

Twenty-first-century International Political Economy: A class-relational perspective

European Journal of
International Relations
1–25

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DOI: 10.1177/1354066114556659

ejt.sagepub.com



Benjamin Selwyn

University of Sussex, UK

Abstract

The nature, subject matter and future direction of International Political Economy has been opened up for debate following interventions by Benjamin Cohen, John Hobson and special issues of the *Review of International Political Economy* and *New Political Economy*. Most contributors to the debate are dissatisfied with the current state of International Political Economy and desire to identify the ‘Big Questions’ of the 21st century. This article argues, however, that all contributors miss the ‘Really Big Question’ of the 21st century: the rise of a planetary labouring class of over 3 billion (and counting), living, for the most part, in poverty or near-poverty. While this class’s existence is not new (although its size is), International Political Economy’s ignorance of it is as old as the discipline’s institutional formation. This article shows that mainstream International Political Economy’s sidelining of class relations disables it from explaining the global systemic transformations that underpin changes in the relations between states and markets (International Political Economy’s traditional focus). It illustrates the long-term making of the global labouring class by discussing three examples of global systemic transformation: the rise of capitalism; the post-1945 embedded liberalism–development project conjuncture; and contemporary globalisation.

Keywords

Class-relational International Political Economy, development, global capitalism, globalisation, International Political Economy, labouring classes

Corresponding author:

Benjamin Selwyn, Department of International Relations, School of Global Studies, University of Sussex, Brighton, BN1 9SJ, UK.

Email: b.selwyn@sussex.ac.uk

Introduction

Recently, the field and nature of International Political Economy (IPE) has been historicised and subject to critique and to potential reformulation following the interventions of Benjamin Cohen (2007, 2008), John Hobson (2012a, 2012b) and special issues of the *Review of International Political Economy* and *New Political Economy* (both 2009). Cohen laments IPE's inability to investigate the 'Big Questions' of the contemporary global system — where the world is going and how we can influence it — and proposes a marriage of 'British' and 'American' IPE to remedy this weakness. Hobson locates much of IPE's analytical weaknesses in its Eurocentrism, and proposes an 'Inter-Civilisational' IPE as an alternative. One of the early practitioners of academic IPE, Robert Keohane (2009), raises what he considers to be the five 'Big Questions' for the future of IPE: rapid global economic development; the role of China in the international system; the volatility in financial and energy markets; the role of non-state actors; and the implications of the Internet for the analysis of power.

This article argues that neither the aforementioned contributors nor much Marxian IPE identify the 'Really Big Question' (RBQ) of the 21st century: the existence of a planetary labouring class of over 3 billion (and rising), living, for the most part, in poverty or near-poverty (Kapsos, 2007). Its formation has been centuries in the making. This article argues that its management by states and capitals nationally and internationally, and its resistance to that management, has been the driver of world-systemic transformations since its emergence. It also argues that IPE has, since its institutional formation (in the 1970s), been unable to observe, address or incorporate such global processes into its intellectually limited epistemology.

Of the 3.05 billion workers in the world, in 2010, approximately 942 million of them were classified by the International Labour Organization (ILO) as 'working poor' (almost one in three workers worldwide living on under US\$2 a day).¹ The wage share of labour in gross domestic product (GDP) has fallen consistently in developed and developing countries over the last 30 years (ILO, 2013: 42). This compares to the fortunes of the world's 100 richest people, who became US\$241 billion richer in 2012 alone. By 2013, the richest 85 individuals in the world owned as much wealth as the poorest half of the world (approximately 3.5 billion people) (Oxfam, 2013, 2014). Arrighi and Moore (2001: 75) emphasise that the '[U]nderlying contradiction of a world capitalist system that promotes the formation of a world proletariat but cannot accommodate a generalised living wage (that is, the most basic of reproduction costs) ... has become more acute than ever'.

Even before the global economic crisis, US geostrategist Zbigniew Brezinski described a situation where '[I]n the twenty-first century the population of much of the developing world is ... politically stirring. It is a population conscious of social injustice to an unprecedented degree and resentful of its deprivations and lack of personal dignity' (Brezinski, 2007: 203). A corollary of the RBQ, therefore, is whether these struggles will result in the global labouring class gaining a living wage, and, if so, what the impacts will be on the structure and functioning of the international political economy.

This article employs a class-centric perspective to show how labouring classes in their formation and their struggles with capital have been constitutive of changing world orders. Such a perspective is contested even by those who identify with workers'

organisations, and it is worth taking a moment to address some criticisms of (Marxist) class analysis.

In the aftermath of the collapse of communism and the global expansion of neoliberalism, Robert Cox wrote that there is ‘no longer any such formation as the “working class” of the early 20th Century’, and rejected a priori Marx’s ‘two-class model’ (Cox, 1999: 18, 8 fn. 7). Michael Hardt and Antonio Negri (2000: 293) have argued that ‘immaterial’ forms of labour dominate the newly emerging ‘post-industrial’/information economy.² Such labour consists, primarily, of ‘analytical and symbolic tasks’ (intellectual or linguistic work, such as computer programming, public relations, media work and graphic design) and ‘affective labour’ (including caring, fast-food workers and legal assistants).³ More recently, Guy Standing (2011) has identified the existence of a ‘precarariat’, which is not part of the working class, but constitutes an increasingly sizeable and politically important segment of society. It also generates non-class-based forms of politics.

I do not find such arguments convincing. Since Marx began his work, the claim that capitalism has been fundamentally transformed has been advanced, alongside arguments for abandoning Marx’s political economy. Marx identified how capitalism is a dynamic system and that it transforms itself, its institutions and the natural and social world through which it operates (see the fourth section of the article). One consequence of this dynamism is the continual transformation of the global labouring class. As Leo Panitch and Colin Leys (2000: 1x) note: ‘capital is more geographically diversified than it used to be because it now has more working classes to exploit’.

The emergence of the information sector, and new segments of the global labouring class within it, rather than signifying a novel socio-economic system, is the materialisation of capitalism’s latest ‘leading sector’, and is itself dependent upon the proliferation of primary and secondary sectors across the globe. As George Caffentzis (2013: 79) argues: “new enclosures” in the countryside must accompany the rise of “automatic processes” in industry, the computer requires the sweatshop, and the cyborg’s existence is premised on the slave’.

