LOST IN TRANSITION –
THE GERMAN WORLD MARKET DEBATE IN THE 1970s

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INTRODUCTION

The Marxist theory of imperialism has come to be regarded as a relic of past left-wing movements, lacking any power of explanation for the post-1989 world. But the persistence of state violence and war into and beyond the 1990s has revived interest in Marxist explanations that analyse international conflicts and wars in relation to the capitalist mode of production. As with every wave of the imperialism debate – be it the classic one at the time of the First World War or the debate before and after 1968 – the current discussion is also shaped by the particular characteristics of the capitalism of its time.

Today even many Marxists have accepted one or other version of a strong globalisation theory, which reflect the great political illusion of the 1990s – the hopes for an age of peace and prosperity and for a ‘new world order’ as a largely cooperative process. Left-wing theorists and critical social scientists have even given strong support to the claim of mainstream researchers that the nation state has lost sovereignty to internationalised economic processes and integrated financial markets. The conclusions of Marxist imperialism theory are thereby turned on their heads. In the ‘post-national constellation’ (Habermas) of an international sphere without boundaries, competition between states appears as a relic of a past epoch that has been superseded by the global rule of total social capital, an ‘Empire’ (Hardt/Negri) or, alternatively, a kind of super-imperialism under the leadership of the United States, an ‘American empire’ (Panitch/Gindin).

With very few exceptions (which include Arrighi, Callinicos and Harvey), the debate today is dominated by versions of the ultra- and super-imperialism theories that stand explicitly or implicitly in the theoretical tradition of Karl Kautsky, who believed that the capitalists’ shared interest in exploiting the masses prevailed at the international level and could lead to international cooperation amongst capitals in a possible ‘ultra-imperialist’ phase (Kautsky 1914). In our view this is a great leap backwards that ignores crucial developments in Marxist theory. It also reveals that large parts of the left are unaware of important debates conducted during the 1970s – one of these being the world market debate in Germany. Most of today’s ‘imperialism theories’ neglect to discuss the development patterns of modern capitalism in the light of its constitutive features. Above all, they ignore the methodological starting point of the existence of many states, which again and again reproduces the reality of multipolar competitive capitalism, albeit in ever-changing forms. This perspective was developed in Germany during the 1970s in the ‘world market debate’, which was conducted under the rubric ‘world market motions of capital’. This approach attempted to show how the general laws of motion of capitalism prevail under changing economic conditions. Taking up the threads of that debate without repeating its weaknesses could prove productive for today’s discussion. In the following we outline the central – sometimes diverging – positions, before subjecting them to a critical appraisal and identifying a number of points where the theory could be developed further.

We would like to thank Michael Heinrich and Thomas Sablowski for their important feedback. We are also very grateful to the translation cooperative Tradukas (www.tradukas.de) for providing translation services free of charge. Thanks also to Gareth Dale for his advice on English terminology. Please note that some quotes from Marx depend on the German edition and are not yet in accordance with the English edition of the works of Marx and Engels.

1 It took place at the same time as, and in parallel to, the internationally better known ‘state derivation debate’, whose political background was formed by the question of whether increasing state regulation can ‘save’ capitalism. It aimed to destroy illusions in the welfare state, and dissected the two then predominant views of the state. Whereas the social democratic theory granted the state a high degree of autonomy, the Soviet-oriented theory of state monopoly capitalism postulated a kind of fusion of the state with ‘monopoly capital’. The state derivation debate used methods including the theory of value forms to find explanations for the constitutive separation of state and capital and thus to find out why and how this separation nonetheless leads to the formation of a capitalist state; in other words, why the separation and consequent relative autonomy of the state is constitutive for capitalist relations of production (for an overview, see Gerstenberger 1977, Clarke 1990). Certain findings from this discussion played a role in the world market debate.

2 Of course there are also other debates that would be worth revisiting in the course of a thorough analysis of modern imperialism.
THE SOCIAL AND POLITICAL CONTEXT OF THE WORLD MARKET DEBATE

Against the background of the Vietnam War and the return of economic conflict between major Western states in connection with the crisis of the international monetary system, a number of West German authors attempted to advance theoretical understanding by stringently applying the classical Marxian analysis of capitalism. They faced several challenges.

The world market debate was conducted in opposition to the Soviet Marxist theory of ‘state monopoly capitalism’ and to the ‘revisionism’ of the social democratic left. Criticism of those theories led to the development – especially in the intellectual environment of West Germany’s extra-parliamentary opposition and Socialist Students’ Federation (SDS) – of a ‘new reading of Marx’, which although an international phenomenon was particularly prominent in Germany. Led by a strong scepticism towards ideological Marxism, the ‘new Marxists’ set out to analyse the capitalism of the post-war era using Marx’s categories and definitions as their main point of departure. This project was aided by the fortunate circumstance that after the Second World War more and more of Marx’s writings – above all the influential *Grundrisse* – became available to a wider public. In this situation a productive strand of applied Marxism focusing on the development of the world economy arose alongside and in association with the ‘German’ penchant for philological and abstract categorial treatments of Marx.

Ironically it was the losers of the Second World War, Germany and Japan, who turned out to be the winners of the ‘golden age of capitalism’ that followed. Germany’s manufacturing industry became extremely integrated in the world economy. After this period of growth and Germany’s rapid reintegration in the world market, the economic dynamism slackened for the first time at the end of the 1960s and the first portents of the international monetary crisis and stagflation of the 1970s rose on the horizon. This economic setting led the nascent world market debate to pose a different set of questions than for example dependency theory, which concerned itself with North-South relationships. The central aspects of world market theory were relationships between developed states, the configuration of the world market, its increasing susceptibility to crisis and the importance of exchange rates. Its proponents also hoped to be able to make modest progress in filling some gaps in Marx’s work and concretise his basic ideas. In the *Grundrisse* Marx had originally planned to dedicate a whole book of his later main work to the question of the world market. Although he modified and reduced his plan as the work took shape even in volume three of *Capital* he was still bracketing out ‘competition on the world market’ with the never-to-be-fulfilled promise that he would return to it later. All there was to go on were a few passages in *Capital* and in the *Grundrisse*; on the subject of the world market Marx left little more than a few heuristic theses for further research.

CLASSICAL MARXIST IMPERIALISM THEORY AND ‘STATE MONOPOLY CAPITALISM’

The debate over the role of the world market was conducted principally in and around the left socialist journal *PROKLA*. In the following we concentrate on three leading figures in the debate:

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3 One of their influences here was Critical Theory. Herbert Marcuse wrote: ‘Soviet Marxism has taken on the character of a “behavioural science”. Most of its theoretical statements possess a pragmatic, instrumentalistic intention; they serve to explain, justify, control particular actions and positions, which are the actual “facts” for these statements.’ (Marcuse 1967, 32).

4 The car industry had expanded its export exports from 11.5 percent of production in 1950 to 40.6 percent in 1970, while for engineering the share rose from 20.3 percent to 35.5 percent over the same period. This also reflected Germany’s increased weight in the world market. Between 1950 and 1977 Germany’s share of total world exports tripled from 3.5 percent to 10.5 percent. One reason for this was that Germany’s industrial structure was biased towards production of investment goods, which put it in a particularly advantageous position during the phase of world market expansion, bringing with it increased demand for production equipment (Altvater et. al., 1979). In contrast to the crises since the mid-1970s, which have led the German ‘neo-mercantile’ economic policy model into crisis, the ‘minor’ crises such as that of 1966–67 led to modernisation and refinement of the German system of wage setting, careful shaping of industrial relations and deliberate undervaluation of the deutschmark (Altvater/Hübner 1988).
Christel Neusüss, Klaus Busch and Claudia von Braunmühl. In developing their theories each of the three authors began strictly with Marx – with the aim of advancing beyond his findings. The world market debate strictly disassociated itself from the academic and political dogmatism of the imperialism and world market theories associated with the theory of ‘state monopoly capitalism’. In connection with the Stalinization of the communist parties both within and outside the Eastern bloc, the term ‘imperialism’ had degenerated into a slogan of Soviet foreign policy. Lenin’s historically specific analysis of imperialism was raised to the rank of a work of universal theoretical truth. After 1945 it was expanded into the theory of ‘state monopoly capitalism’ – and thus gained the status of an official (state and party) theory of imperialism in the era of ‘system competition’ and consequently enjoyed enormous political influence, also in the West. The struggle between the ‘forces of progress and reaction, between socialism and imperialism’ was declared to be the central world conflict, and suddenly the world appeared to be divided into two ‘world markets’.

