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On Strong Economics and Strong Politics.

Observations on the new Imperialism debate¹

We live in a time of transitions and transformations and in a world characterised by a new diversity and variety of capitalism – the time of *le capitalisme contre le capitalisme* (Michel Albert) and the world of *varieties of capitalism* (Peter Hall). It is a time of crisis and battles over the course of developments. The hegemonic structure of this new time of transitions was and remains neo-liberalism. However, this structure is now placed in a double predicament: The power and strength of its previously firm ideological justifications are not only fading in Latin America, but even in Europe, and in a different way, in Russia. Therefore, it faces a new problem with hegemony. At the same time, the battle over its future path has flared up amongst the major representatives in the capitalist centre: here the current fundamental conflict is whether the project of a *new imperial neo-liberalism* –that is, a *neo-liberal empire at odds with itself and globalisation fuelled by competition and the financial markets, that is inwardly enforced in an authoritarian way and outwardly by military means – can gain dominance in a global neo-liberal field.*

Strong Economics: Neo-liberalism

Neo-liberalism was not simply invented by great theoreticians such as Hayek or by ideologists of the neoclassical Chicago School; it was not only implemented by “great” politicians such as Thatcher und Reagan or sealed by a *Washington consensus* of the capitalist world elite. It was not theories and economic concepts that enabled neo-liberalism to gain the upper hand

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as a global reality, establishing its power. It is widely known that ideas tend to disgrace themselves when deprived of the affections of reality. Neoliberalism's *opportunity* to become *reality* resulted from the crisis of the Fordist welfare state, the United States loss of hegemony in the 1960's and early 1970's, as well as the patient and efficient policy discussions of neo-liberal think tanks and networks. It were these events that first launched neo-liberalism as a promising strategic solution to the problems associated with contemporary capitalism.

It was given the chance of becoming a *global general policy* framework by the deep economic crisis in the mid 1970's in numerous developed capitalist societies. Its prospect of *hegemony* ultimately came from its ability and willingness to interlink and pool an extraordinary and unusual variety of social-political, ideological and cultural actors, trends and cultures. However, the real *material* matrix of the political economy of this de facto neo-liberalism and its strong *political* muscle was predominately in the *southern states* of the USA. They followed a path provided by the conditions and power sphere of cold war militarism. In this respect neo-liberalism is a US-American project.²

In the most powerful country of the world during the 1970's and 1980's, neo-liberalism meant enforcing a model of low pay and low taxation in the exploitative and extraction economy of the American south that was hostile to trade unions and civil liberties, as well as labour intensive, reactionary and racist. This economy already existed prior to Reagan but was ultimately popularised by his policies at a national level and then further shaped by the Bush dynasty. It are these paradigms which determine the economic, social, and taxation policies at the core of neo-liberalism. The globally expanding neo-liberalism of the 1980's and 1990's was configured as a new global political project by the *Dixie capitalism* in the US south, the *Wall street-Dollar-Regime* of the north, the military economic and warrior culture of the *cold war* woven into the state fabric, and the market enthusiastic ideologues of the *Mont-Pelerin-Society*, the *Chicago school* and its

² Jan Nederveen Piertese: *Globalization or Empire?* New York/ London 2004, p.2 ff.

predecessors. Its substance was the (re-) commodification and marketisation of all areas and realms of life and thereby the eliminating the various fordist regimes of social security, solidary social integration. Since the 1970's, its main instruments of privatisation and deregulation have focussed on redistributing inequality and power on a global scale. This neo-liberalism represents a *strong Economy's* model of society and power.

Strong Politics: Neo-liberal Empire

Beginning in the 1970's and then more dominantly in the 1980's, neo-liberalism established itself as the logic behind, and the shape of, *ruling and regulating society*. This reinforced the economy in a new way by establishing the norms and values of market as the primary reference of decisions-making not only in the field of economy. At the same time, in the 1990's following the collapse of state socialism, the question of economic transformation ("Globalisation") and subsequently that of the reorganisation of the *international system* and thereby of *politics*, gradually came to the forefront. The fact is, irrespective of our wishes, that a capitalist order raises the question of political power. Globalisation does not simply signify the *exchange* of materials, goods, (the forces of) labour, or the *interaction* and *networks* of actors. It denotes a globalisation of the *markets* of *goods, money and capital*, as well as *capital relations* and its *competition*. These markets and their basic patterns of social relations of appropriation mediate these processes of exchange and interaction which consequently requires a globally effective, *legal and political form*. At the same time we are dealing with inner and outer relations of appropriation of a *global economy of dispossession* and a massive placement of financial value upon the world of nature and ideas. Here, the balance in the relationship between neo-liberal globalisation and military globalism has been clearly realigned in an attempt to implement the new project of *neo-liberal Empire*. The project's imperialist *tradition* is a century old (this is barely more than an episode), however its neo-liberal *milieu* came about in the last four decades. Its most powerful *actors* came together in the last quarter of a century. The

ambitions, practice and profile of its *grand strategy* were fashioned in the 1990's and ultimately, its *catalyst* and political power breakthrough was 9/11. The long Iraq war is its first test. Even if it fails this, be it dramatically, this project will be nowhere near abandoned or banished from reality. Things like this do not happen out of the blue and after all, it is about the future of neo-liberalism and its American centre.³

