

## APDUSA Conference 2023

### Changing Global Balance of Power or Inter-Imperialist Rivalry

The rise of China and Russia over the recent past to challenge US global hegemony is often described as a change in the global balance of power. Reference is also made to an emergence of a new world order. The main narrative in the geopolitical debate is focused on the challenge posed by China and Russia to US hegemony and generally focuses on scenarios of economic or military conflict with a declining US empire.

All empires rise and fall, and there is substantial evidence that the US, which have been the dominant power since World War 2, is in decline. While most countries in the world were decimated after World War 2, the US came out of the war as the world's dominant imperialist power. It was in a position to dictate the terms of international trade and the direction of the European reconstruction process. This process included domination of their colonies and therefore, easy access to an abundance of natural resources. This allowed continuous growth and domination of the US in an increasingly integrated globalised economy based on neoliberal policies.

Neoliberal globalisation has successfully drawn the entire world, including China, countries from the former Soviet Union and former colonies, into the global world system controlled by US imperialism. While this system allowed the US to become the dominant country in the world, it also became the germ for the demise of its hegemony. The process of neoliberal globalisation became a vehicle for the rise of China and Russia. It has reached a stage where they can challenge the world domination of the US. Since 2008 the US was no longer the single leader of the globalised world.

Debates and analyses around current geopolitical shifts in the mainstream media focus on a superficial comparison of superpowers. Central to this debate is the rise of China as a challenger to US global supremacy. China has rapidly become the second largest economy in world with a GDP of US\$17.73 trillion in 2021 compared to the US GDP of US\$23.32<sup>1</sup>. Several commentators argue that China will overtake the US by 2035. Bourgeois commentators have indicated that the prospect of China overtaking US productivity makes many in America nervous.

China's growth is however slowing down and it is only growing at 3%. Discontent with the authoritarian regime is growing. Public and private debts are accumulating. Structural unemployment is on the rise, especially among young adults (it has reached 20%).

Militarily, the US remains the undisputed dominant power in the world<sup>2</sup>. Its military budget is larger than the entire world combined. Its 2021 military budget was US\$767.8 billion, compared to China's \$270 billion, India's \$73.6 billion and Saudi Arabia's \$53.8 billion.

If the US remains the dominant economic and military power, what then are the forces that are giving rise to current global events which appear to challenge that dominance and which, on the surface, reflects such a shift in the global balance of power or rise of a new global order? While the main narrative around 'shifts in global balance of power' may make for dramatic television and news coverage, it provides for a poor explanation of current global events. In contrast, the theory of imperialism and inter-imperialist rivalry provides a deeper analysis of current geopolitical events. For the purposes of this introduction, it will suffice to focus on the explanation provided by Lenin<sup>3</sup>.

### Lenin on Imperialism

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<sup>1</sup> Japan: US\$4.94 trillion; 2022 European Union GDP estimated at US\$16.6 trillion

<sup>2</sup> The bourgeois narrative also reasons that China may not yet be strong enough individually to challenge US power, and therefore it is engaged in all sorts of overtures to develop alliances. China, Russian and other likeminded countries will be able to collectively challenge the US.

<sup>3</sup> Other Marxist views include, e.g. that Rosa Luxembourgh who considered imperialism to be an extension of Marx's idea of primitive accumulation (the slave trade; robbing colonies of gold & silver, etc.). i.e. control of resources in the colonies and also separating the workers from means of production to create wage labourers (such as the enclosure movement).

Lenin wrote his pamphlet '*Imperialism: The highest stage of capitalism*' in 1916 and published it in 1917<sup>4</sup>. He, and other Marxists were attempting to explain why the major capitalist countries were at war with each other: World War 1, that broke out in 1914. He based his work primarily on the work of the British liberal economist and social scientist J.A. Hobson, 'Imperialism', written in 1902 and Austrian Marxist Rudolf Hilferding entitled 'Finance Capital: A Study of the Latest Phase of Capitalist Development', written in 1910. Lenin also wrote an introduction to Bukharin's book, 'Imperialism and the World Economy', which was written in 1915.

Lenin defined imperialism as the monopoly stage of capitalism. As the capitalist system matures, it leads to a concentration of capital into a few large monopolies which have the power to control markets, prices and the exploitation of workers. It is characterised by a shift from 'peaceful', 'free-market' industrial capitalism to rising banking capital and the confluence of industrial capital with banking capital leading to financial capital.

Monopoly capitalism also leads to the export of capital from the developed to the underdeveloped countries. This is done in order to find new markets for goods and to exploit cheap labour. This partly explains the scramble for Africa and opening of China and other parts of the world during the late 19<sup>th</sup> century. This leads to no more land being available to be divided up. But these imperial powers still have to export excess capital. This leads to imperial powers turning on each other and leading to war. This is the conflict of imperial powers. This is the inevitable nature of the capitalist system.

Lenin also argues that capitalism does not develop evenly across the world. Arguing against Kautsky that there could be imperialist development with some peaceful settlement, is impossible. "The only conceivable basis under capitalism for the division of spheres of influence, interests, colonies, etc., is a calculation of the strength of those participating, their general economic, financial, military strength, etc. And the strength of these participants in the division does not change to an equal degree, for the even development of different undertakings, trusts, branches of industry, or countries is impossible under capitalism."

