

Currents of History

Militarism and protectionism

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The rise of militarism in Indonesia has been comprehensively analyzed, but not yet explained. Why does capital accumulation require an intensified militarism at this particular point and continues progressing into fascism? Of course we know that military violence upon workers and peasants is required to create disciplined and obedient working classes, divorced from the history of class struggle, while frozen in fear. The general reason applies to capitalism and states in all phases of its development; it fails to explain the rise of militarism and fascism in Indonesia.

An understanding is required to estimate further developments and establish strategic nodes in the class war. In writing for YPKP65 in October 2023, I have already stated that “fascism in Indonesia is waking up from the dead” and “the emergence of a neo-Orba appears unstoppable”, whereas internal documents from April 2023 identified the phenomena that is now flesh and blood.

Pustaka Catut mentions three reasons: an “excess” of military officials; the Reform movement’s failure to put Soeharto on trial; and its failure to disband the territorial command. Note the excess of state-employed workers have been a financial and bureaucratic headache since the Indonesian revolution and the Soekarno cabinet, resulting in civil absorption of the military. From that phase, we’ve learned that the development of industry in underdeveloped states require an authoritarian state to advance the productive forces, due to the national bourgeoisie’s small size and weakness. The USSR, China, Ghana, and various other underdeveloped states display similar tendencies, while others, such as India, became liberal democracies due to its developed national bourgeoisie. More fully I discuss this matter in “Fascism in Indonesia”. A genealogy of the incumbent party Gerindra’s nomenclature all the way back to the fascist anti-colonial movements in Indonesia is likewise included within said piece.

The Reform movement’s failure and especially that of the 1998 revolutionary movement has a crucial influence in easing the present growth of militarism. These failures also explain the continued vitality of Soeharto’s faction. But it doesn’t explain why militarism has emerged in *this historical period* and with fascist tendencies.

To understand Indonesia’s political economy, historical developments need to be understood within an international frame. US accumulation is threatened by the advance of productive forces in China; more generally, colonial accumulation is threatened by the advance of productive forces in the colonies. Neocolonialism produces inequalities no longer from the exploitation of surplus value from colonial occupation, but now from unequal exchanges made possible by the post-WW2 structures of international trade. Unequal exchange emerges from differences in the organic composition of capital between different states and more generally any geographic space.

Suppose state A has an organic composition of capital twice the size of state B; in other words, the ratio of constant capital per variable capital in state A is twice that of state B. The rate of surplus value exploitation in state A is therefore twice smaller than in B. To produce a commodity, state A requires less total value than the market price. For example, suppose A produces nickel batteries while B produces raw nickel, and both states engage in an exchange of commodities. State B doesn’t have the productive capacity to produce nickel batteries; its colonial history, wherein the development of industry and science have been artificially suppressed in the interest of capitalists in state A, continues to affect its present life.

Sector

Value

Exchange value

Unequal exchange

A

$$120C + 60V + 60S = 240$$

255

+15

B

$$90C + 90V + 90S = 270$$

255

-15

International trade relations are complicated by the growth of monopolies, natural disasters, and so on. The above example isn’t a model, but an isolated hypothetical for illustration purposes.

The rate of unequal exchange since WW2 has fallen as the organic composition of capital has increased faster in colonized states relative to colonial states. This phenomena appears in the increased speed at which the rates of

profitability have fallen in colonized states relative to colonial states, around 32% in colonized states compared to 20% in colonial states since 1950:

Figure 1 Rates of profitability in colonial states (IC) and colonized states (DC), from Carchedi and Roberts (2021).

Since Marx, we've learned that rates of profitability have a necessary tendency to fall as the organic composition of capital grows. Falling rates of profitability are a marker for crises in political economy and a decrease in capital accumulation, which is against the interests of the capitalist class. There is then a contradiction between the development of productive forces and the interests of the capitalist class at certain points during the progress of capital accumulation. The capitalist class in colonial states are incentivized to suppress the development of productive forces in colonized states. For example, the common deindustrialization India suffered through British protectionism and EU efforts to stop the development of productive forces in the Indonesian nickel industry through WTO mechanisms. At base, the US trade war today moves upon similar dynamics with the goal of preserving the interests of US capitalists and stagnating industrial developments in colonized states. The decreasing profitability of capital will only be hastened by the renewable energy transition, a young industry already dominated by China. The period of relatively free capitalist trade that started from WW2 has died. In the next decade, expect more and increased tariffs, protectionist measures, and state interventions in trade. Stunted are the theories that still oppose the corpse of neoliberalism.

This tendency also explains the symbiosis between coal and oil capitalists with the Trump faction. Its worth noting that unequal exchange is different from trade deficits between states, and in many cases, especially when excluding services, is inversely proportional to trade deficits. The more China exports to the US, the larger its trade surplus, and greater too the total unequal exchange it suffers.