Many conceptions of ‘the new economy’ suggest that ‘value-added’ is increasingly, and even predominantly, generated within the information sector through ‘intangible’ goods production, such as design, branding and marketing (Kaplinsky, 2005). As John Smith (2012) demonstrates, however, these accounts confuse ‘value-added’ with value capture. Through the ‘governance’ of global commodity chains, capital in the high-tech information sector is able to capture large portions of value generated in the low-tech primary and secondary goods sectors. These dynamics have generated a new globalised ‘aggregate’ or ‘collective’ worker’:

If we take all the members comprising the [global] workshop together, then we see that their combined activity results materially in an aggregate product.... And here it is quite immaterial whether the job of a particular worker, who is merely a limb of this aggregate worker, is at a greater or smaller distance from the actual manual labour. (Marx, 1990: 1040)

To be sure, the expansion of the global labouring class does not translate into a rise in global working-class consciousness. As will be discussed in the fourth section of the

article, the globalisation project, directed by giant transnational firms and capitalist states, is designed to expand the global labour force, raise its rate of exploitation and, crucially, divide it politically to reduce possibilities of the emergence of such class consciousness and possible challenges to capitalist hegemony: 'The separate individuals form a class only insofar as they have to carry on a common battle against another class; otherwise they are on hostile terms with each other as competitors' (Marx and Engels, 1970: 82).

While the 'New' or 'Information' economy is often held to have blurred the relation between capital and labour, this is far from true. As *The Economist* (2014) documents: '[T]he prosperity unleashed by the digital revolution has gone overwhelmingly to the owners of capital ... the share of income going to the top 1% in America has risen from around 9% in the 1970s to 22% today'. The global labouring class is larger, more geographically dispersed and more functionally integrated than ever before. Robert Cox (1999), in the article cited earlier, lamented the passing of labour's ability to effect progressive social change. Since then, however, mass labour struggles have emerged and have won important victories (in parts of Latin America), have been defeated (across much of the Middle East) and continue to struggle for an amelioration of their conditions (in China and South Africa in particular). The existence of these cases, in the context of the expansion of a global labouring class, suggests the increasing importance of studying such movements and their implications for the discipline of IPE and, more importantly, the future livelihoods of large portions of humanity.

However, such issues are invisible to much mainstream IPE. Workers are conflated with their labour power and are thus considered a factor of production. Workers' role as an active social force in the constitution of states and markets and how they interact is negated. This negation reifies states and markets, opens the door to politically conservative and analytically shallow IPE, and reduces 'labour' (at best) to one of many 'interest groups' to be managed by far-sighted state bureaucrats and entrepreneurs.

Benjamin Cohen's (2007, 2008) efforts at refounding IPE do not overcome this problem. This is because he holds that the field of IPE has 'existed for less than half a century' (identifying its founders as Keohane, Gilpin, Strange, Kindleberger, Cox, Krasner and Katzenstein) (Cohen, 2007: 197). He claims (Cohen, 2008: 1) that 'political economy has always been part of [the academic discipline of] international relations [IR]', and, following Gilpin (1975), that 'IPE is about the complex linkages between economic and political activity at the level of international affairs' (Cohen, 2007: 197). His historical account of the formation and evolution of IPE excludes a priori the (always international) political economy of the 18th and 19th centuries (Cammack, 2011). Cohen, and mainstream IPE more generally, are consequently unable to recognise, address or even imagine the RBQ of the 21st century.

This article, by contrast, proposes an alternative, class-relational IPE from which to explain global systemic transformations, including those between states and markets. Such an approach is non-Eurocentric, is grounded in a qualitatively different political economy to either Cohen's or Hobson's versions of IPE, and investigates the RBQs of our time that cannot be comprehended by most IPE analysis. It is not an argument for bringing class or labour 'back in' to IPE, but, rather, for the reformulation of IPE tout court.

Following this introduction, the second section of this article demonstrates how the discipline of IPE (and, by extension, the work of Benjamin Cohen), rooted in the fragmentation of the social sciences, has rendered class relations and labour struggles all but invisible from its epistemic foundations. It also critiques, albeit sympathetically, John Hobson's alternative formulation of Inter-Civilisational IPE. The third section argues against Hobson's characterisation of Marx(ism) as Eurocentric. The fourth section then proposes an alternative class-centred, anti-Eurocentric IPE, and applies it to three examples of global systemic change: the rise of capitalism; the post-Second World War 'embedded liberalism–development project'; and contemporary globalisation. The fifth section concludes by providing a class-relational IPE interpretation of the contemporary global conjuncture.

The poverty of IPE

The disciplines (in reverse order of their institutional establishment) of IPE, IR, Political Science and Economics are, arguably, outcomes of the fragmentation of political economy, from at least the marginalist revolution of the 1870s onwards. In this revolution, the socio-political contents of political economy (in particular, its basis in history, class relations and the social production of wealth) was evicted from the new-found discipline of economics, and replaced with assumptions about *homo economicus*, scarce resources, subjective preference theory and market equilibrium. One of the founders of marginalism argued that 'the supposed conflict of labour with capital is a delusion. The real conflict is between producers and consumers' (Jevons, 1887: 98). The prior concerns of political economy were subsequently reincorporated within other emergent academic disciplines (Milonakis and Fine, 2009; Wallerstein, 2001).

The process of intellectual and academic fragmentation was driven, in part at least, by a reaction to the intellectual threat of Marxism and the political threat of emerging European working classes. Perelman (2011) and Van der Pijl (2010) argue, respectively, that the marginalist revolution was a reaction to the publication of *Capital* (in 1867) and the Paris Commune (1871), while the emergence of the discipline of IR was a response to Marxist theories of imperialism (of Lenin, Bukharin, Luxemburg and Hilferding, among others), the threat of the Russian revolution and the perceived requirements for theories that could contribute to its containment.

Academic fragmentation slices up the totality of social relations into their disciplinary areas of focus and attempts, often positivistically, to identify their general tendencies and laws — of relations between states, of entrepreneurial investment decisions, of domestic political behaviour (Tooze and Murphy, 1996). However, such fragmentation, in turn, heightens the risk of reification of these processes as they are conceptually separated from their social base, and leads to further intellectual and academic parcelisation.

Hand in hand with this intellectual parcelisation is a tendency within IPE to combine positivism with an eschewal of explicit normative starting positions, which is, again, contrary to the approach taken by the founders of political economy. Whilst a lack of an explicit political/normative starting point may appear to satisfy the 'impartiality test' required of social scientists, it often also contributes to obscuring relations of oppression and exploitation, and runs the risk of tacitly supporting the continued reproduction of

these relations and processes. Such de-socialising and depoliticising processes are visible within much 'formative' IPE, which, for example, explains the emergence and transformation of international regimes from a vantage point that prioritises interactions between states and their ability to regulate world markets (Keohane, 1984).

In her critique of regime theory, however, Susan Strange (1982) argued that it obfuscated the role of the world market in influencing state actions. Stephen Krasner (1985) recognised the contested nature of state–market relations in his study of the struggle for the future direction of world order, where he identified two rival conceptions of political economy: 'authoritative allocation', where states played the guiding role in organising domestic and international economic relations; and a 'market-oriented regime' of a more liberal type. While these two political-economic perspectives differ on the precise balance of socio-economic power between states and markets, they share common ground in conflating workers with their labour power, and hence in interpreting them as commodity inputs to the production process. Despite, or perhaps because of, this obfuscation, Cohen (2008: ch. 3) declares the contribution of Hegemonic Stability Theory (HST) to the foundation of IPE as fundamental and admirable.

