

Capitalism and Inter-State Conflict

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Throughout all of recorded history and throughout the world, war between states has been a fact of life. As such, it is one of the world's most fundamentally 'global' issues. With the emergence of capitalism and the parallel rise of the nation-state as the archetypal form of political and social organization, however, the role of the latter in propagating and legitimizing conflict has moulded itself increasingly to the central tenets of the former. This paper will examine the links between capitalism and inter-state conflict, drawing attention specifically to the ways in which the nation-state uses war with other states, as a means of penetrating previously under- or unexploited markets for further capital investment, as well as to increase the accumulation of raw materials and cheap sources of energy. In order to unpack this relationship, the U.S.-led invasion and occupation of Iraq in 2003 and the Boer war – fought between the British Empire and Boer population of South Africa – will be used as case studies, demonstrating both the use of inter-state conflict to ensure the sustained economic growth needed to prop up the capitalist system, and the role of the nation-state as a manufacturer of public consent for such initiatives. Furthermore, the Marxist concept of primitive accumulation will be employed as a lens through which to properly conceptualize the inherent link between inter-state conflict, processes of capital expansion, and accumulation.

I. A Capitalist Peace?

Prior to delving further into the links between capitalism and inter-state conflict, it is important to note that, since the Enlightenment, dominant intellectual currents emanating from the West have generally leaned towards the position – one completely

incompatible with the arguments set forth in this paper – that, put simply, capitalism inherently engenders peace. Indeed, "enlightenment figures like Montesquieu and Smith argued that market interests abominate war,"¹ and the position that economic integration, the promotion of free market capitalism, and inter-state commerce all serve to eliminate the need for conflict between states has been reiterated and supported repeatedly in the centuries since – examples include Gartzke and Mousseau, among others.^{2 3}

While it may be true, however, that the political-economic relationships necessary for inter-state commercial interaction in a capitalist system - especially in the current, globalized system – do, to a certain extent, limit the centrality of the state in economic matters and promote economic interdependence, what is lost in this position is a proper understanding of the initial means through which the conditions of capitalism are established in the first place. As noted by Marx, "underneath the origin of this process [of economic integration as a means of avoiding war] lies the usually violent expropriation of workers, who previously were independent owners, being initially separated from the means of production by "non-economic" processes, i.e., direct physical violence."⁴ This violent foundation upon which capitalism is built, labelled “primitive accumulation” by Marx, has often taken the form of inter-state conflict, in which capitalist, industrialized states, have invaded and occupied less economically productive states in order to expand markets for investment and accumulate more resources. As in the cases of both Iraq and

¹ Erik Gartzke, "The Capitalist Peace," *American Journal of Political Science* 51 (January 2007): 170.

² *Ibid.*

³ Mousseau, Michael, Håvard Hegre, and John R. O'neal. "How the Wealth of Nations Conditions the Liberal Peace." *European Journal of International Relations* 9, no. 2 (2003), 277-314.

⁴ João Carlos Graça and Rita Gomes Correia, "War and Capitalism: Some Important Theories and a Number of Relevant Facts," *Sotsiologicheskoe Obozrenie / Russian Sociological Review* 14, no. 4 (2015): 94.

South Africa – along with a host of other cases – capitalism’s inherent need for sustained economic growth has often led to (frequently asymmetrical) instances of inter-state conflict, in which the state has been weaponized and geared towards capital expansion and accumulation. In applying the concept of primitive accumulation to cases such as these, one comes to see that inter-state war is not an aberration in an otherwise inherently peaceful system, but rather a fundamental step catered to the intrinsic needs of the capitalist system.

