



Bieler, Andreas and Morton, Adam David (2015) 'Axis of evil or access to diesel?: spaces of new imperialism and the Iraq war'. *Historical Materialism*, 23 (2). pp. 94-130. ISSN 1569-206X

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Andreas Bieler and Adam David Morton

**‘Axis of Evil or Access to Diesel?:  
Spaces of New Imperialism and the Iraq War’\***

**Abstract**

The invasion of Iraq in 2003 was waged by the so-called ‘Coalition of the Willing’. This paper will examine how the war was a space in the ongoing geographical extension of global capitalism linked to U.S. foreign policy. Was it simply the decision by a unitary, hegemonic actor in the inter-state system overriding concerns by other states? Was it an imperialist move to secure the ‘global oil spigot’? Alternatively, did the use of military force reflect the interests and emergence of a transnational state apparatus? In this paper, we argue that the U.S. needs to be conceptualised as a specific form of state, within which and through which national and transnational capital operate to establish the interests of a national fraction of an Atlantic ruling class. It is these processes of class struggle and their relation to wider struggles over spaces of imperialism, which need to be at the centre of analysis.

**Keywords**

2003 Iraq war, class struggle, geopolitics, global capitalism, historical materialism, transnational state, U.S. industrial-military-academic complex

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\* We gratefully acknowledge the research assistance of Benjamin Rath on this paper, which was presented at the 8th Annual Historical Materialism Conference, London (11-13 November 2011).

## **'Axis of Evil or Access to Diesel?: Spaces of New Imperialism and the Iraq War'**

The invasion of Iraq in 2003 was waged by the so-called 'Coalition of the Willing'. How to conceptualise the connections between capitalist dynamics and inter-state war has bedevilled historical materialist geopolitics for some time. There is an agreement that inter-state war cannot simply be read off from the economic necessities of capitalist accumulation. Access to diesel may have played a part in the U.S. push for the attack on Iraq, but it would be too simple to argue that this was the single cause driving the decision. As Alejandro Colás and Gonzalo Pozo have recognised, in their strive towards developing a Marxist geopolitics, 'the centrality of space will depend on the degree to which it is marked by the particular social infrastructure, class constitution, and commodification of territory in different geographies and historical contexts.'<sup>1</sup> But as critics have suggested, precisely *where* one would expect detailed analysis of such contexts, *how* the analysis avoids a mechanistic geo-economic position, and *what* the specific focus on political agency is are all lingering problems in the analysis of capitalist geopolitics.<sup>2</sup> To focus on a 'gearbox of imperial control' that enables the structures of contemporary imperialism, through different modes of foreign relations, to manage post-colonial states is equally problematic.<sup>3</sup> Economic determinist analyses of this type cannot illuminate the complex dynamics of class struggle underlying contemporary geopolitics, such as the invasion of Iraq.

The purpose of this paper is to engage critically with a set of historical materialist approaches and the way they attempt to relate geopolitical dynamics to the processes of

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<sup>1</sup> Colás and Pozo 2011, p.219.

<sup>2</sup> See Agnew 2011; Black 2011; Guzzini 2011.

<sup>3</sup> van der Pijl 2011.

capital accumulation in order to analyse then the dynamics underlying the invasion of Iraq in 2003. The argument proceeds by engaging with the classical Marxist debate in this area between arguments about inter-imperialist rivalries (Lenin, Bukharin) on the one hand, and ultra-imperialism (Kautsky) on the other. This analysis will be linked to a discussion of key contemporary examples of authors pursuing these different lines of thinking. After all, imperialism is ‘a rather loose concept which in practice has to be newly defined with reference to each historical period.’<sup>4</sup> The first section, thus, links the classic analyses of world capitalist expansion, war, conflict, and imperialism by V.I. Lenin and Nikolai Bukharin to the work of Alex Callinicos and his focus on renewed inter-imperialist rivalry, in which the U.S. is seen as wanting to secure its access to, and control over, Middle East oil in relation to intensifying competition with China and other capitalist powers. The second section stretches the focus on contemporary reflections on geopolitics organised through inter-imperialist alliances to the work by Leo Panitch and Sam Gindin as well as Ray Kiely and how this relates back to Karl Kautsky’s notion of ultra-imperialism. Here, the U.S. as the hegemonic power is assumed to lead other capitalist states in the re-organisation of the global economy. Ultimately, it is argued that both sets of approaches only examine the external relations between the separate but linked logics of capital and geopolitics.

In the third section, we develop an alternative way of how to understand capitalist expansion. By linking back to Rosa Luxemburg’s spatial account of the accumulation of capital and expansion into non-capitalist spaces through ongoing processes of primitive accumulation, we conceptualise the structuring conditions of capitalist expansion. Through a critical engagement with William Robinson’s work on the emergence of a transnational capitalist class (TCC), in turn, we will conceptualise the way of how to analyse the agency of

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<sup>4</sup> Cox 1981, p.142.

different class fractions within the inter-state system. While none of these classic or contemporary accounts are without problems, our argument then emphasises the importance of: (1) the political expression of the expansion and extension of capital; and (2) how this proceeds in terms of the geopolitical spatial organisation of capital's violence. In this instance, the spatial organisation and geographical expansion of the accumulation process is established through the contemporary power of the United States within which and through which national and transnational capital operate. It is these processes of class struggle within the U.S. form of state and how they are related to wider struggles over spaces of imperialism that needs to be at the centre of analysis when analysing the invasion of Iraq in 2003 in the final section.

### **The realist 'moment' in historical materialist geopolitics**

At the centre of Lenin's *Imperialism, The Highest Stage of Capitalism* was a focus on the export of capital as the typical feature of modern imperialism. This itself was embedded in conditions of uneven development between economically "advanced" and "backward" countries. As a result, three essential features can be traced marking this account of the expansion of capitalist imperialism. First, despite capitalism's expansion on a world scale, inherent divisions remain. 'However strong the process of levelling the world, of levelling the economic and living conditions in different countries', states Lenin, '... considerable differences still remain.'<sup>5</sup> Second, added to this, is the hint of a territorialist logic to the expansion of capitalism. There is 'the inevitable striving of finance capital to extend its economic territory and even its territory in general.'<sup>6</sup> The expansion of finance capital

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<sup>5</sup> Lenin 1916/1964, p.259.

<sup>6</sup> Lenin 1916/1964, p.83.

therefore heightens the unevenness and contradictions inherent in the world economy and reinforces the territorial division of the world. Third, inter-imperialist rivalries and the spatial expansion of capitalism are extended through bellicose geopolitical relations on a world scale. “The question is: what means other than war could there be *under capitalism* to overcome the disparity between the development of productive forces and the accumulation of capital on the one side, and the division of colonies and spheres of influence for finance capital on the other?”<sup>7</sup>

For Bukharin, there is an *anarchic structure of world capitalism* that finds expression in constant capitalist competition despite the growth of economic interdependence.

The anarchic character of capitalist society is expressed in the fact that social economy is not an organised collective body guided by a single will, but a system of economies interconnected through exchange, each of which produces at its own risk, never being in a position to adapt itself more or less to the volume of social demand and to the production carried on in other individual economies. This calls forth a struggle of the economies against each other, a war of capitalist competition.<sup>8</sup>

This anarchic structure of the world economy expresses itself in two facts: capitalist crises and the perpetuation of wars. “War in capitalist society is only one of the methods of capitalist competition, when the latter extends to the sphere of world economy.”<sup>9</sup> Capital is described as a *horror vacui*. “It rushes to fill every “vacuum”, whether in a “tropical”, “sub-tropical”, or “polar” region.”<sup>10</sup> Within the anarchical structure of capitalist competition, war is clearly heralded as the chief means in the reproduction of relations of production for imperialist interests. Following a period of conflict, the role of fixed capital formation is signalled as pivotal in increasing the growth of centralisation and concentration of capital accumulation. This is described as a ‘feverish process of healing the wounds’ of war, through

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<sup>7</sup> Lenin 1916/1964, pp.275-6.

