World War III, Class Conflict and the History of Warfare. The Global Corporate Elites against The World's People

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Most pundits of historical developments tend to perceive another global war, often called WW III, in a manner similar to World Wars I and II; that is, large scale deployment of military means in pursuit of defeat, destruction or subjugation of contending opponents.

While prospects of such an ominous scenario certainly cannot be ruled out, there is reason to believe, however, that the much talked-about WW III may be of a different type: more interclass than international. Viewed in this light, WW III is already here; it has indeed been raging on for years: the unilateral, cross-border neoliberal war of austerity economics that is waged by the transnational class of financial oligarchy against the overwhelming majority of world citizens, the global 99%.

Globalization of capital and interdependence of world markets has reached a point where large scale military clashes of the magnitude of World Wars I & II could lead to financial catastrophe for all. Not surprisingly, the network of transnational financial elites, who often elect politicians and run governments from behind the scenes, seem to be averse to another wholesale international war that could paralyze worldwide financial markets.

This explains why imperialistic aggressions of late have often taken the form of "soft-power" interventions: color-coded revolutions, "democratic" coup d'états, manufactured civil wars, economic sanctions, and the like. Of course, military option always lurks in the background to be employed when/if "soft-power" strategies of regime change fail or prove insufficient. Even then, however, all efforts are made (by the major capitalist powers) to make such military interventions "controlled" or "manageable," that is, limited to local or national levels. While "controlled" wars tend to safeguard the fortunes of war profiteers and beneficiaries of military spending (mainly the military-security-industrial complex and major banks), they would not cause paralysis of international financial markets.

This also explains why major world powers such as China, Russia, India, and Brazil tend to shy away from standing up more robustly to the bullying policies of the United States. Wealthy oligarchic circles in these countries have more in common with their elite counterparts in the U.S. and other core capitalist countries than their fellow countrymen at home. "Whether they maintain primary residences in New York or Hong Kong, Moscow or Mumbai, today's super-rich are increasingly a nation unto themselves," points out Chrystia Freeland, Global Editor of *Reuters*, who travels with the elites to many parts of the world. It is therefore only logical to believe that a de facto alliance exists between members of this global "nation" of the super-rich, which helps facilitate the operations of imperialist schemes of regime change. For example, when/if Russia is threatened by the U.S. and its European allies, Russian oligarchs tend to clandestinely collaborate with their class counterparts in the West, thereby undermining Russia's resistance to such interferences from Western powers.

A brief look at recent schemes of regime change in countries like Iraq and Libya, on the one hand, and Ukraine and Iran, on the other, can help an understanding of when or where the imperialist powers resort to direct military action to bring about regime change (as in Iraq and Libya), and where or when they resort to "soft-power" tactics to achieve the same goal, as in Ukraine and Iran. Two major reasons or considerations can be identified in this context, that is, in regard with the imperialist choice of the means or tactics of regime change.

The first is related to the level of class differentiation within countries targeted for regime change. Due to extensive (and often scandalous) privatization of public property in both Ukraine and Iran, there have emerged quite wealthy circles of financial oligarchs in both of these countries. These Western-oriented money magnates tend to collaborate with the interventionist forces of regime change from abroad; they are essentially agents of regime change from within, in collaboration with imperialist forces from without. This explains (at least partially) why schemes of regime change in these two countries have relied primarily on "soft-power" and color revolutions instead of direct military intervention.

By contrast, Saddam Hussein's Iraq and Qaddafi's Libya lacked such influential and internationally connected wealthy classes. While neither Saddam nor Qaddafi were paragons of virtue or champions of democracy, they did played the role what is sometimes called "enlightened dictators": they implemented extensive welfare state programs, maintained strong public-sector economies, opposed privatization of public services such as health and education, and kept major or "strategic" industries such as energy and banking/financial system under state ownership and control. Combined, these policies prevented the rise of powerful financial elites such as those emerged and developed in Iran or Ukraine. This meant, among other things, that "soft-power" and/or color revolution tactics of regime change, which heavily rely on native or local allies, the so-called comprador bourgeoisie, did not have a good chance of success in these countries—hence the use of "hard-power" or direct military intervention/occupation of both Iraq and Libya.

