

Imperialism and Disorder: The Global Ambitions and Internal Decay of the United States

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Imperialism and Disorder: The Global Ambitions and Internal Decay of the United States

Geoffrey Wood

Michael Mann, *Incoherent Empire* (London: Verso 2003)

Robert Pollin, *Contours of Descent: US Economic Fractures and the Landscape of Global Austerity* (London: Verso 2003)

Neal Wood, *Tyranny in America: Capitalism and National Decay* (London: Verso 2004)

THE TWIN PHENOMENA of the increasing volatility of the liberal market economies and the resurgence of overt US militarism have become the central concerns of a growing body of radical scholarship. On the one hand, there is little doubt that both rising social inequality and key US foreign policy decisions reflect long-term trends and continuities. On the other hand, these developments do also incorporate ruptures, and shed new light on some of the central contradictions of contemporary capitalism, having far-reaching consequences for both working people and organized labour. The three volumes that form the subject of this essay all deal with themes and issues central to the neo-liberal era, above all the interconnectedness of domestic and international policy trends.

Order and Disorder:

The Bifurcation and Interconnectedness of Resource Contestations

Echoing an abiding concern of Engels, Gumpłowicz¹ noted that the institutionalization process follows primitive forms of accumulation; institutions legitimize and seek to secure inequalities at whose origins lie violent acts of expropriation. In-

¹Ludvig Gumpłowicz, *Outlines of Sociology* (Philadelphia 1889).

stitutions may be nested at a range of levels — transnational, state, and local — yet remain concentrated at the intermediate, state level.² On the one hand, this weight of institutional resources the state has at its disposal provides the basis for orderly accumulation. On the other hand, resource inequalities are not specific to national boundaries; the relative weakness of transnational institutions makes conflict at transnational levels endemic.

The crisis and breakdown of the post-World War II social structure of accumulation [SSA] in the early 1970s has been followed by a neo-liberalism that undermines regulation and promotes capital mobility at both international and national levels.³ However, neo-liberalism does not so much represent a new SSA as the temporary dominance of capital over labour;⁴ it constitutes a period of volatile and sluggish growth, characterized by rising inequality and exploitation.⁵

The bifurcation of resource struggles between international and internal ones, and the successes of the post-World War II SSA in mediating and pacifying the latter did not mean that the two do not remain interconnected, or that internal class divisions have become less important.⁶ Indeed, Harvey⁷ argues that under neo-liberalism, a common feature of both trans-border and internal resource contestations is a reversion to accumulation by dispossession. Examples of the latter would include privatization, with state assets being handed over on extremely favourable terms to politically well-connected private firms, financialization characterized by the maximization of shareholder value through “downsizing and distribution” at great cost to other stakeholders, and “free trade” on extremely unfavourable terms to vulnerable states and regions.⁸ Importantly, the neo-liberal period has been characterized by the use of overt coercion, a process that in the US has ranged from the disciplining of the domestic poor through workfare, to the flexing of military power abroad.⁹ Militarization and war on the one hand, and the worsening position of the poor within the advanced societies, on the other, thus rep-

²Robert Boyer and J. Rogers Hollingsworth, “From National Embeddedness to Spatial and Institutional Nestedness,” in Hollingsworth and Boyer, eds., *Contemporary Capitalism: The Embeddedness of Institutions* (Cambridge 1997), 466.

³Martin Wolfson, “Neoliberalism and the Social Structure of Accumulation,” *Review of Radical Political Economics*, 35, 3 (2003), 255.

⁴Wolfson, “Neoliberalism,” 260.

⁵David Kotz, “Neoliberalism and the Social Structure of Accumulation: Theory of Long Run Capital Accumulation,” *Review of Radical Political Economics*, 35, 3 (2003), 270.

⁶Gumplowicz, *Outlines of Sociology*.

⁷David Harvey, *The New Imperialism* (Oxford 2003), 145-182.

⁸Harvey, *The New Imperialism*, 156-157; John Grahl and Paul Teague, “The Regulation School, the Employment Relation and Financialization,” *Economy and Society*, 29, 1 (2000), 160-178.

