

## **EURO ASIA, TOWARDS A NEW ENCOUNTER**

(For TRACES)

The world is currently the theatre of gigantic changes. Europe has become its first trade power and is on the road towards a political common construction, excluding the return to the permanent wars between its nations that characterized its past. Japan has also become a major modern economic power and most of the Asian continent is now on the path to fast development. On its side USA has operated an ostentatious come back. Simultaneously with the fall of socialism global capitalism seems to offer the only possible future for all nations.

In such circumstances the chances for a variety of new encounters between the various major poles of wealth and power should be weighed up. In that frame, what are the chances for a Euro Asian encounter facing the American challenge of unilateral leadership? The following pages might throw some light on the conclusion which I derive from my analysis of the present world system.

### **Imperialism, the permanent stage of capitalism**

Imperialism is not a stage of capitalism, it is a permanent character of capitalist global expansion which from its beginning (16<sup>th</sup> century) to this day has always been polarizing wealth and power to the benefit of its centers. In that frame asymmetric relations between centers and peripheries' have been constructed on the basis of "monopolies" operating to the benefit of the centers. These "monopolies" are specific to each of the successive phases of the imperialist system.

From the industrial revolution (early 19<sup>th</sup> century) to the 1970-1980 the monopoly of the centers was that of industry. Centers and peripheries were quasi synonymous to industrialised versus non industrialised countries. One understands therefore that the national liberation movements in the peripheries gave a top priority to industrialising their respective countries, with a view to "catching up". They did succeed – to various degrees – and thus compelled imperialism to adjust, putting an end to that stage of its deployment.

That page being now turned does not mean that the peripheries were indeed on the road to "catching up" and that we have moved into a "post imperialist" era. The centers did reorganise themselves around "new monopolies" in order to face the industrialisation of the peripheries. These monopolies relate to the control of technology, international flows of capital, access to natural resources of the planet, communication and weapons of mass destruction and should necessarily produce a deepening of global polarization.

### **From permanent conflict of imperialisms to collective imperialism**

In its globalised deployment, imperialism was always conjugated in plural, since its inception (in the XVI<sup>th</sup> century) until 1945. The conflict of imperialisms, permanent and, often violent, too has occupied in fact a decisive place in the transformation of the world.

The Second World War ended in a major transformation: the substitution of the multiplicity of imperialisms in permanent conflict by collective imperialism combining the ensemble of the centres of the world capitalist system (simply, the "triad": the United States and its external Canadian province, Western and central Europe, Japan). The eventual hegemonic role of the United States must be located within this perspective. Does this new collective imperialism thus stir a "definitive" (non-conjunctural) qualitative transformation? Does it inevitably imply a "leadership" of the United States in one way or another?

I suggest that the formation of the new collective imperialism finds its origin in the transformation of the conditions of competition. Only a few decades ago, the large firms fought their competing battles essentially over the national markets. The winners of the national "matches" could perform well on the world market. Today, due to the size of the market necessary for gaining an upper hand the battle must thus be launched straightaway on the global market and won on this ground. Therefore the transnational firms, whatever is their nationality, have common interests in the management of the world market.

The solidarity of the dominant segments of the transnationalized capital of all the partners in the triad is real, and is expressed by their rallying to globalized neo-liberalism. The United States is seen from this perspective as the defender (military if necessary) of these "common interests". Nonetheless, Washington does not intend "to equitably share" the profits of its leadership. The United States seeks, on the contrary, to reduce its allies into vassals and, thus is only ready to make minor concessions to junior allies in the Triad. Will this conflict of interests within dominant capital lead to the break-up of the Atlantic alliance? Not impossible, but unlikely.

### **The project of the ruling class of the United States: military control of the Planet**

This project implies that the "sovereignty of the national interests of the United States" is placed above all the other principles controlling the political behaviours that we regard as "legitimate" means; it develops a systematic mistrust towards all supranational rights. The ruling class of the United States proclaims openly that it "will not tolerate" the reconstitution of any economic and military power capable of questioning its monopoly of domination over the planet, and for this purpose, it gave itself the right to lead "preventive wars". Three principal potential adversaries are targeted here.

