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## An Imperial World Order?

**History teaches us that imperial structures are not permanent. Both their creation and their collapse usually take heavy tolls. So now war has been waged on Iraq.**

**It had far-reaching goals. It was not just a matter of overthrowing the regime of Saddam Hussein; its downfall was to be seen as the accomplishment of an overwhelming military power. The aim was not to govern Iraq, but to change the psychology of the Islamic world by demonstrating the superior power of the USA. It was not ostensibly a question of oil, but rather of geopolitics. Iraq lies at the centre of the region between the Mediterranean and the Persian Gulf. But currently Iraq seems to be less governable than ever before. Chaos within the country is on the**

### Historical Dimensions

In the social history of humankind there have been two major turning points: the agricultural revolution that took place a few millennia ago, and the emergence of the capitalist world at the beginning of the modern age. Originating in Europe, the capitalist economic system spread to the whole world from the 16th century onwards. Expanding world trade, colonial conquests and the universal adoption of the profit principle displaced other world economic structures and created the world capitalist system. In their »Communist Manifesto« Karl Marx and Friedrich Engels describe this as follows: »The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely facilitated means of communication, draws all, even the most barbarian, nations into civilization. The cheap prices of its commodities are the heavy artillery with which it batters down all Chinese walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate. It compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e. to become bourgeois themselves. In one word, it creates a world after its own image.«

This capitalism has always needed not only markets and commodities to sell in these markets, but also man-power, i.e.

**rise. Parallel to this, the willingness of Congress to finance an even bigger occupation machinery is dwindling. All the other states in the region, including the regimes in Saudi Arabia and Iran, are supposed to subordinate their interests to those of the USA. Combined with unfettered access to oil, the USA wants to extend its control over Europe and the growing economies of Asia, including China, as well as India, Japan and the co-called »tiger economies«. But the rest of the world refuses to accept a new imperial colonisation. Apparently the counterforces are stronger than politicians of Empire imagined. »Another world is possible« – and Cancún ran aground.**

people who can be lured or forced to produce the commodities that are sold at a price higher than the costs for the seller. Right from the onset, the profit principle, thus constituted, also gave rise to the social question of capitalism, namely whether those who produce these commodities are to have living conditions worthy of human beings.

The communist movement originating with Marx aimed at creating a different society, one with a non-capitalist mode of production and a solution to the social question. Drawing their strength from the misery caused by the crimes of the old ruling classes in the First and Second World Wars, Communist parties succeeded in seizing power in a number of European countries after 1917 resp. 1944 and proclaiming the existence of such a society. They failed, however, to escape the logic of the world capitalist system (Wallerstein 2002). Their internal power could not be democratically legitimated, so that their rule was blemished by their own crimes. Instead of creating a society free of exploitation, a new ruling class of high-ranking party officials established itself. In the international arena the state-socialist countries lost the economic competition with the West, a competition whose conditions were additionally aggravated for the East by the arms race deliberately forced upon them. In the late 1980s/early 1990s the communist elite in the East European countries renounced further state-socialist experiments, handed over power to elected governments,

and in many cases – most notably in Russia and other former Soviet republics – attempted to become »bourgeois« themselves, i.e. owners of capital.

## The New Drive of Capital

This major turning point in world history had two far-reaching consequences. One was that all the concessions previously made in capitalist countries out of fear of further communist attempts to seize power or as a result of compromises between business and the strong workers' organizations were to be rescinded. This meant curtailing the social rights of workers and other salaried employees and dismantling social security systems, cutting wages and salaries in relation to income from share holdings or capitalist property and plundering public services and privatising their institutions – an agenda that was systematically put into practice.

It has always been part of the nature of capitalism »that many processes that used to be controlled by non-market mechanisms – not only barter transactions, but also production, distribution and investment processes – acquired the character of commodities. Once this starts to happen, capitalists, in their desire to accumulate more and more capital, strive to turn ever more social aspects of economic life into commodities. And since capitalism is a process that is guided only by its own needs, it follows that no social activity is really excluded from a possible takeover. »The historical development of capitalism contains a drive »to turn all things into commodities.« (Wallerstein 1984) This drive has made considerable advances since the end of state socialism. Not only are the former communist states open to it, but all regions of the world and even the remotest recesses of individual societies find themselves exposed to it.

