

6 CHAPTER

Theory of Marxism

Core Thinkers: Karl Marx, Vladimir Lenin, Joseph Stalin, Robert Cox, Immanuel Wallerstein, Antonio Gramsci

After reading the chapter, the reader will be able to develop an analytical understanding on the following:

- Idea of Human Behaviour and Society
- Foundation of Marxism in International Relations
- Idea of Lenin and Power Re-distribution
- Idea of Gramsci
- Idea of Cox
- Idea of Wallerstein
- Marxism and Economic Crisis of 2008.

IDEA OF HUMAN BEHAVIOUR AND SOCIETY

Marxism offers a very distinct analysis in contrast to Realism or Liberalism as it takes the study of class to the very deepest levels of societal structures. In IR, Marxist theory advances that all that happens in the world is due to certain structures which exert influence on states compelling them to behave in the way they do. To understand IR, we need to understand these structures.

Foundation of Marxism in International Relations

For Karl Marx, the study of the social world needs to be a study of totality. By totality, he means that individual study of disciplines such as history, economics, politics and so on leads us to an incomplete understanding of society and the world, as to better understand the social world, these disciplines need to be studied together. Marx believed that any change in history is driven by a change in the economic development of a nation, and history is further characterised by the class struggle that ensues between the moneyed capitalist classes and the poorer labour/proletariat classes. Marx propounds, through works such as essays ('Wage Labour and Capital') and books (*Das Kapital Volume One*, 1867) that, in a society, there are two concepts—factors of production and relations of production. These two factors interact and produce tensions and the tensions both produce and determine the history of the society. As societies progress, the means of production in the societies also change. The old traditional methods of production become outdated and redundant, and this puts a certain kind of pressure on the society.

The market institution is based on a simple rule of exchange whereby individuals,

through a legal tender called currency, are able to exchange goods in lieu of that currency. The legal tender called money is an instrument of exchange regulated by the government. This brings the state into the fold of economy. This means that the state provides a legally recognised instrument to allow transactions in the market, which indicates that the state and the market are interacting. This interaction is at the core of international political economy. But economy was never the core field of study of IR. We can already appreciate, as per our understanding of chapters two, three and four, that initially, after the World Wars, the situation warranted prevention of another war. The idea was that avoidance of war and maintenance of peace is far more important in any study of IR. This relegated economy to get a secondary position.

This fact is very succinctly put by Charles de Gaulle of France. He once pointed out that statesmen should focus on war and peace issues as the economy can be handled by 'lesser minds'. Economy as a core domain in the study of IR has gained more significance since the end of the cold war and onset of the ways of globalisation. Infact, the need arose from the 1970's to bring in the economic paradigm and link it to IR. In the 1970's, we first witnessed a prolonged US-Vietnam war. This caused tremendous drain of resources. This was coupled with the oil crises of 1973 which again made US economy vulnerable. Then the financial stress of USSR in the management of East Europe was witnessed during the times of Gorbachev and the end of the cold war. The subsequent US supremacy again brought economy to a firm footing as globalisation began. Thus, economy became important in the study of society or polity.

It is in 16th/17th century that the new ideology of Mercantilism began to emerge. It advocated that politics should use economics as a tool for power acquisition. It emphasised that the world is an area of conflict as each state has its own national interest and all national interests of states are opposed to each other as national interests are not based on cooperation or gain for anyone. The situation is that states compete at the economic level with each other in the world making it a zero sum game. It is a zero sum game because the gain of one state is the loss of the other. This theory is at the core of Mercantilism. Mercantilism also advocates a state to be careful of the gain another state makes because a gain made at an economic level by another state will lead to the state gaining military strength. This military power that a state is able to achieve is the result of a strong economy. This military power now can be used by the state to colonise territories and again increase its economic power. This is why governmental regulations of a state's finances and economic profits is necessarily tied in with the eventual desired augmentation of state power.

This will enable the state to acquire more national wealth. Thus a strong economy enables a state to pursue the twin goals of wealth and power simultaneously. The Mercantile ideology has evolved over a period of time. In the 16th century, when Spain was able to acquire bullion from its colonisation of America, the mercantilists argued that states should acquire bullion to be powerful. But gradually, as Netherlands began to acquire wealth by a vast overseas territorial trade, the mercantilists argued that states should acquire wealth through trade and by building a surplus. The next step of the evolution came when Britain began wealth acquisition by virtue of the industrialisation of its economy. This gave mercantilists a chance to argue that nations should focus on industrialisation and gain wealth but to do so, the state should take measures to ensure

protection and development of local industries, giving birth to the idea of protectionism.