Capitalism as a whole, the theory went, had been stuck in a ‘general crisis’ or ‘period of decline’ since 1917. The effect of general crisis and increasing monopolisation was that capitalism could only be kept functioning through increasing political intervention by the state. ‘State-monopolistic regulation’ tended to override the law of value, and state and capital merged to form a ‘unified apparatus’. Under this new relationship between capital and state, the state became the ‘instrument of monopoly capital’ (cf. Institut für Gesellschaftswissenschaften beim ZK der SED 1968, 1971; rather less dogmatic Boccarda et al. 1973; Katzenstein 1973).

State monopoly capitalism, according to Neusüss, cannot be more than a subjectivist theory of capitalism where the monopolies decide the fate of the world. But that means that the theory remains trapped at a superficial level. It simply takes ‘the monopolies’ striving for profit and power as the form in which the process where the social complex of the private producers gains the upper hand is mapped onto the plane of capitalist production’ (Neusüss 1972, 97). It fails to consider, ‘how this pursuit of private interests tends to bring forth the world market as a coherent aggregate reproduction process of capital.’ (Neusüss 1972, 97) and in the process the law of value prevails through the competition between national capitals.

Neusüss distinguishes between Lenin’s theory itself and its expansion into the theory of state monopoly capitalism. Only in the latter form, she says, does Lenin’s theory ‘actually’ become false; against this, she actually defends Lenin’s unsatisfactory conceptual definition of the manifestations of imperialism for their ‘revolutionary content’, in other words their specific political function at the time they were written. However, she goes on to state that Lenin’s writings on imperialism did not progress beyond a clever description of the world, and that theoretically he had fallen behind Marx. In this respect, she said, Lenin’s analysis tended towards the idea of a ‘final crisis’ of capitalism that arose from its monopolistic form and tended strongly towards violence because any move to economic expansion would mean a ‘redistribution’ of regions that had already been conquered, but Lenin, she said, failed to properly explain the central category of the monopoly. According to Lenin, the era of monopoly capitalism had superseded free competition and the whole market had taken on an easily understandable form. As von Braunmühl put it: ‘In other words, it can be controlled subjectively’ (1973, 24).

According to Neusüss, Lenin’s analysis of crisis and uneven development was similarly unsatisfactory. His argumentation emphasised only one aspect of the commodity-producing society – the absence of social planning in the production of commodities. In other words Lenin operates with a disproportionality theory where economic crises are explained as ‘merely’ a consequence of the anarchy or unplanned character of the market, of imbalance between different sectors within an economy. Marx’s central dictum that capital sets its own limits also in the field of production, as manifested in the tendency for the rate of profit to fall (Neusüss 1972, 89), is not integrated in

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5 Space precludes us from including other approaches to world market analysis that were formulated a little later and generally each follow a different line of argument (cf. Olle/Schoeller 1977, Siegel 1980, Sozialistische Studiengruppen 1981).
6 Apparently the orthodox Stalinists remained more or less unaware that capitalism experienced its greatest boom during the post-1945 era.
7 The political consequence of this theory was classical reformism: if the economy and state had merged then a ‘popular front’ would be able to break the power of the monopolies and set society on the road to socialism simply by taking over the government by parliamentary means.
Lenin’s concept. To that extent competition is not only an anarchic process, but also the manifestation of the operation of the law of value. All in all, Lenin’s analysis tends to degenerate into moral categorization (Neusüss 1972, 92).

One of the first contributions to the world market debate formulates, in explicit contradiction to state monopoly capitalism, that:

‘The explanation for the new manifestations of motion of capital at the level of the world market would be not the replacement of competitive by monopoly capitalism, but the breaking up of the English world market monopoly and the flourishing of competition between major national capitals on the world market. What characterises this development historically is not capital departing from its definition and taking on a new quality as monopoly capital, but that it truly brings forth the world market whose potential it bears and shifts capitalist competition from the narrow national to the planes of the world market; that capital in its real movements tends to live up to its definition as capital on a world market.’

(Neusüss et. al. 1971, 21)

But as so often in Marxist debate, political considerations distorted the theoretical discussion. Although Neusüss was plainly at pains to maintain a differentiated perspective on Lenin’s writings, her criticism was taken as general criticism of the classical Marxist theory of imperialism as a whole, which in the course of subsequent factional struggles within the left was completely banished from the theoretical arsenal of the intellectuals associated with PROKLA.8

As such, this global criticism simply reflected the overestimation of Lenin, and cut itself off from a theoretical tradition where Lenin’s theory was only one of many diverse theoretical approaches (Luxemburg, Bukharin, Hilferding). Above all, it cut itself off from theoretical developments that had arisen out of the collective discussion process on the definition of imperialism. For all its weaknesses in analysing the driving forces behind imperialist policy and its instrumental understanding of the state, the classical Marxist theory of imperialism had many virtues. In its analysis it connected two historically separate but subsequently concurrent processes – geopolitical conquest and economic competition – and provided a historical diagnosis for the period of classical imperialism that was ‘doubtlessly correct in principle, if not necessarily in all its details’ (Hobsbawm 1999, 98). The most advanced theoretical work of that time – Bukharin’s Imperialism and World Economy – fell victim to a double non-reception. First suppressed by the Stalinists, and later ignored by the New Left because of Bukharin’s temporary closeness to Stalin. In fact it was precisely Bukharin who introduced a new methodological perspective into Marxist research on the international system, being the first to describe it above all as a global system of production. He chose the nature of the world market rather than the relationships between nation states as the starting point of his analysis, understanding it as an entity in its own right that stood in a reciprocal relationship with national capitals (Nachtwey/ten Brink 2004; Nachtwey 2005).

WORLD MARKET MOTION OF CAPITAL

The leitmotif for the world market theorists is Marx’s statement in the Grundrisse that the ‘The tendency to create the world market is directly given in the concept of capital itself”. While classical imperialism had been understood as competition between nation states it was now time to begin analysing the world market and monetary crisis through the lens of the theory of value. In her book Imperialismus und Weltmarktbewegung des Kapitals (1972), Neusüss begins with the ‘classical’ Marxian analysis – which notes the non-identity of the ‘apparent’ manifestation and the ‘essential’ laws of motion underlying these manifestations. On the question of how the world market develops, ‘mediated through the competition of capitals […] and the associated development of particular historical functions of the bourgeois nation state’ (Neusüss 1972, 7), there is little to be found in Marx apart from a few asides. To fill that gap was also the aim Klaus Busch set himself. In Die multinationalen Konzerne: Zur Analyse der Weltmarktbewegung des Kapitals (1974) he builds on Neusüss and expands and concretises her analysis. The most

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8 This is still the case today. In Elmar Altvater and Birgit Mahnkopf’s Grenzen der Globalisierung (1997), which is – taken as a whole, correctly – regarded as the standard work in German, the classical Marxist theory of imperialism is dismissed in a footnote citing Neusüss.
substantial approach was developed by Claudia von Braunmühl in a series of essays that have, sadly, never been brought together in a single work.

Neusüss, Busch and von Braunmühl reconstruct the Marxian analysis of capitalism through a description of and theoretical reflection on the way the law of value operates in the world market, where economic processes take on a life of their own with respect to the actors involved. The form of value (money, capital) and the law of value (the market) impose a particular logic upon people and make a particular form of rationality plausible to them – a pressure that takes effect behind the backs of the subjects. Capitalism, as a decentralised society characterised by crisis, competition and class struggle (the ‘three Cs’) regulates itself in this way, but the process is only permanent if the capitalist state is able to form and survive as a separate and relatively autonomous instance.

