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Marxism in the 21st Century: Alternative to Neoliberal Capitalism and Imperialism

I

Two decades after the fall of the Soviet Union, the mood of capitalist triumphalism that existed then, has vanished. With the first prolonged capitalist crisis of the 21st century, the focus is now on the future of capitalism and the uncertain times faced by it. There is recognition, as a banker wrote in the *Financial Times*, that capitalism is having a “very Marxist crisis”.

Marxism, which was scorned as a 19th century philosophy and which was declared as an anachronism by the end of the 20th century, has once again proved that it is the only scientific theory to analyse the crisis facing contemporary capitalism. Marxism remains the guide to action on how to transcend capitalism and build a new society free from class exploitation and social oppression.

Marxism, as theory and practice, has to constantly evolve. The experience of the theory put into practice has to be evaluated. Based

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on that assessment, the theory needs to be updated and modified. Marxism has to be seen as a developing theory. It is not a given corpus of knowledge which needs only to draw upon and to be interpreted. This needs to be stressed because of the legacy of Soviet style Marxism in the 20th century. Marxism was seen to be a corpus of classical texts by Marx, Engels, Lenin and so on. Based on these classics, developments in the various fields of knowledge were analysed and sought to be incorporated into an *a priori* framework. This ossified theory and resulted in dogmatic practices or inertia.

Marxism in the 21st century has to make a break from this theoretical straitjacket as it is an essential part of making Marxism a living theory and an accurate guide to practice.

II

Marxist theoretical analysis of the contemporary world would affirm the existence of imperialism as an integral part of the global capitalist system. It has been argued that nation states have increasingly become irrelevant in the era of globalisation and thus we need to move beyond the concept of imperialism, which is based on rich nations colonizing and exploiting the poorer nations. The problem with this argument is that it fails to identify the principal class forces which drive world capitalism today and instead confuses the changes in the form and character of imperialism with the disappearance of its essence and content.

Lenin's analysis of imperialism in the early decades of the 20th century was based on the development of monopolies as a result of concentration of capital and the coalescence between banking and industrial capital in advanced capitalist countries giving rise to finance capital. These national blocs of finance capital backed by their nation states resorted to imperialism – controlling the resources and markets of the poor countries. This also led to inter-imperialist rivalries between nation states over the division and re-division of their 'spheres of influence' causing wars like the world wars.

The way things have changed since Lenin's time can be seen in the development of international finance capital, which while originating in the advanced capitalist nations is no longer national in its form. The transnational banks and financial corporations today have global operations and move around large volumes of capital

across national markets on a daily basis in search of quick speculative gains. International finance capital is globally mobile and fluid, it is not tied to specific industries and it does not serve its interest to divide the world market into rival blocks. What it wants is a globally integrated market where it has unfettered freedom of movement. This is the force that drives the process of neoliberal globalisation.

Rivalries between imperialist nation states have subdued under the hegemony of international finance capital. However, this does not imply a disappearance of imperialism. Rather imperialism has acquired a particularly vicious form under the imperatives of international finance capital. The major imperialist powers have formed a bloc under the leadership of the US, which ensures that any challenge to neoliberal globalisation and the hegemony of international finance capital is eliminated. In this, the role of the US state and its economy remains crucial.

This can be seen in the unfolding events under contemporary capitalism. The present crisis which started in 2007-08 was brought about by the depredations of finance – asset price bubbles created through reckless lending and speculation. In the immediate aftermath of the crisis, the imperialist nations took the initiative to form the G20 and proposed a coordinated expansion of state expenditure as the way towards recovery. But once the big banks and financial companies were bailed out using taxpayers' money, the imperialist powers – especially the US, Germany, France, UK – started advocating austerity measures and cutbacks in public spending. The burden of adjustment has been shifted on to the working people across the world through the austerity measures even as international finance has recovered from its losses at the expense of the state exchequer. This could not have happened had it not been for the imperialist nation states acting in unison in the interests of international finance. The possibility of a shift away from neoliberal globalisation and curbing the power of big finance in the backdrop of the crisis is being stymied by imperialism.

The hegemony of the dollar is a significant aspect of the international finance driven imperialist system. Bulk of the financial wealth and resources across the world continues to be held in dollars owing to the imperialist strength of the US state. This allows the US economy to suck in finance from across the world and sustain the globalisation process.