The second imperialist consideration in the choice of soft- versus hard-power tactics of regime change is related to whether a war to be waged in pursuit of regime change can be controlled and managed at the local or national level, or whether it may spin out of control and become regional and/or global. In the case of Ukraine, for example, a direct military aggression would certainly have involved Russia, very likely become global, with disastrous economic/financial consequences beyond the control of imperialist powers—hence the choice of soft-power and/or "democratic" coup d'état in Ukraine. A similar concern that an all-out war against Iran may get out of control likewise explains why schemes of regime change in that country too have (so far) focused primarily on economic sanctions and other soft-power tactics, including the color-coded "green revolution" of 2009.

By contrast, "hard power" or sheer military force was used for regime change in Iraq and Libya out of near-certain knowledge that the wars of regime change against these countries could be controlled fairly successfully, that is, prevented from becoming regional or global.

The Case of Ukraine

The recent and ongoing crisis in Ukraine serves as a clear case of how transnational financial elites tend to avoid cataclysmic international wars of the scale of World War I or II in favor of controllable and often interclass wars by means of economic sanctions and other types of “soft-power” tactics.

In the immediate aftermath of the February 22 (2014) putsch in Kiev, which ousted the duly elected President Viktor Yanukovych and brought to power the U.S.-backed coup regime, tensions between Russia and Western powers ran so high that many observers warned of “the impending WW III.” While those earlier tensions and the concomitant danger of major military clashes between the two sides still exist, they have subsided considerably since the early May when President Putin of Russia effectively blinked in the standoff with Western powers and announced (on May 7th) that Russia would respect the presidential election in Ukraine, and work with whomever is elected—which turned out to be the billionaire oligarch Petro Proshenko.

Despite the fact that the brutal crackdown on the autonomy-seeking activists in Ukraine’s eastern/south-eastern provinces continues unabated, diplomatic maneuvers spearheaded by the representatives of the financial elites from the U.S., Europe, Ukraine and Russia have nonetheless succeeded in averting a military clash between the U.S. and Russian sides.

So, what changed all the earlier threats of wholesale sanctions and/or military actions against Russia to the somewhat diffused tensions and “diplomatic solutions” of today?

The answer, in a nutshell, is that the powerful economic interests vested in international finance, trade and investment (that is, the financial elites in Russia, Ukraine and the core capitalist countries) simply could not risk another uncontrollable world war. Surely, big banks and the influential military-security-industrial complexes tend to flourish on perpetual wars and international tensions. But they also tend to prefer “manageable” or “controllable” wars at the local or national levels (such those waged against Iraq or Libya, for example) to cataclysmic large scale wars on a regional or global level.

It is no secret that as Russia’s economy has become increasingly intertwined with Western economies (largely due to economic power and behavior of its transnational oligarchs), it has also become increasingly vulnerable to global market fluctuations and threats of economic sanctions. This explains, to a large extent, President Putin’s conciliatory gestures and accommodating policies to diffuse hostilities over Ukraine crisis diplomatically.

What is less known, however, is that Western economies too are vulnerable to sanctions from Russia, should Russia decide to retaliate. In fact, Russia has at its possession some powerful economic weapons with which to retaliate, if necessary. Economic wounds from such reciprocal sanctions could be very painful to a number of European countries. Due to interconnection of most economies and financial markets, tit-for-tat sanctions could significantly exacerbate the already fragile European and, indeed, world economy:

> “Sanctions on Russian exports would greatly expose the EU. Europe imports 30 percent of its gas from the Russian state-owned company Gazprom. Russia is also Europe’s biggest customer. The EU is, by far, Russia’s leading trade partner and accounts for about 50 percent of all Russian exports and imports. In 2014, EU-Russia overall trade stands at around 360 billion Euros per year. Russia’s total export to the EU, which is principally raw materials such as gas and oil, stands at around 230 billion Euros, while Russia’s imports from the EU amount to around 130 billion Euros of mainly manufactured products as well as foodstuff. The EU is also the largest investor in the Russian economy and

accounts for 75 percent of all foreign investments in Russia” [1].

Russia could also retaliate against Western powers’ policies and threats of freezing the assets of Russian individuals and companies by freezing the assets of Western companies and investors:

> “In case of Western economic sanctions, Russian lawmakers have announced that they would pass a bill to freeze the assets of European and American companies that operate in Russia. On the other side, more than 100 Russian businessmen and politicians are allegedly targeted by the EU for a freeze of their European assets. Besides Alexey Miller, head of the state-owned Gazprom, the CEO of Rosneft, Igor Sechin, is also apparently on the sanction hit list. Rosneft is the largest listed oil company in the world and, as such, has partners worldwide, including in the West. For example, the U.S.-based company Exxon-Mobil has a $500 million oil-exploration project with Rosneft in Siberia, and Exxon-Mobil is already in partnership with the Russian giant oil company to exploit Black Sea oil reserves” [2].