II. Expansion and Accumulation

One notable way in which capitalism lends itself to the spread of inter-state conflict through primitive accumulation, is in the nation-state’s use of war to open up markets and create new areas of free trade into which domestic corporations can pour in pursuit of profit, as well as to gain control of key energy sources so as to maintain and accelerate economic growth. In response to capitalism’s inherent and insatiable need for a “ready supply of raw materials and an increasing demand for goods, along with ways to invest profits and capital,”⁵ the military apparatuses of the world’s most powerful economic powers have been consistently mobilized in order to force open new markets and gain control of key resources via conflict with other, typically, less powerful states. In a contemporary context, there is perhaps no more effective example of this than the invasion and subsequent occupation of Iraq by a coalition of states spearheaded by the United States in 2003, in which war between the U.S.-led coalition and Saddam

⁵ Richard H. Robbins, *Global Problems and the Culture of Capitalism* (New York: Pearson Higher Ed, 2013), 80.

Hussein's Iraqi government was used by the former as a means to secure vast reserves of petroleum – which, along with coal and other natural gases, is one of the world's "cheapest sources of energy"⁶ – and expand capitalist production and investment into a potentially profitable new market.

Following a massive public relations campaign in which the US and UK administrations made sustained attempts to garner support for military intervention in Iraq from both the international community and their domestic constituents – a process that will be elaborated upon later in this paper – the United States, Britain, and a number of smaller military contingents from forty different countries began the invasion of Iraq on March 19, 2003. The duration of the actual conflict would prove to be quite short as, amid "the swiftest land advance in history,"⁷ U.S.-led forces demonstrated their overwhelming military supremacy by ousting the Hussein regime in less than a single month. This fast and categorical victory was followed immediately by the establishment of the Coalition Provisional Authority (CPA), an American-installed administrative apparatus headed by presidential envoy Paul Bremer, and ostensibly dedicated to "governing Iraq and promoting the development of a functioning democracy."⁸ In reality, however, the main goal of the CPA's administration of the post-war Middle Eastern state "was founded on the ambition of 'liberalizing' Middle Eastern economies by eliminating the state-centered economy in Iraq."⁹ As well as immediately initiating the process of privatizing Iraq's economy through such measures as "making numerous utilities,

⁶ Ibid., 123.

⁷ Rick Fawn and Raymond A. Hinnebusch, "The Iraq War: Unfolding and Unfinished," in *The Iraq War: Causes and Consequences* (Boulder: Lynne Rienner Pub, 2006), 8.

⁸ James Dobbins et al., *Occupying Iraq: A History of the Coalition Provisional Authority*, (RAND Corporation, 2009), xiii.

⁹ Michael Schwartz, "Neo-liberalism on crack," *City11*, no. 1 (2007): 22.

telephone networks, and large companies available for purchase by Western buyers,"¹⁰ Bremer and the CPA also systematically removed all tariffs and import taxes on products both entering and leaving Iraq, permitted 100% ownership of Iraqi businesses by foreign actors, prohibited any requirements that profits generated by foreign companies be reinvested in the country or that such companies hire local workers, and lowered the corporate tax rate by more than 20%, among other liberalizing and deregulating economic restructuring policies.¹¹ Essentially, the U.S. used its administrative supremacy, gained through military conquest of the country, to transform Iraq into a neoliberal paradise in which corporations could invest with complete impunity and reap immense profits – a process of imposed economic adjustment that would have been made all the more difficult had any system of democratic checks and balances been allowed to exist in the country. As noted by Robbins, "Iraq represented a situation in which free trade reforms could be imposed by force with no interference from democratic institutions."¹² These reforms, and the avenue through which they were implemented, demonstrate clearly the nation-state's role within capitalism "to provide to corporate sponsors unregulated access to markets and resources and to establish rules, laws, and regulations that maximize the ability of corporations to profit,"¹³ and the use of inter-state war as a means of successfully achieving this function.

Along with the forcible opening of new markets to corporate exploitation, the American-led military effort in Iraq was also key in securing U.S. control of the Middle

¹⁰ Fawn and Hinnebusch, "The Iraq War," 9.

¹¹ Robbins, *Global Problems*, 118.

¹² *Ibid.*, 119.

¹³ *Ibid.*, 118.

