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**The Communist Manifesto: Globalisation,
The Nation-State and Class Struggle***

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The observance of the 150th anniversary of the Communist Manifesto is taking place at a time when it is increasingly clear that global capitalism is entering a new crisis-ridden phase and its inability to provide solutions to the basic problems of humanity is becoming more and more evident.

The year 1998 has witnessed an emerging global economic crisis which strikingly illustrates the contemporary relevance of the analysis of capitalism contained in the manifesto prepared by Marx and Engels in 1848. The depth of the crisis cannot be hidden any more by the free market ideologues. According to the Managing Director of the IMF, Michael Camdessus "We are speaking not just of countries in crisis, but of a system in crisis, a system not yet sufficiently adapted to the opportunities and risks of globalisation". [i] The financial crisis, which has swept the world, was preceded by the crisis of the South-East and East Asian economies starting with Thailand, South Korea and Indonesia. Japan, the second most powerful economy in the world was the next to be affected. For the first time since the Second World War, Japan's economy has contracted for two consecutive years. Camdessus has called Japan's recession and financial difficulties as "a crisis in the heart of a crisis". This was followed by the collapse in Russia and the spreading crisis in Brazil. The IMF in the last quarter of 1998 halved to 2 per cent its forecast of growth of world output this year.

Within a span of seven years, after world capitalism triumphantly announced the demise of socialism, the vulnerabilities and the predatory nature of international finance capital have become the preoccupation of the world. The debunking of the neo-liberal prescriptions and the myths about globalisation occasioned by the

collapse of the much-vaunted East Asian Tigers has set the background for a serious appraisal of the Manifesto and its message. It has become an occasion for the renewal of the anti-capitalist forces and a reaffirmation of the socialist alternative.

A vital part of the creation of an alternative to the exploitative international order is the struggle against the imposition of a "globalisation" driven by the market forces. One aspect of the resistance to the cooption and subordination inherent in globalisation is the defence of national sovereignty. It involves retaining the space for the nation-state to exercise its regulatory functions on financial capital flows and restoring its powers to formulate fiscal and economic policies on the basis of national priorities. It is this national state role which has become an important sphere for the class struggle.

The Manifesto Anticipated Globalisation

The Manifesto is the revolutionary charter for the anti-capitalist revolution. For the first time, based on the historical materialist standpoint developed by Marx and Engels, the Manifesto analyses the rise of capitalism out of feudal society and the bourgeoisie becoming the new ruling class. It lucidly explains the process of capitalist development and the dialectical and antagonistic relationship between the bourgeoisie and the proletariat. The enduring vitality of the Manifesto stems from the power of scientific theory combined with the brilliance of a strategy for the revolutionary movement.

Prior to the development of monopoly capitalism and the era of imperialism, the Manifesto in 1848 had with startling prescience anticipated the trends of world wide capitalist development towards globalisation.

"The need of a constantly expanding market for its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, establish connexions everywhere.

"The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in

every country.....All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the productions of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes." [\[ii\]](#)

With the growth of monopoly capital and the advent of imperialism, the internationalisation of capital proceeded apace, which was correctly analysed by Lenin. Since then the globalisation of finance capital and its phenomenal mobility is a new feature of the late twentieth century. Speculative and predatory finance capital moving from one part of the world to another transcends national boundaries and threatens the national sovereignty of all countries. Such capital is primarily speculative in character, divorced from productive capital. It is the operations of this parasitical finance capital and its mobility which is at the heart of the current crisis of the world capitalist system. While commemorating the anniversary of the Communist Manifesto and confirming the correctness of its critique of capitalism it is essential that Marxists devote primary attention to these new trends in international capitalism and how to confront its exploitative and destructive character.

Internationalisation of Capital: Trends in Late 20th Century

At present the unprecedented internationalisation of capital and its mobility poses specific problems for the working class movements at the national and international level.

Firstly, with the offensive of international finance capital and its global institutions like the IMF-World Bank and the WTO, every nation-state in the third world is subject to relentless pressure to open up its economy to the depredations of finance capital. Under the rubric of globalisation, the advanced capitalist countries led by the United States, have combined to prise open the economies of the third world. Deregulation, privatisation and financial liberalisation are on the agenda for all countries subject to the domination of international finance capital.