<sup>8</sup> Bukharin 1917/1929, p.115.

<sup>9</sup> Bukharin 1917/1929, p.54.

<sup>10</sup> Bukharin 1917/1929, p.58.

the reconstruction of railways, factory plants, machinery, transportation hubs, allied with the expansion of the military, the extending of state power, and the centralisation of finance capital.<sup>11</sup> In vernacular terminology this might be described as a process of *bomb and build* through which capitalism expands, combining extensive processes of geographical expansion (spreading over territories) and intensive processes of spatial concentration (deepening conditions of exploitation). As a result, ‘capitalist society is whirling in the mad hurricane of world wars.’<sup>12</sup>

To a large degree, Alex Callinicos extends these insights to argue that capitalist imperialism should be understood as the intersection of economic and geopolitical competition. ‘Conceiving imperialism as the intersection of two logics of power or forms of competition avoids economic reductionism.’<sup>13</sup> He thus identifies ‘two logics of power, capitalistic and territorial, or two forms of competition, economic and geopolitical.’<sup>14</sup> The international states-system is thereby treated as a dimension of the capitalist mode of production. From the outset, Callinicos attempts to distance himself from (neo-) realist accounts in International Relations (IR).<sup>15</sup> Nevertheless, this understanding of the states-system as a distinct determination with its own logic of geopolitical competition still implies a rather state-centric focus, especially when analysing developments in international politics. ‘One implication of this point is that there is, necessarily, a realist moment in any Marxist analysis of international relations and conjunctures: in other words, any such analysis must take into account the strategies, calculations and interactions of rival political elites in the

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<sup>11</sup> Bukharin 1917/1929, p.149.

<sup>12</sup> Bukharin 1917/1929, p.158.

<sup>13</sup> Callinicos 2009, p.72.

<sup>14</sup> Callinicos 2009, p.74.

<sup>15</sup> Callinicos 2009, p.83.

state system.<sup>16</sup> This conceptual position also has implications for Callinicos' empirical analysis of developments in the global economy. Despite globalisation, various national capitals remain dependent on the support of their specific state. 'Capitals involved in increasingly global networks of trade and investment depend on different forms of support, ranging from tariff and subsidy to the assertion of military power, from their nation-state.'<sup>17</sup> At the international level, this results then in competition between a plurality of major capitalist states, each defending the interests of their particular national capitalist class. Related to the war in Iraq, the U.S. position in favour of invasion is then understood as a way of asserting its dominance vis-à-vis other capitalist rivals, be they in Western Europe, or be they among emerging economies such as China. 'Seizing Iraq would not simply remove a regime long obnoxious to the U.S., but would both serve as a warning to all states of the costs of defying American military power and, by entrenching this power in the Middle East, give Washington control of what Harvey calls "the global oil spigot" on which potential challengers in Europe and East Asia are particularly dependent.'<sup>18</sup>

There are, however, several problems with this analysis. First, conceptually, Callinicos' analysis is problematic because his focus on two distinct logics, a geopolitical and an economic logic, implies analysing the external relation between the two logics. This results in a rather similar position to Sandra Halperin's analysis of the Iraq war, that also separates analysis into two 'moments': one shaped by the military-industrial conglomerate of Anglo-American interests; the other shaped by the concentration of the political economy of

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<sup>16</sup> Callinicos 2010, p.21. Unsurprisingly considering the emphasis on a 'realist moment', Callinicos is charged with providing 'a Marxist explanation that often reads like an excellent realist one' (Pozo Martin 2006: 236n.12).

<sup>17</sup> Callinicos 2005, p.2.

<sup>18</sup> Callinicos 2005, p.7; Harvey 2003, p.25.



global restructuring.<sup>19</sup> By overlooking the internal relations between the two logics, however, there is a danger of reifying the appearance of the geopolitical dynamic as reflected in state strategies. According to Bertell Ollman, ‘Marx refers to mistaking appearance for essence as “fetishism”’.<sup>20</sup> Indeed, Callinicos’ analysis of inter-state competition does fetishise the state in that it is reduced to a discussion of what different states as unitary actors do in relation to specific issues of international politics. As a result, states are treated as thing-like entities without paying sufficient attention to the historical specificity of their particular social forms. Instead, in our understanding, historical materialist analysis is at its best when articulating what Ollman describes as a philosophy of internal relations.<sup>21</sup> ‘The philosophy of internal relations . . . treats the relations in which anything stands as essential parts of what it is, so that a significant change in any of these relations registers as a qualitative change in the system of which it is a part.’<sup>22</sup> Thus, rather than analysing ‘things’ (geopolitical and capitalist logics) and how they are externally related to each other (in the global political economy), it is better to situate the full meaning of a particular concept or condition in its internal relationship with other ideas or circumstances. Most importantly, the capitalist state guarantees the private ownership of, and control over, the means of production. In other words, one cannot understand the essence of the apparently independent and separate position of the ‘market’ or capitalism, if there is not an understanding of its internal relation with the ‘state’ or geopolitics linked to the underlying social relations of production.

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<sup>19</sup> Halperin 2011.

<sup>20</sup> Ollman 2003, p.80.

<sup>21</sup> Ollman 1976.

<sup>22</sup> Ollman 2003, p.5.

Related to the invasion of Iraq, Simon Bromley makes clear that the U.S. has been in no position to control the oil market with or without invasion.<sup>23</sup> Building on his earlier analysis of Middle East politics that has always avoided a mono-causal focus on oil in favour of analysing world market conditions,<sup>24</sup> he goes on to state that:

It remains the case that three-fifths (and rising) of the world's oil is traded on highly integrated markets across national borders and the rest moves on national or regional markets in which prices are aligned with international movements. The actual route travelled from well-head to final consumption by any given barrel depends primarily on economic decisions and circumstances beyond the control of governments.<sup>25</sup>

In other words, the invasion of Iraq could never simply have been a move to gain exclusive control over oil at the expense of imperialist rivals. Instead, economic and political stability in the region was a main concern in order to ensure continuing oil supply. This, in turn, however, was not only to the benefit of the United States. Hence, 'to the extent that U.S. power, including military forces, is successfully deployed to meet the ends of expanding and diversifying supplies it serves the interests of all oil-consuming countries that are dependent on the world market.'<sup>26</sup> This understanding indicates that a rethinking of U.S. hegemony is necessary.

### **Rethinking U.S. hegemony and informal empire: towards ultra-imperialism?**

One of the tensions that arose in classical Marxist debates on imperialism was the instant dismissal of the theory of 'ultra-imperialism' as sketched by Karl Kautsky. Kautsky queried whether imperialism is 'the last possible phenomenal form of capitalist world policy' and if it is possible that capitalism 'may still live through another phase . . . a phase of ultra-

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<sup>23</sup> Bromley 2006.

<sup>24</sup> Bromley 1994, pp.96-100.

<sup>25</sup> Bromley 2006, p.429.

<sup>26</sup> Bromley 2006, p.420; see also Bromley 2005, p.254.

imperialism?<sup>27</sup> In contrast to Lenin and Bukharin, Kautsky conjectured as to whether the violent explosions of imperialism might become replaced by a ‘holy alliance of the imperialists’ through which the expansion of capitalism might be secured.<sup>28</sup> This was dismissed by Lenin as ‘ultra-nonsense’.