Russia has at its disposal additional economic weapons to inflict damage to the U.S. and European economies. For example, in reaction to threats to its assets being frozen by the U.S. and its European allies, Russia liquidated (in late February and early March 2014) more than $100 billion of its holdings in U.S. Treasury Bonds. Escalation of such reckless threats of freezing the assets of “unfriendly” governments could well involve China with disastrous consequences for the U.S. dollar, as “China owns an estimated $1.3 trillion in U.S. Treasury Bonds and is the number one investor amongst foreign governments” [3].

This high degree of economic/financial interconnection explains why—with the backing of Washington and the nodding of Moscow—European diplomats from Berlin and Brussels rushed to Kiev, engineered the establishment of the so-called Round Table Discussions and paved the way for the bogus May 25th presidential election, thereby giving legitimacy to the regime of coup d’état and averting the prospect of a mutually destructive escalation of economic sanctions and/or military actions.

Comparison with Iraq and Libya

Regime change in Libya (2011) and Iraq (2003) by means of “hard-power” military interventions (as opposed to “soft-power” schemes of regime change) tend to support the main argument of this essay that, in pursuit of regime change, imperialist powers resort to direct military action where (a) such military involvements can be controlled or restricted to the targeted country, and (b) there is an absence of significant or powerful local allies in the targeted country, that is, local forces of wealthy oligarchs with ties to global markets and, therefore, to external forces of regime change.

Although both Qaddafi and Saddam ruled their countries heavy handedly, they maintained strong public-sector economies and widely nationalized industries and services. This was especially true in the case of strategic industries such as energy, banking, transportation and communications, as well as vital social services such as health, education and utilities. They did this not so much out of socialist convictions (although they occasionally claimed to be champions of “Arab Socialism”), but because, in their struggles against earlier rival regimes of tribal and landed aristocracies, they had learned that control of national economies through bureaucratic state management, along with a strong welfare state, was more beneficial to the cause of stability and continuity of their rule than allowing the development of unbridled market forces and/or the emergence of powerful industrialists and financiers in the private sector.

Whatever the motivation, the fact remains that neither Saddam nor Qaddafi countenanced the rise of powerful financial elites with significant ties to global markets or Western powers. Not surprisingly, opposition figures and forces that collaborated with the imperialist schemes of regime change in these two countries consisted largely of either the remnants of the royal/tribal days, or petty intellectual expats and military nemeses of Saddam and Qaddafi who were forced to live in exile. Unlike the financial elites in Ukraine, for example, opposition forces in Iraq and Libya lacked either the economic means to finance the forces of regime change, or an extensive social base/support in their native countries. They also lacked strong or reliable financial and political ties with Western markets and political establishments.

This explains why economic sanctions and other "soft-power" tactics (such as mobilizing, training and funding opposition forces) proved insufficient to change the regimes of Saddam and Qaddafi; and why U.S. imperialism and its allies had to deploy the "hard-power" of military action/occupation to achieve this nefarious goal. Furthermore, as mentioned earlier, interventionist imperial powers were certain that (contrary to the cases of Ukraine or Iran, for instance) such military invasions could be controlled and prevented from going beyond the borders of Libya or Iraq.

The Case of Iran

The U.S. policy of regime change in Iran seems to resemble more the pattern that has been followed in Ukraine than those pursued in Iraq or Libya. This is largely because (a) it is feared that direct military intervention in Iran could not be controlled or limited to that country alone, and (b) Iran has a relatively well-developed, Western-oriented financial oligarchy on whom the U.S. and its allies can rely to bring about reform and/or regime change from within.

It is, of course, not an either-or policy: either military power or "soft power." It is rather a matter of more or less reliance on one or the other policy, depending on specific circumstances. Indeed, the imperialist agenda of regime change in Iran since the 1979 revolution in that country has included a number of (often concurrent) tactics. They range from instigating and supporting Saddam Hussein to invade Iran (in 1980), to training and funding destabilizing anti-Iran terrorist organizations, to constant war and military threats, to efforts to sabotage the 2009 presidential election through the so-called "green revolution," and to systematic escalation of economic sanctions.