Within such accounts, contested capital–labour relations and the (international) actions of states in reproducing them are rendered invisible. Based upon realist axioms of anarchy, the fight for survival — whether via struggle (Waltz, 1979) or cooperation (Keohane, 1984) — and the separation between internal social relations and external power, state actions are interpreted deductively, and de-linked from *broader* political-economy processes that encompass internal and internationally constituted social relations of production, exploitation and power.

By designating the 1970s as IPE's Year Zero, Cohen clearly fails Habermas's (1971) counsel that (critical) social science must know its own past. This double erasure — of the labour question and of the real history of IPE — places Cohen's work squarely within the category of conservative 'problem-solving theory' (Cox, 1981). It is not impossible, however, to integrate inter-state–market relations into a framework of analysis that places capitalist social relations of (re)production at its centre (Watson, 2005). As Mark Rupert (1993: 83) notes: 'Both the system of sovereign states and the global division of labour, taken as ontologically primitive units by neo-realism ... may instead be understood as aspects of the historically specific social organisation of productive activity under capitalism'.

Of central importance here, Marx and some later Marxists (especially Lebowitz, 1992) posit capital–labour struggles as constitutive of state formation and capitalist development. Workers' struggles force states and capitals to (re)construct social infrastructures to reproduce the capital–labour relation. Unlike Cohen and much institutional IPE, John Hobson (2012a, 2012b, 2012c) rightly locates IPE in the longer tradition of political economy. He also castigates much of it as Eurocentric, and thus requiring reformulation. However, does this enable him to overcome institutional IPE's blindness to how the capital–labour relation is constitutive of global systemic formation and transformation?

Inter-Civilisational IPE to the rescue?

Many of the preceding critiques of Cohen's position are also made forcibly by Hobson, who argues that IPE's problem-solving approach is 'concerned with systems

maintenance' and that its core focus 'is on the top-down structures of governments and elites that regulate the world economy' (Hobson, 2012b: 21). He demonstrates how 'American' IPE (as well as a range of other academic disciplines, in particular, 'British' IR) suffers from Eurocentrism, and proposes, as an alternative, an Inter-Civilisational IPE that would investigate the co-constitutive role of 'the East' in global systemic change (Hobson, 2012a, 2012b).

Let us leave aside the problem of operationalising (or defining) the concept of 'civilisation', in particular, the way it has been used by authors such as Huntington (2011) to ideologically and materially reproduce US power. Hobson (2012b: 1076) argues that his Inter-Civilisational IPE is committed to identifying how 'bottom-up processes initiated by everyday actions ... transform or shape the local, national, regional and global realms'. One of Hobson's core objectives, often pursued through revealing empirical details and historical processes ignored by much mainstream IPE, is to combat Western hubris, racism and neo-imperialism by showing how 'Eastern agency' is co-constitutive of systemic transformations.

While a class-relational IPE welcomes such a 'bottom-up' empirical focus, this is not quite what Hobson provides. In his three examples of global systemic change (the rise of capitalism, the emergence of globalisation and the global economy, and the changes in the distribution of structural power in the world economy), Hobson (2012b) does not actually detail or explain how they were based upon the contested transformations of the social (class) relations of production over space and time. Rather, his examples focus on geographical flows of technologies, often associated with merchant or financial class activities, flows of labour as determined/required by imperial powers, or actions of non-Western states in changing the balance and constitution of global power. Hobson's intellectual innovation, therefore, is geographical and horizontal (bringing 'the East' back in) rather than political-economic and vertical (comprehending how the capital-labour relation underpins global systemic transformations).

While Hobson rejects much of Cohen's rendition of IPE, there are nevertheless some uncomfortable similarities between them. Neither author offers a precise definition or conception of 'political economy' (upon which to base IPE) or of 'capitalism' (I define both later). While they would both perhaps concur that more needs to be done to bring other actors (e.g. 'labour') into IPE, they do so from a pluralistic perspective that regards labour as 'just another' interest group. Evading the question 'What constitutes capitalism?', enables both authors to analytically exclude arguments about how the capital-labour relation is the core relation that determines the generation and distribution of wealth under capitalism and how relations within and between states and markets are geared, fundamentally, to securing the reproduction of this wealth and the holding of it in the hands of capitalists rather than of workers. The reluctance (or inability) to define capitalism goes hand in hand with an under-theorised conception of political economy.

Based on the tone of the preceding critique, it might be thought that Marxist IPE is immune to the accusations of top-down conceptualising of global systemic change. Unfortunately not; there are large swathes of Marxism that are as guilty of top-down, elitist conceptions of global capitalism as either traditional 'American' or 'British' IPE.

In his discussion of the explanations of global economic turbulence and crisis, Robert Brenner (1998) focuses almost exclusively on the interactions between the US, (West) Germany and Japan, with no conception of the changing constitution of global class

relations upon which these economic interactions were built. In his critique of Brenner, Giovanni Arrighi (2003) shows how international labour unrest was a determinant of both globalisation and economic crisis. However, in *The Long Twentieth Century* (Arrighi, 1994), capital–labour relations are, as with so much Marxian IPE, reduced to a national-level process, and hence excluded from consideration of international economic and political relations. Peter Gowan (1999) explains the relations between states and markets from the perspective of faltering US hegemony — almost a Marxist version of HST. Alex Callinicos even declares the existence of a ‘realist moment’ in IPE (Callinicos and Rosenberg, 2008). In his discussion of the dynamics of imperialism over the last two centuries, Callinicos (2009) focuses on the concentration of capital, its merging with the state and its implications for international political and economic relations. In these accounts, workers are not considered to be *active* constituents of global capitalist relations and processes. Can Marxism rise to the challenge of providing the basis for an alternative class-based and anti-Eurocentric IPE?

The spectre of Eurocentric Marxism

Hobson (2004, 2011, 2012a, 2012b, 2012c) provides an important corrective to much Eurocentric thinking, arguing that Eastern societies and actors are co-constitutive (and sometimes leaders) of global systemic transformations, rather than merely followers or victims of Western expansion. He also characterises Marx and much Marxism as Eurocentric, and therefore unable to properly explain such processes. Hence, ‘[t]he Eurocentric cue in Marx’s work emerges in his belief that European societies self-generate through an *endogenously-determined linear development path* according to their own *exceptional properties* [author’s emphases]’ (Hobson, 2011: 115). Marx worked ‘within a paternalist Eurocentric-institutionalism’ (Hobson, 2012c: 53), consequently:

it was only through the imperialism of the globalizing Western bourgeoisie ... that the ‘static Eastern peoples’ could belatedly jump aboard the Western progressive developmental train ... which would deliver them to capitalism. And from there the Western working class would come to the aid of the Eastern peoples in order to deliver them to the terminus of Communism. (Hobson, 2012c: 55)

While Western societies were awarded ‘primary agency’ by Marx, Eastern societies were only granted ‘conditional agency’, dependent on the West’s first move, and, consequently, the East had no prospects for ‘progressive self development’ (Hobson, 2012c: 56).