Kautsky’s utterly meaningless talk about ultra-imperialism encourages, among other things, that profoundly mistaken idea which only brings grist to the mill of the apologists of imperialism, i.e., that the rule of finance capital *lessens* the unevenness and contradictions inherent in the world economy, whereas in reality it *increases* them.<sup>29</sup>

The rivalries of national capital were held to endure and these antagonisms of conflict and struggle would be constant in shaping the advanced stages of capitalist development rather than the illusions of an imaginary hope of permanent peace. Equally, Bukharin dismissed the theory of ultra-imperialism and its focus on the centralisation of capital as a thesis of ‘peaceful capitalism’. For sure, ‘the great stimulus to the formation of an international state . . . is given by the internationalisation of capitalist interests’, but, ‘significant as this process may be in itself, it is, however, counteracted by a still stronger tendency of capital towards nationalisation, and towards remaining secluded within state boundaries’. Once again, the antagonistic interests between states understood in military terms will prevail over any ‘world capitalist organisation’ in the form of a world state.<sup>30</sup>

Contemporary rethinking on the decline of U.S. power and the onset of inter-imperialist rivalry with the rise of powers such as China reflects these tensions. Notably, Leo Panitch and Sam Gindin argue that globalisation has actually entrenched U.S. hegemony within its informal empire.<sup>31</sup> Capturing this sentiment, Ray Kiely also states that, ‘the process of internationalisation did not lead to a new era based on competing national blocs of

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<sup>27</sup> Kautsky 1914/1970, pp.44, 46.

<sup>28</sup> Kautsky 1914/1970, p.46.

<sup>29</sup> Lenin 1916/1964, p.272.

<sup>30</sup> Bukharin 1917/1929, pp.137-8.

<sup>31</sup> Panitch and Gindin 2012.

capital, as theorised by Bukharin, but rather a reorganisation of U.S. hegemony and an intensification of international integration, or what came to be called (economic) globalisation.<sup>32</sup> The Volcker shock from 1979 to 1982 is crucial for such analysis. It not only facilitated restructuring, but also broke the power of organised labour. At one point, interest rates were increased to over 19 percent in 1981. ‘It simply involved limiting the growth in the money supply and allowing interest rates to rise to whatever level—and at whatever short-term economic cost—was necessary to break the back of inflation and the strength of labour.’<sup>33</sup> Once established within the U.S., neoliberal restructuring could then be rolled out across the world. There are two principle routes through which this emerging form of U.S. hegemony has been extended abroad. First, U.S. capital invested heavily into Europe especially from the 1970s onwards. According to Panitch and Gindin, ‘this penetration of Europe by American corporations and banks meant the implantation of American capital as a class force inside European social formations’, thereby transforming European social relations in the American image.<sup>34</sup> Second, the U.S. extended its informal empire through what Kiely calls ‘free trade imperialism’, enforcing neoliberal restructuring upon other countries by obliging them to open up their economies to free trade.

From this perspective of free trade imperialism, it is then also clear that the invasion of Iraq was mainly about maintaining an open international market for oil, as discussed above. The divisions between France and Germany, on one hand, and the U.S. on the other, over the invasion of Iraq, would thus be seen as exaggerated and certainly not assessed as expressions of inter-imperialist rivalry. Instead, ‘the disputes over Iraq were more about tactics and strategy over how to police a rogue state, rather than a manifestation of systemic

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<sup>32</sup> Kiely 2010, p.141.

<sup>33</sup> Panitch and Gindin 2008, p.31; see also Kiely 2010, p.146.

<sup>34</sup> Panitch and Gindin 2008, p.24.

geopolitical rivalries. Indeed . . . these disagreements were as sharp within the U.S. state as they were between the U.S. on the one hand, and France, Germany and Russia on the other.<sup>35</sup> As Kiely further argues, ‘these tensions coincided with substantial cooperation over the conduct of the war. This included collaboration on the part of French and German intelligence services with the U.S., the use by U.S. forces of European airspace during the war, and collaboration with the CIA over flights carrying alleged terrorists to secret torture centres.’<sup>36</sup> In short, through neoliberal globalisation, the U.S. re-established its leading role within the global political economy in close cooperation with other capitalist countries. ‘While there is considerable evidence of conflict for the “Leninists” to emphasise, there is much to back the “Kautskyite” view which emphasises cooperation.’<sup>37</sup>

Unsurprisingly, then, the debate here is sandwiched between an emphasis on rivalry between capitalist states (Callinicos) or the stress on co-operation through the joint management of global capitalism (Panitch and Gindin; or Kiely), mirroring in many respects the classical debate over inter-imperialist rivalry versus ultra-imperialism. Despite Panitch and Gindin emphasising the role of American capital becoming entrenched in European social formations, however, there is still a conflation of the U.S. state and American capital. This still leads to a view of the underlying dynamics of international politics through cooperation/conflict that reproduces state-centric tendencies by holding the U.S. as a unitary actor.<sup>38</sup> This leads to a final criticism of both strands in that these contributions do not appreciate the more recent emergence of transnational capital and the implications this has for the international states-system.

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<sup>35</sup> Kiely 2010, p.163.

<sup>36</sup> Kiely 2010, p.233.

<sup>37</sup> Kiely 2010, p.234.

<sup>38</sup> For example, see Panitch and Gindin 2008, p.18; Kiely 2010, pp. 242, 245, and 246-7.

Both empirically misunderstand the fundamental dynamics of globalisation linked to the transnationalisation of production and the related implications for the international states-system. Since the early 1970s, large parts of global production have increasingly been organised across borders. Outflows of FDI rose from US\$88 billion in 1986 to US\$1187 billion in 2000 as peak year.<sup>39</sup> A period of recession led to a decline in FDI flows from 2001 to 2003, but four years of consecutive growth led to a new all-time high of FDI outflows of US\$1996.5 billion in 2007.<sup>40</sup> Overall, there were 78817 TNCs with 794894 foreign affiliates in 2007.<sup>41</sup> Robinson additionally highlights as empirical indicators of the increasing organisation of production across borders ‘the phenomenal increase in cross-border mergers and acquisitions; the increasing transnational interlocking of boards of directorates; the increasingly transnational ownership of capital shares; the spread of cross-border strategic alliances of all sorts; and the increasing salience of transnational peak business associations.’<sup>42</sup> Importantly, it is the increasing organisation of production processes across borders in networks, controlled by TNCs as buyer-driven or producer-driven global commodity chains (GCC),<sup>43</sup> which has come to the fore in recent years. Accordingly, Hart-Landsberg identifies contract manufacturing, part of GCCs, as a new phenomenon in the transnationalisation of production. ‘To the extent that participating firms are not themselves transnational, it means that TNC dominance over international economic activity is greater than previously stated. And to the extent that these firms are themselves transnational, it means that contemporary capitalist accumulation dynamics have given rise to a hierarchically structured, interlocking

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<sup>39</sup> Bieler 2006, p.50.

<sup>40</sup> UN 2008, p.253.

<sup>41</sup> UN 2008, p.212.

<sup>42</sup> Robinson 2008, p.30.

<sup>43</sup> Gereffi et al, 2005.

system of TNCs.<sup>44</sup> As a result, one has witnessed the emergence of a transnational capitalist class (TCC) and it is no longer possible to simply speak in terms of a rivalry between German capital, French capital, or U.S. capital, etc. Transnational capital too relies on the legal and institutional support by states and international institutions of global governance, but different fractions of capital are no longer defined by their particular relationship to a specific state.

In the next section, we will provide an alternative way of conceptualising the structural as well as agency related dynamics underlying the war on Iraq, which will incorporate the continuing importance of states as nodal points in global accumulation together with a focus on the specific agency of transnational capital.