Having failed (so far) at its nefarious plots of "regime change" from without, the U.S. seems to have shifted emphasis in recent years to regime change (or reform) from within; that is, through political and economic collaboration with the Western-oriented currents within the ruling circles of Iran. What seems to have made this option more attractive to the U.S. and its allies is the rise of an ambitious capitalist class in Iran whose chief priority seems to be the ability to do business with their counterparts in the West. These are largely the wealthy Iranian oligarchs who literally *mean business*, so to speak; for them, issues such as nuclear technology or national sovereignty are of secondary importance. Having methodically (and often scandalously) enriched themselves in the shadow of the public sector of the Iranian economy, or by virtue of political/bureaucratic positions they held (or still hold) in various stations in the government apparatus, these folks have by now lost all appetite they once had for radical economic measures required for economic self-reliance in order to resist or withstand the brunt of the brutal economic sanctions. Instead, they now seem eager to strike business and investment deals with their transnational class allies abroad.

More than any other social strata, President Rouhani and his administration represent the interests and aspirations of this rising capitalist–financier class in Iran. Representatives of this class of financial oligarchy wield economic and political power mainly through the highly influential Iran Chamber of Commerce, Industries, Mines, and Agriculture (ICCIMA). Ideological and/or philosophical affinity between President Rouhani and the power-brokers residing within ICCIMA is reflected in the fact that, immediately upon his election, the president appointed the former head of the Chamber of Commerce Mohammad Nahavandian, a U.S.-educated neoliberal economist and an advisor to former president Hashemi Rafsanjani, as his chief of staff.

It was through the Iran Chamber of Commerce that, in September 2013, an Iranian economic delegation accompanied President Rouhani to the United Nations in New York to negotiate potential business/investment deals with their American counterparts. The Iran Chamber of Commerce has also organized a number of economic delegations that have accompanied Iran's Foreign Minister Zarif to Europe in pursuit of similar objectives.

Many observers of the U.S.-Iran relations tend to think that the recently initiated diplomatic dialogue between the two countries, including regular contacts within the framework of Iran's nuclear negotiations, started with the election of Mr. Rouhani as President. Evidence shows, however, that behind-the-scene contacts between representatives of the financial elites in and around the U.S. and Iranian governments started long before Mr. Rouhani was elected as president. For example, a relatively well-researched report by the *Wall Street Journal* recently revealed that

> "Top [U.S.] National Security Council officials began planting the seeds for such an exchange months earlier—holding a series of secret meetings and telephone calls and convening an assortment of Arab monarchs, Iranian exiles and former U.S. diplomats to clandestinely ferry messages between Washington and Tehran, according to current and former U.S., Middle Eastern and European officials briefed on the effort" [4].

The report, showing how the "intricate communications network helped propel the recent steps toward U.S.-Iran rapprochement," indicated that the often behind-the-scene "meetings were held in Europe, primarily the Swedish capital of Stockholm." Using international diplomatic conduits such as the Asia Society, the United Nations Association and the Council on Foreign Relations, "The American and Iranian sides gathered in hotels and conference halls, seeking formulas to defuse the crisis over Iran's nuclear program and avert a war," the report further pointed out. The authors of the report, Jay Solomon and Carol E. Lee, also wrote:

"The Asia Society and the nongovernmental Council on Foreign Relations hosted roundtables for Messrs. Rouhani and Zarif on the sidelines of the United Nations General Assembly meeting in September. The two men used them to explain Tehran's plans to American businessmen, former government officials, academics and journalists.

> "Mr. Obama personally reached out to Mr. Rouhani last summer soon after Rouhani's election). The U.S. president penned a letter to the new Iranian leader, stressing Washington's desire to end the nuclear dispute peacefully. Mr. Rouhani responded with similar sentiments.
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> "Mr. Zarif, meanwhile, reconnected with prominent American foreign-policy officials he met while serving as Iran's ambassador to the U.N. in the 2000s.
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> "Ms. DiMaggio of the Asia Society says she was among those in New York who contacted Mr. Zarif shortly after he was brought in to the Rouhani government. A veteran facilitator of informal contacts between Iranian and American officials, she held numerous meetings over the past decade with the U.S.-educated diplomat on ways to end the nuclear impasse" [5].