At this point von Braunmühl in particular develops an approach to the category ‘world market’ that diverges methodologically from earlier Marxism, as we explain in greater detail below. In her investigation of Marxist theories of imperialism, especially Lenin’s, she discovers a ‘hidden conservatism’, where imperialism is understood as a kind of ‘spill-over’ problem where a capital previously active in the national framework reaches over its borders and provokes confrontation with other capitals that are also growing out of their internal relations of reproduction (von Braunmühl 1974, 35). But the world market, she said, has a consistency of its own and reacts on the individual nation states with considerable force.

Neusüss and Busch take a rather different tack in their attempts to transcend Marx with Marx. An analysis of the world market motion of capital cannot be derived seamlessly from the inner nature of capital. Instead it is necessary to define the ‘modified forms’, the ‘nation state existence of capital’ in which the general laws of motion achieve their breakthrough on the world market (Busch 1974, 11).

They take their reconstruction of the Marxian theory of value and attempt to expand it into the international sphere. The altered form of value, the production price, is expressed not only in the form that the individual capitals have ‘already joined together to form total social capital’, but also that ‘each individual capital – acting only as a fragment of total social capital – attempts to attain the same rate of profit’ (Neusüss 1972, 113 f.). The process of the tendency for rates of profit to equalise by means of competition in the sphere of circulation leads at the national level to the formation of a ‘real total social capital’. The process of enforcing the law of value brings with it growth in the productive forces. At the same time it operates through cyclical crises – the crisis is ‘necessary’ as the social expression of the operation of the law of value (Neusüss 1972, 123). Here Neusüss is still perching on a relatively high plane of abstraction. A few chapters later she relativises the formation of national total social capitals, because in reality these are of course internally divided (Neusüss 1972, 173).

But what about the operation of the law of value on the world market, in the form of the coming together of many national total social capitals? In other words: What is the difference between national and international circulation? What prevents the formation of a world average rate of profit and thus ultimately an international total social capital and possibly even a world state?

What prevents all commodity owners across the world from interacting as parts of an international total social capital and setting limits to the development of competition in the world market is not ‘residues’ of pre-capitalist modes of production, but the ‘political form of the nation state’. Although capital creates the world market, it does not bring forth a world state. The ‘political centralisation’ of bourgeois society in the form of nation states is decisive for this development. By creating the general material preconditions for production, the state makes a crucial contribution to the production of a national total social capital. As an institution that rests on a capitalist base, but is also ‘beside and outside it’ (Neusüss 1972, 126), it helps the effect of the law of value to impose itself and creates the preconditions for the formation of an internal sphere of circulation by abolishing all pre-capitalist ‘sources of friction’. Indicators for this are primitive accumulation, state regulation of relationships of appropriation in the form of civil law, and guaranteed free movement of capital and labour. Neusüss summarises this complex relationship as follows:

‘Capital constitutes itself as total social capital in relation to the many individual capitals by means of competition. But capital can of itself only really complete this process of constitution on its own initiative if all the general conditions, be they material, legal or political in the narrow sense that cannot be produced by individual capitals (because they are individual) are produced by the state according to the historical conditions. In their origins in and restriction to the nation state, the legal relations that regulate the circulation
of capital as reflection and control of the economic relations between commodity owners represent the actual difference between national and world market circulation. Indeed, world market circulation is regulated by rudimentary state institutions and fragile contractual relations exist expressing the tendency of capital to drive forward the combination of individual capitals into a real total social capital. But in contrast to the nation state, here there is always the possibility that economic relations will degenerate into plunder, open deception and expropriation. [...] The category and real institution of the nation state is the springboard for understanding the category and real fact of the modification of the operation of the law of value on the world market.' (Neusüss 1972, 136)

The ‘modification of the law of value’ through national separation (including customs duties) is supplemented by another modification associated with national separation – the movement of exchange rates (more on which below). The circulation process on the world market also differs from that in the domestic market in that international circulation, unlike national circulation, is mediated not only through the commodity market, but also through the ‘currency market’. The circulation C-M-C becomes C-M-foreign exchange-C, because the exchange of national currencies intervenes in the exchange of commodities. (Neusüss 1972, 145).

According to Neusüss, if we examine the various forms of the export of capital, rather than just the export of commodities (the circulation of capital in the form of commodities) we can observe a new development. These forms of capital (e.g. multinational companies) appear directly in the inner sphere of circulation of other nation states without the modifying effect of the law of value. The development of the ‘internationalisation of the production processes’ (and no longer only the ‘internationalisation of the circulation of commodity and financial capital’) has progressed considerably in comparison to 1914 – they push forward the formation of a ‘real world total social capital’ (Neusüss 1972, 153 ff.).

But still, this tendency should not be absolutised, because the nation states remain important actors in the process. Furthermore, the associated processes of economic equalisation operate in such a way that they tend to level conditions within the North, while amplifying North-South disparities. The recurring economic crises that Neusüss associates with the tendency of the rate of profit to fall, also repeatedly set limits to this process. All in all, the difference between national and international circulation remains – and with it the potentially devastating consequences of a relapse into the brutality of inter-imperialist competition, as Neusüss concludes.10

Busch develops a number of refinements of the world market theory. He too understands the world market as a combination of different nationally delineated spheres of circulation.11 Capitalist competition is mediated across national barriers that ‘in the simplest cases (apart from import duties and other taxes on imports, export subsidies, etc.) appear as the border posts of the various national spheres of circulation, namely as exchange rates’ (Busch 1974, 38). He backs up this observation with an empirical study of the ‘internationalisation of the production of surplus value’ after 1945. Here he comes to the conclusion that the internationalisation of the production of surplus value is not only the outcome of specific historical stages associated with crises, but must also be regarded as a ‘general’ tendency of capital. Here it is precisely the consequences of the modification of the law of value that cause the internationalisation of the realisation of surplus value (above all in the form of commodity exchange) to lead into the internationalisation of the production of surplus value (above all in the form of capital export). Why?

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9 Marx had already discussed the modification of the law of value in relation to national differences in wages, in chapter 20 of the first volume of Capital (cf. Marx 1972, 583 ff.).

10 She writes: ‘Competition among the “band of warring brothers” can certainly turn into war by any means on the level of the world market […]. Peace and order as the preconditions for bourgeois exchange and exploitation of capital can never be ensured on the world market in the calculable and actionable manner in which it is guaranteed by the state in the national market […]; instead, on the world market there is always the possibility of a relapse into “uncivilised”, namely pre-bourgeois, forms of appropriation (e.g. direct robbery or destruction of goods and people, slavery, or at least political restriction or destruction of the functioning of the world market in the form of protectionism and autarky). Or to put it another way, the crisis of capital as world capital is not simply world economic crisis, but – depending on the extent to which it escalates – also political crisis and the collapse of a stage of capitalist production already attained, right through to war … or revolution’ (Neusüss 1972, 189)

11 A similar line is taken by Altvater (1969, 143).
Despite the attempts of Hilferding and Lenin, capital export cannot be explained exclusively or primarily through the cycle of boom and crisis, as Hilferding and Lenin did. The intensity of capital export can be greater during times of boom than in times of crisis. The cause of the mistake in the classical Marxist theory of imperialism is that at that time the development of the categories in *Capital* was not understood as a logical representation of the significant determining laws and variables for all (capitalist) times, but as a ‘reflection’ of the historical development of capitalism from the simple barter economy to monopoly capitalism (Busch 1974, 256). However, according to Busch, the phase of free competition is not ‘superseded’ by a monopoly economy. Competition and the law of value continue to operate. Monopoly always has a sporadic character, for example a difference in rates of profit forces capitals to reorient, marketing arrangements can break down during crises, etc.

Altogether the two approaches – the classical theory of imperialism and the newer world market theory – are ‘in no way mutually exclusive’. Instead the point is to ‘show the way in which capital’s general laws of motion are executed in historically developing forms’ (Busch 1974, 257 f.). In certain circumstances the explanation of internationalisation by the modified operation of the law of value is supplemented by the derivative tendency to overaccumulate and to monopolise. In other words, in times of monopolisation and overaccumulation the general tendencies can certainly be amplified.