The characteristics of imperialism:

- Monopolisation of industries (Marx already talked of the centralisation and concentration of capital.)
- The creation of a financial oligarchy; the fusion of banks and industrial capital dominated by the financiers.
- Export of capital; cartels divide markets and imperialists divide the world amongst themselves.
- But imperialism experiences uneven development.
- The rapid rise of Germany and in opposition to England/challenging England which dominated world trade and finance, having extensive colonies. German rise created a tension, leading to WW1. Germany was trying to break out of the straightjacket it was in, creating tension. Germany felt it was strong enough to challenge England.
- Lenin argued that war was an inevitable outcome, which is part of uneven and combined development of imperialism.
- Growing countries will always seek to gain its rightful share of colonies, while established countries will block that.

Note also that imperialism is not only about stronger states dominating weaker ones. It is about a global system of competing capitalist states which divide and redivide the world.

### **Challenge to US dominance**

Since the Second World War there has been constant conflicts around the world. There has been continued militarism and interventionism of western powers throughout the Third World and in regions for the control of natural resources. The notion of a single country (or even 3 or 4 countries) taking over world hegemony no longer works in the 21<sup>st</sup> century. The major imperial powers and developing countries are engaged in a constant process of manoeuvring through alliances, blocs, agreements and partnerships to improve their positions within the global economic system. E.g., Saudi Arabia recently requested to join BRICS. This was after a fallout with the US reneging on an agreement to ensure Saudi security after they decided to cut oil

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<sup>4</sup> Lenin. Imperialism, the Highest Stage of Capitalism

production. Russia is advancing its position in Africa through wheat, fertilisers and arms exports, which is accompanied by military treaties. China, on the other hand is pursuing its “Silk Road” project with trade that has reached \$254 billion.

The US also recently made overtures to strengthen its presence in Africa. Militarily the US has primarily supported the Somali and Kenyan armies with drone strikes against Al Shebab forces, while letting France try to secure West Africa against the various jihadist groups. Recently it has made US\$2.5 billion available to fight food insecurity. This is only part of a \$55 billion provisioning over three years for 4 items outlined by the Biden administration:

- fostering open societies capable of “countering the damaging activities of the People’s Republic of China, Russia, and other actors”;
- improving security and democracy
- fostering economic opportunity; and
- helping with the climate transition.

Biden has also promised to work to ensure that the African Union is a member of key international structures, including the G20 and the UN Security Council. The involvement of the 3 major imperialist countries on the African continent foreshadows the outbreak of regional proxy wars.

The Russian invasion of Ukraine accelerated the trend of inter-imperial rivalry, conflicts and wars. The war in Ukraine is an illustration of how intertwined the world economic system is. It disrupted energy, food and other commodity supplies, illustrating how conflict in one region has an impact on the rest of the world.

Disruptions of trade with China will have a devastating impact on the rest of the world.

Inter-imperialist conflict between the US and China extends to all domains: military, alliance systems, economic sanctions, development of alternative technologies and control of supplies of scarce resources. These two countries are however linked to each other in many ways. Both are dependent on a global organization of production that makes it very difficult to relocate key companies massively and quickly, especially to their countries of origin.

### **What are the prospects for the working class and for the ideas of the left?**

Göran Therborn<sup>5</sup> identifies three key problems we are facing across the globe today:

- The looming climate catastrophe and the habitability of the planet
- The new world of imperial geopolitics bringing the risk of world war closer
- The abysmal economic inequalities among an increasingly interconnected humankind; with capitalists still denying technological and medical advances to the majority of the human population

He indicates that: “How the new left will confront these three challenges is impossible to predict at present, but the prospects are not so good.” Pierre Rousset<sup>6</sup> has noted that, although the war in Ukraine has global repercussions, it will not develop into a world war (unless it becomes nuclear). On the other hand, a conflict in the South China Sea would probably not be a simple proxy war.

As socialists we are against war; we believe in a world without war. Imperialist wars have created misery for millions of people; it has uprooted millions of people from their homes, resulting in an unprecedented migration of millions of people in search of safety or a better life. The response of the left should start with strengthening of an anti-war movement which remains weak on the international level.

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### **Further issues to consider**

- I don’t think there is a scenario that Chinese and Russian elites join the US and EU in exploiting the working class; similar to the Kautskyan peace amongst imperialist countries....
- Pierre Rousset: “Is China a “normal” capitalist country? Yes, but no.”
- NB: We need to understand China... What are the dynamics in the Chinese Communist Party and the dynamics in the country?

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<sup>5</sup> Göran Therborn; The World and the Left. New Left Review. 137. Sept Oct 2022

<sup>6</sup> Pierre Rousset. International Viewpoint. Wednesday 29 March 2023

- Vijay Prashad: China is being dubbed an authoritarian country; calling China a country in the midst of a giant experiment.
- We also need to understand the current state of the US.

It is clear that the US can no longer 'discipline' other countries that do not conform to its dictates.

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08 April 2023