⁹Jamie Peck, *Workfare States* (New York 2001); Ellen Frank, “The Surprising Resilience of the US Dollar,” *Review of Radical Political Economics*, 35, 3 (2003), 252-3.

resent two sides of the same coin, and the shared central concern of the Pollin, Wood, and Mann volumes.

Robert Pollin: Contours of Descent

The origins of this book lie in a project exploring both the nature and effects of US economic policies in the Clinton era, later developed to encompass the domestic and international consequences of the policy agenda adopted by the Bush II regime. In Chapter 1, Pollin correctly notes that the bubble economy of the Clinton years provided the context in which accounting malpractices flourished; the subsequent WorldCom, Tyco, and Enron scandals were not simply a product of the Bush regime's ineptness. The neo-liberalism of both Clinton and Bush II represented a departure from classical liberalism in that support for free market policies became visibly circumscribed by a desire to bail out wealthy asset holders during the frequent financial crises of the 1990s and 2000s. The globalization of markets had the effect of greatly weakening the bargaining power of workers in the advanced societies; this can only be overcome through the operation of non-market forces, and/or the revitalization of labour unions worldwide. Nonetheless, what distinguished Bush II was an unabashed desire to mobilize government to exclusively serve the wealthy.

In Chapter 2, Pollin looks at the relative performance of the US economy during the Clinton years. Under Clinton, the US moved further towards the opening of markets, and adopted labour market policies that, rhetoric notwithstanding, did little to advance the interests of organized labour. Cutbacks in state spending were compensated by a rise in private consumption (mostly by those in higher income brackets), and booming private investment, inflating a bubble economy. Productivity gains were mirrored by a rising wage gap, characterized by wage stagnation or decline amongst the most vulnerable categories of labour. In the subsequent chapter, Pollin notes that, in part, this reflected the ability of firms to threaten to exit from existing employment contracts through relocation to low-wage economies. This is followed by a closer look at the makings of the bubble economy. The Internet bubble reflected not so much a moment of temporary madness but rather an inevitable tendency in poorly regulated stock markets. Similarly, the speculative consequences of temporary share buy-backs reflected not so much rational decision making but the deliberate harnessing of the effects of imperfect knowledge and rumour to maximize returns for the managers involved.

The following chapter deals with the US economy under Bush II. Pollin correctly points out that the US economy had already entered what is formally defined as a recession prior to the 11 September incident. The decline of the US stock market resulted in a reduced capacity utilization by US industry, a declining enthusiasm by overseas investors for US investments, and the inflation of a housing bubble as investors moved from the stock market into real estate. The subsequent round of tax cuts for the rich exacerbated existing income inequalities and reduced government

revenue. This exacerbated the fiscal crisis of many states, resulting in cuts of basic social services to the poor; meanwhile expenditure on the military and domestic security increased. However, given the Bush regime's military ambitions, formal budgetary allocations to the armed forces soon proved inadequate; additional budgetary allocations to fund the Iraq occupation made for a dramatic increase in the money spent on the military.

Chapter 5 looks at changes in the global economy. Here the evidence is overwhelming: with the notable exception of China, growth in the developing world has dramatically declined following the adoption of neo-liberal policies. However, the uneven performance of specific sectors among nations underscores the point that wage cuts do not secure competitiveness. Neo-liberalism's legacy, rather, has been poverty and rising inequality; worsening and visible wealth disparities will invariably fuel violent resistance, given both the closing of peaceful channels, and the Bush regime's willingness to underwrite violently repressive regimes from Turkmenistan to Columbia. The brief final chapter explores progressive alternatives. The author concludes that market economies invariably generate inequality and misery and will prove unsustainable unless they are ameliorated through a common social solidarity underwritten not only by rights but also fairness and obligations, ironically a point central to Adam Smith's writings, yet conveniently forgotten by most of his self-proclaimed disciples.