This has resulted in the rolling back of the State's intervention in the economy, its developmental and welfare role, heavy cuts in social spending, deindustrialisation and the erosion of indigenous scientific-technological basis. The IMF-World Bank structural adjustment and stabilisation programmes have led to savage attacks on the living standards of the working people. Growing unemployment, impoverishment of the rural and urban poor and creation of affluent enclaves of the ruling classes have distorted economic and social development.

Secondly, as a result of this internationalisation of capital which is termed as globalisation, the gulf between the rich and the poor nations have widened in the last two decades of the twentieth century in such a manner which was inconceivable in the immediate post-second world war period after the end of old style colonialism. This worsening balance is one of the major factors in the weakening of the anti-imperialist currents in the non-aligned movement and other international forums.

Thirdly, the concentration and internationalisation of capital has resulted in a right-wing offensive in the advanced capitalist countries which has led to the twin effects of increasing joblessness among the working people and the restructuring of the work force. With cuts in social security and welfare expenditure, there has been a sharp increase in inequalities and wealth distribution. The overall result of this offensive was the weakening of the working class movement. The struggles have been of a defensive nature to protect the gains made in the earlier decades.

At the peak of this right-wing offensive in the capitalist world came the dismantling of the Soviet Union and the setbacks to socialism. By the end of the eighties the entire course of historical developments in the twentieth century from the October Revolution in 1917 to the defeat of fascism, the rise of socialist states and the end of colonialism came to be halted with the onset of a world-wide reaction.

It is in this setting that the anti-capitalist theories and movements against imperialism and world capitalism seemed to retreat into defeat. The triumphalist rhetoric of bourgeois ideologues obscured the systemic crisis and the structural difficulties of the new phase of rapacious capitalism. Such an adverse climate had its impact on the

communist and working class movements around the world. A corollary to the new offensive against Marxism was the response that Marxism itself has to be revised in such a manner that it ceases to be Marxist.

It is another matter that precisely when the Soviet Union was being dismantled, the capitalist world experienced one of the prolonged recessions which has marked the end of the "golden age" of capitalism from the mid-seventies. As Eric Hobsbawm aptly put it, "The collapse of one part of the world revealed the malaise of the other."^[iii] Since then, the serious difficulties afflicting the financial system and the world economy have once again turned the spotlight back to the real issues. The world-wide observance of the anniversary of the Communist Manifesto provides the occasion for Marxists and Left-wing theoretical and practical activists all over the world to combat both trends -- to counter the myth-making propaganda of globalisation and to assert the validity and relevance of Marxism.

Globalisation and Imperialism

In order to develop Marxist theory and practice for the contemporary times based on the historical materialist outlook, it is necessary first of all to be grounded in the seminal analysis by Marx and Engels of capitalism and bourgeois society; the next step is to pick up the thread of development of world capitalism based on Lenin's analysis of imperialism. There can be no fight back against globalisation without the recognition that imperialism is an ever-present reality in the contemporary world. It is only those who accept the framework of "development" set out by the IMF-World Bank of globalisation as a theory of universal development and of a democratic society based on free market values who will refuse to recognise that imperialism has become more exploitative, deforming and destructive in its impact on the world.

Unbridled market forces and the profit-driven worldwide operations of the MNCs have like Marx predicted "created more massive and more colossal productive forces". But they have not resulted in the elimination of the problems plaguing humanity such as hunger, disease and malnutrition. According to the Human Development Report of 1998: "Among the 4.4 billion people who live in developing countries, almost three-fifths live in communities without basic

sanitation; almost one-third are without safe drinking water; one quarter lack adequate housing; one-fifth live beyond reach of modern health services; one-fifth of the children do not get as far as grade five in school, and an equal percentage are undernourished." [\[iv\]](#)

The current phase of aggressive free-market policies have not spared the people of the rich nations too. The same Report documents that in the OECD countries, 100 million are income-poor; nearly 200 million people are not expected to survive the age of 60; more than 100 million are homeless and 37 million are jobless.

