

REVIEW OF *GEOPOLITICAL ECONOMY—AFTER HEGEMONY, GLOBALIZATION AND EMPIRE*, BY RADHIKA DESAI

Niemeyer Almeida Filho

Niemeyer Almeida Filho is Professor at the Institute of Economics, Federal University of Uberlândia, and permanent professor of the Graduate Program in Economics at the same institute, and President of SEP (Brazilian Society for Political Economy). Email: nafilho@ufu.br



Geopolitical Economy—After Hegemony, Globalization and Empire, by Radhika Desai, London, Pluto Press, 2013, xiv + 313 pp., US\$35 (paperback), ISBN 978-0-7453-2992-5

Geopolitical Economy is not an easy book to read, though Radhika Desai's (2013) stated aim is welcome, namely, telling a story in the sense of building a text with a clear and comprehensible chain of reasoning. She reinterprets world history from the late eighteenth century meaningful and consistently, from the initial period of formation of nation-states, up to its consolidation as the multipolar system seen today. This conceptualization involves a deep and complex critique of theories of American hegemony, globalization, and empire, which are the focus of a critical evaluation which runs through the book.

The difficulty lies in the book's theoretical complexity. The thesis of *Geopolitical Economy* and the book's critique of hegemonic theories require familiarity with Marx, Keynes, Polanyi, and Poulantzas, along with mastery of the contributions of the key participants in classic debates on imperialism. However, it is precisely this feature that makes the book so interesting and challenging.

It should be read from cover to cover, beginning with the Acknowledgements, which present key motivations for the work and its form. The first chapter is an

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introduction in which the arguments are presented and justified theoretically: why Geopolitical Economy? The starting point is the apprehension that the three theories that dominate contemporary debate about the nature of the global world formulate, in some sense, a unitary conception of a unified global system organized either simply by markets or simply by the organic relation between regions and the most powerful state—the USA. This unitary conception suggests a decline in the importance of the nation-state in the world order. Radhika defines such views as Cosmopolitan.

The thesis is that cosmopolitan views do not explain the multipolar world, advanced by Radhika from the beginning as a better reading of global political reality. Rather, these views ideologically misrepresent reality, being fundamentally a product of the class interest of the USA. In this way, interpretations of the world that are incapable of grasping it in its complexity irradiate and spread.

There are three main arguments. First and most fundamental is the “materiality of the nations.” The capitalist world order and its historical evolution is formulated as a product of interaction—conflictive, competitive, or cooperative—of a variety of states, forming an interstate system.

The second argument is that world domination by the first industrial capitalist country, the United Kingdom, was both inevitable and not reproducible, because of the specificity of the historical conditions of the Industrial Revolution and the international division of labor on which it was based. The third argument is that “globalization” of the 1990s and the “empire” of the 2000s essentially constitute ideologies. They are not genuine theories but the result of two recent attempts of the USA to maintain an imperial role.

This is followed by a section of great theoretical density, establishing the perspective of Geopolitical Economy. It is clear that Marx’s critique of capitalism and its fundamental contradictions are the basis of the analysis, hence the decisive and overwhelming character of the book’s critique of neoclassical thought and of the abusive intentions of the proponents of the three cosmopolitan “theories” in treating contemporary society as homogeneous, whether purely capitalist or not, and without inherent contradictions. These theories deliberately present society as devoid of any complexity, or diversity of political, cultural, or even ethnic interests.

After this fundamental critique, the analysis subsumes contributions of Keynes, Kalecki, and Polanyi to formulate an interpretation of world order consisting of a complex system of national states. To this end, Radhika reintroduces the theory of uneven and combined development (UCD), largely associated with the contributions of Leon Trotsky. She refers to the ideas of Friedrich List and Clive Hamilton as the origins of this perspective. Then she shows how the theory is the base of a historical understanding of the Bolshevik revolution, as a broader anti-imperialist strategy of Geopolitical Economy of capitalism.