Neal Wood: Tyranny in America

This extended essay is divided into two equal parts. The first, setting the scene, explores changing perceptions of avarice and democracy, which, the author argues, are crucial to understanding contemporary American capitalism. The second highlights some of the key trends that characterize the latter's decay and potential descent to barbarism. The opening chapter of the first section points out the disproportionate response to the 11 September incident resulted in the slaughter of thousands of innocent Afghan and Iraqi civilians, not "a reasoned response by a mature people," but rather one that was at once an unprincipled act of revenge and callous imperialism. The author goes on to point out that all imperial powers are subject to a period of decay and decline, and there is no reason why the United States is immune to such a process; rather, there are clear and visible signposts that this phase has already been entered. The excesses of weakly regulated market economies such as Russia represent not so much an anomaly, but a magnified reflection of the underlying logic of contemporary US capitalism. In Chapter 2, the author notes that in most pre-capitalist societies, unrestrained avarice was held to be both damaging to the individual and corrosive of social unity. With the gradual emergence of capitalist society, pursuit of personal profit gained respectability. However, it was widely held that the desire for personal gain needs to be tempered by the promotion of the common good, and the need for the state to ensure the prosperity of everyone: left alone, Adam Smith cautioned, merchants and manufacturers are

prone to “impertinent jealousy,” “mean rapacity,” and the “monopolizing spirit.” The “invisible hand” reconciling the public and private good, Smith went on to argue, only operates in a climate of justice, underwritten by government. Neal Wood argues that in our contemporary consumer age, these caveats have been conveniently forgotten, undermining the base of society as a whole. In the following chapter, the author points out that it is simply mistaken to conflate capitalism with democracy. Not only are most capitalist enterprises authoritarian by nature, but with very few exceptions, the emergence of genuine multi-party democracy rarely coincides with the development of capitalism; the latter seems particularly adept at flourishing under authoritarianism, from Pinochet’s Chile to contemporary China. Current neo-liberal ideologies see society as little more than a group of profit-maximizing individuals, legitimizing old-style social corruption. Individual pleasure and wealth, the unrestrained accumulation of possessions, becomes the ultimate social goal; despite claims of democracy, citizens move between often totalitarian workplaces, and TV and other forms of entertainment shaped by capitalism. Yet, the basis of this tyranny is elusive: it is not only large corporations and their shareholders, but all involved in the capitalist enterprise.

The opening chapter of Part 2 seeks to identify the portents of social decay in contemporary US capitalism. The latter encompass rising social inequality, with almost 13 per cent of the US population living below the poverty line, with many suffering from malnutrition and other diseases more commonly associated with the Third World. Official unemployment rates mask the three million discouraged unemployed, the two million convicts — many subject to forced labour and the 21 million in temporary and part-time jobs. Above the poor are those in traditional blue-collar and lower ranking white-collar jobs that are often highly insecure, people vulnerable to declining incomes. At the other end of a visibly U-shaped income distribution curve are highly skilled technicians, middle managers and professionals, and finally the very rich; however, the position of all but the latter has become highly tenuous. This inequality is matched by a rising culture of violence in the form of gun crime, suicides, and road deaths. It is also matched by a glorification of unrestrained consumerism, leaving in its wake unsustainable debt and unsatiated desire. Those who can afford it retreat from a hostile world into gated compounds, consuming takeaway meals and the near-uniform vacuous media. The penultimate chapter, entitled “The Vacuity of Politics,” highlights some of the contradictions underlying contemporary America. Vast military power remains contingent on economic strength, imperial hubris being matched by erratic diplomacy, opportunism, and the self-serving interests of powerful domestic lobbying groups. Resurgent “Christian” fundamentalists — inspired by the grimmer pages of the Old Testament and the book of Revelations in the New — have cast a dark shadow over both domestic and foreign politics. Behind this dark tableau, capitalism has extended its tyranny from the workplace into the furthest reaches of the polity. The brief final chapter notes a fairer alternative: the more cooperative European variety-

ies of capitalism and the associated welfare state provide some signposts towards an unambiguously socialist future.