If these criticisms of Marx are correct, then Hobson is right to argue that Marxism is compromised as representing an alternative non-Eurocentric IPE. He is not entirely dismissive of Marxism, however, arguing that ‘there is certainly scope for reconstructing Marx’s theory along non-Eurocentric lines’ (Hobson, 2012a: 58).⁴

However, Marxism’s core precepts — that humans must cooperate to (re)produce their livelihoods, that such cooperation generates surpluses that lay the basis of exploitative and conflictual class societies, and that the nature of surplus appropriation and class struggles are, in turn, constitutive of national and international political-economic relations (Wolf, 1980) — do not need reconstructing, and they provide us with the basics of

a non-Eurocentric, class-relational IPE. In what follows, I discuss the evolution of Marx's thinking from a situation where he did embody many of the faults identified by Hobson to one where he was perhaps the primary advocate in his time of Eastern 'agency'.

Eurocentric Marxism and beyond

In his analysis of English colonialism in India, Marx suggests that advanced nations' actions can assist 'backward' countries to emerge from stagnation. It is here that he is criticised by Hobson as embodying Eurocentrism, through positing 'primary' Western and 'secondary' Eastern agency. For example, 'English interference ... dissolved these small semi-barbarian, semi-civilized communities, by blowing up their economical basis, and thus produced the greatest, and to speak the truth, the only social revolution ever heard of in Asia' (Marx, 1853). Further, and most notoriously, 'England has to fulfil a double mission in India: one destructive; the other regenerating — the annihilation of old Asiatic society, and the laying of the material foundations of Western society in Asia' (Marx, 1853).

However, within the same writings, Marx noted how the English colonialists were motivated 'only by the vilest interests', but were simultaneously transforming India into a national economy that itself generated the material conditions for a unified anti-colonial revolt (Ahmad, 1992). This meant that:

The Indians will not reap the fruits of the new elements of society scattered among them by the British bourgeoisie, till in Great Britain itself the ... ruling classes shall have been supplanted by the industrial proletariat, or till the Hindoos *themselves* shall have grown strong enough to throw off the English yoke altogether. (Marx, 1853: emphasis added)

Even here, at his most Eurocentric, Marx recognises Indians' agency, denied to colonised peoples by most bourgeois thinkers of his time (and many contemporary apologists for English imperialism, such as Niall Ferguson (2004)). He leaves as an open-ended question what kind of society (capitalist or post-capitalist) would emerge from a successful Indian uprising. Furthermore, several years later, when such an uprising did materialise (the Sepoy 'mutiny' of 1857), he wholeheartedly supported it, propounding a solid anti-imperialism and remarking to Engels that 'India is now our best ally' (Marx, 1929). He similarly supported the Taiping rebellion in China, interpreting it as part of a broader uprising by the Asiatic nations against British colonialism. These statements would still, however, fall within Hobson's category of 'secondary' agency (e.g. Hobson, 2012c: 55).

Can Marx escape this accusation? Kevin Anderson (2010: 2) argues that while, in the 1840s, Marx held 'to an implicitly unilinear perspective, sometimes tinged with ethnocentrism ... over time, his perspective evolved toward one that was more multilinear, leaving the future development of [peripheral] societies as an open question'. Towards the end of his life, Marx argued that 'backward' Eastern societies could, potentially, *lead* more 'advanced' Western capitalist societies towards global socialism. After the publication of *Capital* in Russian (in 1872) and its popular reception there, Russian populist Vera Zasulich wrote to Marx enquiring as to whether he thought that the Russian agrarian commune was fated to perish, as had Western European forms of peasant organisation

during the emergence of capitalism, or whether it could leap directly to socialism. Most of Marx's Russian followers held to the former position, while some non-Marxist agrarian populists (such as Alexander Herzen and Nikolai Chernyshevsky) held that it could avoid the traumas of capitalist development altogether (Selwyn, 2014: ch. 3).

Marx responded to Zasulich, arguing that the dissolution of the Russian peasant commune was possible but not inevitable, and that the outcome depended on struggles within and beyond the commune and Russia.⁵ In his letter, he wrote: 'the special study I have made of it ... has convinced me that the commune is the fulcrum for social regeneration in Russia' (Marx, 1881, cited in Shanin, 1983: 124). In his drafts of the letter, Marx wrote how:

What threatens the life of the Russian commune is neither an historical inevitability nor a theory; it is oppression by the state and exploitation by the capitalist intruders made powerful, at the expense of the peasantry by this same state. (Marx, cited in Shanin, 1983: 104–105)

To save the Russian commune, Marx argued:

[T]here must be a Russian revolution.... If the revolution takes place in time ... to ensure the unfettered rise of the rural commune, the latter will soon develop as a regenerating element of Russian society and *an element of superiority* over the countries enslaved by the capitalist regime. (Marx, cited in Shanin, 1983: 116–117, emphasis added)

This revolution could not stop at the Russian border however. It had to extend beyond it and required revolution by workers of the advanced capitalist countries. Indeed, Marx hoped that such a revolution in Russia would *stimulate* revolution in the West, thus unleashing a new form of human development, communism, emerging from combinations of industrially organised workers in the West and agrarian communes in the East: 'If the Russian revolution becomes the signal for a proletarian revolution in the West, so that the two *complement each other*, then Russia's peasant communal landownership may serve as the *point of departure* for a communist development' (Marx, cited in Shanin, 1983: 139, emphases added).

In these writings, Marx allocates 'primary' agency to the peasantry of the Russian commune and suggests the complementarity of labouring-class struggles in the East and West. In fact, not even Hobson allocates such agency to Eastern labouring classes because of his general eschewal of the centrality of class relations as constituting the fundamental building block of political economy.

These writings of Marx (on Russia specifically) are either ignored or glossed over by Hobson, as is the anti-Eurocentric work of Marxists such as Kevin Anderson (2010), Jairus Banaji (2007) and Chris Harman (1999, 2004), to name but a few, all of whom illustrate and analyse the multi-constitutive nature of capitalism's emergence and the significance of Eastern agency.