The world's environment is threatened by a global capitalism which subordinates man and nature to the relentless quest for profits. World capitalism has reached the stage where despite the unprecedented development of the productive forces by utilising the scientific and technological revolution one billion people go hungry everyday. Mass poverty in the third world and reckless consumption of the Earth's resources by the affluent nations have dramatically heightened the threat to the planet from environmental degradation.

In order to get out of this terrible predicament there is no other way but to put a check to the imperialist plunder and to roll back the destructive forces of globalisation powered by finance capital.

How is Resistance to Globalisation Possible?

Situated as we are in the third world and subjected to the caprices and whims of finance capital, it is essential to recognise a basic truth expounded by Marx and Engels in the Manifesto. There is no other class in modern society except the working class which can play a consistent role against this worldwide exploitation. No viable strategy is possible against the contemporary offensive of imperialism's globalisation without the organised resistance of all sections of the working people led by the working class.

The Nation-State: Arena of Class Struggle

This raises the question, whether it is possible, given the dominance of international finance capital, the erosion of national sovereignty

and the weakened role of the nation-state for any national working class movement to put up effective resistance against the onslaught of globalisation. A proper appreciation of the nation-state as the arena of class struggle is required. The Communist Manifesto underlines the growing internationalisation of capital and global operations of capitalism . At the same time, the Manifesto emphasised the importance of the class struggle within national boundaries. "Though not in substance, yet in form, the struggle of the proletariat with the bourgeoisie is at first a national struggle. The proletariat of each country must, of course, first of all settle matters with its own bourgeoisie".

In this context arises the role of the ruling classes of the nation-states which belong to the lesser-developed capitalist countries. The bourgeois-landlord classes in most of these countries have one by one abandoned the quest for a relatively autonomous development of capitalism within their countries and embraced the IMF-World Bank prescriptions and the Washington consensus. The integration with the global order of international finance capital is seen as the only path for their class development in a world in which socialism is absent as a countervailing force. This, however, will not be a permanent phenomenon. As the contradictions in the world capitalist system intensify, there will be shifts in the positions of the domestic ruling classes.

No Compromise with Neo-Liberalism

The ideological construct of a capitalist development integrated to the demands of metropolitan capital encompasses a type of political democracy which will not affect the consensus on economic policies. We see the spectacle of governments changing and political parties in and out of office with the economic policies favourable to international finance capital remaining unchanged. This consensus of the ruling class parties in the third world countries is a formidable obstacle in fighting back the gamut of policies of liberalisation, privatisation and the roll back of the State. The Left in every country has to resolutely oppose co-option into the "globalisation" regime and reject the ruling class consensus. There should be no adjusting to the policies of neo-liberalisation-privatisation which will erode the power of the working people and disorganise the very basis of the working class movement. This is the message of the Manifesto translated into contemporary times. Any alternative to the IMF-World Bank model should be located in reinstating/reinforcing the

intervention of the nation-state and regulation in the economic sphere.

The dichotomy between the "democratic" choice to change governments and the continuity in economic policies must be ended. The growing instability of political regimes run on such policies in South Asia, and now increasingly in South East Asia and Latin America indicate that this will not be a permanent state of affairs. Mass discontent against the economic policies lead to constant destabilisation of governments; in worse forms it assumes ethnic and religious conflicts.

Regulate Capital Flows

The vulnerability and helplessness of nation-states in the face of international capital flows should not be exaggerated. It is the orthodoxy of the IMF-World Bank which postulates that no country can survive and develop without opening up to free capital flows. The major lesson of the South East Asian crisis is the folly of such unregulated capital flows. Just before the eruption of the financial crisis in Asia, the IMF had proposed change in its constitution to make capital account convertibility a condition for membership of the Fund. Malaysia by imposing capital controls has challenged the Fund-Bank orthodoxy. Not surprisingly, the IMF Managing Director called the Malaysian controls "dangerous and indeed harmful". But the case for regulation of capital flows has been definitely put on the agenda after the recent global financial crisis.

The nation-state is the only instrument to regulate the speculative-profiteering activities of finance capital. It is not accidental that China escaped the ravages of the crisis in the financial system of the region and India has been sheltered to a great extent because of capital controls. It should be noted in this context that the firm resistance to financial sector liberalisation waged by the Left in India succeeded in slowing down the drive for full convertibility which was very much part of the IMF-World Bank dictated agenda for the country.