Michael Mann: Incoherent Empire

In the introductory section, Mann sketches out the nature and scale of the Bush II regime's imperial ambitions: a shift from an informal empire of countries under US domination to a "temporary territorial empire," with the US military playing an overt role in a wide range of countries and regions. These territorial ambitions have been matched by a policy shift allowing for a greater pre-emptive use of nuclear weapons. In the 1990s, the notion of the US military playing a "civilizing mission" humanitarian role — typified in the Somalian debacle — gained currency. The accession of Bush II resulted in a coalition of secular militarists and Judaeo-Christian fundamentalists driving an aggressive no-compromise foreign policy agenda; they gained mobilizing power following the 11 September 2001 incident. As Mann notes, "strange bedfellows were bought into the line of fire," bin Laden-style Islamic fundamentalists, North Korean Stalinists, and Saddam Hussein's quasi-fascist Iraq. The active buy-in of the US military was secured through a process that W.G. Sebald identified in the *Natural History of Destruction*: the production of war material inevitably gains a momentum of its own. Once weaponry has been manufactured, "simply letting it stand idle ... (runs) counter to any healthy economic interest."¹⁰ Or, as Mann notes, "since we now can do these things, why not give it a try?" (9) However, contrary to the predictions of neo-conservative imperialists and those on the left who simply conflate global capitalism with the United States, Mann argues that there are clear limits to US power. US economic power is fragile, political power is neglected, and the sources of US ideological power are invariably contradicted; moreover, the victims of US actions can, and often do, resist.

Chapter 1 provides a reassessment of US military power. While the US possesses a massive nuclear arsenal, nuclear weapons cannot be used to pacify, unless the target country is reduced to a nuclear wasteland — not a viable option for would-be empire builders. There are several other nuclear powers which possess the capability to obliterate the United States; the latter lacks a nuclear monopoly, and, indeed, its sabre rattling seems to have had the effect of swelling the ranks of nuclear powers. US opposition to nuclear proliferation has been erratic and inconsistent, and has done little to oppose the nuclear ambitions of a number of small friendly states that have nonetheless had a record of aggression towards their neighbours. Secondly, whilst relatively large and with a vast fire power, the US military lacks the physical manpower to pacify and hold on to a large number of other states, as the Iraq debacle has demonstrated. Thirdly, the US represents at the best a partially welcome guest in many countries; US bases are largely self-contained and in

¹⁰W.G. Sebald, *On the Natural History of Destruction* (London 2004), 18.

relatively remote locales. Invariably they are constrained in what they do by local political realities; only in Iraq and Afghanistan do US soldiers venture out on more ambitious missions of pacification. Fourthly, imperial countries invariably make large-scale use of local auxiliaries to maintain their local authority; whilst the US has experimented with “indigenization” strategies from Vietnam to Afghanistan, this has been of only limited efficacy, and has often strengthened the hands of local warlords. Finally, large conventional armies have a poor track record of defeating local insurgencies enjoying significant popular support, and a capacity to mount hit-and-run attacks, making use of the “weapons of the weak.”

In the following chapter, Mann notes that the US remains heavily dependent on foreign investors, who have begun to lose their taste for dollars or US equities. Hence, an aggressive imperial power has become heavily dependent on the goodwill of a handful of Asian central banks. The US gives relatively little aid outside of what is channelled to a few strategic allies: Israel, Egypt, and Jordan (both effectively being paid not to attack Israel), narco-states such as Columbia, and buffer states on Russia’s southern periphery. There has been no attempt to invest in imperial development, to maximize long-term returns from satellite countries; rather the emphasis has been on short-term strategic gain and securing natural resource concessions, a process squarely aimed at serving narrow class interests. This encompasses the expropriation of small peasants to open up land for mining and agri-business, sweatshops, and unfree labour, and police repression, in other words, the forced expropriation of both property and labour power itself. However, even here there are limits on US power; the misery inflicted by neo-liberalism has incited waves of local opposition and fear among political elites, forcing messy compromises.

In Chapter 3, Mann looks at the contradictory pressures facing the US. The exercise of raw power is relatively inefficient, yet multilateralism necessitates compromise, particularly given that European allies can no longer be so easily disciplined by the prospect of protection against a Soviet threat. The strength of nationalism debars the US from totally disregarding the sensitivities of its Third World clients; being totally subjugated to US wishes opens up the latter to charges of treason. It is thus hardly surprising that few of the US’s new allies in the Third World are democracies. The US easily overthrew the Saddam Hussein regime, but has battled to constitute a legitimate client government in its place. The US has limited capacity to rein in important rogue allies such as Israel and Saudi Arabia.

