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GEOPOLITICAL FORUM

The Value of Territory: Towards a Marxist Geopolitics

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The article argues for a Marxist geopolitics that moves beyond both critical geopolitics and the discredited classical geopolitics. It underlines the valorisation of territory by capital across three levels of abstraction: that of social infrastructure, class conflict and ground-rent proper. The recent Russian-Ukrainian gas wars are briefly analysed by way of illustrating the application of this distinctive approach to geopolitics.

Over the past twenty years, political geography has witnessed extremely fertile efforts to salvage geopolitics as a form of respectable scholarship (and thus, to rescue it from the corridors of power or popular commentary). These attempts to develop ‘a geographer’s geopolitics’, have resulted in a body of work which aims at revising the discipline’s earliest canons and practitioners, concentrating on the close links between their thought and political power. As a result, geopolitics has been stood on its feet. Once a set of ‘scientific’ theories concerned with the geographical laws underpinning power-politics, today it acts as a kind of textual analysis, deconstructing the different ways in which power and space are imagined and represented. However illuminating and engaging, this textual turn tends to foreclose (explicitly or implicitly) any analysis of space as a social construction conditioned by relations of socio-economic power, and thus, tends to limit itself to narrative and discursive processes which invest policy with legitimacy and meaning. For

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this reason, 'critical geopolitics' is neither sufficiently critical nor analytical, and falls short of exhausting the potential of geopolitics. It remains unable to illuminate the role of space in international politics at a level beyond the merely discursive.

Our intention, first and foremost, is to make a case for a distinctively Marxist conception of geopolitics. We argue for a substantive understanding of geopolitics that privileges territorial space as a pivotal lever of change in the international system. Inspired by a materialist conception of history, we view territoriality as a social process, constantly drawn and redrawn by the production, circulation and accumulation of value, as well as by the relations of power accompanying the global reproduction of capitalism. A Marxist geopolitics, in essence, begins by analysing the capitalist valorisation of territory and ends by explaining its international repercussions. Far from overlooking them, such an approach insists on the key role played by geopolitical concepts, narratives and codes, which help to conjugate the economic interests of capital and the political aims of state managers at the level of (foreign-) policy.

Brevity imposes a number of important limits, which it is necessary to state at the outset. First, our focus is on the role of space at an international scale (but we are aware of the important developments made in the analysis of urban or regional geography). Second, we confine our arguments to the geopolitics of contemporary capitalism. Finally, we do not seek to formulate a geopolitics which, Marxist or otherwise, can address *all* aspects of international politics. Our focus here is on an understanding of geopolitics as a specific link between territoriality and power in international relations – one where the dynamics of global capitalism are central to the mobilisation of geopolitics as an expression of global power. In the lines that follow, we first consider the content of a putatively Marxist geopolitics and then seek to illustrate it by considering the case of the 'gas wars' between Russia and Ukraine.

MARXISM AND GEOPOLITICS

The greatest challenge for any conception of geopolitics today (Marxist or not) involves reconciling the fundamentally temporal dynamics of global capitalism with the reality of a world politically fragmented into almost two-hundred national jurisdictions. In our view, the most persuasive response to this challenge comes through David Harvey's conception of 'spatial fixes' as the inherent (if temporary) geographical resolution of capitalist crises. It is now clear from Harvey's work, and that of his associates, that the temporal logic of capital accumulation has historically been accompanied by constant and unstable reconfigurations of social space on various geographical scales. In its modern capitalist modality, it is the sovereign territorial state

that principally mediates capital's need to simultaneously circulate across space (local, regional, international) yet constantly realise its value in tangible physical forms (money, property, machinery) and in named locations (factories, offices, farms). Thus, on an international plane, the conception, production and organisation of space is not simply a 'discursive practice' contrived by 'intellectuals of statecraft' (important as this often is). Nor can a historical materialist account have any truck with the mystical, naturalised and cyclical conceptions of socio-political space propagated by classical geopolitics. This broad tradition makes a tapestry of 'scientific' theories in which physical geography is linked to territorial space through different conceptions of power, survival, rivalry and often, biological concepts and sees states as struggling for existence in a world with finite space, reifying territory in ways that are radically antithetical to the dynamic, dialectical conceptions of the state issuing from historical-geographical materialism.