A major threat looming ahead is the proposed Multilateral Agreement on Investment (MAI) which envisages free movement of financial assets and productive capital by MNCs without interference by national governments. This assault on national sovereignty would

open the way for serious attacks on the rights of workers and democratic values within a nation. A big movement has to be organised in each country with international coordination to defend the regulatory rights of nation-states.

Nationalism and the Working Class

The nation-state and its apparatus cannot be left to be wielded by the domestic ruling classes to implement the dictates of international finance. Both for the immediate protection of the working people and the fight against imperialist domination, the struggle must be waged to determine the direction of the State must be waged with determination. In order to go forward in the resistance to imperialist domination the working class movement must contend for the leadership of the nation. This is what the Manifesto means by exhorting the working class to "rise to be the leading class of the nation" and "constitute itself the nation" if it is to acquire political supremacy. The increasing weight of the working class led democratic movement in the national correlation of forces would open the way to check and counter the pro-imperialist shift of the domestic ruling classes. In the present juncture, with the convulsions in the financial markets forcing even free-market advocates to rethink, the struggle to maximise the regulatory role of the State within national boundaries can be stepped up in much more favourable conditions. This is relevant not only for the third world countries but also the advanced capitalist nations. In the context of inter-imperialist contradictions, the revival of the role of the nation-states in Europe can help the revival of the nation-state in the third world.[\[v\]](#)

The question of alliances assumes particular importance in this regard for a revolutionary party. It is necessary to unite all the forces opposed to globalisation including sections of the domestic ruling classes, even if their opposition is limited and partial. The platform of defence of national sovereignty should include all spheres – economic, political, military, social and cultural.

The struggle for determining the orientation of the State and its instruments for fashioning economic and fiscal policies, occupies a key role. All theories which talk of political and social movements sans the State are in today's context diversionary, if not reactionary. Globalisation has not marginalised the State, rather the State has become central for the implementation of the policies of

international finance capital for subjugating the national economies. The fight for a State which can effectively intervene and regulate the economy to protect national sovereignty is a task which acquires prominence in the development of the class struggle in most third world countries today. In this struggle the working class has to be in the forefront. It is the only class, whatever its numerical strength, which by its location in the economic and social structure, can put up resistance and rally other sections of the working people. Recent events have, once again tellingly, established the centrality of this class in the struggle against globalisation. This is true not only of Europe where the working class of France in 1995 displayed its combative capacity with the one-week general strike but also true of Asian countries. At present the South Korean working class is the most militant and organised force which has shown the capacity for tremendous sacrifices in the face of the most serious crisis engulfing the South Korean state monopoly capitalism.

The development of an organised movement based on this class perspective naturally does not depend on only the economic struggles against liberalisation and privatisation. The growth of free market forces , the rise of bourgeois irrationalism, the powerful effects of the electronic mass media and the impact of the predatory nature of globalisation have unleashed a host of ethnic-religious-nationality problems in third world countries and the former socialist countries. "The current proliferation of such demands reflect the growing instability and economic insecurity spawned by globalisation and the growing inability of existing, territorial states to manage the regional or ethnic issues within their borders. But the creation of ethnic splinter states will not solve these problems and will generally create new and even bigger ones. After all these little states will still have the global market to contend with." [\[vi\]](#)

Reactionary Response

The rise of religious sectarian movements and their political mobilisation is a reactionary response to the crisis faced by many third world countries. Whether it be the extreme form of fundamentalism as in the rise of the Taliban in Afghanistan, or, similar movements in Algeria and other Islamic countries, or, the rise of Hindu chauvinism in India, imperialism has the capacity to accommodate and co-opt such forces into its global strategy. While developing a national working class movement, the rights of minorities, ethnic or religious, have to be protected. We have seen

the descent into barbaric religious and ethnic hatreds after socialism was abandoned in the former multinational states of the Soviet Union and Yugoslavia. Conversely, in countries which have been under bourgeois-feudal domination for long, the anti-imperialist and anti-feudal forces have to come to terms with problems of race, nationality and ethnicity in their societies. More and more imperialism seeks to utilise the irrational forms of ethnic and religious nationalism to buttress the rule of capital.