This is where the neo-liberal plans to finalize the General Agreement on Trade in Services (GATS) through the World Trade Organization (WTO) come in, following the collapse of the Multilateral Agreement on Investments (MAI). European politicians are increasingly eager to sell off public service institutions, power stations, hospitals, public transport and, above all, the supply of drinking water. The GATS agreement is to become valid worldwide by 2005. A country's signature to this agreement would make it a permanent obligation the sell-off its public assets. Fundamental areas of life – schools, health services, social institutions – would be subjected solely to the principle of profit maximization. Even the EU Commission will soon make an »offer« to the WTO concerning privatisation of these areas. And all this is going on behind closed doors.

On a global basis social issues have taken on a new dimension: An international financial aristocracy has emerged that owns the world capitalist economy and feels no sense of social responsibility whatsoever. The billionaires of the USA have more wealth at their disposal than the entire purchasing power of the »People's Republic« of China. The combined income of

the 365 richest people in the world is greater than that of the 1.2 billion poorest.

## War Returns as an Instrument of Policy

The other far-reaching consequence of the demise of communism is role the USA has assumed as the sole remaining superpower. The USA spends more on armaments than all its main economic and political competitors together. In 1998, US armaments spending came to almost US\$ 266 billion, whereas that of Russia was US\$ 54 billion, that of China less than US\$ 37 billion and that of all the European NATO countries US\$ 171 billion. For the fiscal year 2002/2003 the USA has earmarked US\$ 355 billion for armaments. The military potential of the USA is unrivalled both in quantitative and qualitative terms.

In this situation war has become a »normal« instrument of policy again. Whereas during the Cold War US plans were based on avoiding a major war and preventing »little« wars from escalating, today there is open talk of »imperial« wars that have quite a different character. Maximum force is to be applied in the shortest possible time to bring about the order desired by the imperial centre. In a sense the Yugoslavia war in 1999 was the first war waged to punish insubordination, to open a country to the above-mentioned »drive« of international capital, and to defy international law in the furtherance of these aims.

## Theoretical Aspects of Imperialism

In his analysis of imperialism Lenin identified five features of »imperialism« which may well be worth reconsidering:

1. Concentration of production capacity and capital, formation of monopolies. Although real monopolies are scarce nowadays, we do encounter plenty of oligopolies, and the trans-national process of concentration – we need only think of DaimlerChrysler and similar multi-national corporations – continues apace on a global basis.

2. Merging of industrial and bank capital to form finance capital. In the past twenty years, the financial sphere has become largely autonomous, and the former supporting role played by finance capital in relation to industry no longer exists. A virtual economy has arisen that is beyond the control of national governments and which devastates resources of real economies if these are expected to yield a profit. This aggravates the problems of the »peripheral« societies and the lower strata of the »central« societies.

3. The export of capital gains precedence over the export of goods. At present we are witnessing the import of capital by the USA. For years, the US foreign trade deficit has been growing at something of the order of US\$ 300 billion annually. The bulk of the foreign capital, however, goes into financing these imports, into armaments, and into private consumption in the

USA. In this sense these cash-flows, which basically deprive many countries of the world of capital for productive purposes, are something in the nature of an imperial tribute: the poverty in the countries of the southern hemisphere and the unemployment in Western Europe constitute the reverse side of the fabulous proliferation of profits in the financial spheres of the USA.

4. Emergence of international associations of monopolies that divide up spheres of influence and world markets among themselves. The World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO) are international, worldwide organisations that define and enforce the »ground rules« of the capitalist system on a global basis.

5. The territorial division of the world among the imperialist great powers is complete; the struggle for new partitioning leads to imperialist wars. That was yesterday. But in the meantime, the world capitalist system has survived decolonialisation, and wars between the centres of international capitalism are no longer to be expected, either out of military (given the military power of the USA) or profit considerations. Here Lenin's analysis is not going to help us much further.