Classical geopolitics was one of the ideological products of the 'age of empire', but has evolved through time and survived into the 'age of globalisation', with figures such as Zbigniew Brzezinski or Aleksandr Dugin, and with them, a host of foreign-policy journals and websites advocating 'the return of geopolitics' as some kind of inevitable and recurrent feature of international power-politics. With 'critical geopolitics', we reject such analyses as hopelessly essentialist, since they continue to invest territory with organic attributes which do not stand up to any critical scrutiny. But *contra* 'critical geopolitics', a Marxist geopolitics emphasises specific combinations of uniquely temporal imperatives that drive capital to expand across the world. Capital constantly refashions existing spatial dispensations of power, with the geographical requirement of realising, accounting and reinvesting that value-in-motion through a relatively productive workforce, situated in a territory with suitable transport and communication infrastructure, and in a legal setting that regulates and guarantees property rights – what Harvey calls 'social infrastructure'.¹

Drawing on the work of the late Giovanni Arrighi, Harvey has (re)labelled such imperatives as the 'capitalist' and 'territorial' logics of power, though he rightly insists that these be dialectically applied in our understanding of contemporary capitalist imperialism. Whilst taking his basic recommendations on board, we wish nonetheless to push Harvey's argument further and insist that in an inter-state system where capitalism is the dominant form of social reproduction, territory acquires a value that transcends the neat distinction between capitalist and territorial logics of power.² This capitalist valorisation of territory plays itself out at different levels of abstraction, and is deployed in diverse ways by different capitalist states in various spatio-temporal contexts.

At the most abstract, structural level, operating in its *longue durée*, capitalism integrates distant locations into a world market where value is produced, circulated and accumulated through the mediation of sovereign

territorial states. Here the value of territory lies in the sovereign state's ability to provide the 'social infrastructure' necessary for the expanded reproduction of capital. Although always uneven and unequal, the geographical distribution of capital and labour is at this level driven by the economic imperatives of the capitalist market, with its accompanying mechanisms of private contract and open competition. State agencies certainly play an instrumental role in facilitating and regulating such exchanges, often using political-diplomatic, cultural and geo-strategic levers to the advantage of their own nation's capital. But in a post-colonial world in particular, the production of space manifests itself fundamentally through the capitalist market and as the intensification of accumulation *within* existing sovereign territorial states. Indeed, the past half a century has witnessed what Leo Panitch called the 'Canadianisation' of large parts of the advanced capitalist world, as US capital deepens its penetration of other market economies without thereby dissolving their territorial integrity (and in some cases – Japan, South Korea or the Federal Republic of Germany – actively shoring up their political sovereignty). In such scenarios it would indeed be more apposite to speak of the ascendancy of geoeconomics over geopolitics, as Smith and Cowen have recently done.³ However, as Panitch himself readily recognises, the forging of a post-war 'informal' American Empire was made possible only through the geopolitical contest of the Cold War. Without the internationalised socio-political antagonisms that fuelled the military confrontation between the capitalist West and its Soviet-aligned rivals, the consolidation of US hegemony through the globalisation of market relations would have been inconceivable.

The collapse of the Soviet bloc brought to an end international communism's seven decades of challenges to global capitalism but its defeat was not matched with an accompanying strategic retreat by Western powers. The North Atlantic Treaty Organisation (NATO) has absorbed the bulk of the erstwhile Warsaw Pact and has extended its 'out of area' operations eastwards as far as Afghanistan. Newly hatched revolutionary challenges to international capital in 'Bolivarian' Latin America have given a further impetus to territorial control of that continent by opposing political forces. Meanwhile, territorial conflicts rooted in fundamentally ideological antagonisms (in the Korean peninsula or across the Taiwan Straits, or in the unresolved post-colonial disputes over Palestine, Jammu-Kashmir and Western Sahara) signal what Rick Saull has called the 'uneven endings' of the Cold War.⁴ This leads us to the second sense in which capitalism constructs geopolitical spaces: class antagonism. In all these instances, powerful capitalist interests valorise these territories not just because of the untapped sources of profit at stake, but also because socio-political upheaval, instability and 'failed states' are generally not conducive to expanded capitalist reproduction.

Unlike tributary or feudal societies the expanded reproduction of capital is not structurally tied to violence and warfare, but rather to forms of rule that

guarantee the class privileges of existing elites by protecting private property relations, allowing capitalist markets to flourish and undermining radical political threats to the prevailing order. Establishing an international political order favourable to such class interests requires ruling elites to think and act geopolitically – developing political strategies to access and control territory, that constantly involve recourse to violence and warfare, most typically in the form of regime change, ‘humanitarian’ interventionism and overt or covert military operations. In many parts of the world, economies and borders have to be prised open before they can be reincorporated as part of an Empire of ‘open doors and closed frontiers’.⁵ To claim that conflict, violence and war over named territories are not integral to the expanded reproduction of capitalism, is not to deny that they are often its direct result: where the hidden hand of the market fails, the iron fist of military force becomes an attractive policy tool for ruling elites.