### **Capitalist expansion and the agency of transnational capital**

Yet, how can the spatial effects of the concentration of capital accumulation be understood within the circumstances of present-day geopolitical conditions while drawing from past concerns about imperialist expansion? And how is it possible to integrate an analysis of transnational class agency into the dynamics of the inter-state system? By drawing on the work of Rosa Luxemburg and Leon Trotsky the structuring conditions of the global capitalist social relations are discussed first in this section, providing the setting within which the TCC is involved in struggle over capitalist expansion.

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<sup>44</sup> Hart-Landsberg 2013, p.20.

*The whirlpool of capitalist development from a geographical standpoint*

As Hannes Lacher and Benno Teschke have demonstrated, capitalism emerged within a prior existing international system of absolutist states.<sup>45</sup> Once the capitalist social relations of production had, however, emerged in England, state formation and capitalist development went hand-in-hand as the social transformations that brought about capitalism in England were the same that characterised the separation of state and civil society leading to the constitution of the capitalist state.<sup>46</sup> In other words, ‘the process that gave rise to English capitalism was accompanied by the development of a more clearly defined territorial sovereignty than existed elsewhere in Europe. The social transformations that brought about capitalism were the same ones that brought the nation-state to maturity.’<sup>47</sup>

Several key structural dynamics can be identified as a result of how the capitalist social relations of production are set up around the private ownership of the means of production and ‘free’ wage labour. First, because capital, similar to labour, also has to reproduce itself through the market, individual capitalists are constantly in competition with each other. It is the resulting innovative impetus, which makes capitalism such a dynamic mode of production. ‘The development of capitalist production makes it necessary constantly to increase the amount of capital laid out in a given industrial undertaking, and competition subordinates every individual capitalist to the immanent laws of capitalist production, as external and coercive laws.’<sup>48</sup> Nevertheless, capitalism is also prone to periodic crises, as this dynamic development inevitably results in a crisis of overaccumulation, when unemployed workers and surplus profits can no longer be brought

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<sup>45</sup> Lacher 2006; Teschke 2003.

<sup>46</sup> Wood 1991, p.26.

<sup>47</sup> Wood 2002, p.19.

<sup>48</sup> Marx 1867/1990, p.739.



together in a meaningful way.<sup>49</sup> One important way of overcoming crisis is the outward expansion of capitalism, the third structural tendency, and it is in this respect that the notion of uneven and combined development becomes relevant. It was Leon Trotsky, who introduced the notion of uneven and combined development in his book *Results and Prospects* in 1906, when analysing the particular location of Russia within the world economy. While Russia was economically backward based on a large sector of inefficient agriculture indicating the unevenness of development in relation to advanced Western countries, a number of small pockets of highly developed industries especially in military related production were established as a result of foreign pressure by more developed neighbours in the West. ‘The Russian State, erected on the basis of Russian economic conditions, was being pushed forward by the friendly, and even more by the hostile, pressure of the neighbouring State organizations, which had grown up on a higher economic basis.’<sup>50</sup> Hence, capitalist expansion is also ‘combined’ as a result of ‘the sociological outcome of international capitalist pressures on the internal development of non-capitalist societies.’<sup>51</sup> In short, in response to the crisis tendency of the capitalist social relations of production, there is an inherent, structural dynamic of outward expansion along uneven and combined lines.

When capitalism spread throughout the wider international states-system, while there was no initial internal linkage between geopolitics and capitalism, these dimensions would later become intertwined.

Having once begun in a single nation-state, and having been followed by other nationally organised processes of economic development, capitalism has spread not by erasing national boundaries but by reproducing its national organisation, creating an increasing number of national economies and nation-states. The inevitably uneven development of separate, if inter-related, national entities has virtually guaranteed the

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<sup>49</sup> Harvey 1985, p.132.

<sup>50</sup> Trotsky 1906/2007, p. 27.

<sup>51</sup> Rosenberg 2006, p.319.

persistence of national forms.<sup>52</sup>

The challenge is then to focus, as noted above, on the internal relation between geopolitical and capitalist dynamics.

Rosa Luxemburg had already pointed to ‘the inherent contradiction between the unlimited expansive capacity of the productive forces and the limited expansive capacity of social consumption under conditions of capitalist distribution.’<sup>53</sup> Hence, she recognised that capitalism constantly has to expand outward and incorporate new, non-capitalist space in order to overcome crises. Famously, in *The Accumulation of Capital*, by analysing the creation and expansion of the hothouse conditions for capital accumulation in non-capitalist environments, Luxemburg traces the ‘spatio-temporal divergences between the realisation of surplus value and the capitalisation thereof’<sup>54</sup>:

From the very beginning, the forms and laws of capitalist production aim to comprise the entire globe as a store of productive forces. Capital, impelled to appropriate productive forces for purposes of exploitation, ransacks the whole world, it procures its means of production from all corners of the earth, seizing them, if necessary by force, from all levels of civilisation and from all forms of society . . . It becomes necessary for capital progressively to dispose ever more fully of the whole globe, to acquire an unlimited choice of means of production, with regard to both quality and quantity, so as to find productive employment for the surplus value it has realised.<sup>55</sup>

Hence a focus therein on processes of primitive accumulation in dispossessing peasant producers to create a reserve of labour power in non-capitalist territories based on the wage system; on the role of the non-capitalist world in absorbing commodities and surplus value; and on how states are drawn into the credit system to offset crisis conditions whilst subject to foreign interventionist, militarist, and imperialist relations. This is the ‘whirlpool of capitalist development’ that grants a certain imprint or ‘levelling of international character’ to

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<sup>52</sup> Wood 1999, pp.7-8.

<sup>53</sup> Luxemburg 1913/2003, p.323.

<sup>54</sup> Luxemburg 1913/2003, p.401.

<sup>55</sup> Luxemburg 1913/2003, p.338.

the development and formation of the states-system.<sup>56</sup> The attraction of Luxemburg's analysis of the hothouse conditions of capital accumulation and its advantageous spatial focus on concentrations of fixed capital that arise in the expansion of capitalist interests can be summarised through two interrelated aspects. First, in terms of the *place* where surplus value is produced and, second, in terms of the *geopolitics* of capital's blustering violence. The argument is that this method of analysis is significant in analysing not just the entrance of capital onto the world stage, through conditions of primitive accumulation, but also in terms of its progress in the world at every step through state rivalry and foreign policy, the international credit system, and militarism as a province of accumulation. These preserves of the historical career of capitalism resonate throughout Luxemburg's disquisition on the accumulation of capital.

Concerning the first aspect on issues of *place* it becomes essential to stress how reservoirs of labour outside the dominion of capital are proletarianised within the capitalist system. In concurrence with Luxemburg, 'if the analysis of the reproductive process actually intends not any single capitalist country but the capitalist world market, there can be no foreign trade: all countries are "home".'<sup>57</sup> The result is a reconception of the international that eschews a division between 'internal' and 'external'—or states held in exterior relation to each other—to instead embark on understanding the realisation of surplus value through world market conditions and the system of states as a social totality. The dialectical outcome of the expansion of capitalism then means that the social setting of the reproduction of capital should be 'conceived in terms of social economy rather than of political geography.'<sup>58</sup>

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<sup>56</sup> Luxemburg 1898/1977, pp.120-1.

<sup>57</sup> Luxemburg 1913/2003, p.108.

<sup>58</sup> Luxemburg 1913/2003, pp.346-7.