But what will help us is Karl Kautsky's idea that capitalism will lead to an »ultra-imperialism«, of which he wrote during the First World War, »that the present imperialist policy will be superseded by a new, ultra-imperialist one which replaces the struggle between national centres of finance capital with the joint exploitation of the world by an international alliance of finance capital«. (Kautsky: 144) And this may be said to describe the situation of the peoples of the world since 1945, after the fall of state socialism now on a global scale. The USA, the EU and Japan are the main components of this »ultra-imperialism«, and their relations are based on community of interests and competition within this framework.

The Asia crisis in the late 1990s, when some of the newly industrialising Asian countries previously classified as »successful« suddenly lost a considerable portion of their recent prosperity, showed that the main profiteers from this process resided in the North Atlantic region, in the »white man's world«.

This corresponds to Wallerstein's thesis that capitalism – originating from Europe – did not create an empire, but rather a world system that became a novel kind of social system. It has borders, structures, member groups, and laws legitimising them. It consists of »conflicting forces that alternately hold it together and tear it apart, as each group constantly jockeys for advantage. It has the features of an organism« in motion, whose structures keep changing, but which on the whole has proved itself capable of survival (Wallerstein 1986). One of its advantages over previous historical empires is that the latter tended to generate a bureaucracy that absorbed too much of the profits (Wallerstein 1986). In the present system, centre and periphery are mutually dependent, the wealth at the centre has the poverty at the periphery as its precondition. And the state cannot be dispensed with, at least not at the centre:

the capitalist strata of society need it to protect their interests, preserve the various monopolies, and spread their losses over the rest of the population. That is why state structures in the centres are strong, whereas those in the peripheral territories tend to be weak.

The correlation between cooperation and competition within the ultra-imperialistic framework may not be so obvious in quiet, peaceful times. Then it is only a matter of tariffs between the EU and the USA, WTO regulations and genetically modified soybeans. But this year the USA put the geopolitical war of redistribution in the Near and Middle East on the political agenda. By using military power to compensate the relative competitive weakness of the US economy and by gaining access to oil in Iraq to secure control over oil prices, the USA has added a whole new dimension to the relationship between cooperation and competition. Not only did the governments of Germany and France in league with Russia and China try to prevent the war via the UN Security Council – and be it only for economic reasons – they also acted in accordance with the will of the majority of the people in Europe, indeed in the world.

This imperial strategy of the USA was the very embodiment of the attempt to transform the world capitalist system into an Empire it could control, thereby making the capitalistic world system lose its advantages in relation to the Empire. In Bosnia, Kosovo and Afghanistan we can see how protectorates of this nature are a long-term venture. And, as we all know, until now the costs have been born by others, not by the USA. But in Iraq the USA apparently wants to assume the role of protector itself, if only because of the oil. We know what the outcome will be. The extension of such protectorate constructions around the world binds ever more forces and means of the capitalistic world system, which are no longer available for other purposes. It reinforces the resistance of the »south« against the »north« and expands the worldwide insecurity zone caused by this imperial striving for power.

## Prospects

In a short work entitled »Utopistics«, Immanuel Wallerstein has outlined his view of the current prospects for capitalism. His thesis is that the world finds itself in an era of transition. At the beginning of the 21st century a structural crisis has gripped the centres of the world economy. Dominated by the military power of the USA and the profiteers of the world economy, north-south relations are in a state of imbalance and threaten to plunge into chaos. The ideology of liberalism and the welfare projects in the centres are losing their credibility. Radical and fundamentalist movements are coming to the fore, both in the north and in the south, in the centres and at the periphery.