The final, and most concrete expression of the capitalist valorisation of territory concerns ground-rent and constant capital attached to what Marx called ‘particular portions of the earth and its appurtenances’. We have thus far used the phrase ‘valorisation of territory’ quite figuratively, to describe the realisation of profits in and through delimited territorial spaces. However, there are forms of generating value directly *from* ‘the earth and its appurtenances’, most obviously through capitalist agriculture and mining. For our purposes, however, it is the commodification of hydrocarbons – so central to the reproduction of industrial societies – that best exemplifies the ways in which the capitalist valorisation of landed property is inserted within wider configurations of geopolitical space (there are other examples, for instance, the scarcity of water and arable land which we cannot analyse here). Put very simply, their property as natural resources present only in the earth’s subsoil means that physical location plays an especially pronounced role in the valorisation of crude oil and natural gas.

Plainly international commodity markets and other socially constructed factors – levels of technological and infrastructural investment, prevailing legal and fiscal regimes and more recently, the effects of global climate change – intervene to determine the valorisation of oil and gas. In the case of gas in particular, pipelines remain the most cost-efficient method of international transmission, as a consequence making the construction of networks (investment in constant capital) and subsequent negotiation of price agreements (rent extraction) highly strategic exercises involving long-term, geographical commitments (‘spatio-temporal fixes’). Because these resources are increasingly scarce, access to oil and gas cannot be left to market mechanisms alone; because they are territorially fixed, they create international rivalry. Once again, while the logic of capitalist accumulation does not *structurally* depend on violence and war, its historical evolution has continued to raise the stakes of territorial space as a currency of power in the international relations of capitalism. While its social agents struggle to ‘make the world

safe for capitalism', capitalism's valorisation of space continues to make the world unsafe. As the American industrialist J. Paul Getty famously quipped, 'The meek shall inherit the Earth, but not its mineral rights'.

AN ILLUSTRATION: THE 'GAS WARS' BETWEEN RUSSIA AND UKRAINE

The reproduction of capitalist relations, then, finds different kinds of spatial expression in the three different levels of theoretical abstraction just outlined, each of which emphasises the role of territory as 'social infrastructure', as a domain of class antagonism, or as a source of contested value. The exact combination of these three expressions of capitalist geopolitical power cannot of course be determined in advance. Putting such categories of historical-geographical materialism to work can give content to a substantive, structural usage of the term 'geopolitics' whilst at the same time illuminating more historically specific, contingent and agent-driven dimensions of contemporary international relations.

The disputes over energy supplies from Russia to Ukraine involve security dimensions that go well beyond the limits of a bilateral trade dispute, directly affecting Russia's relations with Europe and the Atlantic community. What is known as Russia's 'near abroad' is an international space that has undergone a radical reconstruction at all levels. Economic crisis, poverty, uneven distribution and development of infrastructure, and the deep reorganisation of the relation between business and the state, have all compounded other, better known, aspects of the Ukrainian-Russian relation (nuclear arsenals, the Black Sea fleet, national tensions deriving from the 'forced' Ukrainisation of Russians, Crimea, Ukraine's bid to join NATO, and so on). From 1991 onwards, new formal lines of political sovereignty ripped all around Russia's already unstable borders, but they were drawn over existing contours of economic, infrastructural and political dependence on Moscow. This geopolitical complexity has been exacerbated by two decades of protracted and largely unsuccessful economic liberalisation programmes. The splintering of the former Soviet territory into multiple sovereign jurisdictions, and the accompanying fragmentation in production and supply chains, was carried out in haste by new, suddenly all-powerful elites. In this context, a new class of oligarchs and foreign-policy makers found that the margin in which their foreign, energy and economic aspirations could be harmonised, was very narrow indeed. The post-Soviet space emerged as one of porous and ambiguous sovereignty in the context of a brutal economic restructuring, where it is especially difficult to separate security concerns from economic interests.

