

Workshop Organisers: “Wrap Up”

1. A short introduction

We have used and use our international RLF Conference on Rosa Luxemburgs “Accumulation of Capital” <http://kapacc.blog.rosalux.de/2013/05/19/100th-anniversary-of-the-accumulation-of-capital-a-contribution-to-an-economic-explanation-of-imperialism-a-century-old-work-remains-current-provocative-and-eminal/> for the preparation process of the 4th EU experts’ discussion.

This concerns three dimensions:

- 1) the historical: the debate on cores and peripheries is connected with the development of capitalist mode of production, especially of imperialism, and the discussion on dealing with imperialist policy;
- 2) the methodological: we face two poles in the scientific and political discussion: the neoliberal theoretical and ideological construction and the dependency theories derived from Marxist or more Marxian interpretations of capitalist development.
- 3) the dimension which concerns the analysis of capital accumulation as such: People live in territories – in municipalities, regions and countries. Their living conditions depend on the role of the *concrete* territories in *concrete* capital accumulation processes and on their *concrete* role in these accumulation processes. The accumulation of the capital in the EU and in Europe is nowadays closely connected with financialisation and oligarchisation, with the development of *concrete* social structures, of *concrete* production and consumption patterns, and of *concrete* territories.

Our collective analyses and conceptions of the problematics of peripherisation within given territorial spaces focuses upon the relations among peoples, social groups, classes, generations, women and men of different ethnic origin. *The central challenge is and will be to work on strategies against competition, and for organizing solidarity.* Here we have to ask about the reasons of our weaknesses, in order to become able to overcome them.

Working on conceptions and political strategies to transform the present society in a democratic, solidarity oriented, and socially and ecologically sustainable way, challenges us to analyse the process of peripherisation which is connected to capital accumulation and so with financialisation and oligarchisation, with the development of concrete social structures, as well of the change of concrete production and consumption patterns.

The EU institutions are officially oriented towards reducing social and territory gaps and inequalities and have been explicitly declared to be interested in processes bringing poor regions into line with the richer and even the rich ones. They have developed special instruments and funds. But together with the different ruling forces within the member states they have focused and continue to focus one-sidedly upon competition among the territories and their inhabitants. Often the development of the

resulting contradictions has begun to threaten the security and the successful further development of the EU as a global actor. Therefore the EU institutions are challenged to urgently address these contradictions.

2. Some “basics”

The terms “core” and “periphery” have been introduced by Raúl Prebisch in the mid-forties of the last century. His purpose was to explain the economic relationship between the United States and Latin America, and – more specifically – to develop strategies of industrialization in order to change these relations in favour of Latin America. Prebisch has highlighted the monopoly of strong states on the most productive means of production and on advanced technologies, as well as the consequences of monopolies and an unequal exchange in foreign trade, which – operating together – tend to result in a structural dependency of the periphery on the centre.

From this time onwards, a dependency theory focusing on this kind of unequal relations has developed and has spread widely, also within the left wing. It analyzes contemporary capitalism as a core-periphery-system between the highly industrialized north-western countries as the core and the underdeveloped, technologically backward “south-eastern” world as the periphery. It characterizes the core-periphery-relationship by unequal exchange, asymmetrical power relations, and, as a consequence of these, by dependency.

But from Marx we have been able to learn that we have to ask not “only” about the relations obtaining between countries in the international arena, but also about the processes of capital accumulation behind them. From Luxemburg we have been able to learn that we should analyze “the global capital” much more concretely, highlighting its specific course of historical development, the relationship of one single capital to other groups of capital, the role of capitalist domination within the systematic division of labour, the role of the capital relation in processes of socialization, and within societal life at large. Such a differentiated approach does not mean “chopping up problems”, but simply to proceed to an adequate analysis and an adequate understanding of power relations in modern societies and in the contemporary world. Such an approach, more deeply considered, means to look specifically at the trans- and international dimensions, the intra- and interregional contexts of capital accumulation, as well as at the differences in the specific capital relations influencing societal life and development of societies.