Busch’s insistence that the objective tendency for internationalisation of capital generates an impetus towards a supranational political instance but is thwarted by the uneven and asynchronous development of the different nations is examined in greater detail in his study of the crisis of the European Community (1978). There Busch concluded that: ‘In view of the uneven economic potentials of the member states, attempts to take the economic integration process beyond customs union are doomed to failure’ (Busch 1978, 197). In a period of deep crisis there is a danger of retreat into protectionism. A true economic and currency union, according to Busch, could only – if at all – be enforced by ‘the political and military pressure of a leading imperialist power’, which was not foreseeable in the European Community (Busch 1978, 197f.). As this patent misjudgement shows, Busch makes the mistake (like Neusüss at other places) of simply deriving the behaviour of the state from economics without taking into account political factors, class strategies and the relative strength of social forces.

Claudia von Braunmühl attacks the theorem of the modified operation of the law of value. According to her, the law of value *always* accomplishes its work in a modified form and there is no model-like ‘actual’ operation of the law of value, and therefore the approach analysing the relationship between law of value and history is problematic. It is wrong to excise the state (and its interventions) from the totality of social developments, to regard it as external to value theory, to assign to it ‘something like extra-territorial status’ (von Braunmühl 1976, 325). The attempts made by Neusüss, Busch and others to understand the ‘national’ capital on the world market as ‘individual’ capital that encounters other individual national capitals, she writes, were similarly questionable, and this approach indicated an inappropriate course of abstraction and an underestimation of monopoly as the dominant type of capital.  

In the approaches of Neusüss and Busch, and in a large part of the state derivation debate, von Braunmühl rightly criticises the risk of underestimating the role of the subject and of class struggle, and merely looking for the objective ‘inherent course’ of the law of value – most of the debate of the time was ‘spellbound by the derivation choreographies’ (von Braunmühl 1976, 326). She also criticises Neusüss and Busch’s theory of the state. Von Braunmühl does not set the state conceptually ‘alongside’ and ‘outside’ capital, but understands it as immanent to the capitalist

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12 In this approach monopoly, as a formation striving for internationalisation, is ‘theoretically dissected’ and divided into its individual national parts. Then it ‘appears twice, once as a potent individual capital within the national reproduction complex and once as a component of the national capital in world market competition, but is subject to different laws in each of these two identities’ (von Braunmühl 1976, 325). In reality, however, it is always the same monopoly, whose decisive function in this context, of dissolving national production processes and creation international ones, ‘must be negated in this approach. But this theorises away the material base of the question or produces the senseless necessity of formulating an imperialism theory without a concept of monopoly. The contradictions that result from the simultaneous national and international character of monopolistic individual capitals is subject to considerable theoretical distortions’ (von Braunmühl 1976, 325).
mode of production – but, and here she distinguishes herself in turn from most of the state derivation debate, always only in the *plural*.

**WORLD MARKET DEBATE AND WORLD MONETARY CRISIS**

A large part of the world market debate took place in the run-up to and during the collapse of the Bretton Woods system. Consequently the role of national currencies, exchange rates and world currency was included in the analysis from the outset. Here, the ‘international monetary crisis’ (Altvater 1969) was seen as a symptom of a generally emerging susceptibility to crisis in capitalism. The interaction of crisis in the spheres of production and circulation was counterposed to the (neo-)classical dichotomy of real economy and circulation of money, and the role of the dollar in its form and function as world currency was analysed from categorical and empirical perspectives. Because the actions of purchase and sale can become detached from one another in international circulation (and not only there), manifestations of world market crises are also involved here. The necessity of currency exchange in international trade causes a doubling of circulation to take place, which further complicates the commodity’s metamorphosis. Neusüss et. al even come to the – exaggerated and inadequately argued – conclusion, ‘the necessarily crisis-prone character of the operation of the law of value on the world market first becomes apparent in the form of international monetary crises’ (Neusüss et. al 1971, 94).

In its role as world currency the dollar had to serve as a reserve and intervention currency and required the necessary legitimacy for fulfilling those functions. Moreover, it was also a vehicle of American imperialism, structurally binding other states to the United States and its trade interests, as well as forcing them to finance the Vietnam War: ‘Thus the capitalist states’ recognition of the dollar as world currency necessarily implies economic (and as a rule also political) support for American imperialism everywhere in the world’ (Neusüss et. al. 1971, 87f). Above all, the drop in American productivity compared to the rest of the world had a double effect. On the one hand, the United States recorded a trade deficit for the first time since the nineteenth century, and the dollar lost its stable role as the reserve currency in the Bretton Woods system. This effect was amplified by the export of arms inflation through the system of fixed exchange rates and the pressure to devalue that arose at the same time.

The moderating role of the exchange rate mechanism plays a central role in the modification of the law of value in the world market. More productive national capitals are able to offer their products at lower prices on the world market. Consequently, demand for their commodities grows, causing demand for their respective national currency to increase too. As a result, the currency appreciates in value and the exports become more expensive. In the less productive national capitals exactly the opposite occurs. Low demand for their products also reduces demand for the currency, which consequently devalues and improves the country’s ability to export. According to the world market theorists, these mechanisms often offer less developed countries structural opportunities to catch up. Here, Busch stresses the role of exchange rates more strongly than Neusüss, and at this point develops a different answer to the question of why weaker nations manage to remain relatively competitive despite all their disadvantages:

‘The commodities of the more developed nations experience greater upward price pressure through currency appreciation or imported inflation, whereas conversely devaluation or deflation result in lower international prices for the commodities of the less developed nations’ (Busch 1974, 39).

Another factor protecting weaker states is the way international competition is mediated via exchange rates, the ‘border posts of the national spheres of circulation’ (Busch 1974, 42). This ‘protective mechanism’ modifies the law of value and establishes an international division of

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13 Neusüss stresses that the developed country can achieve (temporary) superprofits through currency appreciation and that through the exchange rate mechanism an equal world market price can arise without the levels of productivity having to have converged. Although she analyses the fundamental role of exchange rates in exactly the same way, Neusüss is much more cautious than Busch when it comes to the possibilities of convergence resulting from exchange rates.
labour between unevenly developed states. This ‘protective factor’ of the international law of value fosters a division of labour that encourages the individual nations to specialise on the production of their respective comparatively most advantages commodities. To that extent, these facts basically also concur with Ricardo’s theory of comparative costs (Busch 1974, 74). Here we find one of the problematic ambivalences in Busch’s argumentation. In his criticism of the way dependency theory excludes the possibility of development he swings to the opposite extreme and ends up quite close to today’s theories of modernisation and globalisation, which exaggerate the international division of labour’s advantages for trade and productivity.

Busch and Neusüss both criticise the theories of ‘unequal exchange’ (Emmanuel, Palloix, Amin). Both agree that what takes place is not an unequal exchange of internationally unequal values, but merely of different quanta of labour (Neusüss 1972, 140f.; Busch 1974, 57ff.). The precondition for this approach, they say, is the mediation of competition on the world market through states, and this is seen in the way competition is not simply between competing individual capitals but between national capitals with their national currency as their form of representation. Marx believed that the national average intensities of labour formed a scale whose unit of measure was

‘… the average unit of universal labour. The more intense national labour, therefore, as compared with the less intense, produces in the same time more value, which expresses itself in more money. But the law of value in its international application is yet more modified by the fact that on the world-market the more productive national labour reckons also as the more intense, so long as the more productive nation is not compelled by competition to lower the selling price of its commodities to the level of their value. […] The different quantities of commodities of the same kind, produced in different countries in the same working-time, have, therefore, unequal international values, which are expressed in different prices.’

Neusüss concludes:

‘At the international level the category of universal labour appears in place of socially necessary labour time as the category of commodity production and circulation, representing the balanced average of the ranking of productivity and intensity of labour of the national capitals, namely for commodities that are exchanged on the world market.’

(1972, 139).