Furthermore, she formulates Geopolitical Economy by incorporating elements of the Keynes' and Polanyi's criticism of the gold standard. Thus, she brings together the key elements needed to understand the unfolding of UCD in the twentieth century, in particular, the attempt of the USA to emulate the global role of the United Kingdom. Keynes and Polanyi grasped an objective fracture of the imperial order engendered by the inexorable world domination of the first industrial power and its mutation into another order of competing national economies.

In this new order, the USA was only one national economy, although the biggest of them. Keynes identified the fact that any country which adopted the gold standard in these circumstances would submit to the national priorities of the USA. This proved prescient, as we know.

The first argument, on the existence of the materiality of nations, is primarily developed in Chapters 2 to 5. Chapter 6 covers the period between two major lows in the career of the dollar—1971 and the end of the mandate of President George Bush in 1992. Chapter 7 traces the peculiar trajectory of globalization. Chapter 8 deals with the actions and policies of the USA after the 9/11 period. Radhika interprets them as another attempt to maintain the global role of the dollar, causing increased flows of international capital.

Finally, Chapter 9 focuses on the multipolar world order in the twenty-first century, presenting it as a result of a historical process. Successive waves of competitive development spread productive power ever more widely, so that imperialism becomes impossible. Even so, “imperialism” does not come to an end, at least not as a desideratum. The most powerful states will still try to control the overall development. However, the argument runs, it is exactly that by so doing they accelerate an evolution to increasingly numerous and less powerful poles which become established as political forces and consolidate a world order in which inequality becomes progressively less consequential.

The motors of the Geopolitical Economy of capitalism are its contradictions, specifically the lack of effective demand and the tendency of rate of profit to fall. The attempts to “manage” these motors by competing countries, including the externalization of its consequences at the national level, by each society, according to its capacity, ultimately transmit these contradictions to the totality itself. For Radhika, this process is the essence of Geopolitical Economy.

An important consequence of the dynamics of Geopolitical Economy is the prominence of domestic demand. Robert Brenner grasped this aspect. In this context, nations, like social classes, are agents of capitalist history since, as always, they contain the possibility that the popular forces take control of capitalist states, making a transition out of capitalism.

On one hand, although the control and increased economic functions of the state do not in themselves constitute socialism, they serve potentially to make the

historical conditions for the existence of capitalism serve only as a stopping point on the way to some kind of socialism.

On the other hand, just as the subsequent unfolding of UCD restricts the possibilities for “managing” capitalism’s contradictions, by externalizing them, states have to increase their economic function, making them much more vulnerable to popular challenge. That is why UCD lies in the inherently contradictory core of the Geopolitical Economy of capitalism.

There follows an interesting discussion about the fragility of cosmopolitan views. It summarizes the arguments presented in previous chapters. The last section is *The Multipolar Future*. Radhika is confident that the current changes have a greater potential for change in comparison with the end of World War II:

The present multipolar moment contains more hopeful possibilities than even the end of the Second World War. Then the inordinate power that war gave the United States set the world on a long detour from the sort of an international world of multilateral economic governance which contemporaries had looked forward to, and which Keynes’s original proposal had sought to realize. When the 2008 financial crisis ended that detour, history finally caught up with Keynes’s far-sighted vision. That vision was of the world in which economic roles of states have legitimacy and reinforced by institutions of international economic governance. Such a re-legitimization of states’ economic roles is necessary before they can be oriented toward popular interests and even socialism. (Desai 2013, 275)

Of course, Radhika is optimistic and probably focused on advanced societies and how they read the future. Perhaps for this reason, the last few paragraphs are devoted to a discussion of different national conditions and hierarchies in the global economy. Either way, the reader can be satisfied at having read consistent arguments which encourage her to think differently not only from dominant mainstream thinking but also from regular Marxism.

Reference

Desai, R. 2013. *Geopolitical Economy—After Hegemony, Globalization and Empire*. London: Pluto Press.