We use the terms “periphery” and “core” or “center” in relation to territories being determined by concrete processes of capital accumulation and of socialization. Centre/core vs. periphery are opposite terms reflecting issues of space and distance, of power and rule, and of very different possibilities of self-determination. It is a very simple model, unable to explain the complexity of societal reality, but still helpful to express, or to illustrate roughly, the structural asymmetries and the very different roles of regions within a system of the division of labour, or within an economic,

political, and military order ... A region functions as a centre, whenever the agents and agencies based there are able to attract people and resources, by offering better conditions of living or of accumulation, and thereby to determine the ways of life and of societal reproduction in other regions. Economic and cultural regions are not necessarily connected to political borders, but political centers and peripheries have to coincide with them.

Global competition, international money flows and domestic and international (military) "security" concerns are structural sources of conflicts and of the resulting power relations which effectively do shape the really existing centre/core vs. periphery relations.

"Imperial division of labour" (Berend) – this notion means that the development of concrete production and consumption patterns is essentially determined by the interests of agents based in other regions resp. countries – i.e. in the core – and that this dependent development – i.e. the development in the periphery – is connected with the production and reproduction of hierarchies in the inter- and transnational division of labour. On this basis, the organizers of the accumulation of the capital (owned above all by agents from the core) are able to appropriate products of labour and redistribute incomes realized in the periphery, as well as within the core. These agents, therefore, effectively determine inter- and transnational developments, and societal developments in the periphery, as well as in the core. As we shall analyze the dynamics of power relations within concrete societies in the globalizing world, we shall have to expand our research into the following points:

- a) how these power relations are capable of influencing complex social relations, and, correspondingly, social life, in concrete territories, *and*,
- b) how the social power relations within specific territories can influence capital accumulation processes, and, thereby, intra- and interregional, trans- and international relations.

In order to do this effectively, we shall have to look at these territories, trying to determine the similarities and differences between politically-administratively determined territories as municipalities, administrative areas, states and territories as spaces with intensified economic, historical, cultural, and social interrelations, where people do share a common history, a common culture, or current social problems especially strongly. We refer to such territories/spaces as "regions", and we shall regard current processes of regional change also and especially as the other side of globalization processes, specifically as a special stage of the international division of labour which leads to a number of interconnected processes:

- intensive financial direct investments,
- high relevancy of financial markets,
- high relevancy of Transnational Corporations (TNCs),
- a new type of microelectronics, and, more generally, of information and communication technologies

And we underline the fact that a new type of capital accumulation and of socialization have emerged, especially/above all in the form of capitalist financialization.

Capitalist financialization means here that individual social and capital reproduction are more and more realized by finance market operations, so that they are specifically influenced or determined by the strongest actors on the finance markets. The conditions for these financialization processes are based upon privatization and economic deregulation policies.

The “main actors of financialization” are capitalist oligarchies. Behind the problematic of capital oligarchies we find the actually existing relationship between the current capitalist forms of impersonal rule, huge wealth, and the power of a small group of actors, which has the power to decide key societal developments. The economic basis for these capital oligarchies is the dynamic co-operation of dividend receivers massive corporations has led to *de facto* common forms of capital and to the emergence of the function of a “mere manager, administrator of other people’s capital” (Marx). A specifically interdependent relationship between capital owners has been developed – a relationship between capital owners who activate interest bearing capital, and those capital owners who organize social surplus labour within the social production of goods and services. The necessary minimum of capital can be raised and properly exploited only by these two groups working together. This need for co-operation brings about a new division of functions within capital accumulation as a social process in which the capital owners – as co-operation partners without being equals – are able to appropriate the results of the labour of third parties, by exercising structural power over them. These third parties also work within the financial sphere but predominantly in the sphere of the social production of goods, which ultimately produces energy related and material use value. These partners are internally differentiated and they are linked to their respective nation-state, and to the EU, in different, if not contrasting ways. The development of these capital oligarchies is especially closely connected to the development of the following interlinked complexes:

- the military industrial complex ;
- the energy sector;
- the transportation industry;
- the globally oriented agro-business industry.

Materially, these closely interlinked sectors together decisively shape the patterns of production and consumption, as they exist within contemporary societies.