Thus the individual nations take their places on the ladder of universal labour according to their national productivity and intensity of labour. In comparison with the less intense universal labour, the more intense produces more value with the same quantum of labour. In other words, equal international values are exchanged on the world market. There is an exchange of equivalent values but of different quanta of labour. Thus there is also – contradicting the conclusions of dependency theory – no transfer of surplus value from less to more developed countries. Because the more developed countries have above-average productivity they are – under given world market prices – able to achieve superprofits on the world market in comparison to less productive nations. This can cause the average rate of profit in the developed country to rise. However, despite the unequal exchange of various quanta of labour, the less developed country can, they say, profit from the increased international division of labour through the ‘protective mechanism’ of the exchange rates

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14 If the exchange rate mechanism protects poorer countries, then why do they levy import duties? Busch says that this is because in these countries demands are still made on the state to protect their below-average productivity. Also the parallel process of unequal exchange forces poorer states to develop their productive forces (Busch 1974, 90 ff.). Import duties in richer states are generally associated with partial ‘protection from outside competition’ in order to improve ‘domestic conditions of realisation’. As such, this contradicts the general world market tendency of capital. That is why times of boom (such as post-1945) in particular are times of liberalisation (Busch 1974, 93 f.).

15 Due to the described exchange rate mechanism, the appropriation of superprofits on the world market through above-average productivity of capital is only a temporary option. Busch substantiates these theses in his essay ‘Internationale Arbeitsteilung und Internationalisierung des Kapitals: Bemerkungen zur neueren französischen Weltmarktdiskussion’ (1981).

16 Busch deals thoroughly with dependency theory and later also world system theory (1974, 64ff), but his differentiated response would exceed the scope of this article. Busch, and Neusüss too, criticised above all the assumption that an average international rate of profit and international production prices will prevail. This would be the only thing that would guarantee a transfer of value but, they say, these are prevented by the nation-state constitution of capital, and are also without any empirical basis.
described above. Neusüss also points out the possibility that less developed countries can achieve a higher rate of profit on the world market through lower wages and longer working hours (Neusüss 1972, 145ff).

Although the world market theorists’ argumentation appears convincing here, it is categorial and empirically still threadbare. Their argumentation is based on the grouping of individual capitals under the national real total social capital. But this approach throws up a problem: the unequal development of the sectors that produce only nationally or internationally traded goods. As has been demonstrated empirically (for example by Brenner) it is above all the sectors integrated in the world market whose rates of profit have fallen most sharply (Brenner 1998). In other words, we should weight the national real total social capital according to the country’s integration in the world market and subject it to closer sectoral investigation.

THE PLURALITY OF INDIVIDUAL STATES

Von Braunmühl connects the world market debate to a number of insights from the materialist theory of the state. In her essays she describes the world market, as outlined above, as the appropriate level from which to observe the motion of capital and the effect of the law of value in general. Instead of starting with national capital and the individual state (and as a rule staying with them), von Braunmühl proposes analysing imperialism from the ‘most highly developed form’ of capitalism, that form being the fragmented world market in which, to quote Marx, ‘production is posited as a totality, as is each of its aspects, with all its contradictions coming into play at the same time. The world market also constitutes […] the precondition for the whole and its bearer’ (Marx 1857-8/1976, 151f.).

Capital progresses from the internal to the world market as an international social process that takes shape behind producers’ backs. Von Braunmühl stresses that the ‘unity of the societal production process […] asserts itself in crises by means of the law of value’ (von Braunmühl 1973, 32). The emergence of capitalism results at the same time from a ‘gigantic, violent process of redistribution of values in the world market that forms part of the primitive accumulation in the metropoles’ (von Braunmühl 1973, 32).

The world market has become the sphere of a global complex of production and exchange in which capital extends beyond national barriers and tends to become global capital. This tendency must be analysed in terms of ‘accumulation theory’ at the world market level. The analysis must ‘reconstruct the accumulation of capital categorially, in its world market context. In relation to this totality, historic fragmentations, limitations and their political combination in the nation state, nation state apparatuses and their activity must be analysed as specifics’ (von Braunmühl 1974, 39). In keeping with Bukharin, she identifies a growing contradiction between the internationalisation and nationalisation of the accumulation process that is not reconciled by way of ‘globalisation’.

Imperialism she defines as ‘the structuring of the world market that is determined by the exploitation imperatives of the most advanced capitals in the metropoles […] including the resulting forms of political rule, economic and political dependency and the shape that is given to living conditions’ (von Braunmühl 1973, 59). The concept of imperialism itself is to be seen in the dimensions of ‘the international division of labour and class struggle as these are determined by the historically changed function of national statehood’ (von Braunmühl 1974, 31). Imperialist strategies seek to counteract the tendency for the rate of profit to fall by, for instance, absorbing commodities at less than their value or by means of advantageous forms of capital export. Unequal exchange also serves as a counterstrategy of this kind.¹⁷ There is also the naked power of the state in the shape of military intervention. Sadly, she, like Neusüss, totally excludes the so-called

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¹⁷ Like many other authors, her description of imperialist practices concentrates on North-South relations. Unlike some dependency theorists, she sees capital as having an ‘interest’ in at least a partial industrialisation of the South. That, however, requires the state, as can be seen in the example of development aid: ‘So-called development aid is an expression of the contradiction inherent in capital expansion. It is necessary but cannot be undertaken by capital itself. Development aid, by promoting the establishment of infrastructural prerequisites for profitable capital investment, is objectively aid not only to underdeveloped countries but also to private capital in the metropoles’ (von Braunmühl 1973, 85). It is how ‘neocolonialism’ secures its spheres of influence.
‘socialist’ states and their role in the world (von Braunmühl 1973, 59), and stresses that her first concern is to analyse the metropoles. The world market is fragmented into different spheres – those of the many states. That is why it is not the state in general that must be analysed but ‘the specific political organisation of the world market in many states’ (von Braunmühl 1974, 39), through a careful historical analysis of the specific conditions in which the different national total social capitals have taken shape. In this process the form of the state as a political organisation of ‘separate and distinct relations of reproduction’ cannot be ‘derived from the merely internal dimensions of a commodity producing class society alone’ (von Braunmühl 1974, 39) – the role of the state in question in its specific relationship with the world market and with other states must always be included in the analysis from the outset.

How does von Braunmühl account for the existence of the ‘many’ states? Not even Marx has an answer to this question. He tends more to presuppose the world market’s ‘particularism’ than to see it as a problem. Given that a strictly logical derivation is not possible, von Braunmühl argues, that leaves only historical analysis (von Braunmühl 1976, 280). She points out, however, that her outline of fundamental categories operates at a high level of abstraction and omits certain ‘mediating factors’ that are necessary for a specific historical analysis, such as special geographical, historical and political characteristics (von Braunmühl 1973, 13).

With reference to British, French, German and American historical examples she goes on to demonstrate that the process of creating and consolidating capitalist conditions can by no means be seen as ‘solely determined from within’, but has always been shaped by the world market motion of capital although this motion (the force of the world market system) only took firm shape gradually, especially from the mid-nineteenth century onward. The emergence of statehood, national state apparatuses, their relationship to society, and class relationships must be seen in this connection.18

This is the point at which von Braunmühl discusses the materialist theory of the state. The state derivation debate, she argues in her essay Die nationalstaatliche Organisiertheit der bürgerlichen Gesellschaft: Ansatz zu einer historischen und systematischen Untersuchung (The Nation-State Organisation of Bourgeois Society. Approach to a Historic and Systematic Investigation; 1976), is ‘caught up within the confines of a concept of the bourgeois state that is, as it were, determined from within’ (von Braunmühl 1976, 275). State activity is seen solely as the result of processes of capital exploitation and class struggle within society – an elementary mistake in the ‘imperialist stage of capitalism’. Even if the ‘external’ determination of state activity was acknowledged, the ensuing insight – that capitalism is an international system of states, consisting of many nation states – had yet to reach the theoretical level. An adequate analysis must therefore consider each individual economy and every state as an integral element of the world market. ‘If the world market is the basis and the integral realm of the capitalist mode of production’, the bourgeois nation state is at the same time constitutive of it (von Braunmühl 1976, 315). Without the political power embodied by the bourgeois state machine the development of the capitalist mode of production is inconceivable.19

Citing the US as an example, von Braunmühl demonstrates the need for many separate states to be created. Viewed historically, the conflict between the former British colonies and the British Empire unfolded at the time in the eighteenth century when primitive accumulation was beginning to pose historically decisive questions in respect of power over the accumulated capital and the 'economic favouring of England posed a central threat to the colonies' economic and political autonomy. In order to gain political self-determination, the ruling classes in the

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18 The development of Prussian Germany, which in or around 1800 was still underdeveloped in comparison with Britain and even France, is a good example of how the impetus for capitalist development came largely from ‘without’ – in the shape of the defeat of Prussia in 1806 and the ensuing French occupation that revealed the ‘internal rottenness and weakness of Prussian Germany’ (von Braunmühl 1976, 296). The lack of momentum within society was surmounted by world market pressure.