Eastern country's vast reserves of oil – one of the world's cheapest and most efficient energy sources. Indeed, "following the initial U.S. incursion into Baghdad, American forces seized and occupied the Oil Ministry while allowing looters to overrun all the other government buildings in the neighbourhood,"¹⁴ demonstrating the centrality of this raw material to the war effort. This example of the American nation-state's use of violent invasion to secure Iraq's petroleum reserves is made all the more significant, when one considers the profound importance of such cheap and efficient sources of energy to the process of capitalist accumulation and consumption. Put simply, "economic growth is directly tied to energy consumption."¹⁵ This is due to the fact that sources of energy are needed to power the technological acceleration of capitalist accumulation, which is in turn necessary for the eternal maintenance of economic growth – which, as noted by Robbins, is "the prime directive of the culture of capitalism."¹⁶ It is the nation-state's responsibility within the capitalist structure of relations "to ensure access to energy and to cheap energy,"¹⁷ and as such the Iraq War offers ample evidence of the way in which competition for access to cheap and efficient energy sources, driven by capitalism's inherent need for growth, can lead to inter-state conflict as a means of primitive accumulation.

Of course, nation-states – especially those with representative political systems – cannot always easily find domestic and international support for the pursuit of war as a means to expand markets and gather resources for capital accumulation. As such, one of

¹⁴ Michael Klare, *Blood and Oil: The Dangers and Consequences of America's Growing Dependency on Imported Petroleum* (New York: Metropolitan Books, 2007), 5.

¹⁵ Robbins, *Global Problems*, 122.

¹⁶ *Ibid.*, 3.

¹⁷ *Ibid.*, 123

the key roles of the nation-state under capitalism is to, in the words of Edward S. Herman and Noam Chomsky, “manufacture consent” for policies and key events through the manipulation of mass media sources, and consequently, of public perceptions. In the case of the American invasion and occupation of Iraq, the United States government and its allies mounted immense propaganda campaigns geared towards this very purpose, with the ultimate goal of providing public legitimacy to a conflict that essentially had its roots in capitalist expansion and accumulation. In an attempt to leverage support for the conflict, both domestically and from the broader international community, the Bush administration and its allies – most notably the United Kingdom under Tony Blair – levelled a series of public, damning and ultimately mostly unfounded accusations at Saddam Hussein's authoritarian government. Most notable among these were the claims that Iraq had been developing weapons of mass destruction (WMD), training and sheltering Al-Qaida operatives, harbouring biochemical weapons, and that the country's administration had been involved meaningfully in the attacks of September 11, 2001 – assertions designed to depict Iraq as a key battleground in the 'war on terror' that the U.S. had launched following 9/11.¹⁸ While these claims met with significant pushback from many member-states in the UN, they were relatively successful in garnering internal support in the United States for military action around the time of the invasion. Ultimately, the United States government's manipulation of public perception in favour of its war effort in Iraq provides an effective demonstration of the nation-state's role as a manufacturer of consent, moulding the culture in favour of conflict as a means to promote capitalist expansion and accumulation. That, three years after the inception of

¹⁸ Fawn and Hinnebusch, "The Iraq War," 1-7.

the American occupation, "90 percent of the American troops fighting in Iraq still believed that Saddam was directly responsible for 9/11,"¹⁹ is indicative of the nation-state's ability to use propaganda as a means to obscure the connection between inter-state conflicts and some of capitalism's most fundamental tenets – namely, the expansion of markets and accumulation of energy sources through primitive accumulation by force as a means to ensure continuous economic growth.

The processes of primitive accumulation described here, in which the nation-state uses war as a means to expand markets for investment and accumulate energy sources in order to meet the requirements of continual capital growth, is hardly confined to U.S. action in the Middle East. For example, British colonialism – brought about via large-scale military conquest – provided the massive 19th century imperial power with a "recognized solution to the need to expand markets [and] increase opportunities for investors." Cecil Rhodes, the influential (and tyrannical) British colonial figure, remarked that "we colonial statesmen must acquire new lands for settling the surplus population, to provide new markets for the goods produced in the factories and mines."²⁰ Indeed, in the 18th, 19th and early 20th centuries "much of empire building was based on a capitalist drive,"²¹ as a group of European nation-states – led at the time by Britain, the world's foremost power – "sought to carve out a sphere of domination in Asia, Africa, and South and Central America that, with the help of nationalism, racism, and xenophobia, turned economic competition into political and military conflict."²² These conflicts, occurring

¹⁹ Robbins, *Global Problems*, 114.