In the first place China, whose expanse and economic success worry the United States, whose strategic objective remains here too to dismember this large country. In the second place is Russia, whose dismemberment, after that of the USSR, constitutes henceforth a major strategic objective of the United States. The Russian ruling class seems convinced that after having "lost the war", it could "win peace", as what had been for Germany and Japan. It forgets that Washington needed the recovery of these two adversaries in the Second World War, precisely to face the Soviet challenge. The new conjuncture is different, the United States not having more serious competitor. Their option is then to permanently and completely destroy the ravaged Russian adversary. Europe comes in the third place in this global vision of the new masters of the world. But here the North-American establishment does not appear anxious, at least so far. The unconditional Atlanticism of a few, the "quicksand of the European project", the converging interests of the dominant capital of the

collective imperialism of the triad, contribute in the effacement of the European project, maintained in its status of "European wing of the US project".

General opinion has it that US military power only constitutes the tip of the iceberg, extending the country's superiority in all areas, notably economic, but even political and cultural. Therefore, submission to the hegemony that it pretends would be impossible to circumvent.

I maintain, in counterpoint that, in the system of collective imperialism the United States does not have decisive economic advantages; the US production system is far from being "the most efficient in the world". On the contrary, almost none of its sectors would be certain of beating competitors in the truly free market dreamt of by liberal economists. The US trade deficit, which increases year by year, went from 100 billion dollars in 1989 to 500 billion in 2002. Moreover, this deficit involved practically all areas of production system. Faced by European and Japanese competition in high-technology products, by Chinese, Korean and other Asian and Latin American industrialised countries in competition for banal manufactured products, by Europe and the southern cone of Latin America in agriculture, the United States probably would not be able to win were it not for the recourse to "extra-economic" means, violating the principles of liberalism imposed on its competitors!

In that frame, the target of the strategy of the United States is simply to establish the military control of the US forces over the Planet. This would guarantee to Washington a privileged special access to all the natural resources of the Earth, and through it would subordinate the allies and submit Russia, China and the Third world to the status of dependent states. The military control of the Planet is – in last resort – the means for the USA to pump a tribute to its benefit through the use of political violence. This pumping should replace the "spontaneous" flow of capital which compensates the US deficit – the main reason for the vulnerability of the US hegemony. The target is therefore not to "open the markets on equal basis for all" (that rhetoric is left to the neo-liberal propagandists). Neither is it of course to promote democracy!

Europe in particular, and the rest of the world in general, will have to choose one of the following two strategic options: to invest the "surplus" of their capital ("of saving") from which they arrange for financing the US deficit or conserve and invest this surplus at home. Currently the transfusion of surplus from Europe to the US requires a submission of Europeans to "deflationary" policies so as to release a surplus of exportable saving. It makes a recovery in Europe – always mediocre – dependent on an artificial support from that of the United States. The neo-liberal option of Europe, reinforced by a so called "apolitical" management of its currency (the Euro), is an absurd choice, perfectly convenient for Washington which manages its currency (the dollar) differently, with political sense ! Along with an eventual exclusive control of the US over oil this management permits to what I call the "oil-dollar standard" to be the only international currency in last resort, while the Euro remains a subaltern regional currency. The mobilization of this surplus in opposite direction for local employment in Europe would permit the simultaneous revival of consumption (by rebuilding the social dimension of the economic management devastated by the liberal virus), investment - and particularly in new technologies, even military expenditure (putting an end to the "advantages" of the United States in this field). The option in favour of this challenging response implies a rebalancing of the social relationships in favour of the labouring classes. National conflicts and social struggles are articulated in this way. In other words, the contrast

between the United States and Europe does not fundamentally oppose the interests of dominant segments of the capital of various partners. I locate elsewhere the political conflict which may develop between Europe (or some of the major European states) and the USA : in the domain of what could be called “national interests” and/or in the inheritance of different political cultures.

### **Quicksand of the European project**

All the governments of the European States until now are won over to the theses of liberalism. This lining up thus does not mean anything less than the obliteration of the European project, its double dilution, economic (the advantages of the European economic union are dissolved in economic globalisation) and political (European political and military autonomy disappears). There is not, at the present time, any European project. A North-Atlantic project (or eventually of the Triad) under the American command has substituted it. Europe cannot leave Atlanticism as long as political alliances defining the blocs in power rest centred over the dominant transnational capital. It is only if the social and political struggles manage to modify the content of these blocs and to impose new historical compromises between capital and labour that then Europe will be able to distance itself from Washington, allowing the revival of an eventual European project. Under these conditions Europe also could be engaged at the international level, on a path other than that traced by the exclusive requirements of collective imperialism, thus initiating its participation in the long march "beyond capitalism". In other words, Europe will be of left (the term left being taken here seriously) or will not be at all.