The role being played by the NATO in the post-cold war era is

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yet another signifier of imperialist militarism. The operations of the NATO have been extended to West Asia, in the name of the 'war on terror' or 'humanitarian interventions'. The purpose is to destroy any regime that asserts national sovereignty and protects the oil and mineral resources of the region from the predatory oil companies based in the West. The wars in Afghanistan, Iraq and most recently Libya were all fought to meet these objectives. US militarism is an outcome of the systemic needs of imperialism to maintain its hegemony over the globe.

Therefore, from a Marxist point of view, imperialism continues to be the foremost barrier before all those who seek to create a just, democratic and peaceful world order. Struggle and resistance against international finance driven imperialism comprises the core of revolutionary movements in the 21st century.

III

In the throes of a crisis, finance capital assaults and seeks to dismantle the welfare state built in the earlier phase of capitalism. The fight back against the neoliberal orthodoxy requires the defence of the rights of the working people and the gains made over the decades of struggle in the 20th century in getting social benefits.

The neoliberal policies have resulted in heightened inequalities, growing unemployment and homelessness for the people in the developed capitalist countries. The ongoing crisis and the state-sponsored bailout of the corporates and the bankers have vividly brought out for the people the iniquitous and unjust order that exists. Protests against corporate greed and the austerity measures have erupted and intensified in Europe and the United States. This, however, is yet to transform into a powerful political alternative, which can usher in substantive changes.

The resistance to imperialist globalization requires the building of an alternative Left platform centred on rolling back the neoliberal offensive and unshackling the grip of international finance capital to restore economic and popular sovereignty. Such a Left platform should advocate robust state intervention to develop the productive forces in a manner which generates employment and reduces income inequality. No progressive change in economic policies can be brought

about without curbing the power of international finance. It is necessary as a first step, to introduce a financial transaction tax and regulation of the financial sector. The Left has to bring to the fore, the agenda of state takeover of big financial assets and the breaking up of giant multinational banks, which are ostensibly 'too big to fail'.

Imperialism seeks to emerge from its current crisis by shifting the burden of the crisis on to the people of the developing countries. International agencies like IMF, World Bank and the WTO are the handmaidens of this effort. The struggles against financial and trade liberalisation in the developing countries, especially against conditional austerity measures and unequal free trade agreements have to be taken forward.

The Left alternative platform and the political movement for it have to be developed in each country according to its specific conditions. While international finance capital operates globally, it utilizes the state in each country to enforce its neoliberal dictates. The fight to wrest economic and popular sovereignty for the people is therefore a class struggle within the nation state. Imperialist globalization has not rendered this nation state based struggle redundant. Even as the global forms of class struggle and anti-imperialist movements develop over time, the primacy of the nation based class struggle cannot be underplayed.

IV

The working class remains central to any revolutionary challenge to capitalism. Despite assertions of the 'post-Marxists' to the contrary, the working class has grown in its size and strength globally. Deindustrialization and off shoring of industrial activities into the developing world has led to the shrinking size of the industrial workforce in the advanced capitalist world. However, the size of the proletariat has grown in the developing world and the world as a whole. Moreover, those employed in the services sector are also exploited workers. The changes that have come about are in the forms of employment and labour exploitation, under the rubric of 'labour market flexibility'. Across the world, organised formal sector employment has been increasingly replaced by casual and contract based work. Alongside the institutionalization of a hire and fire

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regime, economic growth under the neoliberal regime has also led to a ballooning informal economy characterised by intense exploitation and self-exploitation of labour. A key challenge before the Marxists in the 21st century is to devise new forms of organising the casualized and informal workforce, who bear the brunt of intensified exploitation.

Perhaps the greatest churning process occurring in the world today is in the countryside, particularly in the rural areas of the less developed countries – in Latin America, Africa and Asia. Over the last three decades, policies of so-called stabilization and structural adjustment have systematically been imposed on the working people of the third world by international capital, domestic bourgeoisie and landed rural elites. These policies accentuate agrarian crisis, impoverish and worsen the incomes and livelihoods of the peasantry. Rural unrest on issues of land, livelihood and access to resources is a widespread phenomenon across the developing world today. Organising the peasantry and rural labourers and building an alliance with the urban working class poses the main challenge in these societies.

