector  
   informal, 57, 88  
   private, 6, 11, 19, 21, 22, 57, 86, 90, 91, 123, 124, 126  
   public, 57, 93, 125, 126  
 Security, 12, 17, 19, 37, 38, 58, 62, 75–77, 91, 101–103, 110, 124–126, 129, 130, 142, 151, 157  
 Self-reliance, 47, 94  
 Settler Colonialism, 165  
 Social

social class, 10, 12, 15–17, 20, 25, 41, 78, 137, 158  
 social contradiction, 4, 12, 74  
 social movement, 8  
 social redistribution, 72, 85, 141, 157  
 Socialism, 2, 8–10, 12, 19, 20, 25, 39, 42, 54, 57, 60, 69, 73, 98, 124, 156, 157, 163  
 Social nature, 5, 7–9, 14, 26, 27, 30, 48, 54–56, 68, 77–79, 81, 89, 98, 102, 107, 126, 137, 138, 141, 143, 144, 151, 162  
 Social reproduction, 28, 31, 38, 42, 44, 49, 57, 60–62, 76, 84, 97, 98, 101, 102, 118, 144, 154  
 Sovereignty  
   national sovereignty, 159  
 Soviet Union, 6, 7, 17, 18, 58, 69–71, 76, 110, 156, 165  
 Stalin  
   Stalinist, 54  
 State  
   sovereign state, 68, 104, 114, 122  
   state legitimacy, 94  
 Strategic  
   strategic balance, 47, 61, 102  
 Strategic chokepoints, 142  
 Structure, 8, 12, 14, 19, 20, 23, 30, 31, 45, 52, 54, 55, 58, 73, 76, 78, 82, 97, 124, 127, 130, 136, 147, 150, 154  
 Supply, 18, 27, 46, 47, 49, 74, 75, 86, 95, 106, 108, 111, 118, 121, 127

## T

Thingification, 13, 48, 73, 87, 150  
 Trade policy, 129

## U

Unemployment, 13, 31, 57, 84, 85, 88, 89, 127

## V

### Value

value of the commodity, 4, 22, 26, 27, 43, 46, 47, 49  
 value relations, 9, 10, 17, 22, 25–27, 31, 32, 41–43, 45, 55, 56, 61, 63, 68, 72, 81, 82, 84, 87, 90, 92, 93, 97, 102, 110, 116, 118, 126, 131, 136, 138, 141–143, 146, 147, 149, 154, 156, 158, 162, 164  
 Violence, 3, 4, 7, 12, 14, 16, 20, 25, 42, 45, 53, 62, 63, 79, 83, 84, 102, 105, 108, 114, 116, 117, 126, 129, 135, 136, 139, 141, 143, 145, 146, 154, 156

## W

Wage, 12–14, 16, 17, 20, 22, 28, 31, 32, 40, 50, 51, 57, 58, 60, 74, 80, 84, 85, 88, 89, 92, 97, 102, 105, 111, 121, 122, 125, 128–130, 137, 144, 146, 151, 156, 163

### War

civil war, 13  
 cold war, 61, 70, 71, 75, 78, 103, 151, 165  
 imperialist war, 6, 23, 32, 38, 40, 42, 62, 63, 79, 129, 145, 149  
 proxy war, 37, 62  
 War of encroachment, 7, 23, 25, 26, 31, 32, 40, 44, 54, 55, 61, 79, 80, 82, 90, 96, 144, 146, 154, 155, 157  
 Waste accumulation, 6, 9, 12, 13, 16, 22, 25, 26, 31, 38, 42, 43, 54, 56, 58, 61, 63, 83, 95, 96, 98, 111, 129, 138, 145, 149

### West

Western Marxism, 44, 46, 56, 61, 70, 74, 79, 145  
 World Bank, 48, 56  
 World Trade Organization (WTO), 92

## Z

Zionism, 56, 147