Gradually economic liberalism began. It advocated a situation where a market is allowed to operate freely without political interference. This school is of the view that the market should be allowed to operate freely to provide goods and services in an economy. Political interventions by the states, which would merely create conflict, came to be understood as retrogressive and thus avoidable. This system came to be known as *laissezfaire* (free market trade without the interference from governments).

The idea was that no one country could possibly be successful in producing everything. Each has a specific specialisation in something or the other and if there is free trade, this specialisation will enable economic interaction leading to trade and increase in global wealth. The way this school differs from the mercantilists is that economic liberalism puts the individual consumer at the centre stage and defines the role of the state as an agency. The idea is that the individual is always willing to maximise his interests and his interests are maximised only in a free market economy. Many early economic liberals advocated *laissez faire*—a situation where the markets operate freely and there is no political restriction. But we need to remember that market may not always operate freely. At times it may not work for mutual gain of all. For example, during the recent drive of odd-even scheme in New Delhi in 2016, the private cab operators took the odd-even scheme as an opportunity and this led to surge pricing. Such a situation is called market failure and to rectify this, we needed political regulation. Thus the modern and more acceptable view is that we do need the free markets but also a certain amount of regulation by the state in the management of the economy is desirable.

Now if we look at the basic tenets of Marxism, it states that, firstly, economy is a place where humans are exploited and there is class inequality. For Marx, economy is based on two social classes—the capitalist class which owns the factors of productions and strives for profit maximisation; and the labour class, which sells itself to the capitalists to survive. The labour makes profit for the capitalist and the capitalist does not share the profit leading to labour exploitation. Marx believes that capitalism is a step forward from feudalism. The reason being that in feudalism, the serf was attached to the land and had little choice in choosing his master. Surprisingly, in many cases during the feudal era, when the land was sold from one feudal lord to the other, the serfs were attached and sold along with the land to the new feudal lord. Marx says that capitalism is at least better in the sense that the labour at least has some degree of choice and is free to decide to whom he would sell his labour power to. But Marx also predicted that a time will come when the labour class or proletariat will overthrow the capitalist or bourgeoisie class and takeover the means of production.

Marx stated that each state is driven by interests of the ruling class and the interests of the ruling class impacts the state power structure deeply. Thus, if there is a capitalist class and if the state fights a war, we need to understand the concept of class interest in the war as the capitalist class is based on profit maximisation and the urge to generate profit is a never ending urge. Thus, Marx's theory believes that capitalism is a repressive machinery because, in its urge to make more profit, it will gradually move to those nations to explore new markets and options that grant it an opportunity to make further profit. This aptly explains why Mercantilism and Economic Liberalism caused cultural

imperialism and colonisation of a new order which is now reflected in the 21st century under the dominant trends of globalisation by Trans National Corporations in their hunt for cheap labour and more profit in the Third World countries. Thus, globalisation is an example of capitalist expansion in 21st century.



Lenin and Power Re-distribution

Lenin analysed the economic process and puts it aptly. Lenin said that in 18th/19th century, British made colonies, practised imperialism and became a strong political force to contend with. However, in the beginning of the 20th century, when Germany became an economic powerhouse after its unification and rose to a strength similar to Britain, it demanded its share in the colonies by announcing its policy of colonial expansion under Weltpolitik. Lenin explains that this is part of a natural process as when one power economically expands, it will demand re-division of the sphere of influences for its own benefit and such disparities invariably bring conflict, as has been witnessed between the British and the Germans, finally climaxing in the World War-I.

To enhance our understanding at this juncture, we may also consider the writings of Antonio Gramsci. Gramsci wanted to study as to why it was difficult to promote a revolution in Western Europe as Marx says that an advanced industrial society will eventually undergo a social revolution. He wanted to analyse why a nonindustrial, backward Russia had succeeded in the revolutions while industrialised Western Europe had failed. To explain this, Gramsci studied the entire phenomena through the lens of hegemony in his *Prison Notebooks*. Gramsci understood that power is a mixture of coercion and consent. He explained that the primary focus of Marx was on study of coercion and how a coercive society exploits the majority. He analysed the situation in Western Europe, and found that there, power was driven by consent as well. Gramsci says that in a society where hegemony is consent dominated, the ruling capitalist class first tries to control all cultural, moral and political values. Then they take steps to disperse these values amongst different classes in the society. In this value dispersion, the civil society plays an important role as civil society provides a platform for interaction of the masses with the dominant group. The interaction helps in enhancing the understanding of the thoughts of the masses. A little bit of modification allows the dominant class to make its values acceptable to all and thus maintain the legitimacy of its power over society through what he calls 'cultural hegemony'.