The theory and practice of Marxism in the 21st century also requires the integration of gender issues into the mainstream analysis of class exploitation and social oppression. Even the most advanced capitalist countries have been unable to address in any substantive way, the unequal division of labour that is detrimental to women. On the contrary, the severe cutbacks in the social sector under the neoliberal regime have meant that the burden of the care economy is borne disproportionately by women. At the same time, the exploitation of cheap female labour continues to be an important source of extraction of surplus value.

Discrimination against women, reflected in unequal wages, discriminatory labour practices and the political economy of the reproduction of labour power shows that it is systemic and embedded in the capitalist production system. The invisibilisation of women's work, the devaluation of their labour and the predominance of patriarchal modes of life reinforce the exploitation of women under neoliberal capitalism. The Left alternative to imperialist globalisation must recognise and give prominence to the liberation of women from patriarchal and class based exploitation.

The world is faced with a degradation of the environment and

ecology, which threatens life and nature on the planet. An important factor in the struggle against neoliberal capitalism and the building of an alternative has to be, in terms of Marxist theory and practice, a proper understanding of the environmental issues and the struggle to protect the environment and human life. The predatory nature of capitalism is the primary cause for the threat to the world environment and ecological sustainability. Imperialist globalization has heightened the despoliation of nature and the loot of natural resources by big corporations. Global warming and climate change is a common threat to humanity as a whole but the responsibility for this lies more with the rich industrialized countries. The struggle to protect the environment and ensure that there is equity in addressing the problems of environmental degradation should be on the agenda of Left alternatives.

v

In the years immediately after the disintegration of the Soviet Union and the restoration of capitalism in Russia, the debates centred around what happened to the experiment of building socialism in the Soviet Union and what had gone wrong. These debates prevailed amongst Marxists and activists of the communist and working class movements during the 1990s. But by the turn of the century attention was drawn towards what should be the shape and nature of socialism in the 21st century.

It is by a critical examination of the experiences of socialism in the 20th century that we can arrive at a new and more meaningful concept of socialism in the 21st century. This requires carrying forward some of the original impulses of the October revolution and some of the valuable achievements. At the same time, we have to discard some of the negative aspects and distortions which manifested in the existing socialism of the 20th century.

The debate on 21st century socialism is ongoing and has not reached a finality. This is so, because the socialism in the 21st century will arise not just from theory but also from practice. But we have now some broad contours of what a renovated socialism of the 21st century will look like. Here we can only set out some of them in an outline form.

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(i) Socialisation of the means of production is a cardinal principle of socialism. This requires that the capitalist forms of ownership of the means of production be replaced by social ownership. In the socialism of the 20th century, basing on the Soviet model, public ownership of the means of production was, by and large, equated with state ownership. State owned and run enterprises being the main form led to the heavy hand of the bureaucracy controlling and running the economy. The workers had no say in the running of the enterprises. The growth of bureaucratic centralism can also be attributed to this. Public ownership under socialism in the 21st century should be of diverse forms, state ownership being just one of those forms. There can be state owned enterprises or a public sector where there is wider shareholding, or collective enterprises which are owned by the workers and employees, or cooperatives. Unlike the highly centralized system which existed in the Soviet Union, there can be different forms of public ownership and competition amongst them.

(ii) The existence of commodity production and the market is not the negation of socialism. Unlike in the Soviet Union where small commodity production and retail trade were nationalized, in the period of socialism, markets should play a role. They should be regulated by the State to ensure that big capital does not develop.

(iii) A planned economy is another basic principle of socialism but the nature of planning should not be such as to centralize all economic decision-making. Further, in order to ensure popular participation in economic decision-making and the running of economic enterprises, planning has to be decentralized.

(iv) Democracy is the life blood of socialism. In the capitalist system, democracy becomes 'formal' as the control of the bourgeoisie over the means of production and the institutions of the state leads to restricting democracy and the democratic rights of citizens. In the case of socialism, it cannot develop without the active and popular participation of the people at all levels. It is necessary to have a political system under socialism which ensures popular participation. This requires the creation of popular assemblies at different levels which have powers not only with regard to the administrative sphere but also the economic. A multi-party system under socialism will prevent the distortions that a permanent one party rule can bring about.

(v) The demarcation between the State and the ruling party has to be

institutionalized. The socialist state represents the entire people and the party cannot be a substitute as it represents only a fraction of the working class and the working people. Socialism in the 21st century will also have to be built in conditions of capitalist and imperialist hostility. This is an inescapable reality. Socialist democracy cannot be attenuated on account of this; rather it should be an instrument for developing socialist consciousness and mobilizing the people to defend the new society.

