
 <p><u>Norbert Merkovity</u></p>	 <p><u>10-15 minutes</u></p>	<p>Thing to remember:</p> <p>One major contribution by Karl Marx and Friedrich Engels was an analysis of imperialism.</p>
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The Continuing Relevance of Marxism

The fall of Bretton Woods system

The Second World War caused severe economic disruption, requiring a coordinated international effort to pave the way to recovery.

The **1944 Bretton Woods** agreement was a key step in this process.

It stabilized the relative values of international currencies, using the US dollar as its focal point. Several institutions emerged from the negotiations, including the **International Monetary Fund (IMF)**, the **World Bank**, and the **International Agreement on Tariffs and Trade (GATT)**.

However, the desire to re-establish world trading patterns was disrupted by the power politics of the Cold War. The **Bretton Woods** institutions were, and continue to be, dominated by the US.

In the 1970s the regime established at Bretton Woods came under increasing strain. The main factor was the **economic difficulty** faced by the US, caused by its military activities in Vietnam. However, in the early 1970s the world economy came under additional stress because of **steeply-rising world commodity prices**. In response to these problems, the US became more protectionist in the early 1970s (some might say that it reverted to mercantilism).

After Bretton Woods

In the 1980s countries like the US and the UK experienced a revival of **free market thinking**. The collapse of communism can be linked to the revival of free market ideas in the West, allied to a more aggressive military stance towards the ailing Soviet Union.

However, the ‘new world order’ proclaimed by George H Bush in 1991 has turned out to be illusory, in economic and political terms.

Economic institutions like the World Bank and the IMF used the poverty of the ‘Third World’ as a reason for imposing preferred Western policies, such as privatization of state assets. Critics of liberalism saw such measures as a way of opening new opportunities for capitalism. Liberals, by contrast, tended to blame the sufferings of the poor on the governments of developing states.

In reality, the relationship between poverty and ‘bad governance’ is highly complex.

Globalization and regionalism in the Post-Cold War world

The prevalence of free market thinking within governments across the world has helped to foster discussion of ‘globalization’.

On an *optimistic view*, globalization means that people across the world can hope to enjoy rising living standards.

A *pessimist*, by contrast, would argue that at best the improvements in living standards will be transitory. In the meantime, cherished cultural traditions will be swept aside by the prevailing values of the market.

A New World Order?

The most optimistic views of contemporary developments come from ‘**hyperglobalists**’, who see globalization as a vital step towards the emergence of a world without states.

An alternative scenario is that economic forces will force the world to split into

regional groups, like the EU. This scenario is supported by the fact that a long-standing regional bodies, the **Association of Southeast Asian Nations** (ASEAN), has added economic questions to its previous preoccupation with regional peace.

Some see the formation of regional blocs as a prelude to global integration, but it is equally possible to anticipate devastating conflicts between rival blocs.

Rise of Regionalization

Regionalization has become increasingly common in recent years. It has reflected continental divisions, although the **Asia-Pacific Economic Cooperation** (APEC) covers far-flung countries like Australia, Chile, China, and Canada. African nations have also shown an increased interest in continental cooperation. However, the EU remains the most ambitious ‘regional’ project, and even the most enthusiastic members of that Union are still affected by nationalistic impulses.

The Continuing Relevance of Marxism

Marx’s work retains its relevance despite the collapse of Communist party rule in the former Soviet Union. Of particular importance is Marx’s analysis of capitalism, which has yet to be bettered. Marxist analyses of International Relations aim to reveal the hidden workings of global capitalism. These hidden workings provide the context in which international events occur.

Marxists are rather sceptical about the emphasis currently being placed on the notion of globalization. Rather than being a recent phenomenon they see the recent manifestations of globalization as being part of long-term trends in the development of capitalism. Furthermore the notion of globalization is increasingly being used as an ideological tool to justify reductions in workers’ rights and welfare provision.

The Essential Elements of Marxist Theories of World Politics

Marx himself provided little in terms of a theoretical analysis of International Relations. His ideas have been interpreted and appropriated in a number of different and contradictory ways resulting in a number of competing schools of Marxism. Underlying these different schools are several common elements that can be traced back to Marx’s writings.

Marx did not write much about international relations. However, his general ideas have inspired many IR scholars. One major contribution by Marx and his friend Friedrich Engels was an analysis of **imperialism**. In turn, their analysis can be applied to economic globalization

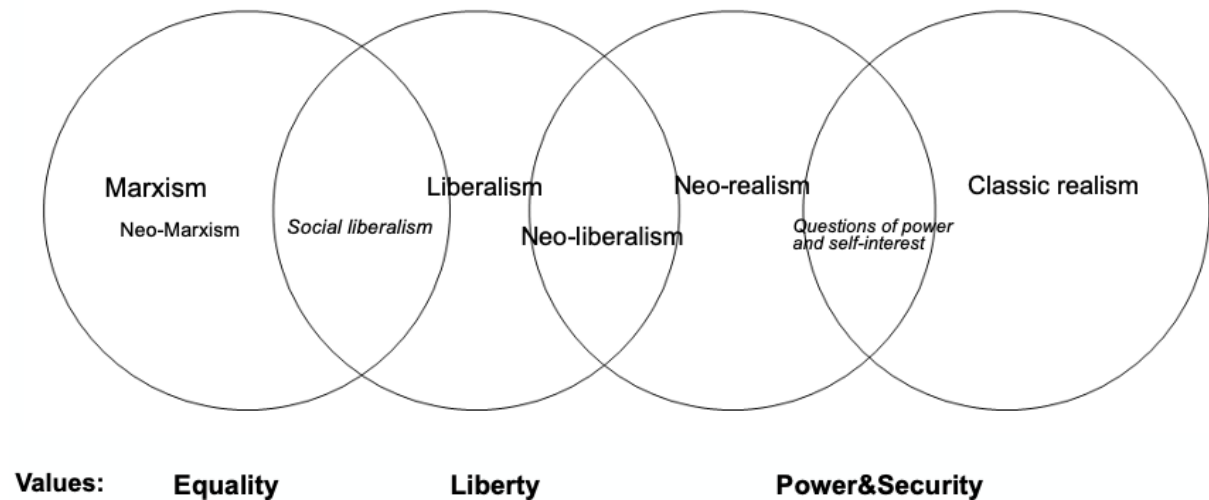
Marx and Engels argued that capitalism, in its relentless quest for profits, will bring the whole of the world into its **exploitative system**. For Lenin, imperialism was the highest (and final) stage of capitalism, and would be characterized by a **widening gap between rich and poor** nations.

Since the Second World War, *Marxist-inspired writers* have explained under-development in ‘Third World’ nations as a direct product of imperialism.

Why is Marxism so attractive?

https://www.youtube.com/watch?v=6h_mMVwQnAk

Progress



Questions

1. What brought the Bretton Woods agreement to IR?
2. Which international institutions were established with the agreement?
3. What caused the fall of Bretton Woods?
4. What happened after Bretton Woods?
5. Which country was/is the main leader of Bretton Woods and post Bretton Woods era?
How?
6. What is the difference between the optimistic and pessimistic view of globalization?
7. How would you describe *hyperglobalists*?
8. What do we understand under the rise of *regionalism*?
9. How Marxists see globalization?
Why?
10. What means *imperialism* in Marxist writings?

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