Thus, once the values are accepted, the superstructure is moulded, and the masses help in maintaining *status quo* rather than revolting against it. Gramsci propounds that Marx focussed only on the study of the base, but the study of superstructure cannot be negated as the superstructure in this case is moral and cultural values. Thus, Gramsci asserts that a study is valid only if it takes into account both the superstructure and socio-economic base. For the political hegemony of the dominant class to be challenged, the transformation can only happen if counter hegemonic structures emerge in a society and civil society allows alternative historical blocs to emerge.

The scholar, Robert W. Cox has further developed the core argument of Gramsci.

Cox has also criticised existing IR theories and developed an alternative. The first thing Cox asserted was that theory is always for someone and for some purpose. He says theory is always a reflection of context, time and space. Thus, the knowledge is not timeless as we need to study theories propounded till date. Cox asserts that theorists often serve interests of those rules under whom they prosper and try in some or other way to reinforce and legitimise the status quo and make the society believe that IR can follow a very naturalised set of laws.

In his book, *Production, Power and the World Order* (1987), Cox argues that the concept of hegemony is important to understand the power structures of the world and the behaviour of nations. He says we have an international system where there is a world which is dominated by the Anglo-US axis and they have developed a world order that suits the axis. The Anglo-US axis has not only maintained hegemony only through coercion but also through consent, where the consent generated is making all nations virtually believe that free trade is beneficial for all societies. The fact is that this idea of free trade being beneficial is even accepted by societies who are inherently disadvantaged by free trade. But Cox asserts (like Marx) that soon there will be counter hegemonic movements to challenge this common sense notion of free trade being beneficial for all.

These views of Cox to some extent are extensively argued by another neo-Marxist scholar, Immanuel Wallerstein. His theory is based on the idea of world system analysis. He says that the world is made up of unified areas, and in each unified area, we witness an interaction between politics and economics. He says there are two types of world systems. One is called 'World Empire System', where politics and economics are under a unified control; for example the Holy Roman Empire. The second is the 'World Economic System'. Here the economies are unified but politics is decentralised. Wallerstein, in his model, argues that the capitalist world economy is divided in a hierarchy. We have core areas on the top where we have a mass market and a strong state. In core areas we have very advanced agricultural. Then at the other end, we have peripheral areas which produce basic stuff like wood, sugar, grain, and so on. Then there are semi peripheral areas which, due to their contacts with the core and peripheral areas, have succeeded in building an indigenous industrial base and successfully act as a buffer. The basic working model of the capitalist world economic system is through unequal exchange where surplus flows from the periphery to the core. In the periphery, the weak state is subdued by the strong state and the surplus appropriation is enacted by enforcement of the strong state. This creates a tension in the system. The tension is diffused by semi peripheral states which act as shock absorbers or buffers. But Wallerstein asserts that, in the long run, all this will lead to an end of the capitalist system because a time will come when the quest to expand will halt, producing crisis. Every World System has a beginning, middle and an end phase. Wallerstein argues that with the end of the Cold War, the world system has entered the crises stage which originated with 16th century geographical discoveries.



The Economic Crisis in 2008

At the end of the Cold War, it was argued that the Marxist paradigm is finished as USSR has collapsed. The other economies like Cuba, China and so on, have transited

into being more market friendly economies. No doubt initially, after the Cold War ended, Marxism did decline, but today we witness a kind of a renaissance as we witness an analysis of 1987 stock crash, Asian financial crisis, US subprime crisis or the more recent European crisis. All these instances deeply open up the consequences of the capitalist system itself.

The 2008 financial crisis is a classic example. The crisis that erupted in the banking system led the state to undertake a bailout. As the states are highly indebted after they offered the bailout, states resorted to austerity. The austerity caused a rise in unemployment, ultimately posing a threat to the political system. David Harvey aptly summarises the phenomena—‘privatise profits, socialise risks, save banks, but put screws on the people’. In US, this crisis in 2011 manifested as the Occupy movement where protestors highlighted the social disparity and inequality on streets, with an overarching slogan of ‘We are the 99%’.

End of Section Questions

1. How have transnational actors emerged as driving forces of global politics?
2. Discuss the impact of Balance of Power on global politics. Do you think Balance of Power is full of confusion?
3. Marxist approach adopts the approach of economic reductionism. Do you agree?
4. Why are Idealists known as intellectual precursors of Realists?
5. Examine the explanation offered by Realists of the 9/11 wars.
6. Can it be stated that Realism is an ideology of powerful states? Discuss.
7. “International Relations are inhospitable to liberalism.” (Stanley Hoffmann). Discuss.
8. Apply the Marxism theory to argue that USA as a power is in decline.
9. How does Marxism theory help our understanding of world politics?
10. Superiority of liberal institutions and values is reflected in the ascendancy of democratic regimes. Examine.