19 In her early text written in 1973 she is still a little less sure of herself on this point. There she stresses rather more strongly, in connection with the existence of a multitude of states, that the modification of the law of value that is posited by there being many states can in principle be surmounted. Whether tendencies toward internationalisation ‘lead to new forms of political combination of capital’ is an ‘empirical question’ (von Braunmühl 1973, 51). Yet at the same time she states that there is also a tendency toward more and more fixed capital that increases the inertia of capital or limits its mobility (von Braunmühl 1973, 48).
United States had to constitute a bourgeois state of their own as the prerequisite for establishing an economic base for the rule of the capitalist mode of production. The emotional emphasis on freedom in the War of Independence is essentially nothing more than the outer shell that legitimised a competing claim to power that here still required the act of formal constitution that in Europe already existed in the shape of territorial sovereignty’ (von Braunmühl 1976, 318).

The form of the bourgeois state is assigned the ‘function’ of a separate focal point with sovereign rights to secure – both internally and externally – political and economic rule by internationally competing ruling classes. The state, no matter how extraordinarily important its economic significance might be, is only to be understood with recourse to the ‘political aspect of rule that is embodied in the relationship of economic power between wage labour and capital itself and [to the] competing claims to power of rival rulers’ (von Braunmühl 1976, 319). The state is a ‘guarantor and regulator of the conditions for the reproduction of capital that are required within the nation-state framework and at the same time a machine for the repression of national labour’ (von Braunmühl 1976, 321). Competition between national bourgeoisies is likewise ‘in no way fully realised in economic competition’, underscoring yet again that ‘power’ and the desire to maintain it by all means lie at the heart of the capitalist mode of production.20 Bourgeoisies will therefore always struggle for their independence. Exploitation may, given internationalisation processes, be increasingly international in determination, but the ‘rule that underpins exploitation’ continues to be predominantly national in scope.

The ‘many’ states thesis makes her sceptical about Poulantzas’ ‘inner bourgeoisie’, the theory that the European bourgeoisies share the interests of US capital. There are limits to US hegemony and it must not, she argues, be seen as absolute.21 This view is still topical. If the American government cannot even ensure ‘peace and quiet’ in its own ‘back yard’ of Latin America, especially in Venezuela, why should it continue to be able to prevail quasi-automatically with its objectives in Europe or, arguably even more importantly, in East Asia? Might that not lead to the creation of new imperial projects? The fundamental structure of multipolar competitive capitalism would certainly allow for that.

Von Braunmühl makes an important theoretical point in her analysis. Sadly, this progress has as a rule been ‘lost’ since the decline of the Marxist left in 1980s. Claudia von Braunmühl herself has not pursued this research any further since she abandoned Marxism. That, however, is typical of the entire decline of the radical Left in Germany in this period. We should now like to indicate in brief what an update and continuation of the world market research programme might look like today.

20 Her criticism of the ‘globalisation discourses’ of the 1970s can also be cited here. She writes in this connection that the ‘interest of the national bourgeoisie in securing the basis of its rule’ leads, even though it transcends national borders, to the machinery of state being realigned – and at the same time, ‘irrespective of growing incongruities between accumulation processes and state borders’, to consolidation of ‘the nation-state organisation of the world market’ (von Braunmühl 1976, 321).

21 This may therefore serve as a corrective to the somewhat one-sided interpretation of Poulantzas by Panitch/Gindin (Panitch/Gindin 2004). Poulantzas, we feel, can be interpreted differently, with a stronger focus on his emphasis on continuous competition, even if strong bourgeoisies do intervene in weaker ones. Poulantzas repeatedly emphasises the instability of US hegemony and calls into question at some points the tenet of an emerging ‘superstate’. Globally he sees nation states as continuing to be in competition with each other as reproduction locations of the various bourgeoisies. He also acknowledges the existence of substantial differences between Europe and the periphery. ‘This new dependence [US hegemony in Europe] must not be equated with the one that characterises relations between the metropoles and the formations that they rule. The analogy is flawed because, on the one hand, the metropoles continue to be centres of capital accumulation in their own right and, on the other, themselves rule over their dependent formations. Underestimation of the latter element is especially characteristic of the concepts of ultra-imperialism. In fact, American imperialism and the imperialism of these metropoles are engaged in a battle for rule over and exploitation of these formations’ (Poulantzas 2001, 28 f.).
A CRITICAL APPRAISAL

The world market debate has three merits: First, it digs deeper than many contemporary debates, second, it develops – in the theory of the world market and the ‘many’ states – an important constitutive Marxist basis for the analysis of globalisation and imperialism, and third, it does not underestimate capitalism’s proneness to crises, which could easily have been the case after twenty-five years of post-1945 economic upswing.

The contributions described above are among the most rigorous in this Marxist debate – before or since. Not only the theory of state monopoly capitalism but also dependency theories and early forms of the Empire thesis or old rehashes of the ultra-imperialism theory could well have benefited from an analysis of the world market debate. A majority on the Left understood imperialist policy mainly as violent suppression of national liberation movements, with the United States as the organiser and head of a system that also concentrated on a joint defensive struggle against a reduction in the size of the imperialist world system by ‘socialism’. In all, the New Left did not progress beyond an empirical outline of the economic exploitation of the South by a kind of US super-imperialism or collective imperialism.

World market theorists, however, see such collective imperialism as being impossible by virtue of the barrier imposed by the large number of individual states, even though imperialism might for a while seem to appear in this guise. There can be no ‘collective total capitalist at a world level’ just as little as there can be a supranational state of world bourgeois society. Some states may have entrusted tasks to supranational bodies, but the national form of the state could not be abolished (Neusüss et. al. 1971, 96). This explains why despite US hegemony the world has more in common with systematic chaos than with relative order. The strict value theory approach enables the world market theory to level well-founded criticism at the theory of unequal exchange by demonstrating the extent to which the law of value has prevailed in the world market.

A central aspect for world market theorists is that they emphasise the reciprocal relationship between the world market and both the many capitals and the many states. The multiplicity of states is for them a constitutive feature of capital and cannot therefore be replaced by a world state. Even a hegemonial ‘superstate’ is always unstable. Bukharin’s thesis of the internationalisation of capitalist relations of production accompanied and limited by the progressing national organisation of capital shows through as one of the world market theorists’ conceptual bases. The German world market debate as a whole can therefore be seen as surmounting ‘spill-over’ theories of imperialism that explain it mainly in terms of encroachments by and internationalisation of the nation state.

Conceptual ambivalences do occur in the world market debate, however. While Busch and Neusüss focus on the world market in their work, they are still attached to the nation state as the main point of reference – or as some mainstream sociologists put it: methodological nationalism. Neusüss starts methodically with national capital and the nation state (Neusüss 1972, 102). For Busch too the starting point is the ‘sum total of different, nationally delimited spheres of circulation’ (Busch 1974, 38).