As for geopolitics, behind international loans and the credit system, the role of the built environment and fixed capital as an essential spatial arrangement for the absorption of surplus value (e.g. through railroad building, roads, dams, irrigation systems, warehouses, schools, hospitals, universities), militarism was famously traced by Luxemburg as ‘the executor of the accumulation of capital.’<sup>59</sup> The growing violence of militarism was singled out as a hallmark of the expansion of capital in gaining possession of the means of production and labour power through colonialism and imperialism, including periods of permanent occupation of foreign territories. The classical examples provided of the manner in which capital is exported through wars, of ‘the most modern capitalist military technique’, were British policy in India, French policy in Algeria, and the extension of commodity relations by European powers in China.<sup>60</sup> In Luxemburg’s era, then, ‘imperialism is the political expression of the accumulation of capital in its competitive struggle for what remains still open of the non-capitalist environment.’<sup>61</sup>

In our time, post-Cold War military adventures such as the Kosovo War 1999; Afghanistan War 2001; Libya 2011, but also the invasion of Iraq in 2003, empirical subject of this article, might be regarded as constitutive moments in the dynamics of accumulation whereby military expenditures and the deployment of war are means through which the global spatial integration of capitalism is ensured.<sup>62</sup>

This improves on similar conceptions (*viz.* Callinicos) by explicitly attempting to internalise the relationship between the territorial logic of power and the spatial expansion of capitalism within a theory of imperialism. ‘Any recourse to a philosophy of dialectics or

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<sup>59</sup> Luxemburg 1917/2007, p.419.

<sup>60</sup> Luxemburg 1917/2007, p.367.

<sup>61</sup> Luxemburg 1917/2007, p.426.

<sup>62</sup> Importantly, Harvey points out that in addition to the violent subjection of non-capitalist space, new rounds of accumulation by dispossession including the re-commodification of health services, for example, are also a way for capital to continue the capitalist accumulation of surplus (Harvey 1982/2006, p.437).

internal relations leads, either explicitly or implicitly, to a relational view of space and time.’<sup>63</sup> Hence the framework of state power still retains an emboldened role within processes of capital accumulation. ‘The problem for concrete analyses of actual situations is to keep the two sides of this dialectic simultaneously in motion and not to lapse into either a solely political or a predominantly economic mode of argumentation.’<sup>64</sup> The way this can be done in the new situation of transnational social class forces is now the task to conceptualise through a critical engagement with the work of William Robinson on the emergence of a transnational capitalist class (TCC) and a transnational state (TNS).

*Transnational state formation: ultra-imperialism regnant?*

William Robinson starts his assessment of the changes in the global economy through a focus on the social relations of production and it is this starting-point that allows him to conceptualise the implications of globalisation since the early 1970s. As a result of the transnationalisation of production, expressed in increasing FDI levels amongst others (noted above), he argues that ‘transnational capital has become the dominant, or hegemonic, fraction of capital on a world scale.’<sup>65</sup> Hence, through this focus on social class forces as the main agents, engendered by the production process, it is possible to incorporate recent changes in the global economy within a historical understanding of capitalism. It is no longer only national fractions of capital and labour that confront each other within specific states, there are now also transnational fractions of capital that have obtained a dominant position at the global level. Additionally, however, Robinson makes the claim that we are witnesses to the emergence of a transnational state (TNS), regarded as a guarantor of capital

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<sup>63</sup> Harvey 1996, p.269.

<sup>64</sup> Harvey 2003, p.30.

<sup>65</sup> Robinson 2004, p.21.

accumulation at the global level. He thus makes the bold claim that ‘in the emerging global capitalist configuration, transnational or global space is coming to supplant national space’, with the attendant view that the nation-state as an axis of world development is becoming superseded by transnational structures leading to the emergence of a transnational state.<sup>66</sup> Put most succinctly, his view is that, ‘the inter-state system is no longer the fundamental organising principle of world capitalism and the principal institutional framework that shapes global social forces or that explains world political dynamics.’<sup>67</sup> States do not disappear in this process of adjustment. ‘Rather, power as the ability to issue commands and have them obeyed, or more precisely, the ability to shape social structures, shifts from social groups and classes with interests in national accumulation to those whose interests lie in the new global circuits of accumulation.’<sup>68</sup> In other words, states may retain their institutional form, but they lose their traditional function of securing the conditions for successful capital accumulation.

In relation to the post-World War II era, Robinson argues that the project of transnational capital is beginning to eclipse U.S. hegemony within the global political economy. Instead, the U.S. has been integrated into the TNS and its military power made available to this emerging world social form serving the interests of transnational capital.

As the most powerful component of the TNS, the U.S. state apparatus defends the interests of transnational investors and of the system as a whole. Military expansion is in the interests of the TNCs. The only military apparatus in the world capable of exercising global coercive authority is the U.S. military. The beneficiaries of U.S. military action around the world are not “U.S.” but transnational capital groups.<sup>69</sup>

The war on Iraq is regarded as precisely one such conflagration through which the interests of transnational capital have been expanded. Robinson concurs with Panitch, Gindin and Kiely that divisions between France and Germany, on one hand, and the U.S., on the other,

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<sup>66</sup> Robinson 2003, pp.19-20; Robinson 2008, pp.6-7.

<sup>67</sup> Robinson 2011, p.742.

<sup>68</sup> Robinson 2004, p.109.

<sup>69</sup> Robinson 2007, p.89.

are simply disagreements about how to maintain best the global capitalist system. However, disagreement unfolds about the identification of a shift from American hegemony to the dominance of transnational capital through the TNS. For Robinson, military engagements are simply a way of extending this new form of global capitalism. “The “war on terrorism” provides a seemingly endless military outlet for surplus capital, generates a colossal deficit that justifies the ever-deeper dismantling of the Keynesian welfare state and locks neoliberal austerity in place, and legitimates the creation of a police state to repress political dissent in the name of security.”<sup>70</sup> Hence a theory of global capitalism that distances itself from the notion of ultra-imperialism, or the ‘peaceful’ co-operation among capitals, to collapse into a conflict-driven view of competitive pressures in the global political economy superintended by the transnational state.<sup>71</sup>

While we agree with Robinson’s emphasis on the importance of the TCC, we are sceptical about the TNS thesis. Robinson’s position that states have ‘become transmission belts and local executors of the transnational elite project,’<sup>72</sup> overlooks the social constitution of globalisation within and by social classes in specific forms of state. Powerful transnational forces work within the global economy, but they still operate through the spatial form of the state. A further problem of the TNS thesis is that national restructuring during times of globalisation is generally conceptualised as a uniform process, integrating all states in the same way into the global economy. As Morton highlights, ‘the transnational state thesis therefore offers a flattened ontology that removes state forms as a significant spatial scale in the articulation of capitalism, levels out the spatial and territorial logics of capital

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<sup>70</sup> Robinson 2007, p.92.

<sup>71</sup> Robinson 2004, p.61.

<sup>72</sup> Robinson 2003, p.62.

accumulation, and elides the class struggles extant in specific locations.<sup>73</sup> Hence, Robinson overlooks the continuing importance of states as nodal points in the global accumulation of capitalism as well as the uneven and combined development nature of the relation between states.

In short, ‘the real push for change comes from the TCC inside the national structure, with the process conditioned by the local balance of political and economic forces.’<sup>74</sup> By underestimating the continued importance of the state form as nodal within global capitalism, Robinson neglects the continuing struggle within the U.S. state between nationalist and globalist fractions of the ruling class identified by Jerry Harris, a struggle which is ongoing within the Military-Industrial-Academic Complex.<sup>75</sup> Robinson overlooks the point that rather than simply supporting the interests of transnational capital, there has been a clear intra-class conflict within the U.S. over the decision to invade Iraq. In order to unravel the economic and geopolitical dynamics linked to the invasion of Iraq, then, there is a need to focus on dynamics of class struggle within the U.S. form of state. It is through this focus on intra-class struggle that the internal relations between the “logics” of capital and territory can be grasped in that both are internally related forms or expressions of the same underlying configuration of the social production relations. The next section turn towards this task. Considering the uneven and combined development dynamics of global capitalism, it makes sense in the next section to focus on the internal dynamics of class struggle in the U.S., the country at the very core of the global capitalist social relations of production.