Developing productive forces in the Indonesian nickel industry need to be understood within the frame of international political economy as one raindrop in this historical current. Rapidly hastened national industrialization requires strengthening the military and consolidating the state to form an industrial working class separated from its land and means of production, repress the spontaneous resistance against primitive accumulation, reorganize agriculture into capitalist farming, and the resolution of conflicts against capitalist factions who suffer from the growth of productive forces, whether at the local, political party, or international relations level. Similar tendencies previously appeared in the USSR under the name of Marxist-Leninism. The demand to jumpstart national industry is a reactionary demand, especially in colonies with an agrarian commune. Marx himself opined, first in *Capital*, later in his 1877 letter to Zapisky and his 1881 letter to Zasulich, that primitive accumulation is the specific historical tendency of Western Europe's development, and isn't a superhistorical absolute. Capital was unfinished due to his growing obsession with Russia's agrarian condition. "If Russia continues to proceed along the path followed up to 1861, she will lose the finest opportunity that history has ever offered to a people, only to succumb to all the vicissitudes of the capitalist regime." His remarks regarding the idiocy of rural life has the double connotation of the German *idiotismus*, which retains its Greek double meaning of isolation in a private space, contrary to the urban and developmental bias of his translators.

The increasing organic composition of capital in the renewable energy sector is most clear in the Chinese case. China has a monopoly over the processing of raw minerals necessary for magnets, solar cells, batteries, and various other renewable energy technologies. Its solar panel production is triple the global demand. As a result, the solar panel industry in the US and Europe has suffered bankruptcies. Similar tendencies appear in the electric car industry. The domestic industries of the US and Europe have also suffered from protectionism over raw commodities from colonized states: Indonesia banned the export of raw nickel in 2020; Nigeria banned the export of raw metals in 2022; Zimbabwe with raw lithium in 2022; Namibia in 2023; and Ghana with raw lithium, iron, and bauxite in 2024.

In horizontal class conflict, capitalists with an interest in stunting the growth of productive assets in colonized states, along with its colonial supporters in international relations, have repeatedly suffered defeats by capitalists with an interest in developing the organic composition of capital, and even more so in the renewable energy sector. For example, the defeat of presidential candidate Anies Baswedan and his policy of promoting labor intensive rather than capital intensive industries. The recent consolidation of political parties in Indonesia into a united front represents the almost complete victory of the capitalist factions in favor of national industrialization. Recent coups in colonized

states have displayed similar tendencies toward horizontal class conflict with similar results. Consider, for example, Traoré's mining policies or that in Guinea after the 2021 military coup.

Conversely, since the Myanmar military coup in 2021, its export value for rare minerals crucial to the renewable energy sector have nearly doubled, with China as its primary customer. The area covered by tin mining in Tanintharyi and Palaw have tripled, whereas in Yebyu and Dawei it has quadrupled. Tin is bought by China for battery production with the Myanmar military as the intermediary party. The former government, in contrast, banned the export of rare minerals to China in 2018. Now 60% of China's rare metals come from Myanmar, compared to 40% during the civil regime. Military and political support from China to the Myanmar military junta is based on a need for cheap raw materials to increase the organic composition of capital in its renewable energy sector; China's national industrialization requires blood and fires in its colonies. Myanmar is the extreme case of the victory of a capitalist class that hinders the development of its organic composition of capital with the support of a colonial state. We see then the present relationship between protectionism and militarism: the greater the protectionism, the greater the militarism required for horizontal class war, and all for the accumulation of capital.

Given this context, we can understand the US trade war as an effort to preserve its unequal exchange obtained from its technological lead; nurture its domestic energy and automobile industries for national security; and a tool to break protectionism in the colonized states. But the currents of history can't be stopped, the developments of capital shatter every wall in its way, and the US' ends won't be achieved. Instead, the rise in commodity prices, especially those unable to be produced domestically, will be paid with the tears of the US working classes. Industry is suppressed by the increased cost of raw materials and means of production. The cessation of rare mineral exports from China would prove deadly for US manufacturing. Decreases in export volume will produce inflation in the short and medium term. Either the US will cease its trade war, or be forced to start imperialist expansion to fund it. The renaming of the Gulf of Mexico is a symptom and catalyst, for example, of the growing imperialist desires in the US climate.

Given this background, full of friction, full of coups, full of blood, and full of cheering war drums, militarism must grow. If there was an intervention point to change the following course, that point is long, very long gone. Statesmen have ironically understood these tendencies, whereas the left hasn't. Two years ago, Putin declared that we stand upon a historical threshold, and in front of us lie the the most dangerous, the most unpredictable, and with it, the most important decade since the end of WW2. Lee Hsien-Long compared the trade wars to the Smoot-Hawley tariffs, which led to WW2. Hsien-Long cites the pacific war as having been started by Japan due to the US embargo on petroleum and rubber. His final warning is only a hope that military escalation won't lead to nuclear war. The current is clear: *there is a large probability that our generation will experience a regional and world war.*

The wheel of capitalism spins and spins upon its last crisis, as brake upon brake, barrier upon barrier, is destroyed by the law of capital accumulation. History doesn't walk backwards. Nostalgia for civil government, marked by demands for the military to return to its barracks, defunding the military, and so on, are pointless, regardless of how much I too desire these shifts. These demands are idealist, abstract, and detached from the roaring currents of history. Marx wrote that "communism is for us not a *state of affairs* which is to be established, an *ideal* to which reality [will] have to adjust itself. We call communism the *real* movement which abolishes the present state of things. The conditions of this movement result from the premises now in existence." Rather, we need to show how revolutionary communism remains the only pathway to democracy, how bourgeois representative democracy is a readily disposed instrument of class war, and how the working classes can defend itself and wage class war under conditions of militarism.