This explains why President Rouhani (and his circl of outward-looking, Western-oriented advisors) chose Mr. Zarif as foreign minister; and why they have, perhaps unwisely, pinned all their hopes of an economic recovery in Iran on political and economic rapprochement with the West, that is, on free trade and unrestricted investment from the U.S. and other major capitalist countries. (Incidentally, this also explains why President Rouhani's team of nuclear negotiators has, willy nilly, been condemned to a weak bargaining position in their discussions with the group of P5+1 countries; and why the Iranian negotiators have given up so much for so little.)

Conclusion and Implications

While powerful beneficiaries of war and military spending—Major banks (as primary lenders to governments) and the military-security-industrial complex— thrive on war and international tensions, they nonetheless tend to prefer local, national, limited, or "manageable" wars to large scale regional or global wars that, in a cataclysmic fashion, could paralyze global markets altogether. This goes some way to explain why in pursuit of regime change in Iraq and Libya, for example, the United States and its allies relied on direct military action/occupation; whereas in cases like Ukraine and Iran they have (so far) avoided direct military intervention and relied, instead, on "soft-power" tactics and color-coded revolutions. As noted earlier, this is largely because, for one thing, it is feared that war and military intervention in Ukraine or Iran may not be "controllable"; for another, there are large and sufficiently influential pro-Western financial elites in both Iran and Ukraine who could be relied upon in pursuit of reform and/or regime change from within, that is, without risking another catastrophic world war that could destroy the fortunes of the transnational capitalist class along with everything else.

Interventionist powers have almost always been keen on the utility of the age-old *divide and rule* tactics. What is relatively new in the context of this discussion is that, in addition to older patterns of utilization of this tactic (which have often relied on divisive issues such as nationality, ethnicity, race, religion and the like), recent instances of the use of this scheme are increasingly relying on class divisions. The calculation seems to be that, when/if a country like Iran or Ukraine can be divided across the class lines, and alliances can be built with the wealthy oligarchs of the countries targeted for regime change, why embark on a wholesale military attack that could in an undiscriminating fashion hurt your own and your local allies' interests along with those of your foes. When economic sanctions along with alliances and collaborations with the economically powerful native oligarchs can be used to carry out "democratic coup d'états or color-coded revolutions (often through bogus elections) why risk an indiscriminate military attack with uncertain and potentially catastrophic consequences.

This shows (among other things) how imperial policies of aggression have evolved over time—from the earlier stages of "crude" military occupation of the colonial days to today's subtle, multipronged and stealthy tactics of intervention. In terms or in the context of recent U.S. foreign policy adventures, it can be argued that while the former pattern of blatantly imperialistic aggressions finds relevance to President George W. Bush's unabashedly militaristic foreign policies, the latter pattern finds parallels in President Barack Obama's insidiously "sophisticated" and stealthily interventionist policies. While champions of the blatantly militaristic faction of the U.S. ruling elite criticize Mr. Obama as a "gun-shy" or "weak" president, the fact is that his relatively low-key but sneaky policy of methodically building coalitions—both with traditional allies of the United States and the oligarchic or comprador forces in countries targeted for regime change—has proven more effective (in terms of regime change) than the Bush-Cheney-type policy of unilateral military action. This is neither speculation nor simply theoretical: Secretary of State John Kerry recently made this point quite clear in the context of the Obama administration's policy toward Ukraine and Iran. When he was asked on May 30, 2014, by Gwen Ifill of Public Broadcasting System (PBS): "Does the president get a bad rap, in your opinion, for being weak or not taking the long homer runs instead of the base hits?" Mr. Kerry replied:

> I don't think the president, frankly, takes enough credit for the successes that are on the table right now. . . . I mean, if you look at what has happened in Ukraine, the president led an effort to try to keep Europe unified with the United States, to put difficult sanctions on the table. Europe wasn't thrilled with that but they came along. That was leadership. And the president succeeded in having an impact ultimately, together with the Europeans, on the choices that face President Putin.
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> In addition, the president has engaged with Iran. We were on a course to absolute collision where they were building a nuclear system and the world was standing opposed to that. But the president put in place a series of sanctions, a capacity to be able to bring Iran to the table. We are now in the middle of negotiations. Everyone will agree the sanctions regime has held together. The weapon – the nuclear program has been frozen and rolled backwards. And we now have expanded the amount of time that Iran might have for a breakout. That's a success.
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> So I think we are as engaged, more engaged than in any time in American history, and I think that case is there to be fully proven and laid out.

And that is the essence of the foxy imperialism characteristic of the Obama administration, versus the adolescent imperialism of Bush (Jr.) administration.

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