The break-up of the old Soviet Military-Industrial complex meant that many of its more important assets were now located in a new Ukrainian

state. Moreover, the rise of the Russian oligarchy meant that Russian capitalism was able to penetrate deeply into the Ukrainian economy, further harnessing the new Ukrainian state and market to Russia. Taking on board this level of economic integration between Russia and Ukraine is crucial, especially because most commentators see the 'gas wars' as an expression of the Kremlin's plans to restore Russia's international influence through the deployment of the 'energy weapon' (in effect, as the subordination of economic interests to foreign-policy goals). Russia's continued attempts on the political sovereignty of Ukraine have developed against the latter's role as a market for Russian financial and industrial investment, and as supplier of migrant labour to the Russian economy.

This extremely condensed overview should at least begin to illustrate a key geopolitical consequence of Ukrainian independence. Unlike standard accounts which tend to focus exclusively on Putin's 'neo-imperialist' zeal, a Marxist geopolitics, deployed at the most general level of abstraction (the spatial expression of capitalist accumulation as 'social infrastructure'), draws attention to the way in which a sizeable portion of the Ukrainian economy has come to constitute a key space of valorisation for Russian capital. At the same time, these Russian economic interests, and the Kremlin's security concerns, both need to be reconciled with the existence of a (weak) Ukrainian state. While some in Russia have continued to advocate a restoration of the old Soviet borders, Russian business and statesmen generally accept the reality of Ukrainian sovereignty, even when, as we have just seen, Ukrainian independence has been an ambiguous and contradictory process. The critical point is that Ukraine has been largely reconstituted as a geopolitical space of conflict, involving the rivalry of the Russian and Ukrainian *states* for influence over the region. The economic role of this region is compounded by the territorial fracture between two states in an unequal (hierarchical) relation. As the analysis of our most general level of abstraction would lead us to expect, in the case of Ukraine and Russia, economic stakes are doubled by the importance which sovereignty attaches to territory.

A further element in this geopolitical reconfiguration of the 'gas wars' which is generally overlooked is its class character, which, in a Marxist geopolitics also finds a powerful spatial expression. No other firm or branch of the state can best Gazprom as an example of the authoritarian/corporatist fusion that rules Russia, or 'Russia Inc.', as is now fashionable to refer to it all the way from the *Wall Street Journal* to *Kommersant*.⁶ Russia's political system is dependent on business to effectively carry out policy, while business is dependent on government for access to markets and profits, security, and of course, rent. Gazprom has come to symbolise the almost complete amalgamation of private/public interests of Russia's ruling classes. On the one hand, it is plain to see that Gazprom has come to play an increasingly central role in Russian foreign policy, especially towards its 'near abroad'. This does not mean, as most analysts underline, that the corporate interest

of Gazprom have been totally subordinated to the Kremlin's international aims. Since its foundation, Gazprom relied on increasing its export earnings by way of offsetting any rises in domestic taxation, and – in the years when energy prices were low – to round up revenues. Gazprom has, since its appearance in the mid-90s, constantly pushed the Russian state to put pressure on Ukraine for the collection of overdue payments.

Although plans exist to begin exporting gas to Asia over the next ten years, Europeans still pay premium rates for gas, partly due to the fact that European gas prices are linked to oil. While alternative markets are explored, Russia needs to keep its role as Europe's gas supplier. On the one hand, this is the quickest and most reliable source of profits for Russian elites, who, because of the particularities of economic transition in the 1990s (and in particular, the shift from finance to raw materials at the end of the decade), are much more interested in accruing rent than in making the necessary investments to develop the country's existing oil and gas fields. As a result, guarding its reputation as a responsible energy supplier, and protecting its own springs of revenue, the Russian state and Gazprom share a central interest in gaining control over Ukrainian transport and storage networks.

This leads us to the reconstruction of a Ukrainian geopolitical space as a source of contested value (our most concrete level of abstraction). As is well known, Ukrainian transit flows are the lion's share in Gazprom's international gas trade. For most of the last decade, 80 percent of the gas imported by the EU from Russia (about 120 billion cubic metres), travelled through Ukraine, an amount which is enough to meet a little under a quarter of the growing total European gas demand (and during most of this decade, provide Gazprom with over 65 percent of its revenues). Although estimates vary, the activity of Gazprom represents 8 percent of Russian GDP and provides almost a quarter of the Russian state's annual revenues. With so much at play, Ukraine's pro-Western inclinations constituted a permanent threat to Russian capital since the Orange Revolution.