VI

Indian Experience

It is now two decades since the policies of liberalisation were initiated in India in 1991. The Indian ruling classes, in which the dominant strata is the big bourgeoisie, embraced the neoliberal framework after having gradually moved away in the 1980s from the earlier *dirigiste* policies. A higher rate of GDP growth has been accompanied by heightened inequalities and the intensified exploitation of the working people. There has been a squeeze on the peasantry and large scale agrarian distress. The Indian State is aiding and facilitating the loot of natural resources and public assets by the big corporates and foreign capital.

These neoliberal policies have, however, met with stiff resistance. Due to the resistance put up by the trade unions and the popular movements, the government has so far not succeeded in fully liberalizing the financial sector. This is what spared India from the worst excesses of the financial crisis. The fight to defend the public sector is ongoing. The government is attempting to disinvest shares gradually in the major public sector enterprises rather than going in for outright privatization.

The shift in the domestic economic policies have been reflected in the foreign policy with India forging a strategic alliance with the United States and departing from the pursuit of an independent foreign policy. The Left has been in the forefront in opposing the neoliberal policies and the pro-US foreign policy. It is the position of the Left and other democratic forces which has so far prevented the full-fledged implementation of the whole range of neoliberal policies and a total submission to the US strategic designs. Our experience is

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that the struggle against the neoliberal policies cannot be carried forward without countering the growing collaboration of the ruling classes with US imperialism.

The role played by the Left in opposition to these policies has resulted in a concerted attack on the Left forces, particularly in West Bengal. The Left Front government in West Bengal was defeated in the elections held in May 2011, after a continuous stint in office for 34 years. This is a setback for the Left movement in the country as West Bengal is its strongest base. But the struggles against the neoliberal policies and the movements of the working people in the state will enable the Left to recover ground, even though there is repression and violence directed against the movement. In Kerala, the Left-led alliance lost the elections very narrowly and nearly succeeded in breaking the cycle of alternative governments every five years. The record of the Left-led government in implementing social welfare measures and reviving the public sector enterprises found wide support among the people.

The Left-led governments that existed in the states of West Bengal and Kerala and which continues in Tripura have inspite of the severe limitations of the powers and resources available to a state government, sought to consolidate the gains made through land reforms, effect decentralisation of powers and protect the rights of the working people. The existence of these governments cannot bring about any basic change but they definitely help the working class, the peasantry and other popular movements to organize, fight for their rights and to take forward the Left and democratic alternative at the national level.

In India, there is social oppression through the caste system. Given the socio-economic formation in India, class exploitation both capitalist and semi-feudal exists along with various forms of social oppression based on caste, gender and religion. The ruling classes extract surplus through class exploitation and for maintenance of their hegemony they utilise various forms of social oppression. Hence the struggle against both class exploitation and social oppression is being conducted simultaneously.

In order to oppose the offensive of liberalisation, all the central trade unions came together for the first time last year. Their joint platform and united actions have galvanized the working class

movement and a one-day general strike with the participation of all the central trade unions is being planned for early next year.

The CPI (M) is working for a transitional programme towards socialism in India. To achieve this stage of people's democracy, we have to build an alliance of class forces led by the working class. This requires the building of a powerful worker-peasant alliance and the rallying of all the forces that suffer from class exploitation and social oppression. Till we are able to achieve this, our efforts are directed towards forging a Left and democratic alternative to the present bourgeois-landlord policies of the Indian state.

VII

The current global capitalist crisis has two features which have a bearing on the alternatives that the Left has to fashion. Firstly, the ongoing recession is likely to be of a long duration. The governments of the developed capitalist countries are no longer talking of fiscal stimulus; instead there is a naked assault on the people through austerity measures. Secondly, after a long time the crisis is centred in the metropolitan centres and not the periphery. Its effects are hitting the people of the developed capitalist countries as badly as those in the developing capitalist countries. This opens the way for resistance and struggles in the metropolitan centres along with the movements and struggles in the developing world. These two streams of struggle can strengthen each other.

To sum up, the fight for a Left alternative requires a struggle against both the finance-driven neoliberal capitalism as also the imperialist order, which perpetuates it with political power and military force.