### **Class struggle within the U.S. form of state and the Iraq War**

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<sup>73</sup> Morton 2007, p.148.

<sup>74</sup> Harris 2008a, p.55.

<sup>75</sup> Harris 2005, p.145.



To recapitulate, in the modern epoch the geopolitical states-system is internally related to capitalist relations of production. Therefore, stress is placed on the *internalisation* of class interests within the state—albeit through the transnational expansion of social relations—rather than assuming that states have become mere ‘transmission belts’ from the global to the national level.<sup>76</sup> In other words, the challenge is to conceptualise the state form in a way that emphasises its internal relation with market conditions, with the wider interstate system, and with global capitalist relations.

As Robinson outlined correctly in our view, the transnationalisation of production has led to the emergence of transnational capital as a new significant form of agency so that class struggle is no longer only between national capital and labour, but potentially also between national and transnational class fractions of capital and labour. Such a split between ‘nationalist’ and ‘globalist’ class fractions can also be observed in the U.S. in relation to the war in Iraq. The nationalist wing is commonly seen as linked to the interests of U.S.-based military and defence industries, the oil industry, and other ‘internationally noncompetitive businesses.’<sup>77</sup> In the political sphere members of this fraction promote unilateralism, the unrivalled pre-eminence of U.S. military power, and notions of pre-emptive warfare as key strategies for the protection of the ‘national interest’, which more often than not means U.S.-based capital.<sup>78</sup> In this sense, the nationalist wing of the U.S. elite was politically represented by the neo-conservatives who gained power with the election of George W. Bush in 2001 and for whom such strategies were of central importance. Meanwhile the globalist wing is linked to ‘nonmilitary transnational capital’ and thus represents the interests of the TCC.<sup>79</sup> It

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<sup>76</sup> See also Bieler and Morton 2003, pp. 481-9; Bieler et al. 2006, pp.155-75; Morton 2011, pp.104-5.

<sup>77</sup> Nitzan and Bichler 2002, pp.208-12; Hossein-Zadeh 2006, p.4.

<sup>78</sup> Harris 2005, p.142.

<sup>79</sup> Hossein-Zadeh 2006, p.4.

is therefore much more loosely tied to notions of U.S. hegemony, which instead promote policies of coordination with global allies to ensure stability within the international system in the interests of a fully functioning and integrated global economy.<sup>80</sup> It is this continuing struggle between different class fractions within the U.S. form of state that is overlooked by Robinson and his assertion that the U.S. state apparatus is simply at the disposal of the TCC. If the TNS thesis was correct, one would expect the U.S. administration and other elites, who were instrumental in promoting war in Iraq, to have strong links to the globalist fraction and therefore be tied to the interests of transnational capital.

Yet Robinson's argument that the invasion of Iraq in 2003 was undertaken in the interests of the TCC is critically undermined by the fact that the nationalist wing of the U.S. ruling elite had come to hold a hegemonic position during the build-up to war. It thus held influence not only over policy in the form of the neo-conservatives within the Bush administration but also over the wider discursive framing that served to justify the invasion. This discourse, manifest in the rhetoric of state officials as well as wider intellectuals of statecraft,<sup>81</sup> emphasised the importance of increasing U.S. hegemony through the promotion of the use of unilateral, pre-emptive force, a policy which clearly ran counter to a globalist agenda. To this end, Iraq's vast oil reserves were seen in strategic political terms as much as in economic terms as a means by which the U.S. could increase its political power in the region. In the following, the capital links of the key intellectuals of statecraft (or architects of war) and their strong ties with the national wing of U.S. capital, in particular to the defence and oil industries, are examined.

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<sup>80</sup> Harris 2005, p.142.

<sup>81</sup> Intellectuals of statecraft are 'those intellectuals who offer normative and imperative rules for the conduct of strategy and statecraft by the rulers of the state' (O' Tuathail et al. 1998: 8)

In a critique of Robinson's thesis, Harris correctly notes that a military strategy which promotes 'hegemonic domination commanded by the nationalist wing of U.S. capitalism cannot be described as a transnational consensus.'<sup>82</sup> Protecting and promoting U.S. hegemony through the use of force has long been a strategy of the neo-conservatives who were at the heart of the Bush administration. It was most notably elaborated by the conservative intellectuals of statecraft William Kristol and Robert Kagan and their concept of 'benevolent hegemony' as discussed in an article published in *Foreign Affairs* in 1996.<sup>83</sup> It was also evident in the work of the neo-conservative think-tank 'The Project for the New American Century', which was established in 1997 with the explicit goal of promoting 'American global leadership.'<sup>84</sup> In its 'Statement of Principles', which was signed by prominent neo-conservatives Dick Cheney, Donald Rumsfeld, and Paul Wolfowitz (all of whom came to hold high level positions within the Bush administration), it advocates a strong military in order to 'meet both present and future challenges' as well as a 'foreign policy that boldly and purposefully promotes American principles abroad'. It goes on to urge the U.S. to meet its responsibilities as the global superpower in order to confront 'challenges to our fundamental interests.'<sup>85</sup> A similar rationale permeated the National Security Strategy of 2002 that, as Noam Chomsky notes, 'declared the right to resort to force to eliminate any perceived challenge to U.S. global hegemony.'<sup>86</sup> In this document setting out the parameters of the 'war on terror', the Bush administration declared its intentions to use pre-emptive

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<sup>82</sup> Harris 2008b, p.39

<sup>83</sup> Kristol and Kagan 1996, pp. 20.

<sup>84</sup> Project for a New American Century 1997a.

<sup>85</sup> Project for the New American Century 1997b.

<sup>86</sup> Chomsky 2003, p.3.

force to defend ‘our interests at home and abroad by identifying and destroying the threat before it reaches our borders.’<sup>87</sup>

This discourse about pursuing U.S. hegemony was closely linked to ideas about American exceptionalism, perhaps most notably articulated in the neo-conservative’s unilateral foreign policy as set out in the Defence Planning Guidance draft of 1992, written under the supervision of Paul Wolfowitz, which strongly advocated the use of unilateral military force to secure the pre-eminence of the U.S. in the post-Cold War era.<sup>88</sup> This policy of a unilateral pursuit of U.S. hegemony was one which was clearly at odds with a globalist agenda which favoured multilateralism. For example, in May 2003 the French subsidiaries of 11 transnational companies including Microsoft, IBM, and McDonalds signed an open letter warning about the economic consequences of the continuing rift between France and the U.S. over policy towards Iraq.<sup>89</sup> Furthermore, the Transatlantic Business Dialogue, led by the CEOs of Coca-Cola and Unilever, identified diplomatic tensions between the U.S. and Europe over Iraq as ‘a mortal threat to further coordination of liberalisation, free trade and global economic growth.’<sup>90</sup>

This discourse of U.S. unilateralism was strongly linked to the nationalist wing of the U.S. elite which retained firm roots within the Military-Industrial-Complex (MIC), the institution which has control over the U.S. military machine and which is therefore key to understanding the dynamics of U.S. foreign policy. Jerry Harris notes that TCC theory overlooks ‘powerful national and political forces’ that are able to ‘use their base inside the

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<sup>87</sup> National Security Strategy 2002.

<sup>88</sup> Herring and Rangwala 2006, pp.8-9.

<sup>89</sup> BBC News, “‘Appeal for Peace’ on U.S.-French Trade”, <http://news.bbc.co.uk/1/hi/business/2991995.stm>; accessed 14 April 2009.

<sup>90</sup> Paul 2007, p.69.