The "European project" was born as the European wing of the Atlanticist project of the United States, conceived just after the Second World War, implemented by Washington in the spirit of the "cold war", the project to which the European bourgeoisies – both weakened and apprehensive with regard to their own working classes – practically adhered unconditionally. However the deployment of this project itself gradually modified some important facts about the challenges. Western Europe managed "to make up for" its economic and technological backwardness vis-à-vis the United States. In addition, "the Soviet threat" is not there any more. Moreover, the project's deployment erased the principal and violent adversities that had marked the European history during a past century and half: the three major countries of the continent - France, Germany and Russia - are reconciled. All these evolutions are positive and rich with still more potential. Certainly this deployment is inscribed over the economic bases inspired by the principles of liberalism, but of a liberalism which was tempered until the 1980s by the social dimension taken into account by and through the "social-democratic historical compromise" forcing the capital to adjust itself to the demands of social justice expressed by the working classes.

How therefore will the European peoples and states face the new challenge that the US project represents?

Europeans are divided into fairly three different groups:

- Those who defend the liberal choice and accept the US leadership, almost unconditionally
- Those who defend the liberal choice but would wish an independent political Europe, outside the American alignment.

- Those who would wish (and fight for) "social Europe" i.e. a capitalism tempered by a new social compromise between capital and labour operating on an European scale, and simultaneously, a political Europe practising "other relations" (implying friendly, democratic and peaceful) with the South, Russia and China. The general public opinion throughout Europe has expressed, during the European Social Forum (Florence 2002, Paris 2003), as well as at the time of the Iraq war, its sympathy for this position on principles.

On what forces is based each one of these tendencies and what are their respective chances?

The dominant capital is liberal, by nature. In fact it is logically inclined towards supporting the first of the three options. The second option is difficult to hold. It is however that the choice of the major European governments - France and Germany. Does it express the ambitions of a capital sufficiently powerful to be capable of emancipating itself from the US supervision? Perhaps possible, but intuitively I would say highly improbable. This choice is nevertheless that of allies facing the North-American adversary constituting the principal enemy of the whole humanity. I say clearly allies because I am persuaded that, if they persist in their choice, they will be driven to leave the submission to the logic of the unilateral project of capital (liberalism) and to seek alliances on the left (the only ones which can give force to their project of independence vis-à-vis Washington). The alliance between two and three groups is not impossible. Just as the great anti-Nazi alliance.

If this alliance takes form, then shall it and will it be able to operate exclusively within the European framework? I do not believe it, because this framework, such as it is and will remain, systematically favours only the pro-American first group's choice. Will it then be necessary to fracture Europe and renounce its project definitively? I do not believe it either necessary, or even desirable. Another strategy is possible: that to leave the European project "fixed" a while at its present stage of development, and to parallelly develop other axes of alliances. I would give here a very first priority to the construction of a political and strategic alliance between Paris, Berlin and Moscow stretched to Beijing and Delhi if possible. I say clearly political with the objective to restore to international pluralism and to the UNO all their functions; and strategic, in the sense of constructing military forces to the stature of the American challenge.

There will be no progress possible of any European project as long as the US strategy is not routed.

### **An emerging Asia: Questioning the imperialist order?**

The prevailing attitude claims that the legacy of underdevelopment produced by imperialism is in the course of being surpassed by an Asia that is "making up for lost time" by establishing itself within the capitalist system, and not by breaking with that system; appearances strongly reinforce this vision of the future. In effect, over the course of the last quarter-century, Asia showed remarkable economic growth, at the same time when the rest of the world sank into stagnation. A linear projection suggests that we are moving toward a renewing of the globalized capitalist system that is better "balanced" in favour of Asia — a capitalism that as a result would lose its imperialist character, at least with respect to Eastern and Southern Asia, if not the rest of the Third World. Moreover, let us also add that the region henceforth has at its disposal important military capacities that are in the midst of being modernized, and that China and India are nuclear powers.