This “group of four” sectors, taken together, is the largest consumer of the earth’s surface and resources, the largest generator of air, water, and soil pollution, and the most important source of pressure on the ecosystems. This quartet determines the kind of production and the way of life – that is, ways of life, nutrition, mobility, work, leisure time and ‘co-habitation’ – and thereby creates the basis of a socially and social consensus that is ecologically disastrous. The destructive dynamics of this

quartet are driven (and even exponentially increased) by a continuous, immense flow of money, finance, and bonds. State budgets, state contracts, the financial industry, and 'financial innovations' are closely intertwined with the actions of this quartet, while its own development is deeply linked to that of the high tech sector.

Microelectronics, modern information and communication technologies, biotechnologies, and nanotechnologies are only a few of the key words in the ongoing turnover of technologies, infrastructures and the related processes of development, which are mainly based on the reproduction demands of this quartet and which seem to function as drivers for the quartet in its penetration of ever more and increasingly new areas of society.

The headquarters, the research and development facilities, the production and distributions facilities, the transportation lines, and the material conditions for the appropriation, production and reproduction of these capital oligarchies are located in concrete regions. Military and "security" equipment is also based in regions. Regions are more or less important for concrete security interests. The working and living conditions of numerous people living in the regions significantly depend upon the standing of the region for the accumulation of TNC capital, on the role of agents being actively involved, participating and gaining in global competition, and, thereby, upon members, parts or the whole of the concrete capitalist oligarchy.

Therefore we shall have to enquire what "core" and "periphery" refer to specifically, and we should be especially keen to find out, how the regional distribution and location of members, of parts and of the entirety of capitalist oligarchies are linked to their political, financial/economic, social and military/"security" resources and to their interests in these territories, respectively these regions. The regions which are the safe harbours ("standorte") of the main agents of financialization and globalization, effectively, do constitute the "core", whereas those regions, which have to develop without these agents, and which present less current interest or even a burden for the agents of global competition, do constitute the peripheries.

3. "Debt" and some more facts

Within the EU the mainstream discussion on peripherization tends to refer to the "Euro-crisis-countries", while ignoring the problems of other peripheral regions, especially in the CEE countries. Even more, it tends to ignore the existing and still rising inequalities, within Europe, as well as on a global scale.

The TNCs within the triad earn the overwhelming income in their home macro-region. They are looking for resources and cheap labour for protecting their markets and for gaining new market spaces. Their input-trade rises continually. The advanced sectors within the core are fragmented, and they continue to become even more fragmented, while "hinterlands" with cheap labour resources are becoming more and more relevant for the TNCs. Japan is especially interested in "hinterlands" in South East Asia and China; the USA are especially interested in Mexico and in Central America, the West Europeans especially in the CEE countries and partly in the

countries of the Maghreb region. They all need a special infrastructure and special services for this kind of expansion to be successful.

On the other hand, the TNCs and their partners do need open markets and free trade in making use of them. Anti-dumping policies, anti-trust-policies and free trade agreements are the main orientations and instruments which are followed and used in the own interest of the TNCs. Namely debt policy – i.e. relations – has been currently of some importance, with the effect of implementing a new kind of mercantilism.

Since the 90es, the USA have pursued an initiative to re-shape intra-core relations and culture. In this process, they have been and they are supported by their partners in the UK, especially by the biggest rentiers and financial agents.

With privatization of the public sector the stock markets have expanded and money capitalists or rentiers have increased their activities. Such a further enlargement has demanded the integration of financial markets, starting by harmonizing stock market regimes, corporate governance regimes, and accounting standards. TNCs from the USA and the UK have played a leading and dominating role in these processes.

With the evolution of the IMF, the World Bank, and the other institutions linked to them into a more and more integrated global financial system the US Treasury has become a key organizer of hegemony, by using these institutions and by forcing ever further financialization. This has been prepared, especially in the 1970s, after the end of the system of fixed exchange rates, by a process of the further dollarization of the global economy. Expanding debt has been one of the main instruments of this process of dollarization and financialization, as e.g. the debt incurred by the states in Africa, later in Latin America in the 80es, by Yugoslavia and the most CEE countries since the late 80s. Their debt has continued to rise and because of their rising debt the debtor states fail to get any follow-up finance which they urgently need.