While twenty years earlier, in his book »Historical Capitalism«, Wallerstein was still emphasizing that capitalism showed such a remarkable stability and capacity for self-renewal that its

end was not in sight, now he sees its historical limitations. Capitalism functions as »a system that permits and reinforces the endless accumulation of capital«. For this purpose all capitalists require a measure of state intervention and the existence of states in general. Seen from a current perspective, this is probably the reason why the World Bank and the US government obviously fear the disintegration of Argentina as a state more than a Left-wing President Lula in Brazil, as long as the latter just continues to pay off the »debts«. The anti-state campaign of neo-liberalism seeks to call this symbiosis of state and capitalism into question, undermining its own foundations in the process. The double pressure on the state to raise expenditures while at the same time reducing taxes leads to a »fiscal crisis of the state«, to an irreparable »exhaustion not of economic, but of social assets«. Without a strong state, however, »there can be no funnelling of financial resources to the manufacturers by the state, and no externalizing of the costs sanctioned by the state«. The anti-state attitude of the trans-national corporations is in reality a reaction to the increasing democratisation of the world and the delegitimising of states this entails. Ordinary people, on the other hand, turn their backs on the state out of disappointment at the ineffectual nature of reformist politicians who, under pressure from the trans-national corporations, see reforms purely in terms of dismantling social welfare systems.

Wallerstein sees three tendencies as leading towards a disintegration of the world system:

- delegitimation of the ideology of inevitable progress that was merely the ideological expression of endless capital accumulation as the guiding principle of social organization
- worldwide spread of armaments
- migration movements from south to north.

He sees these challenges: establishment of a liberal, egalitarian system worldwide; implementation of a democracy worthy of the name; empowering every man and woman to practise one or more satisfying vocations and, in the case of untoward eventualities, allowing them to claim social assistance; and adequate protection of the resources of the biosphere with a view to averting »the losses between the generations and the exploitation of one generation by another«.

Wallerstein emphasizes four structural approaches to bringing this about. The first is the establishment of decentralized, non-profit-making enterprises with a different mode of production, namely that which is referred to elsewhere as a »sustainable local economy«. The second is the introduction of a guaranteed, lifelong minimum income, in order to ensure equal access to education, training, health care, etc. Thirdly, in order to rescue the biosphere, he calls for the systematic internalisation of all costs, including those required to reproduce the biosphere. Fourthly, all this should be decided democratically, »with the participation of all those who are affected by these

decisions«. Thus democracy, participatory democracy, is the real key to social change. It should be added that reining in the warmongers is a step that has to precede all the others.

## Conclusion

»We aren't going to see an easy, relaxed debate or a friendly discussion among choirboys. It will be a life-and-death struggle. For what is at stake is the laying of the foundations for the historical system of the next 500 years.«

The war strategy of the USA is not a solution to this problem, it is one of its main components. It is entirely in keeping with the nature of the new, emergent financial aristocracy and its parasitical virtual financial mechanisms that they need massive military »protection«. This is the way the imperial tendency seems to carry the day: it grows out of the world system of capitalism, which, in turn, loses flexibility in the process. The empire envisioned by forces now governing the USA will only tend to speed up this process of undermining the foundations of the present world system.

Wallerstein foresees a coming period of disorder, dissolution and disintegration that may last about 50 years. The present system cannot survive, and in periods of transition and crisis the factor of »free will« is crucial. It depends on the actors – both those who support the system and those who are critical of capitalism – what social and human costs this transition period will claim.

The message remains: »Another world is possible.« The 21st century can, indeed will, ultimately usher in a new era of freedom, justice and humanity. This will come to pass only if enough – many – people want it to and if they are capable of translating their will into political action for a better world. Even in the USA imperial politics is possible only so long as a majority of the people keep their heads down or let themselves be duped. But when all is said and done, the wisdom of Abraham Lincoln will prevail: »You can fool all the people some of the time, and some of the people all the time, but you cannot fool all the people all the time.«

### Further reading:

- Werner Biermann: Die Herren der Welt. Die Weltmachtspolitik der USA nach 1945, 2000
- Karl Marx, Friedrich Engels: Manifesto of the Communist Party, 1848
- V.I. Lenin: Imperialism, the Highest Stage of Capitalism, 1917
- Karl Kautsky: Zwei Schriften zum Umlernen, in: Die Neue Zeit, 2. Bd., 1915
- Immanuel Wallerstein: The Modern World System: Capitalist Agriculture and the Origins of the European World-Economy in the Sixteenth Century, 1974 – Historical Capitalism, 1983
- Utopistics, 1998

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