Three levels of abstraction, and in practice, three related social processes (the rise of new sovereign borders over ties of economic dependence between Ukraine and Russia, the convergence of powerful public and private interests and the value of pipelines and strategic importance of natural gas) combine to show the way in which Ukraine is, from an historical-materialist perspective, an important geopolitical centre of international rivalry. To this general analysis, we add (if not detail) two fundamental dimensions that complete our illustration. First, the material and historical process just outlined heavily condition and lend validity to a geopolitical discourse of reassertion of the national interest and great-poweriness [*derzhavnost'*] in Russia. The ideational step of our analysis is crucial, because geopolitical concepts reinforce the material construction of these spaces and act as a kind of semantic lightning rod for diverse interests and agendas, lending them a consistent policy formulation. Second, any territorial obstacle to the continued geopolitical reconfiguration of Ukraine

as a pool of value for Russian capitalism (for instance, the Orange Revolution or a bid for NATO membership) have been resisted by Russia, even at the risk of violent conflict. The result of the 2009 Ukrainian presidential elections, which have evicted 'pro-Western' president Yushchenko and democratically hoisted the 'pro-Russian' candidate Viktor Yanukovich to power, are likely to deeply alter the trends of instability and conflict between Kiev and Moscow. First, Yanukovich's victory has changed the relations between the Ukrainian state and its oligarchs. His party, The Party of Regions, tops the Ukrainian charts for concentration of wealth in any political list (including several steel and coal industrialists from the Donetsk clan, Ukraine's richest man, Rinat Akhmetov, among them). Within the first three months of his presidency, the new Ukrainian president has ousted the last remnants of the Orange revolution from government and has moved to secure an extension of the Russian lease of the Crimean Port facility for the Russian Black Sea fleet (it is likely to be renewed for another 25 years after it expires in 2017). In exchange, Russia has agreed to sell gas to Ukraine at a discount price. Crucially, at the time of writing Putin has unveiled plans for the merger of Gazprom and Naftogas: if carried through, such proposals would bring the Ukrainian gas transit system under the Kremlin's control. Yanukovich has also insisted that Ukraine will not take measures for further integration into NATO. These recent events are of central importance in this analysis, since they can be expected to shift the epicentre of conflict away from the level of Ukrainian and Russian state managers, and into the Ukrainian political system itself.

By way of conclusion, our characterisation of the energy disputes between Ukraine and Russia shows the way in which the capitalist valorisation of territorial space plays a key role as a vehicle of international conflict. At the same time, it shows that the centrality of space will depend on the degree to which it is marked by the particular social infrastructure, class constitution and commodification of territory in different geographies and historical contexts. Understanding this process in detail (and, obviously, in much more detail than was possible to offer here) is the object of a Marxist geopolitics. While necessarily constrained by presentational economy, the agenda we are proposing claims the double merit of anchoring international and foreign-policy analyses to geographical questions over the actual reproduction of territorial space, while recharging the political-geographical study of international relations with a set of materialist qualities that take critical geopolitics far beyond prevailing discursive accounts.

NOTES

1. These insights are an integral part of Harvey's critical (re)reading of Marx's *Capital*, which he has developed over three decades and which find their most complete exposition in *Limits to Capital* (Verso: London 2007) and in the collection of essays *Spaces of Capital: Towards a Critical Geography* (London and New York: Routledge 2001).

2. Harvey talks about the two logics of power as part of his analysis of imperialism, in particular in *The New Imperialism* (Oxford University Press: Oxford 2003). The implications of his analysis are discussed at some length in G. Pozo-Martin, 'A Tougher Gordian Knot: Globalisation, Imperialism and the Problem of the State', *Cambridge Review of International Affairs* 19/2 (2006) pp. 223–242; see also G. Pozo-Martin, 'Autonomous or Materialist Geopolitics', *Cambridge Review of International Relations* 20/4 (2007) pp. 551–563.

3. D. Cowen and N. Smith, 'After Geopolitics? From the Geopolitical Social to Geoeconomics', *Antipode* 41/1 (2009) pp. 22–48.

4. R. Saull, *The Cold War and After* (London: Pluto Press 2007).

5. A. Colás, 'Open Doors and Closed Frontiers: The Limits of American Empire', *European Journal of International Relations* 14/4 (Dec. 2008) pp. 619–643.

6. See for instance, A. Illarionov, 'Russia, Inc.', *New York Times*, 4 Feb. 2006. An intricate analysis of the idea can be found in T. Wood, 'Contours of the Putin Era', *New Left Review* 44 (March–April 2007) pp. 53–68, especially pp. 59–61.