Therefore, the debtor states have had to accept the conditions imposed by the institutions of global finance – the underlying orientation of which has been towards increasing their own power (and thereby also the power of the US Treasury and of all the agencies behind it). These conditions are, again and again: more privatization of state resp. public entities, more reduction of the cost of labour and of social expenditure, and the “liberalization” of the economy. The logical consequences are a further rising of debt, a destruction of the existing economic, productive basis, and above all a combined process of social and ecological destruction. These consequences have affected developing countries, Chile as other Latin American countries, CEE, Greece, the Euro crisis countries. The winners have been and continue to be capital oligarchies – which are connected in a complex power system with such ruling bodies as the IMF, the World Bank and the US Treasury, on the one hand, (and also copying them), while also cooperating and also competing with them via EU institutions and via in the EU based capital oligarchies.

The capital oligarchies are again based on corporations.

Analyses of the 500 largest European corporations (here Turkish corporations are included) for 2013 show:

- a) 17 EU member states are in fact seats of one or more of the top 500 corporations (in turnover) within Europe, together they are locations of 417 corporations among these 500. The strong role played by the UK, on the one hand, and by France and Germany, on the other hand, and furthermore by Austria, Belgium, Finland, Italy, the Netherlands, Spain and Sweden is not surprising; the relation of the number of in the countries located Top 500 to the number of inhabitants of these countries underlines the role of strong regions.
- b) The number of financial institutions in countries with a limited population may be a surprise, also the concentration of the corporations in the fields of energy, transport, agriculture, “security”, high tech and finance. Annual variations, differences in statistic and statistical difficulties (double use, grouping, national specific characteristics) may relativize some statements.
- d) The different distribution of the relatively high number of financial institutions reflects a degree of financialisation which is already high, as it now is. More than one third of the top 500 are banks and financial institutions. From the 86 as a whole 25 are located in the United Kingdom, 15 in France, 7 in Sweden, six in Germany as six in Spain, five in the Netherlands as five in Italy, four in Poland as four in Austria, three in Belgium, two in Denmark, one on the Ireland as one in Portugal and in Finland.
- e) We have ranked the corporations and tried to deepen our analysis of the top 500 corporations located in CEE member states and in Greece, Ireland Portugal. The results are more than only “interesting”: In many cases the located corporations are not “owned” by corporations; in connection with the crisis the shares still held by the states are expected to be privatized.

Discussing the special role of Germany, we shall have to speak about a certain dominance instead of hegemony. We have highlighted the dimension of the country and population and the much deeper integration of the large corporation with regions as well as with SMEs. This and a relatively high level of technologies can be used to explain the prevailing export orientation and its relative success. But it also explains a higher militarization of the economy as we may conclude from the top 500 statistics. Germany has been the winner of the Euro introduction, of the EU enlargement, and even of the Euro crisis – in the sense of interest advantages and institutional reforms, but it is also the biggest risk taker for Euro rescue measures. The share of the productive sector of the GNP in Germany is higher than in the other big EU member states. Germany produces ca. 30% of the total GNP of the EU28 manufacturing industry. 57% of the German exports go the Single market. With the Euro crisis the role of Germany and of the ruling forces in Germany in the development of the EU has been strongly reinforced. The immediate reason for this is the dominant neo-liberal policy pursued by the EU and its member states, and it is based more deeply on the real developments which have taken place in its wake, as they are now reflected in the legal realities of the EU.

As a question for further research we should earmark an in-depth analysis of the links existing between the SME and the ruling capital oligarchies in Germany.

After studying core-periphery analyses and debates we have come to ask about the relations between the subalterns especially the emancipatory-solidarity forces in the specifically affected regions. After studying historical developments we have come to underline the special problems of emancipatory and solidarity-oriented forces in the hinterlands facing a problem of time difference to the development of agents in the core. But after regarding the practice of emancipatory and solidarity-oriented forces in the hinterlands or in peripheral regions we have come to ask about conclusions in the “core” and on how to bring together the forces who belong together in order to change society and to re-shape globalization processes in the interest of the populations, above all for the weaker and the weakest.