Class-relational IPE: An alternative research agenda

The main argument of this article, so far, has been that in much IPE, the capital–labour relation is conceptually invisible. When it is considered, it is done so through conflating

workers with their labour power — so that the key problem to be addressed is how to employ workers to the greatest benefit of capital, or, in Marxist terminology, how to best exploit their labour. In these ways, workers enjoy neither primary nor secondary agency, and class relations are non-constitutive of global capitalism. This is not to say that there is no IPE concerned with labour. Indeed, writers such as Andreas Bieler (2013), Robert O'Brien (2000), Adam Morton (2010), Ronaldo Munck (2010) and Peter Waterman (2001), to name but a few, have all investigated, with empirical precision and theoretical sophistication, labouring-class strategies and capacities for extracting gains from capital and the state through national and international solidarity and action. Andrew Herod (1997: 3), for example, argues that workers 'are active participants' in capitalism's economic geography. All of these contributions contain vital elements of a class-relational IPE. The distinctiveness of the present contribution, however, is to emphasise how the formation and management of the contested capital–labour relation by states and capital and labouring-class struggles are constitutive of *global systemic change* over the *longue durée*.

A class-relational IPE can draw on Bernstein's (2010) identification of four core questions of political economy. These are questions of: a) property rights (Who owns what?); b) the social division of labour (Who does what?); c) the social division of the fruits of labour (Who gets what?); and d) the social relations of consumption (What do they do with it?). Under capitalism, these questions are determined by capital's ability systemically to purchase and direct workers' labour power and to generate and capture surplus value in order to reproduce the capital–labour relation. However, the precise forms in which these questions are resolved are co-determined by the balance of power between capital and labour.

From these exploitative but contested social relations arises the capitalist state, which ensures their reproduction. Jessop's (2008) 'strategic-relational' conception of the state illuminates how the latter guarantees the reproduction of capitalist social relations through the shaping of individual and class attitudes and behaviour (generating hegemony), rather than only through brute force (domination). He also shows, however, that the state itself is mutable to the extent that struggles by different classes and fractions of capital, and the outcomes of these struggles, are constitutive processes in state institutional formation and reproduction.

Jessop's strategic-relational conception is concerned primarily with the domestic existence and reproduction of the state. His insights about the partial mutability of the state are, however, potentially applicable to the international relations between states: states attempt to shape the behaviour, forms of interaction and economic activities of other states, capital and labour outside their borders in order to enhance their own reproduction.

The historical formation, management and exploitation of a global labouring class rests upon: a) a specific set of capitalist social relations; b) the governance, reproduction and expansion of those social relations by institutions, primarily capitalist states; and c) the international interactions of these states. Transformations of 'world order' are determined, in large part, by the changing size and balance of forces between globally constituted capital and labour, and by attempts by states to institutionalise these balances at the global level. Put differently, the objects of study of 'mainstream' IPE — states,

bureaucracies, firms and their forms of interaction, whether cooperative or conflictual — obtain only because of the existence of the global labouring class within the capital–labour relation.

From the identification of the core of capitalist social relations (between capital and labour), the analysis of the state's role in reproducing them and the international relations between states emerges a non-reductionist class-relational IPE potentially fit for analysing novel developments in the 21st century.

The remainder of this section substantiates these claims by providing short accounts of three examples of global systemic transformation: the rise of capitalism; the post-Second World War development regime; and contemporary globalisation.

The rise of capitalism

None of the five founders of 'American' IPE that Cohen mentions, nor Cohen himself, have tried to investigate or theorise the origins of capitalism. From a 'problem-solving' perspective, such questions are of secondary relevance compared with the more pressing needs of understanding how to address issues of 'systems maintenance' in the contemporary international political economy. While Hobson is concerned with the emergence of capitalism, his lack of attention to class relations, struggles and their institutional resolution weaken his account.

Following Marx, Robert Brenner (1977) insists on the historical uniqueness of capitalist social relations: on the one hand, a propertyless mass of the population forced to sell its labour power on the market to holders of capital; on the other, a minority capitalist class engaged in permanent competitive accumulation based on the law of value. The emergence of capitalism was a conjunctural process and cannot be understood as deriving from human propensities to truck, barter and exchange goods, as proposed by Adam Smith. Brenner thus provides a historical account, and a *precise definition*, of capitalism, something neither Cohen nor Hobson do. However, his account is vulnerable to accusations of Eurocentrism because, unlike Marx, there is no focus on the international determinants of the emergence of capitalism. Marx, by contrast, stresses the international political economy of the emergence of capitalism:

The discovery of gold and silver in America, the extirpation, enslavement and entombment in mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalised the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. (Marx, 1990: 915)

Furthermore:

The different momenta of primitive accumulation distribute themselves now, more or less in chronological order, particularly over Spain, Portugal, Holland, France, and England. In England at the end of the 17th century, they arrive at a *systematical combination*, embracing the colonies, the national debt, the modern mode of taxation, and the protectionist system. These methods ... all employ the power of the State ... to hasten, hot-house fashion, the process of

transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. (Marx, 1990: 915, emphasis added)

Several years before Hobson's (2004) construction of a non-Eurocentric account of the rise of the West, Chris Harman explained why the processes just mentioned by Marx were 'systematically combined' in Western Europe:

Europe's very backwardness encouraged people to adopt from elsewhere new ways of wresting a livelihood. Slowly, over many centuries, they began to apply techniques already known in China, India, Egypt, Mesopotamia and southern Spain.... The very backwardness of Europe allowed it to leapfrog over the great empires. (Harman, 1999: 141)

What set Western Europe, and, in the vanguard, England, apart from these previous locations of technological innovation were its unique, emerging social relations in combination with new, high-productivity technologies, and in relative independence from the old feudal order:

For capitalism to arise, there had not only to be separation of the immediate producers from control over the means of production, but also new ways of producing that would give the exploiters a bigger surplus when operated by 'free' waged labour rather than by slave or serf labour. And these new ways of producing [often facilitated through use of 'Eastern' technologies and methods] had to be such that they escaped from the control of the old agrarian ruling classes. (Harman, 2004)

In his description of flows of technologies and ideas from East to West, Hobson does not demonstrate what is historically particular about capitalism. The emergence of Western civilisation/industrial capitalism (he sometimes conflates the terms) is primarily a question of quantitative difference to the East, rather than qualitative transformation. For example, '[i]t makes more sense to view the British industrial revolution as but a (not insignificant) moment in the on-going cumulative story of global-economic development that links the historically distant Sung Chinese "partners" with eighteenth-century Britain' (Hobson, 2004: 193). Hobson's reluctance to identify the peculiarity of capitalist social relations thus weakens his account of the rise of the West. As with much social science, the development of capitalism in Europe appears to be a quantitative expansion of already-existing patterns of trade (Wood, 1999).