MIC to launch a counterhegemonic project.<sup>91</sup> The MIC, initially identified by Senator William Fulbright in the late 1960s,<sup>92</sup> includes over 150 military-educational institutions, with some directly linked to the MIC such as the National Defence University and the Army's War College, as well as 'hundreds of colleges and universities that conduct Pentagon-funded research, provide classes to military personnel, [and] design programs specifically for future employment with various departments and agencies associated with the warfare state.'<sup>93</sup> Consequently higher education in the U.S. has become increasingly militarised and linked to defence policy. For example, in a report of 2006, the Association of American Universities encouraged its members to cultivate U.S. talent in order to 'fill security-related positions in the defence industry, the military, the national laboratories, the Department of Defence and Homeland Security, the intelligence agencies and other federal agencies.'<sup>94</sup>

With regard to the struggle for hegemony between globalist and nationalist fractions both within the MIC and the extended military-industrial-academic complex, Harris goes on to note that the nationalists' strategy of unilateralism and pre-emptive aggression was made operational by the 'new worldwide threat' of terrorism after the terrorist attacks of September 11, 2001. The 'war on terror' provided the pretext for neo-conservatives, geopolitical realists, and hegemonists within the MIC to create 'widespread internal support for their policies'. In this way, antiglobalist forces have rallied round the MIC to 'build a political bloc and to challenge the TCC.'<sup>95</sup> Darel E. Paul comes to a similar conclusion about the rise of the neo-conservative movement to establish a (temporary) hegemonic position, utilising the 'Caesarist moment' created by the attacks on September 11 (2001) to create a

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<sup>91</sup> Harris 2005, p.145.

<sup>92</sup> Giroux 2007, p.15.

<sup>93</sup> Giroux 2007, pp.18-19.

<sup>94</sup> Association of American Universities 2006.

<sup>95</sup> Harris 2005, pp.145-51.

‘new post 9/11 social bloc’, allowing them to pursue their policies of U.S. unilateralism and pre-emptive force.<sup>96</sup> It was by utilising this hegemonic position that the nationalist wing of the U.S. ruling elite was able to control and formulate the production of a dominant discourse around policy toward Iraq, which was based on notions of benevolent U.S. hegemony, American exceptionalism and unilateralism, and the need for the use of pre-emptive military force.

Within this discourse of bolstering U.S. hegemony, Iraq’s oil reserves became increasingly important. These oil reserves were not seen primarily as an economic prize, but rather as a political, strategic asset. The ‘crucial issue’ for the U.S. since 1945 in regard to the vast oil reserves of the Middle East ‘has been control, more so than access or profit.’<sup>97</sup> As Michael Klare notes, the U.S. desire to dominate the Middle East rests on more than just concerns about ‘the safety of its future oil supply’, with recognition of the ‘political leverage’ that control over this oil would give to the U.S. vis-à-vis other oil importing countries.<sup>98</sup> This was recognised in a 2004 report from the National Intelligence Council which states that ‘growing energy demands . . . will have a substantial impact on geopolitical relations’ and identifies the increasing instability of traditional Middle Eastern suppliers as a central concern.<sup>99</sup> Following a similar logic, former national security adviser and key intellectual of statecraft Zbigniew Brzezinski explains how:

America has major strategic and economic interests in the Middle East that are dictated by the region’s vast energy supplies . . . America’s security role in the region gives it indirect but politically critical leverage on the European and Asian economies that are also dependent on energy exports from the region.<sup>100</sup>

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<sup>96</sup> Paul 2007, p.65.

<sup>97</sup> Chomsky 2007, p.38.

<sup>98</sup> Klare 2004, p.62.

<sup>99</sup> National Intelligence Council 2004, pp. 59, 62.

<sup>100</sup> Brzezinski 2003/4, p.8.

It is difficult to reconcile either the nationalist discourse or the policy of promoting U.S. hegemony which lay behind the invasion of Iraq with Robinson's argument that the principal goal of the invasion was to open the country up to transnational capital. This is not to deny that there were economic motivations behind the invasion of Iraq or that capitalist logics of power did not have a role to play. As Alan Cafruny and Timothy Lehmann point out, 'Anglo-American firms—excluded from the country for decades—now control the lion's share of Iraq's oil and natural gas sectors. The U.S. retains significant over-the-horizon capabilities on Iraq's borders, through its archipelago of bases across the Gulf Cooperation Council states.'<sup>101</sup> However, by examining the capital links of key architects of war, or intellectuals of statecraft, within the Bush administration, drawing further on the research of Naomi Klein in her book *The Shock Doctrine* (2007), one can see that the majority of these links were to U.S.-based defence and oil companies rather than to transnational capital.

This is certainly true of two of the most important architects of war, former Secretary of Defence Donald Rumsfeld, and then Vice-President Dick Cheney. Donald Rumsfeld had to sell off directly-owned stocks in Lockheed Martin and Boeing (two major defence companies) before taking office, but was still part or complete owner of private investment firms 'that were devoted to defence and biotechnology stocks'. Dick Cheney meanwhile was CEO of Halliburton, a U.S.-based oil company, before becoming Vice-President, and retained hundreds of thousands of shares and unvested options as he entered the vice-presidency.<sup>102</sup> Other influential, if more informal, advisors to the Bush administration also had strong ties to oil and defence companies. Henry Kissinger, the former Secretary of Defence who not only remained close to the Bush administration but

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<sup>101</sup> Cafruny and Lehmann 2012, p.16.

<sup>102</sup> Klein 2007, pp.311, 313.

also became an important commentator and intellectual of statecraft contributing to the debate over Iraq,<sup>103</sup> owns a company called Kissinger Associates which is reported to have represented a host of large corporations including Hunt Oil and Fluor, an engineering company that was ‘one of the biggest reconstruction contract winners in Iraq.’<sup>104</sup> The Defence Policy Board, whose role it was to give independent advice to the Secretary of Defence, had nine of thirty members with links to defence companies, with four members being registered lobbyists.<sup>105</sup> Meanwhile Richard Perle, who chaired the Defence Policy Board, a position which he used to ‘argue forcefully in the press for a pre-emptive attack on Iraq’, had recently set up a venture capital firm called Trireme Partners, ‘which would invest in firms developing products and services relevant to homeland security and defense.’<sup>106</sup>

These links to oil and defence companies spread to groups that were set up by the Bush administration to argue the case for war. James Baker, who was appointed co-chair of the Iraq Study Group, owned ‘one of the leading oil and gas law firms in the world’, a major client of whom was Halliburton. He also became an equity partner in the Carlyle Group, which has a ‘defence-oriented equity firm.’<sup>107</sup> The Committee for the Liberation of Iraq, a pressure group established in 2002 to argue the case for war, also had strong links to the arms industry. Its convenor, Bruce Jackson, had only a few months earlier been vice president for strategy and planning at Lockheed Martin. Other representatives of Lockheed within the Committee ‘included Charles Kupperman, Lockheed Martin’s vice president for space and strategic missiles, and Douglas Graham, Lockheed’s director of defence systems.’ George Schultz, who headed the committee, was a member of the board of directors of

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<sup>103</sup> Woodward 2004, p.163.

<sup>104</sup> Klein 2007, p.320.

<sup>105</sup> Politi and Verluy 2003.

<sup>106</sup> Klein 2007, p.320.

<sup>107</sup> Klein 2007, p.317.