In the last few years, the increase in military budgets across the world has reached heights unheard of since the cold war. An overall 9% increase in 2024 has brought it to 2.2 trillion USD. In our half of the world, South Korea has increased its military production by 74% in the 2018-2022 period, with the target of being the fourth largest exporter by 2027. Its foreign affairs minister declared that acquiring nuclear weapons isn't out of the question. Japan has increased its budget by 21% and started exporting weapons for the first time since WW2. Last year, both held exhibitions in Singapore, which will enjoy position as the trading point for the military industrial complex. Singapore itself possesses the most well equipped military in all of Nusantara.

The class compromise in the European welfare state and social democracy will be neutered in the following years. The UK has cut its social support for children, students, elders, and the disabled to fund an increased military

budget, with the goal of hitting 2.5% of its GDP by 2027 and 3% as soon as possible. Its latest general, Roland Walker, declared last year that the UK must be ready for war in three years, double its forces by 2027, and triple by the end of this decade. Germany, with an increase of 28%, and Poland, with an increase of 31%, are in nuclear sharing discussions with France. Putin's war machine continues enlarging itself with a 38% increase, as the Ukraine war brings unemployment and poverty to its lowest point in Russian history. Sweden, with a 34% increase, and Finland, which shares borders with Russian nuclear submarine sites, have joined NATO, which continues expanding. West Asia has increased its military budget by 15%, where Israel has kickstarted it by 65% to continue its genocide in Gaza and regional wars. Lebanon itself has been forced into a 58% increase. Africa remains the calmest with only a 3% increase.

This is the context in which militarism in Indonesia has arisen, with an increase in the military budget, cuts to social welfare, an inflated state budget, centralization of capital with Danantara, historical rewriting, and various other acts, which follow the present currents of history.

Militarism is against working class interests and as such requires a new ideology, a novel deception, a revised social contract, to retain hegemony. Nationalism is in full bloom worldwide; food, energy, and industrial independence is increasingly cherished; nostalgia for past civilian and fascist governments increase, as shadows of alleged golden ages eclipse the gloomy present; and promises of future glory is waved to excite both sadistic mania and repressive denial in the working classes. Hitler is not alien to our times.

After horizontal class conflict has been suppressed in the domestic sphere, the need to quell vertical class war becomes the highest priority for the execution of horizontal class war with other states, through either trade or military means. The recent entanglements of mining management with religious and higher education institutions function to unite the interests of the working classes and the capitalist class. This is a version of fascist class collaboration, implanted in the Indonesian constitution as a family-like economy.

All these developments are conducive for fascist ideology. Fascism has been gifted the ideal conditions for its germination and growth. Briefly look at January 6, the destruction of civil government in the US, and the Nazi salutes' increasing popularity. Much like the Nazi party, the mass base for contemporary fascism, from Modi to Prabowo, lie in the rural regions and peasantry.

We are entering dark, dangerous, and disorienting times. Resistance has so far been ineffective; its failures need to be understood and the lessons plucked. The organizing of the working classes is at the point where old forms, ideologies, and organizations are rotting, whereas the new is still germinating, composting, and discovering. What is clear: spontaneous and sporadic movements are inadequate. Such actions only tear open political vacuums for alternative powers. This is the lesson from unorganized movements under the mask of being decentralized, leaderless, and horizontalist. In Egypt, these struggles opened the way for a military coup; in Sri Lanka, for a militaristic president, followed by the reformist left; in Chile, failed proposals for a new constitution; and so on. Revolutionary anarchism requires an anarchist organization with a program of class war based on the developments of capital accumulation, not a directionless mass that is easily coopted. But a materialist base for anarchism remains missing. Bakunin built his life on sentimental idealisms, while Kropotkin based his thought on evolutionary tendencies toward mutual aid. Both are valuable moral exemplars and useful instruments in class war. Yet both are dissociated from the law of value and capital accumulation as described in its dynamics by Marx.

This is the best, sweetest, and most promising time to experiment with organizing, towards a theory and practice that can stand to face the crises to come. This work's contribution is limited, methodologically as an application of orthodox Marxist economics. With it comes the usual defects: underestimating the role of sexuality; deterministic tendencies; reductive attitudes to culture, ideology, and the unconscious; anthropocentrism; thinking like a state; and so on. The theoretical challenge is to patch Marxism's blurred spots without falling into abstract moralizing, while increasing its explanatory and predictive power upon historical trends. I hope my work is useful as a starting point.

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