Marx and Engels argued that what was unique about capitalism was that in its geographical expansion, it 'compels all nations, on pain of extinction, to adopt the bourgeois mode of production' (Marx and Engels, 1848). The geographical expansion of capitalism is the expansion of the law of value, where through the transformation of labour power into a commodity, its application in the labour process and exchange on the labour market, abstract labour is conceivable, and becomes itself a material force in the calculus of capitalist competition (Marx, 1990: ch. 1; Weeks, 1981: 38). While in their expansion, domination and incorporation of subordinate subject regions, previous empires often left intact their social relations, capitalist expansion always transforms social relations (in uneven and combined ways) through subjecting them to the law of value (Anievas and Nisancioglu, 2013).

In his analysis of the contribution of Atlantic slavery to English industrialisation, Marx drew attention to how rather than the expansion of the law of value leading to a uniform set of social relations (between ideal-type capitalists and workers), it generated a global hierarchy of differently formed labour systems:

Direct slavery is just as much the pivot of bourgeois industry as machinery, credit, etc. Without slavery you have no cotton; without cotton you have no industry. It is slavery that has given the colonies their value; it is the colonies that have created world trade, and it is world trade that is the pre-condition of large-scale industry. (Marx, 1846)

The co-constitutive interaction of geographically and socially differentiated, yet functionally integrated, labour systems is highlighted by Timothy Mitchell, who shows how slave-based sugar production in the Caribbean required a labour process based upon 'strict labour discipline, careful scheduling and time-consciousness, and the division of labour into work units by age, skill, and gender, to an extent as yet unknown in mainland Europe' (Mitchell, 2000: 2). Many of these techniques were then imported into the European industrial labour process.

However, Robin Blackburn (2011) also shows how slave revolts, in particular, the Great Haitian Revolution of 1791–1804 (see, especially, James, 1989), boosted anti-slavery movements in the US and Europe, hastened the demise of slavery in these regions, and contributed decisively to the ending of slavery in parts of Latin America as the majority of the continent achieved independence in the second and third decades of the 19th century. The rise, expansion and consolidation of capitalism was a process of class struggle, formation, decomposition and recomposition, within and between emerging nation-states. Class relations are not constituted nationally (which would then exclude them from the remit of institutional IPE), but internationally.

Development as containment

The global expansion and deepening of capitalist social relations, and the expansion of the global labouring class, entailed the removal of the direct producers (peasantries) from the soil and their reconstitution as urban or semi-urban wage labourers (Hobsbawm, 1994), and/or their transformation into petty-commodity producers oriented towards, and reliant upon, national and international commodity markets (Bernstein, 2000). These processes occurred at different speeds, through varied means and with myriad outcomes under colonial regimes and independent sovereign states, as integration into the world system subjected countries to increasing economic and geopolitical competition. By the mid-1840s, Marx was already predicting that these processes, principally of proletarianisation, would generate ungovernable tensions that would result in revolution from below. He was wrong in his immediate prognosis, but in Russia in 1917, a proletarian-peasant revolution raised, in real terms, the spectre of global communism.

The revolution was contained from outside, however, and underwent an effective counter-revolution from within, so much so that by 1928, Stalin proclaimed the building of 'socialism in one country'. With its five-year plans, Russia would 'catch up' with the West in a decade. As Tony Cliff (1974) argued, Russia now represented a form of 'state

capitalism' rather than any variant of socialism. Following the revolution, the world plunged deeper into what would become its 20 years' crisis (Carr, 1962), and only emerged from it after another world war. As the allies scented victory in the war, they began designing a post-war international architecture designed to prevent a slide back to economic protectionism, war and revolution, and to facilitate colonial nations' transition to formal sovereign independence. These arrangements have been labelled 'embedded liberalism' (Ruggie, 1982) and the 'development project' (McMichael, 2000), respectively.

'American' IPE viewed such processes from the vantage point of the reproduction and extension of US power (e.g. Krasner, 1985). In something of a mirror-image to 'American' IPE, Hobson (2012a: 18–20) emphasises how Eastern agency shaped the post-war world system. While it recognises the role of the US, a class-centred IPE locates the reasons for its actions within dynamic global capital–labour relations. The shock of 1917, while not generating a movement towards global socialism, had several impacts of world significance: rising levels of class mobilisation and struggle across core economies; elite political responses varying from fascism to New Deal/Keynesian state policies; anti-colonial movements; and the emergence of Stalinist Russia as representing a statist model of development to much of the decolonising world. The new global conjuncture from 1917 onwards was one where organised labour became a political force nationally and internationally, one that needed to be contained by capitalist states. For example, in 1943, the future Lord Hailsham told the UK Parliament that 'If you don't give the people social reform, they will give you social revolution.' (Letwin, 1993)

Aristide Zolberg (1995) observed that because of the emergence and threat of working-class militancy and the need to provide organised labour with a stake in the capitalist system, the US and Britain collaborated to establish a (relatively) 'labour-friendly' international regime. Fixed exchange rates, capital controls, state commitments to managing monetary policy to facilitate full employment, the partial de-commodification of labour through the establishment of welfare institutions, all represented a significant break with the prior Gold Standard (Polanyi, 2001). Matt Hampton (2006: 153) argues that 'Bretton Woods was the first cogent attempt to incorporate the political economy of the mass worker into the techniques of global monetary organisation'. Silver and Arrighi (2000: 55) note, however, how the 'labour-friendly' regime went hand in hand with 'fierce repression of any sectors of the labour movement that sought deeper social transformation than the post-war social contract offered'.

The newly hegemonic US also began to offer the anti-colonial movements national self-determination and development — a global 'Fair Deal' in President Truman's words. While the General Agreement on Tariffs and Trade (GATT) system aimed to liberalise international trade, it provided the countries of the South with a relatively high degree of 'developmental space' (Chang, 2002; Wade, 2005). Southern countries: were not bound by GATT's principle of reciprocity; enjoyed the ability to determine domestic industrial policy, including establishing tariffs and the granting of export subsidies; and were supported in their construction of International Commodity Agreements, which increased their export earnings, the better to finance industrialisation (Gibbon and Ponte, 2005). Capital controls, fixed exchange rates, 'soft' loans from the World Bank and development

assistance from the US and USSR further contributed to states' abilities to generate and direct resources to facilitate economic growth and structural transformation.

Interestingly, and complementing Cliff's (1974) characterisation of Stalinist Russia as 'state capitalist', while the 'development project' was facilitated by an international infrastructure implemented primarily by the US, the content of development itself was quite similar whether it took a capitalist or 'socialist' form. As Philip McMichael (2000: 30, emphasis in original) notes: 'although the two political blocs subscribed to opposing representations of human destiny, they shared the same modernist paradigm. *National industrialisation* would be the vehicle of development in each'. Indeed, despite the varied political colouration of the post-colonial states (and those of Latin America), there was a fundamental similarity in their approach to labour — of political subordination and heightened exploitation — as they pursued development. Through geopolitical and economic support for its statist model of development, Soviet Russia played just as important a part in the repression and containment of labour struggles from below as did the US in their respective spheres of influence.