²⁰ *Ibid.*, 80.

²¹ Simon Stander, *Why War: Capitalism and the Nation-State* (New York: Bloomsbury Publishing USA, 2014), 80.

²² Robbins, *Global Problems*, 83.

both between different imperial nation-states – such as the tensions between France and Germany surrounding control of the industrially significant region of Alsace-Lorraine, following the Franco-Prussian war of the late 19th century – and, more asymmetrically, between imperial powers and their territorial subjects, were often defined by the competition for key markets and resources.

One such conflict was the Boer war of 1899 to 1902, in which the British Empire entered into conflict with the South African Boer provinces of Transvaal and Orange Free State, which had made bids for independence following the discovery of vast gold mines in their territory. While it was of course influenced by the desire of South Africa's Boer population to obtain more civil rights, free from British rule, the Boer War was guided most by “the interest of various parties in grabbing enormously valuable gold supplies, strengthening the nation-state of Britain, furthering imperial militarism, and satisfying the needs of finance and banking capital based in the City of London.”²³ These motivations – and, more broadly speaking, British military involvement in South Africa in its entirety – reflect a wider trend in which the nation-state employs conflict as a means to achieve the necessary capitalist step of primitive accumulation, appropriating key resources and forcing open new markets in order to further economic growth through war. As with the American invasion and occupation of Iraq, the Boer War of 1899 to 1902 offer a clear link between capital expansion and accumulation, as well as violent inter-state conflict.

²³ Stander, *Why War*, 186.

Conclusion

Across centuries and continents, the nation-state's use of war as a means to penetrate new markets for capital investment, and acquire more raw materials for the acceleration of capital growth – along with its manufacturing of public consent for such violent endeavours through massive propaganda campaigns – provides clear evidence of the fundamental connection between inter-state conflict and some of capitalism's most core principles. By understanding conflicts such as those explored above through a Marxian lens of primitive accumulation, one comes to see that, contrary to the Smithian idea that capitalist activity and economic integration are inherently peaceful in their execution, war between states can in fact be understood as an intrinsic aspect of the processes of economic expansion and capital accumulation so fundamental to capitalism.

While the central actor in any conceptualization of inter-state war must be, as demonstrated by the bulk of this essay, the nation-state – with dominant corporate interests playing key roles as well, especially as economic motivators and beneficiaries of such conflicts – it is worth mentioning that the main victims of inter-state conflict are invariably civilian populations, who are murdered, abused, and displaced in large numbers as the polities in which they live are torn apart in service of some broader political-economic goal. Although nation-states are most often the central unit of analysis when considering military conflict, it is ultimately real people, not politico-cultural concepts and institutions, which bear the burden of inter-state war.

Given this reality, as well as the crucial and combined role of the state as both war machine and manufacturer of consent, if there exists a 'solution' to the intertwined nature

of capitalism, the nation-state and war – described by Simon Stander, along with imperialism and valuable energy sources, as “the deadliest mixture that the modern world can put together”²⁴ – it can most certainly not be pursued at the level of the nation-state. As such, it may be that the link between capitalism and inter-state conflict can be best challenged, at least in countries with democratic political systems, by a well-informed and politically mobilized civil society, composed of citizens both willing and able to identify and reject the sort of ‘spin’ seen in the lead up to the Iraq War. Whether or not this sort of mass mobilization is possible, either within or outside of existing political avenues, is up for debate. What is certain, however, is that the existing capitalist system – which in its inherent necessity for constant economic growth, provides the impetus for conflict between states – must be fundamentally altered for any meaningful alternatives to the current relationship between capital expansion, accumulation, and inter-state war to emerge.

²⁴ Ibid., 187.

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