The “certain” future that this evolution will produce is that of a multi-polar world, organized around at least four (potentially) equivalent (economic and military) poles: the United States, Europe, Japan, and China, and possibly even six poles if one adds to the list Russia and India. The whole of these poles – and the countries and regions that are directly associated with them (Canada, Eastern Europe, Southeast Asia, and Korea) – constitutes a large majority of all the people on Earth. This multi-polar system would distinguish itself from the other forms of imperial deployment – multipolar until 1945, then monopolar with the setting-up of collective imperialism under the Triad – which constituted only a minority of the world’s people.

The analysis upon which this reasoning rests seems to me to be shallow. In the first place, because this prediction does not take into account the policies that Washington intends to deploy in order to defeat the Chinese project. And, moreover, since Europe has not yet succeeded in imagining that it can break with the Atlanticism that places it in the United States’s wake, and that for analogous and/or particular reasons Japan remains deferential towards its trans-Pacific protector, the days of the imperialist collective of the Triad are far from over. In the second place, the measure of “success” through the only growth rates of the economy remains misleading and the validity of its projection beyond a few years doubtful. The eventual pursuit of growth in Asia depends on numerous internal and external factors that join together in various ways, following on the one hand strategic models of social modernization chosen by the local dominant classes and on the other hand reactions from outside (i.e., the imperialist powers that form the Triad). A sustained growth, of long duration, capable of ameliorating in a noticeable manner – and experienced as such – the still very low standard of living of the Asian peoples, a growth that guarantees the preservation of national solidarity (the positive legacy of the Revolution in China and Vietnam) or is capable of building it elsewhere (in India and in Southeast Asia), requires a planned coherence of economic choices and political means. This cannot be the spontaneous product of the models at work in today’s world, largely influenced by capitalist dogma — liberal excess. Let us add that the growth considered here would require a considerable increase in the consumption of energy (and of oil in particular). Beyond what an evolution of this type would represent from the point of view of Earth’s ecological equilibrium, the conflict with the countries of the imperialist Triad – until now exclusive beneficiaries of the whole of Earth’s resources – is as a result sure to heighten.

The prevailing attitude attributes the success of post-Maoist China to the only virtues of the market and of external openness. This attitude excessively simplifies the analysis of the reality of Maoist China, for it ignores the problems presented by the capitalist option.

During the three decades of Maoism (1950-1980), China had already recorded an exceptional growth rate, double those of India or of any large region of the Third World. That being so, the performances of the last two decades of the century appear even more extraordinary. No large region of the world ever did better in history. What one must nevertheless here remember, above all, is that these unequalled achievements would not have been possible without the economic, political, and social foundations laid down throughout the previous period. The acceleration of development was accompanied by a jump before the growth rate of consumption. Otherwise put, whereas in the Maoist period priority was given to the construction of a solid base in the long term, the new economic policy placed the emphasis on immediate improvement of consumption made possible by the previous effort. That a slant in favour of the construction of solid bases in the long term characterized the Maoist decades is

not an absurd hypothesis. But, inversely, the emphasis placed on light industry and services since 1980 cannot last forever, for China is still at a stage that requires the expansion of its basic industries and infrastructures.

The question of opening, that is, participation in the international division of work and in all the other aspects of economic globalization (access to foreign capital, importation of technologies, membership in institutions of the management of the global economy), even ideological and cultural aspects, cannot be determined in extreme polemical terms – openness or closure! – in which the dogmatic defenders of the reigning neo-liberalism attempt to frame the debate.

One must know how to manage openness in order to be able to profit from it. For, in order to accelerate development that entails a certain amount of catching up, it is necessary to make use of more advanced technologies and therefore equipment (that one can import); and one must pay for them through exports. What one can offer on the world market is clear at this stage: products that benefit from a “comparative advantage” because of their strong intensity in labour. But it must be understood, then, that in this unequal commerce someone is exploited and accepts this situation – provisionally – in the absence of an alternative. The danger appears when the success of this option inspires a reversal of the order of sequences that demand the logic of the strategy of a development worthy of this name. This implies the submission of the quantitative objects of external commerce to the demands of the deployment of the project of development that assures the enclosing of social solidarity on the interior and therefore the capacity to assert itself on the exterior with the maximum autonomy. Liberal dogma proposes exactly the contrary, that is to say, maximal inscription in the international division of labour founded upon the priority given to the expansion of activities for which countries “benefit” from the comparative advantage of their abundant workforce. If China had to settle on the option which is that of the power in place, its growth rates would weaken and rejoin those of India, which are at about half. The first option is that which I qualified as “delinking,” which means refusal to submit to the dominant logic of the world capitalist system and not autarchy; the second is that of an adjustment that is always in reality passive (even when one describes it as “active integration”) to the demands of integration into the world system.