Von Braunmühl develops a stricter and more differentiated approach in her conceptual categories. The method used by Busch and Neusüss testifies to an additive understanding of the world market that allocates to the world market a special role but interprets it in the final analysis as the sum total of its constituent parts. Von Braunmühl, in contrast, develops in her methodological premises a superadditive understanding of the world market. She calls for the accumulation of capital and the world market’s specific form of political organisation in many states to be reconstructed in world market categories. This procedure in effect upends the approach adopted by Busch and Neusüss, who sought to derive the configuration of the world market from national capitals. Conceptual ambivalences in the debate testify to the unfinished character of world market theories. A markedly categorial approach may have been adopted, but despite their ambitions, the relationship between ‘logical’ and the ‘historical’ was frequently not yet clear to world market theorists. Sometimes they were strangely intermingled, while at others they were artificially separated. Not infrequently, their own unanswered questions were followed by apodictic conclusions.

On several occasions the world market debate was also criticised for its structural functionalism. That only applies to a limited extent to von Braunmühl, who accuses her comrades-in-arms of being snarled up in ‘derivation choreographies’ in which forms (type of state, type of value) force
people to act in a certain way.\textsuperscript{22} Even so, the debate’s structuralist substructure led to theoretical weaknesses. When Busch works on a Ricardian assumption of an exchange rate equalisation mechanism and the possibility of less developed countries catching up, he ignores the political dimension and falls foul of an economic approach. Altvater framed a criticism of Busch’s approach that applies to the levels of both structure and function. He first criticises Busch’s fixation with exchange rates with regard to trade in goods and direct investment and his exclusion of financial markets. Exchange rates, Altvater says, exert a powerful influence on international financial markets that in turn influence the real economy. Altvater’s central criticism relates to the repercussions of falling exchange rates. The ‘protective mechanism’, as Busch calls exchange rates, may protect capitals that are integrated into the world market via exports, but it also burdens capitals that are integrated via imports. For individual capitals, just as for capital as a whole, devaluation leads not only to competitive advantages but to cost disadvantages. How (the exporters’) devaluation profits and (the importers’) devaluation losses are distributed depends on quantity and price reactions that result from the real reproductive structure of capital as a whole. (Altvater 1985, 126ff).\textsuperscript{23}

Above all, Altvater says, exchange rates have been regulated \textit{politically}, with state intervention to fix them, to a much greater extent than Busch assumes. Limited convertibility until 1958, foreign exchange controls in individual countries, regulation of capital markets and numerous agreements testified – even during the long post-war boom – to a high degree of state intervention (Altvater 1985, 124). In the post-Bretton Woods world too, in spite of what was, on the surface, a flexible regime, exchange rates were regulated politically. By the terms of the 1985 Plaza Accord and the ‘reverse’ Plaza Accord ten years later dollar exchange rates were politically de- and revalued (cf Brenner 2002). Governments’ behaviour cannot simply be seen in economic terms but must always also be analysed with reference to national and international class strategies and the balance of social forces.

Current ‘theories of imperialism’ such as those of Hardt/Negri and Panitch/Gindin emphasise the possibilities of stability and hegemony in the capitalist world order. They do so by means of a revision of Marxist thinking and deny the tendency toward crisis that is immanent in the capitalist mode of production, the constitutive multiplicity of states and their possible conflict relationships. The German world market debate, in contrast, far from foretelling doom and disaster, anticipates the globalisation debate without falling for the powerful globalisation tenet of the decline of statehood but still stresses the tendency toward crisis and instability in global capitalism. Recent studies by Robert Brenner (Brenner 1998, 2002) have confirmed its assessment of crisis and development in the world economy.

Elmar Altvater, who was in close debate with Neusüss & Co., felt crisis-proneness was particularly important. He stressed in the late 1960s that the international monetary crisis could not restore the balance of the world economy unless it ‘raged as a crisis of production’ (Altvater 1969, 130). He was also sceptical that Keynesian instruments could cope with international economic crises appropriately. At the international economic level there was no chance of ‘adding a positive regulatory strategy as a corrective to the negative crisis avoidance strategy indicated by the measures to resolve the international monetary crisis. Contradictions in the world economy may temporarily be kept beneath the surface by the avoidance strategy in combatting the international monetary crisis, but they will not be resolved in a regulatory manner. They will erupt once the global growth rates in world production and world trade have settled down at what is expected to be a lower level than in recent years’ (Altvater 1969, 132).

\textsuperscript{22} Today we know that we must think more in terms of a complex interrelationship between structure and agency or between formal determination and class struggles even though, if we are to avoid falling into a voluntarism of the ‘primacy of class struggles’ (à la Holloway), structural circumstances must never be underestimated. State projects can fail and economic ‘constraints’ can be broken open at certain high-water marks of social struggle. Relations of production do not determine, they \textit{perform} by setting a certain framework.

\textsuperscript{23} Altvater warns that the positive effects of devaluation can turn into the opposite if non-substitutable inputs become more expensive and profits fall as a result of the cheapening of social labour. The social accumulation fund can thereby decline rather than increase and the gap between the more productive and the less productive country would tend to increase rather than decrease.
CRITICAL CONNECTIONS

The world market debate of the 1970s is a corrective to the theoretical basis of today’s imperialism theories. It can outline ways to understand better some of the most recent forms and new qualities of the internationalisation of capital and of changes in statehood. The new forms of global governance can, for example, be seen as institutionalised political coordination in which, however, competition is not eliminated but continued and in which specific balances of power are effective (Callinicos 2002). Given the social character of production, competition is always characterised by elements of cooperation, but this cooperation must be seen as one of the shapes that competition takes. That is why it is not surprising that relations between the United States and Europe, which relatively speaking are the most strongly integrated parts of the capitalist world system, continue to be relations of both cooperation and conflict. The euro, for example, is the first currency since World War II to stand any chance of competing with the dollar for the role of the world currency. Given that decisions made by capitalist actors are based mainly on expectations, the euro poses a more serious threat to the dollar than current statistics might appear to indicate.

Marxism is a constantly expanding research programme. At several points the 1970s debate must be criticised and developed further. To name but two of them:

1. Explanation of the Plurality of Individual States

As von Braunmühl argues, the structure of the multiplicity of individual states – and the associated limits to international cooperation – must be embedded in the economic analysis of the world market. World market theorists were unable to accomplish this satisfactorily. Even von Braunmühl leaves gaps, with her orientation toward an exclusively historico-empirical explanation. The sustained historical power of the nation state category, or as Benedict Anderson later argued, the historic role of the nation or of nationalist movements as powerful ‘imagined communities’, is inadequate as an explanation. Only a handful of theoreticians continued to develop the materialist theory of the state constructively. Joachim Hirsch, one of the few participants in the state derivation debate to do so, stresses in his analyses the necessary ‘plurality of individual states’ but goes beyond the purely ‘historical’ level of explanation (Hirsch 2002). The possibility of a ‘world state’

24 Other weaknesses can only be sketched here. First, the ratio of structure to agency was askew. In the German debate on the law of value in the world market, the problem of the relationship between the structures that determine capitalist society and are historically fundamental to it (wage labour, production of surplus value, the relationship between politics and economics, the multiplicity of states and the power of the world market system) and the changing forms in which this structure finds specific historical expression is not tackled seriously. That is why there is no theory of capitalist development, i.e. description of capitalism by periods. Real history amounts to more than categorically derived structural determinants. It takes a specific individual shape in the form of different class relationships and class struggles. On balance it can be said that ‘the historical development of the formation of capitalism may be subject to certain laws that are logical from the viewpoint of capital but the way in which they take effect depends on the class relationships and class struggles that emerge’ (Hirsch 1983, 160), but the general error leads in the final analysis to many abbreviated conclusions.