The thrust of the US-led development project was encapsulated by Rostow's (1960) 'non-communist manifesto', which posited five stages of economic growth (traditional society; preconditions for take-off; take-off; drive to maturity; age of high mass consumption) through which all countries could pass, provided they followed the correct (non-Marxist) policies. The key concern for the US, identified by Rostow and others (e.g. Huntington, 2006), was to ensure that 'modernisation' would occur in the countries of the South, so that: a) they could be incorporated increasingly into the capitalist world system; but b) without succumbing to the fate of Tsarist Russia. As Rostow (1960: 163) warned:

It is in such a setting of political and social confusion, before the take-off is achieved and consolidated politically and socially as well as economically, that the seizure of power by Communist conspiracy is easiest; and it is in such a setting that a [pro-capitalist] centralised dictatorship may supply an essential technical precondition for take-off and a sustained drive to maturity.

Embedded liberalism in Northern states and the development project for Southern states was born out of fear of revolution from below. They were designed to oversee the establishment of labouring classes in the post-war/post-colonial world that did not threaten such a revolution, and that could be subjected to the imperatives of both world market-oriented competition and the 'defensive modernisation' required under conditions of 'cold' and 'hot' proxy wars (Bromley, 2008).

A class-relational interpretation of the development project was provided by Frantz Fanon, derived from his vantage point as participant in the Algerian revolution, and as observer of the first years of African independence. He noted how 'a veritable panic takes hold of the colonialist governments' and that '[t]heir purpose is ... to turn the movement of liberation towards the right and disarm the people' (Fanon, 2001: 55). Furthermore, he warned of the potential of the development project to be used by newly independent states 'to push man around, to tear him away from himself or from his privacy, to break and kill him' (Fanon, 2001: 254).

Fanon's class-relational critique represents the polar opposite to Rostow's problem-solving political economy. He was one of the first theorists to articulate how the developmental 'space' afforded to Southern countries in the three-and-a-half decades after the Second World War was the space to construct centralised capitalist states, to counter possible revolutions from below and to preside over the formation of exploitable labouring classes.

Globalisation against labour

The 'golden age' of capitalism, which sustained embedded liberalism and state-led national development in the South, came to an end in the late 1970s and early 1980s amid renewed world economic crisis (Harvey, 2005). One of the novel features of contemporary globalisation, and a defining response to falling profitability in the old industrial centres, was the establishment of what Nigel Harris (1987) labelled the 'global manufacturing system', where production was geographically dispersed and functionally integrated through global commodity chains (Gereffi and Korzeniewicz, 1994). The end-of-century global expansion of capital has often been interpreted in technologically determinist ways — where innovations, from information communication technologies to just-in-time inventory systems, are given primary causal significance for capitalism's transformation (Giddens, 1999; Scholte, 2000). Writers such as Robert Gilpin (1975) and Susan Strange (1996) analysed these developments from the perspective of how they eroded states' sovereignty.

As Beverly Silver (2003) illustrates, however, the spatial expansion of manufacturing capital, while facilitated by new technologies and state policies, was equally driven by conflicting class relations and capital's attempts to escape zones of labour militancy. In the auto sector, for example, capital located temporarily in one region, contributing to the formation of a large working class, but was subsequently forced to relocate to other regions by rising labour costs resulting from greater worker organisation — from the US and Canada in the 1930s, to the UK in the 1950s, to Italy and France in the 1960s, to Germany and Spain in the 1970s, and to South Korea, Brazil and South Africa in the 1970s and 1980s. The ability of manufacturing capital to relocate to potentially new centres of accumulation depended, also, on the availability of sizeable, disciplined and sufficiently skilled labouring classes. The achievement of the 'development project' had been to create these classes.

The expansion of the world's labouring classes to over 3 billion people by the early 2000s underpinned and was driven by the formation and expansion of the global manufacturing system. Under conditions of 'disciplinary neoliberalism', this expansion has been overseen by international institutions such as the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO) to better facilitate local and global capital accumulation through heightened labour control (Gill, 1995). Brady and Martin (2007), for example, report how workers in countries that implemented IMF agreements were 60% less likely to be in a trade union after the programme. The political economy advanced by 'American' IPE directly to the US administration by advisors such as Joseph Nye and Stephen Krasner, based on precepts of competitive state-centric realism and liberal market economics, has been supportive

of the institutions and policies that have driven processes of proletarianisation, demobilisation of labour and impoverishment.

Under the global manufacturing system, transnational corporations (TNCs) are engaged in a process of 'hyper-babbagisation' — a process designed to fragment and raise the rate of exploitation of labour through a geographically dispersed subdivision of the labour process (Selwyn, 2014: ch. 5). Charles Babbage (1835) argued that the division of labour could both lead to general productivity increases and cut wage costs. He observed that skilled workers often undertook unskilled tasks, and argued that it would be possible to allocate skilled tasks only to skilled and higher-paid workers and other tasks to less-skilled and lower-paid workers, thus establishing a hierarchy of wages and reducing wage costs.⁶ His principle has been pursued by TNCs on a global scale, where the spatial disaggregation of production constitutes a strategy by capital to increase labour exploitation.

Hyper-babbagisation reflects TNCs' ability to purposefully structure and preside over an international wage hierarchy, generating global labour arbitrage.⁷ Bernard and Ravenhill illustrated the strategic value of this principle in 1990s' East Asia as part of the establishment of the global 'new economy'. A Japanese calculator producer/exporter (Jinbao) created a hierarchical production network across East Asia that would reduce production costs and boost profitability:

The innovation behind the product, the brand name, and the marketing are Japanese. All key components for the calculators, such as liquid crystal displays and production equipment in the Thai factory such as insertion equipment, are imported from Japan. All procurement and administration are controlled from Taipei, and the management of the plan is Taiwanese. The labour is Thai. (Bernard and Ravenhill, 1995: 186)

By locating production in peripheral regions with supportive states, firms can benefit from low-cost and potentially highly malleable labour, and can combine low wages, long hours and productivity drives. For example, the Catholic Agency for Overseas Development (CAFOD, 2004: 30–34) recently reported how in the electronics industries in China, workers need to work an illegal number of overtime hours, taking their working day up to 15–16 hours under very poor conditions, in order to earn the minimum wage. In Thailand, subcontracted workers earn a 'minimum wage' that does not even cover their food and household expenses.

Hyper-babbagisation also enables TNCs to attack workers' wages in core economies. In her study of 18 industrialised countries between 1985 and 2000, Guscina (2006) found that the combination of trade openness, foreign direct investment (FDI) and imports from developing countries all contributed to the falling percentage of labour's share in national income.

