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Book Review

Custers, Peter. 2007. *Questioning Globalized Militarism: Nuclear and Military Production and Critical Economic Theory*. Foreword by Samir Amin. New Delhi: Tulika Books and London: Merlin Press. 418 pp. ISBN: 81-89487-20-5 (hb), Price: £25.00.

Reviewed by Piet Terhal [27 September 2007]

There are many economists who feel that we cannot draw any lesson from Marxian economics. Peter Custers does not agree with them. He has some arguments at his side, derived from present day realities. In view of our dramatically changing world we all have to learn continuously and there is no reason to exclude a priori any of the great economic authors of the past as a source of inspiration. But we have to adapt their thinking, and that is what Custers tries to do with Marx.

The book is ambitious and difficult to read. It is divided into three parts. The first part studies the neglect within Marxian economics of so-called disvalues. Marx concentrated on the use-value and exchange value of commodities. He neglected the fact that in the production and circulation of commodities (apart from labor exploitation) important negative effects may occur. Custers seeks to understand the neglect of the negative “external” effects in the classical economic tradition, which tend to view all commodity production as useful. Marx’s view of the capitalist system is also based on such distorted view. While Marx did not know nuclear energy, he also did not allow for negative “external effects” which already in his time showed up in production processes, and he also did not take into account the waste (destruction) involved in the military sector. Custers argues convincingly that this “contributes to creating a false image of capitalist manufacturing processes and their social and environmental consequences” (p. 40).

A point on which one may disagree is whether the occurrence of such disvalues is limited to capitalist production (pp. 48-49). Such effects are, to some extent, a technical feature of certain production processes as such. It is not enough to condemn in this context “the destructive impact of the capitalist system,” as Custers does at the end of chapter 3. That tends to suggest that by abolishing that system disvalues in production would disappear. The magnitude of accompanying disvalues (compared with use-values) should be taken into account within the calculations on what and how to produce. Capitalist production, powered as it is by exchange values, does indeed not provide enough room for such evaluation, but this true statement does not yield an alternative social system that is both economically realistic and ethically sound.

The second part of the book is about the military sector proper. Custers argues extensively that along with the two original production departments of Karl Marx (production of the means of production and production of the means of consumption) we have to acknowledge a third department (production of the means of destruction). The empirical data which he quotes from various historical sources about the essential role of the state in sponsoring the military sector in emerging capitalism are fascinating. More clearly than in any orthodox economic analysis the paradoxical interaction between “the forces of production” (capital accumulation) and “the forces of destruction” (war and war preparation) is revealed, including the essential intermediary role of the state. However, the introduction of the state as an independent actor throws up many questions which also reveal the limitations of Marxian thinking, particularly the neglect of positive public services sponsored by the state, as education, health care, law and order, and security.

The third part of Custers’ study takes up the well known theme of “unequal exchange” and links

this to a new concept, namely that of “disparate exchange.” Unequal exchange facilitates capital accumulation in central countries on the basis of trade-related labor exploitation in peripheral countries. Disparate exchange, in contrast, means the exchange of useful against wasteful products, in most cases weapons against raw materials. The exploitation implicit in such exchange either adds to, or substitutes for, that implied in unequal exchange. A case in point of substitution are oil-rich Middle East countries buying huge quantities of sophisticated weapons. Disparate exchange may lead to much more disastrous effects when these weapons are “consumed” in war. Murderous and devastating civil wars are fought in many countries with weapons acquired out of the sales of precious materials, ores, and diamonds. Commercial interests and militarism connect into vicious circles strangling peripheral countries and benefitting the center.

This is a remarkable book indeed. The various alphabetic symbols introduced as variations of the original Marxian formula for capitalist reproduction are tedious and esoteric, but the basic argument flows. Substantial empirical evidence and wide references to (mainly Marxian) literature support the discourse. The book remains strongly rooted in Marxian thinking and will, one hopes, stimulate important discussions within that paradigmatic approach. Custers had the courage to adapt – at least at a conceptual level – the original Marxian models of production in order to help explaining some perplexing economic realities of our times. He demonstrates that the capitalist system “needs to be understood as deeply paradoxical.” The book is a double invitation to orthodox economic theory: (1) to take these adapted Marxian models more serious, and (2) to take the problems of unrestrained globalization far more serious. With respect to the first challenge some economists have used the Marxian models for a synthesis with neoclassical growth theory. With respect to the other point, unfortunately very few orthodox economists dare to trespass into the political economy of “globalized militarism.”

There is much more to be said to these issues, particularly with respect to the role of the “capitalist state,” which in Marxian political theory tends to be seen as an instrument of exploitation. Maybe the ambiguities and complexities of the role of the state in the modern world might be better understood in the light of a general normative theory of welfare, along the lines of Jan Tinbergen and Amartya Sen, but (as far as political aspects are concerned) with due reference to the inspiring work of Antonio Gramsci.

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