The central question is therefore the following: will China evolve toward a stable form of capitalism? Or will it remain in the possible perspective of a transition to socialism? What are the contradictions and the struggles being played out in contemporary China? What are the forces and the weaknesses of the chosen way (remaining largely capitalist)? What are the assets of the anti-capitalist forces (potentially, at least, socialist)? Under what conditions can the capitalist way win out, and what form of a more-or-less stable capitalism could it produce? Under what conditions could the present moment bend in directions that would, as a result, comprise a (long) stage in the (even longer) transition toward socialism?

The question is therefore to know if the dominant class – by the choices it has made – can reach its goals and what might therefore be the characteristics (specific or not) of the Chinese capitalism under construction, and in particular its eventual degree of stability. What are the possibilities offered to the capitalist way in China today? Alliances between the powers of the State, the new class of “leading private capitalists,” peasants in areas enriched by the prospects that are offered to them by urban markets, and middle classes in full expansion are already in place. Still, this hegemonic bloc excludes the great majority of workers and peasants. Any analogy with historic alliances constructed by certain European bourgeoisies

with the peasantry (against the working class), and then, subsequently, the historic compromise of cooperation between workers and management of social-democracy, remains, therefore, artificial and fragile.

Considered in the perspective of the Triad's spreading of imperialism, the new forms that construct the contrast center/periphery, founded on the new monopolies mentioned above, will lead to a deepening of the polarization on a global scale, not its alleviation. In this sense the qualification of "emerging countries" is the product of an ideological farce; we are dealing with countries that, far from "catching up," construct the peripheral capitalism of tomorrow. China is no exception.

Running counter to this model corresponding to a new stage in the deployment of capitalism in a still-imperialist framework, the road toward the socialist alternative will be longer and more different than those imagined by the 2<sup>nd</sup> and 3<sup>rd</sup> Internationals. And in this perspective a "market socialism" could constitute a first phase. But there are conditions for this to come about as such. I place the agrarian question at the center of this challenge with which contemporary China is confronted.

The population of China reached 1.2 billion residents in the year 2000, of which two-thirds (800 million) are rural. A simple projection out to the year 2020 (20 years) shows that it would be illusory, even dangerous, to believe that urbanization could reduce appreciably the number of rural residents, even if it succeeds in lowering the proportion. A demographic growth on the order of 1.2% per year would bring the population of China in the year 2020 to 1.52 billion. Moreover, let us assume that China succeeds in sustaining an excellent growth of its industries and its modern services located in urban areas, at the rate of 5% per year. To get there, modernization and the demands of competition will certainly demand that this growth not be produced solely by an extensive mode of accumulation (the "same industries and services" as right now, but in larger numbers), but rather by a partly-intensive order, associated with a strong improvement in labor productivity (at a rate on the order of 2% per year). The growth of the supply of urban jobs would therefore be 3% per year, bringing the number of the absorbable population in the urban area to 720 million. A simple subtraction shows that 800 million Chinese – the same number as today but in a proportion reduced from 67% to 53% of the total population – must remain rural. If they are forced to emigrate to towns because they do not have access to land, they will only be able to add to a marginalized population of shanty towns, as has been the case for a long time in the capitalist Third World.

In this huge conflict between the capitalist way – a dead end – and that of a renewal of socialism, China has at its disposal a major asset: the legacy of its revolution. Access to land is, in effect, for all the peasants (in China and in Vietnam) a recognized right. This right, unknown to capitalism, is nevertheless the condition for survival for half of humanity! The illusion would be that in renouncing it, that is to say, in attributing to the land the status of a commodity as all the propagandists of capitalism in China and elsewhere suggest, one could "accelerate modernization."