In the following chapter, Mann explores the limitations to US ideology. Not only is US democracy in fragile shape, but the share of the US media in global markets is declining. Mass communication from a range of sources — the success of Al-Jazeera being a case in point — levels the playing field. Again, many of its opponents — local ethno-nationalists and Islamacists — have deep roots in local communities; their decentralization and internal divisions make them very much more difficult to defeat or secure a lasting peace. Chapter 5 provides a closer look at

the US's Afghan adventure. The practice of encasing US soldiers in heavily armed vehicles and in body armour reminiscent of Robocop or Imperial Storm Troopers reduces any chance for meaningful dialogues with the local population, and, when combined with a notorious trigger-happiness, has proved uniformly successful in alienating civilian populations. A dangerous mix of unilateral militarism and racism led to the establishment of the Guantanamo Bay concentration camp-cum-torture centre that has become a global disgrace. Both the US and their Afghan client, Hamid Karzai, have been forced to attempt to divide and rule through the warlords, with very mixed results. For reasons of prestige, the US cannot abandon the Afghan government to its fate, yet it has proved incapable of securing peace and order outside of Kabul.

The following chapter looks at the "war against terrorism." As the author points out, there are, in fact, relatively few genuinely international Muslim terrorists targeting Western countries; from Chechnya to Western China to Palestine, most armed Islamicist groupings focus their attention on local struggles for national liberation. Heedless of this, the US has chosen to become involved in opposing a range of national liberation struggles, which is likely to yield results just as mixed as its support for the rich in the class wars of Latin America did. Chapters seven and eight critically reappraise the US concept of a rogue state: the definition has proven largely driven by political expediency, and, as in the case of all bullies, the most vigorously pursued have been the weak. Nonetheless, the US failed to deter the North Koreans from acquiring nuclear weapons. US attentions were diverted by Iraq, which in any event, had oil; the pickings from a client North Korea would have been slim. The following chapter looks at the Iraq debacle, an adventure that has proven open-ended and extraordinarily costly. The oil industry has yet to recover, and the takings by US oil majors have so far proven slim; the principal beneficiaries have been expensive mercenary companies, and equally expensive logistics providers such as the politically well-connected Halliburton. The final chapter notes that US power is uneven: America possesses overwhelming military power, yet is "too stingy to consolidate empire," it "wields power, not authority." It possesses the capacity to subjugate, but lacks the capacity to institutionalize outcomes.

Conclusions

Specific forms of institutional mediation made the post-World War II SSA possible; the paring back of institutional restraints in response to crisis in the 1980s and 1990s made accumulation by dispossession again a reality. This allowed for a resumption of growth, albeit volatile and uneven, in key areas. Again, the weakening of core institutions partially undermined the bases of group and class solidarities in the advanced societies, workers being transformed into individualized contractors and consumers. The emerging Third World community of nations has been shattered into a disparate cluster of the relatively fortunate and a bitterly divided rabble of supplicants for aid. However, as Gumprowicz notes, resources gained through

dispossession need to be secured and legitimized through institution building to avoid endless cycles of resistance. In the absence of such a legitimization process, any social order will prove tenuous and unstable. The “reality of social disparity, degradation and disintegration” is likely to place the issue of alternatives to capitalism firmly back on the agenda.¹¹ The present fluidity opens up certain historic opportunities for organized labour, opportunities that will only be realized through actively building bridges between the many clusters of dispossessed. Trade unions and community organizations in the advanced societies, and their counterparts in the developing world, have a stark choice between fruitless horizontal struggles, squabbling over the crumbs from the tables of the rich, or working towards a redistribution of power and wealth that will involve far-reaching compromises and lifestyle changes for all.

¹¹Kotz, “Neoliberalism and the Social Structure of Accumulation,” 270.

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