The Manifesto while correctly foreseeing the triumphant ascendancy of global capitalism was over-optimistic about its capacity to breakdown national barriers. "National differences and antagonisms between peoples are daily more and more vanishing, owing to the development of the bourgeoisie, to freedom of commerce, to the world market, to uniformity in the mode of production....." In the era of imperialism, the twentieth century witnessed two world wars originating in national antagonisms and much more slaughter arising from national conflicts. Evidently, bourgeois domination has exacerbated national rivalries. The proletariat has to acquire national supremacy in a number of major and advanced countries before real progress can be made towards eliminating divisive nationalisms.

This, once again, underlines the importance of the nation-state as the terrain for class struggle, as a building block on which a socialist internationalism can be founded.

Democratic Approach to Ethnic-Nationality Questions

The Manifesto foregrounded the question of democracy: "The first step in the revolution by the working class is to raise the proletariat to the position of ruling class, to win the battle of democracy". Today in order to win this battle of democracy it is also necessary to also build up a democratic movement which incorporates and guarantees the rights of ethnic and religious minorities. For doing so it must be able to formulate a theory and practice which recognises ethnic and national differences and addresses the problems arising out of them in a democratic manner. Fighting both "big" and "little" chauvinisms and their separatist divisiveness is an extra responsibility for the working class movement in the third world countries. This is the way the proletariat is, as the Manifesto said: "itself national, though not in the bourgeois sense of the word". Within the bourgeois landlord

states in the third world the movements for devolution, autonomy and democratisation of power are directly relevant to this issue.

The Manifesto envisaged the growing induction of women into the industrial work force. "The more modern industry becomes developed, the more is the labour of men superseded by that of women". Women would become part of the growing proletariat as a cheap source of labour power. At the end of the twentieth century, in the advanced capitalist countries, women are being drawn in increasing numbers as workers to be exploited through part-time and contract work with low wages. The same process is now seen in the developing countries. To bring this female work force which is low-paid and doubly exploited into the proletarian movement is an important question. Without recognising them as part of the proletariat and organising them, the advancement of the trade unions, and the working class movement developing into a "national" movement is not possible.

The Manifesto has a compelling appeal as it is not an abstract analysis of capitalism but the first programmatic call for a social revolution relying on the working class to emancipate humanity. It spells out the need for organisation of the working class, for a revolutionary party. It would be an injustice to the Manifesto if this main political aspect – the development of a Communist movement is ignored. In order to lay the theoretical basis for such a revolutionary movement a section in the Manifesto deals with contending versions of socialism to establish the outlook of historical materialism and scientific socialism. While the Manifesto envisages the worldwide movement of the working class for socialism, it pays attention to the contemporary realities of each country and the last section deals with the relations between the communists and other political parties in different countries. While the Manifesto sets out the main aim of expropriating capitalism and the basic approach to establishing an alternative system, it also points out that "these measures will of course be different in different countries". Marx and Engels themselves pointed out how the contemporary references in the Manifesto to the tactics to be adopted by communists became outdated a few years after 1848. It is for those committed to scientific socialism, based on the perspective set out in the Manifesto, to apply Marxism creatively to each one's society and conditions to be able to go towards the goal of human emancipation which is so eloquently foretold in the Manifesto.

* Paper submitted to the “Workshop on the Communist Manifesto”, International Centre for Ethnic Studies, Colombo, December, 1998.

[i] Speech at Annual Meeting of IMF-World Bank, Washington, 6 October, 1998. International Herald Tribune, 7 October, 1998

[ii] The Manifesto of the Communist Party Progress Publishers, Moscow, 1975. All quotations are from this edition.

[iii] Eric Hobsbawm: “The Age of Extremes”, Viking, New Delhi, 1995

[iv] Human Development Report, 1998; United Nations Development Programme, New Delhi.

[v] Prabhat Patnaik: Globalisation of Capital and the Theory of Imperialism, *Social Scientist* No. 282-83 pp 15-16

[vi] Manfred Bienefeld: Capitalism and the Nation-State in the Dog Days of the Twentieth Century; *Socialist Register*, 1994 p. 123