Under these conditions the future of China remains uncertain. The battle of socialism there has not been won. But it has not (yet?) been lost. And in my opinion it would only be lost the day the Chinese system abandons the right of all its peasants to land. Until then, political and social struggles can change the course of developments. The ruling political class devotes itself to mastering these struggles through the only means of its bureaucratic dictatorship. Pieces of this class hope equally to avoid through this same means the emergence of the



bourgeoisie. The bourgeoisie and the middle classes as a whole are not determined to fight for democracy and accept without difficulty the model of autocracy “in an Asian way,” provided that this autocracy authorizes the spreading of their appetites as consumers. The popular classes fight on the fields of the defense of their economic and social rights. Will they succeed in unifying their struggles, to invent adequate forms of organization, to formulate an alternative positive program, to define the content and the means of democracy that can serve it?

For this reason, three types of scenarios ought to be envisioned for the future under construction. The three schemas correspond to: 1) the imperialist project of breaking up the country and compradorization of its coastal regions, 2) a “national” project of capitalist development, and 3) a national and popular project of development, associating in a way that is at the same time both complementary and conflicting, capitalist logics of the market and social logics as part of a socialist perspective in the long term, of which this project would constitute a phase, one that must come for the time being.

The option in favor of the deregulated market and maximal openness – that is to say, the option of liberal Chinese and foreigners – plays into the hands of the imperialist strategy, accentuating the motifs of depoliticization and deaf opposition of the popular classes, parallel to the reinforcement of the external vulnerability of the nation and of the Chinese State. It is obviously not the bearer of democratization. Moreover, this option would not make China break out of the status of a peripheral participant, dominated and subordinated to the processes of deployment of the new imperialism of the Triad.

At first glance, what separates the second model from the third could appear difficult to identify in a precise way: an affirmed mastery of external relations, of modes of redistribution that maintain an acceptable level of social and regional solidarity. But in fact the difference is in the nature, and not in the degree, of power of the political means of the State that are implemented. The true debate here finds its ultimate foundation. The progressive option can only be founded on a priority given to the expansion of the internal market, on the basis of social relationships regulated in a manner to reduce in a maximum way social and regional inequalities; and, in consequence, the submission of external relationships to the demands of this driving logic. The contrasting option takes continually deepening integration into the global capitalist system as a principal motor of economic development. This option is associated in an inevitable manner to the aggravation of regional and (above all) social inequalities. Expressed in these terms, the alternative leaves only a slender margin for a “national capitalist” option capable of fully catching up to the developed capitalist world in order to make China a new great power, even superpower, compelling those that are in place to abandon their hegemony. It is unlikely that any political power can maintain for long enough the internal course of this slender margin and therefore that a strategy inspired by this objective perspective can avoid falling to the right (and to finish by submitting itself to the imperialist plan) or to the left (evolving toward the third model).

### **Conclusion: Toward a Euro-Asiatic reconstruction?**

“Universal history” has for a long time been the complement and the shock of the great societies constitutive of the “old world” (Asia, Europe, Africa) and the post-Columbian Americas, site of the “isolationist” expansion of the major power that constitutes them, the United States. Since 1945, this power has asserted its world vocation, forced first to

(unequally) share it with the rival Soviet military and ideology, then without apparent equal after the collapse of “socialism.”

At the same time, Europe was rising to the rank of a first-class world commercial power and was engaged in a political construction that probably rules out the return to permanent wars among its constitutive Nations, Japan was modernizing, and Asia was embarking with an exceptional rapidity along this path. Capitalism provided a necessary frame of reference for this multi-polar world system under construction. Faced with the American challenge of serious rapprochements between the poles of the old world, do they have the possibility to establish new stabilizing equilibria?

The analyses that I have proposed invite a lot of caution in this respect. I stressed the frailties of the constructions in the two major partners of the system: Europe bogged down in Atlanticism and China. The vulnerability of Japan, India, and Russia is no less, for diverse reasons that the briefness of this paper does not allow me to take up.

Nevertheless, I do not conclude that, as a result, the American project of unilateral world leadership will necessarily impose itself. The construction of political alliances between the major European States, Russia, and Asia (China and India in particular) is on the agenda and, if it comes about, will place in definitive collapse the excessive ambitions of Washington. As a result, multipolarity will provide the framework for the possible and necessary overtaking of capitalism. The stable and authentic multipolar world will be, in the end, socialist, or it will not exist at all.