In the 1970s, Stephen Hymer (1972: 104) had already observed a component of TNCs' hyper-babbagisation strategy:

The power at the bottom [among workers] is ... weakened by the spatial division of labour. Each national or regional labour force performs a specialised function which is only meaningful to the integrated whole [the TNC managers] yet it has no understanding of this whole.

Hyper-babbagisation cuts production costs, divides the workforce along numerous lines and enables an intensification of exploitation of labour across the global commodity chain as a whole. One consequence of this strategy is that the expansion of the global labouring class over the last four decades has been one based on impoverishment.

Conclusions: Class-relational IPE and the RBQ of the 21st century

IPE has been institutionally constructed as an academic discipline based upon the epistemological eviction of the labour question. It denies the way in which capital–labour relations in general, and labour struggles and responses to them by states and capitals in particular, are constitutive of relationships between states and markets, and, more fundamentally, of global systemic transformations. In their respective attempts to reformulate IPE, Cohen continues in the top-down tradition of the ‘American’ IPE founders and Hobson advocates the development of a non-Eurocentric Inter-Civilisational IPE. Neither author attempts to incorporate the capital–labour relation into their epistemologies in ways that illuminate its centrality in global systemic transformation.

From a class-relational perspective, the RBQ of the 21st century that IPE needs to address is: how will the continued expansion of the global labouring class be managed by states and capital, and how will it influence further global systemic transformations? Sub-questions include: under what circumstances (if at all) can global capitalism generate a living wage for the global labouring class? What kinds of organisations and actions do workers across the globe need to engage in to achieve a living wage? Further, is a living wage all that global labouring classes can aspire to, or can they contribute, as they did in the first half of the last century, to generating a more labour-friendly international capitalist regime, or even to challenging capitalism more fundamentally?

Perhaps the pivot upon which these questions rest is to be found in contemporary China, and its articulation with the wider world system. China stands at the centre of the global manufacturing system, and contains the largest working class in capitalism’s history. In the face of highly exploitative labour practices and political repression, the number of mass protests across the country has risen over the last three decades — from 10,000 in 1993, to 60,000 in 2003, to more than 90,000 in 2009 — and China now represents the ‘epicentre of global labour unrest’ (Silver and Zhang, 2009: 176; see also *Chinese Labour Bulletin*, 2012). These incidents have contributed to upward pressure on wages and some amelioration of workers’ conditions. The medium- and longer-term outcomes of these struggles — perhaps a reconfiguration of domestic class relations, leading to a greater share of GDP in workers’ incomes; perhaps a challenge from below for meaningful democracy; or perhaps continued political and economic repression — will have a significant impact on the nature of global systemic change in the 21st century.

From their presentations, it is unclear whether Cohen or Hobson consider the class struggles in China as relevant to, still less constitutive of, the international political economy. They clearly are. On the one hand, the US growth model since China’s explosion into global commodity markets has been based on a combination of: a) falling wages at home; compensated for by b) debt (much of which is based on China’s purchase of

treasury bills); and c) cheap wage goods imports from China and other units within the global manufacturing system. On the other hand, China has been able to play the role of supplier to the US of low-cost wage goods and holder of its debt because of its ultra-disciplinary labour regime. This global dynamic has boosted world economic growth, albeit on foundations riven with tensions. Any significant shift in the capital–labour relation in China will throw these dynamics into flux, while the maintenance of these relations will exacerbate the tension that China’s form of integration into the world system has generated (Gray and Jang, 2014).

This article has sought to demonstrate the value of placing class relations at the heart of IPE. It argues for an epistemological shift, as the majority of academic IPE — whether ‘mainstream’ or Marxist — has excluded the labour question from its arena of investigation and its conceptual apparatus. It does not aim to bring labour ‘back in’ to IPE; rather, it argues for a different IPE, based upon the analysis of globally constituted class relations. Such a perspective enables us to view and investigate the RBQs of the 21st century, and potentially overcomes the elitism of much IPE.

Acknowledgements

The author is grateful to Sébastien Rioux, Kamran Matin, Peter Newell, Daniel McCarthy and two anonymous referees for pushing him, again and again, to clarify and extend his arguments. The usual disclaimers apply.

Funding

This research received no specific grant from any funding agency in the public, commercial or not-for-profit sectors.

Notes

1. The ILO calculates poverty levels using the World Bank’s (self-acknowledged) extremely conservative poverty lines of US\$1.25 and US\$2 a day. Its US\$1.25 a day is equivalent to living in the US in 2006 with just US\$1.3 a day to meet all survival needs (Edward, 2006: 82). Woodward (2010) suggests a more realistic (and humane) global poverty line of US\$5 a day. If adopted, the ILO would have to conclude that the majority of the world’s labouring class lives in poverty.
2. The concept of ‘immaterial’ labour is bogus. *All* human labour combines immaterial/intangible (thought) activities and material/tangible (physical) activities.
3. The argument that contemporary capitalism is ‘post-industrial’, and that Marx’s analysis of it is therefore undermined, often assumes that capitalism was ‘industrial’ in his day. As Terry Eagleton (2012: 169) notes, however: ‘In Marx’s own time, the largest group of wage labourers was not the industrial working class but domestic servants, most of whom were female. The working class, then, is not always male, brawny and handy with a sledgehammer’.
4. Hobson does engage with one strand of Marxism, the recently redeployed conception of Uneven and Combined Development (UCD) (see, e.g., Rosenberg, 2010). He employs the UCD approach to restate his earlier arguments for the global determinants of English industrialisation (Hobson, 2011). Notably, however, his engagement with UCD merely enables him to restate his earlier conception of *The Eastern Origins of Western Civilization* (Hobson, 2004), without engaging in class analysis or in identifying the particularities of capitalism’s social relations. This might be because the current incarnation of UCD rejects Trotsky’s politics (of

permanent revolution) and, consequently, tends to empty the concept of its class-analytical framework.

5. The actual response is rather short (just two pages; see Marx, 1881, in Shanin, 1983: 123–124). What is of equal interest are the four, more detailed, draft responses (see also the discussion in Anderson, 2010: 229–231).
6. Marx viewed Babbage as an organic intellectual of the industrial capitalist class, and his interest in technology as reflecting deeply rooted class interests: ‘It would be possible ... to write a whole history of the inventions made since 1830 for the sole purpose of providing capital with weapons against working class revolt’ (Marx, 1990: 563).
7. See, for example, a recent discussion of global labour arbitrage in *The Economist* (2011). Available at: <http://www.economist.com/node/18682182>

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Author biography

Benjamin Selwyn is Senior Lecturer in International Relations and Development Studies in the Department of International Relations, University of Sussex, UK. He is author of *Workers, State and Development in Brazil: Powers of Labour, Chains of Value* (Manchester University Press, 2012), which was shortlisted for the 2013 British International Studies Association International Political Economy Group book prize, and of *The Global Development Crisis* (Polity, 2014).