Bechtel, the largest engineering company in the U.S., where he had earlier served as CEO, a company that would collect billions from reconstruction contracts in Iraq.<sup>108</sup>

Beyond personal ties, oil and defence companies are economically and structurally closely linked to the U.S. government, and therefore retain a distinctly national rather than transnational focus. Harris notes that the military industry is international rather than transnational, as it has investments, production, and employment which remain ‘in their country of origin and mainly access the global markets through exports’, and relies heavily on state protectionism. For example, in 2001, 72 percent of Lockheed Martin’s sales ‘came from U.S. government procurements’. Moreover, 75 percent of all U.S. military foreign sales are processed by the Pentagon.<sup>109</sup> Furthermore, in terms of the contractual reconstruction of the built environment in Iraq, the role forged in the early days by the U.S.-led Office of Reconstruction and Humanitarian Assistance (ORHA) in Iraq involved a main \$680 million contract for the reconstruction of electrical, water and sewage systems, which was granted to the Bechtel Group. The senior vice-president of Bechtel, Jack Sheehan, was a member of the Defence Policy Board, a Pentagon advisory group whose members are approved by the Secretary of Defense, Donald Rumsfeld. George Schultz, the former secretary of state, was also on Bechtel’s board and chaired the advisory board of the pro-war Committee for the Liberation of Iraq. The contract was, at the time, the largest of an initial \$1.1 billion reconstruction project headed by the United States Agency for International Development (USAID). It also led to further awards to Bechtel to repair airports, dredge and restore ports such as Umm Qasr, rebuild hospitals, schools, government ministries and irrigation systems, and restore transport links, ‘giving Bechtel an overwhelmingly important role in virtually

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<sup>108</sup> Klein 2007, p.319.

<sup>109</sup> Harris 2005, pp.145-6.

every area of Iraqi society.<sup>110</sup> A \$7 billion contract for controlling oil fires was also awarded to Kellogg, Brown & Root, a division of Halliburton, once run by vice-president Dick Cheney.

Being mainly U.S.-based, and profiting chiefly from government sales or government aided procurements, these companies clearly form part of the national wing of U.S. capital. Furthermore, their close ties to the neo-conservatives within the Bush administration provides another explanatory factor in regard to the decision to invade Iraq. Andrew Flibbert criticises accounts of the war that place emphasis on domestic economic factors by arguing that business interests in the region could have been advanced without military action or invasion.<sup>111</sup> However, this critique is based on the assumption that ‘business interests’ are a homogenous and universal category, an assumption that is strongly contested by Jonathan Nitzan and Shimshon Bichler’s concepts of dominant capital and differential accumulation. Their conceptualisation of capital rests on the assumption that dominant capital seeks as its priority differential rather than absolute accumulation, meaning that capital groups ‘try not to maximise profit, but to beat the average and exceed the normal rate of return.’<sup>112</sup> They note that both arms companies and to a certain extent oil companies, as a potentially dominant capital group, have an interest in renewed conflict, particularly in the Middle East. Tension and war bring higher oil prices, leading to higher oil revenues and profits for OPEC countries and oil companies. Local governments then use this petroleum money to buy more weapons, in the meantime laying the groundwork for the next conflict. So ‘if the oil and armament groups surrounding the Bush Administration have a broad

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<sup>110</sup> *The Guardian*, ‘Bechtel wins contract prize’ (18 April 2003), <http://www.guardian.co.uk/world/2003/apr/18/iraq.oliverburkeman1?INTCMP=SRCH>; accessed 14 April 2009.

<sup>111</sup> Flibbert 2006, p.321.

<sup>112</sup> Nitzan and Bichler 2004, p.257.

interest here, clearly it is an interest in some measure of instability and war, not peace.<sup>113</sup> The U.S. nationalist class fraction was therefore much more likely to benefit from a neo-conservative strategy of unilateralism and pre-emptive warfare than the globalist strategy which relies on a certain amount of international stability and the building of alliances between countries to create a stable global market. In short, an analysis of the intra-class struggle over the invasion of Iraq within the U.S. form of state makes clear that rather than the U.S. ideological state apparatus being at the disposal of the TCC, it was the nationalist fraction of capital which was shaping and constituting the 'national interest'.

### **Conclusion: towards global war?**

In this paper, it was argued that neither an approach focusing on inter-imperialist rivalry nor an approach emphasising multilateral cooperation under the leadership of the U.S. can adequately examine the internal relations between the geopolitical and capitalist dynamics underlying world order. Unsurprisingly, both sets of approaches produce rather state-centric accounts of the reasons behind the invasion of Iraq in 2003. The focus then moved to an assessment of the transnational state (TNS) thesis. While this is able to incorporate the changing social relations of production as a result of globalisation and thus the emergence of transnational capital as a new class fraction, there is a rather uncritical and unquestioning assumption that the U.S. has simply been transformed into an apparatus at the disposal of the interests of transnational capital. The war on Iraq, according to the logic of this argument, was therefore a strategy of transnational capital that benefited this specific class fraction. Having acknowledged, however, the continuing importance of the structured coherence that state forms grant to the spatial organisation of capitalism and focusing on the

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<sup>113</sup> Nitzan and Bichler 2004, p.258.

intra-class struggle within the U.S. form of state over the war on Iraq, it becomes clear that this conflict was actually driven more by the nationalist wing of the U.S. ruling class who were in a hegemonic position and were the predominant actors behind the invasion and subsequent reconstruction.

Unsurprisingly, when it came to the distribution of contracts for the reconstruction of Iraq after the war it was not transnational capital that benefited. Instead, the awarding of reconstruction contracts was largely focused on U.S.-based companies and capital groups. A 2003 report for Congress noted how, immediately after the invasion, a decision was made ‘to limit the number of bidders for these [reconstruction] projects to a select few American companies.’<sup>114</sup> The report goes on to describe how ‘normal public bidding requirements were waived’ when USAID began awarding contracts for reconstruction projects in February and March 2003, with specific companies invited to submit bids.<sup>115</sup> Indeed it was two U.S.-based companies that were the biggest beneficiaries from reconstruction contracts. Halliburton was given a huge contract to run the Green Zone in Baghdad and was hired to help run the ‘living support services’ of the CPA.<sup>116</sup> It was also given ‘the exclusive United States contract to import fuel into Iraq’ and in March 2003 ‘was awarded a no-competition contract to repair Iraq’s oil industry’, having already received more than \$1.4 billion in work.<sup>117</sup> As noted above, the major U.S. engineering company Bechtel was given the first contract awarded by USAID in April 2003, and was awarded a second contract in January 2004, tasked with providing ‘a major program of engineering, procurement, and construction services for a

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<sup>114</sup> Margesson and Tarnoff 2003.

<sup>115</sup> Margesson and Tarnoff 2003.

<sup>116</sup> Chandrasekarn 2006, p.12.

<sup>117</sup> *The New York Times*, ‘High Payments to Halliburton for Fuel in Iraq’, 10 December 2003, <http://www.nytimes.com/2003/12/10/international/middleeast/10GAS.html>; accessed 29 October 2008.

series of new Iraqi infrastructure projects . . . at a total value of up to \$1.8 billion.<sup>118</sup> The contract included the provision of ‘engineering, procurement and construction services in support of an Iraq Infrastructure Reconstruction Program’, providing assistance in areas as wide ranging as ‘electric power, water and sanitation services; transportation systems, selected public buildings, ports and waterways, and airports’ (USAID 2007).

Once again the importance of capital accumulation—specifically the creation of the physical infrastructure in the built environment through fixed capital—comes to the fore as temporary relief from the problems of overaccumulation and the crisis tendencies in the general rate of profit raised by the contradictions of capitalism. After all, ‘capitalist development has to negotiate a knife-edge path between preserving the values of past capital investments in the built environment and destroying these investments in order to open up fresh room for accumulation.’<sup>119</sup> As David Harvey goes on to attest, the problems of capitalism cannot ‘be resolved through the instant magic of some “spatial fix”.’<sup>120</sup> However, it is through new imperialist interventions in Iraq and, perhaps, elsewhere that one can witness the spatial ordering of the built environment through militarism and other mechanisms of finance linked to specific fractions within the U.S. state form and thus the policy of bomb and build on a world scale.

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<sup>118</sup> Bechtel 2004.

<sup>119</sup> Harvey 1975/2001, p.274.

<sup>120</sup> Harvey 1982/2006, p.431.

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