Second, and related to this, the ‘socialist’ states were not analysed at all. Neusüss refers to a ‘second level of the class struggle – the level of state clashes between different systems of society’ (Neusüss 1972, 206) that she had disregarded in her analysis. But was the Cold War really a clash between different systems? Not even von Braunmühl risks tackling the main theoretical problem: the character of ‘real existing socialism’. She sails around the problem by simply ignoring it, which is totally incomprehensible given that it comprises a third of the world’s population (including China) and, in the USSR, an imperial state that played a central role in the global balance of power. Sadly, critical Marxist analyses of the Eastern Bloc’s imperialist character (cf. the analysis of state capitalism in Cliff 1975, or the early writings of Castoriadis in Castoriadis 1988) did not find their way into their writings. In this way many of the world market theorists continued in the final analysis to wear ‘dirty spectacles’ with regard to the Eastern Bloc and the character of Stalinism – yet instead of cleaning their spectacles they took them off, in the 1980s at the latest, during the ‘crisis of Marxism’.

25 Busch in his later writings espoused the thesis that bourgeois revolutions, be they passive or from below, only achieved an internal transformation of pre-capitalist political and economic conditions, with the result that in its outward dealings the state retained its inherited unity of the political and the economic (Busch/Grunert/Tobergte 1984). In view of the international development divide he assumed that the contradiction between national and international integration could not be resolved. In terms of state theory this division into a capitalist state within and a pre-capitalist state without is untenable.
can only be considered, Hirsch says, if capitalism is misunderstood as a simple commodity exchange relationship and not as a society based on exploitation and class contradiction. He deals here with an important level that von Braunmühl touches on when she emphasises the 'political aspect of rule that is inherent in the violent economic relationship between wage labour and capital' but fails to take it to the theoretical level.

The fundamentally liberal idea of eliminating the system of competing individual states within the framework of capitalism is an illusion because it would also eliminate institutions that maintain class rule. Fundamental mechanisms to balance out conflicts both within and between classes would cease to exist because the ‘national’ class divisions they require would no longer apply, but these mechanisms are vital to the functioning of capitalism. In other words, the system will only work if the competing members of competing classes – both wage earners and entrepreneurs – are bound together at the state level and are thereby at odds with the corresponding classes outside the territory of the state. Not for nothing is the creation of cross-class coalitions to safeguard ‘national competitiveness’ an absolutely central neo-liberal argument today. The requisite coherence for the creation of ‘national productive communities’ is only conceivable within the framework of the individual state. Even the attempt to achieve regional integration will always be a difficult venture in the given economic conditions, as developments in the European Union show.26

Another point deserves in our view to be investigated in greater detail. It is the tendency of productive capital to be ‘inert’. Beyond the globalisation hype and fixation on monetary and financial capital, one finds that productive capital is fixed territorially. Once monetary capital has been converted, productive capital is fixed in production and can no longer return into circulation, or only with great difficulty. Large parts of this fixed capital, unlike the capital that is in circulation, enter into the production process repeatedly. That is why fixed capital is relatively immobile. The quantitative importance of territorially fixed means of production exceeds by far the gross domestic product of national economies.27 Their importance does not decline with the onward march of technology (‘internet economy’). Quite the opposite: capital intensity (gross fixed assets in relation to the number of workers) increases.

Productive capital is most important at another level too. Capitalism may produce worldwide crises but it is still able to guarantee a certain level of development (by and large, however, this development is permeated with devastating social conflicts). Capitalist development is characterised by unevenness and leads to the creation of new and relatively independent centres of capital accumulation, such as in East Asia at the present. The build-up of new productive capital or its restructuring, as in China, leads to the emergence of new economic competitors on the world market. The division of the world into North and South was misleading even back in the 1970s. Despite US hegemony, today’s world is economically a multipolar one characterised by the rise of ‘sub-imperialism’ in states striving for regional hegemony, such as India or Turkey.

2. Explanation of the Relationship Between a State's Geopolitical Activities and Economic Interests

To discuss this problem we must start with the concept of the ‘relative autonomy’ of the state, which must ensure the preconditions for capital accumulation (Heinrich 2004, chapter 11). This means for one that no market system can function without a relatively independent central power that tries to deal with social antagonisms even if that may lead to conflict with particular factions of capital. The importance of the bourgeois state as the holder of the monopoly on the use of force on behalf of capital lies not just in the implementation of individual capitalist interests. The state is relatively autonomous and not a mere instrument of capital. Capitalist states take action to secure conditions in which capital accumulation can prosper in its entirety. A government does not pursue these objectives because its members are bribed or have close ties with capital (although that does

26 A more far-reaching analysis would need to discuss the difference between nation and state (that is why Hirsch first refers to individual and not to nation states). World market theorists failed to take this issue into consideration.

27 Gross fixed assets in Germany totalled DM 15 trillion in 1997 compared with a gross domestic product of around DM 4 trillion (cf Sandleben 2003). Today’s economic geography recognises this process superficially. It explains how economies of scale such as falling average costs and a growing industrial base come about. They are why all larger countries have a balanced industrial base today. Integration that can be observed is not mainly global but, if anything, national and partly regional (in some cases including neighbouring countries), such as is evident in industrial clusters.
occur), but because a flourishing capitalism is the economic basis of the bourgeois state. The contemporary ‘liberal’ Western state becomes and remains a capitalist state by virtue of the very fact that state and capital are formally separated.

In the 1970s the debate dealt as a rule, and as von Braunmühl rightly criticised, with relationships within society. What, however, does relative autonomy of the state mean for ‘external activities’, international economic interests and geopolitics?

As we have seen, international competition is modified by the largely national but internationalising existence of capital and by the ‘many states’. That is why research must go beyond the general laws of capital. To analyse the relationship and its transformation from economic to political and, finally, to military competition it must be more specific. Economic interests are not merely converted into state activity. Analysis of these phenomena was not undertaken in the 1970s and would need to be taken up today.

In the process the following further point must be borne in mind. Modern imperialism began in the mid-nineteenth century by combining two different systems of competition that were previously allocated to two different logics of production – the modern economic competition of the emerging capitalist world system and geopolitical competition between states inherited from feudalism. In the decades that followed the two approaches came to be more or less integrated. Geopolitical competition conducted by states could no longer be undertaken successfully without an industrial base (‘industrialisation of war’). At the same time the competing capitals were from then on fundamentally dependent on the state. Integration was only relative, however. The two forms of competition continued to lead a relatively autonomous existence and are still not fully merged. We have since faced two forms of competition in developed capitalism – economic and geopolitical competition. In order not to overextend and thereby devalue the concept of imperialism we feel that it would above all make sense to see it as power-political activity in which geopolitical and economic interests are interwoven. Economic value transfers to the northern hemisphere through the activities of international enterprises, for example, take place in an imperialistically structured world but are not per se imperialist.

How these two systems of competition and the relative autonomy of the many states are interrelated in their external activity and are transformed by the creation of historical blocs into imperial or sub-imperial projects is a question for future research to examine.

Opponents of war can already present soundly based analyses of current power politics. They have demonstrated that the struggle for the Middle East is not primarily a matter of the direct appropriation of wealth for certain oil companies but one of laying down the conditions and rules that govern this appropriation even if, as in the case of the 2003 Iraq War, action is required that does not make immediate economic sense. Aggressive US foreign policy can therefore be seen as an expression of worldwide competition with the European Union, the emerging economies of East Asia and the OPEC states, where oil is a strategic commodity of central importance. The geopolitics of the United States is aimed at arranging these conditions in the interest of US capital as a whole – even if that might be a conflict-laden domestic political process. As many US strategists see it, this will shore up the dollar’s role as a world currency, and that is something in which Microsoft and not just Halliburton is interested.

Further work on the theoretical instruments is required if we are to better understand and respond to future conflicts. What we need is a theory of imperialism that enables us to analyse modern capitalism by means of conceptual and analytical instruments that embed the dynamic of capitalism – world market integration – into a multipolar system of (state-supported) centres of capital accumulation. If consideration were also given to the ‘contingency’ of international politics – principally the influence of actions of individuals – and to the complex relationship between geopolitical and economic competition, we would surely be a step further.

Translated by Tradukas

28 A more detailed analysis ought also to be made of the circumstances in which the use of direct physical force by one state against another state or against non-state adversaries takes place. Several factors come into play here and either prevent or foment violence and war, such as relatively close trans-Atlantic ties, the mood of the general public and the state of the military.
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