The new imperial project

Currently only *one* explicit, assertive and relatively coherent *grand strategy* of strong politics for a world order exists: the US American one. Its idea is: to preserve global (ised) capitalism by means of a permanent, unchallengeable American empire. The starting point was the assertion: that there is a qualitative new global disparity of power between the USA and the "rest of the world". The second belief is that for the first time since the formation of bourgeois society and its political order such an imbalance of power can be sustained in the long term. The strategic idea of the American empire therefore operates in a grand historical context: it has at its starting point, a new qualitative difference in power between the USA and the rest of the world ("American empire"). Then it formulates the exceptional aim of establishing this globally in the long term, ("pax americana") and brings to the forefront a methodology of activist politics ("military superiority beyond challenge" "war against terror" "prevention"), legitimising this with reference to the privatisation of war by terrorism. This project of a neoliberal Empire is to the greatest extent paradoxical, because this kind of neo-imperial approach combines traditional neo-liberal and imperial practices with each other in a very contradictory way: the strong imperial national security state versus the "small government"; the neo-liberal marketisation of the state as opposed to politicization by means of secrecy, strengthening the executive and increasing the strength and robustness of the security state; hegemony by consensus versus hegemony by force in the name of pre-emption; private

³ On the issue of the American Empire in detail see Rainer Rilling: Outbreak. Let's Take Over. American Empire als Wille und Vorstellung, Berlin 2004, <http://www.rainer-rilling.de/texte/american%20empire.pdf> (work in progress; in German); ders., "American Empire" as will and idea. The new major strategy of the Bush administration, RLS Policy Paper 2/2003

stakeholder capitalism versus the state fed military-industrial complex; lowering taxes in combination with national debt; the boundlessness of the global financial markets versus the limited territorial geopolitics of the military, arms and extraction industries (oil!); multilateralism against unilateralism; integration via informal inclusion versus formal occupation, protectorates and policies of exclusion; formal equality between the actors in markets as opposed to hegemonic law and rights and inequality; the labour entrepreneur and proprietor versus the occupant; liberalism against militarised neo-conservatism; the discipline of the free market in contrast with that of the military and the *new landscapes of fear*; political warriors fighting for a strong politics versus market radicals aiming to weaken the market state and politics.

Is this new neo-liberal empire, so riddled with antimonies, *the beginning of the end of three decades of neo-liberalism or the revival of neo-liberal capitalism?*

Will it turn into a relatively strong force or does it merely denote the *passage* to something else, and are we dealing with an *empire in decline* or are we steering towards a new *Rising empire*?

Its Subjects and Actors

An alliance of think tanks, foundations, media outlets, businesses, state apparatuses and political organizations, which have been cementing over three decades, presents this *neo-liberal grand strategy* to us. Its avant-garde is a group of neoconservative conceptive ideologues from US think tanks and strategic planning institutes. Together with the radical Reaganite style military, and the evangelical fundamental Christian right wing, the dynamic political core of the conceptual strategic and politically dominant *nationalist new imperial* group came together during the second and third term of the Bush administration. The *heterogeneous configuration of this new imperial political right in the USA* was a political innovation without precedence, combining a number of seemingly incompatible elements. The formation of a collective body of power including neo-conservative Reaganite *warriors*, Christian *fundamentalists* and *neo-liberal* market radicals

blended together to form a very unusual astonishingly heterogeneous group. This micro network of power has much in common: a professional career in the political arena, often belonging to the same generation; but most of all they share an ideological orientation, key political projects, wealth, and similar or even the same institutional networks. Intellectuals, scientists, ideologues, strategists, demagogues, visionaries, politicians, economists, powerbrokers, organizers and networkers all belong to this group. Its inner structure is heterogeneous; groups with an intense interaction and extremely loosely tied networks are merged. Think tanks and policy shops, a bundle of particular magazines, and finally foundations, all operate in this sphere of power. This neo-imperial power group has its roots in the 1970's. At that time it concentrated on confrontation, as opposed to detente, and on military power, thus on *strong politics*. This was the beginning of a *power paradox* that for a long time was barely noticed: the generation of high priests of the *radical market neo-liberalism* in the WTO, IMF, and World Bank belong to the same generation as the Reaganite *political warriors* in Bush's war cabinet. The USA's defeat in the Vietnam War shaped their image of US foreign policy and US American relations with the world. For them, the protection of capitalism and the rules of the market are the natural basic presuppositions for acting. But markets, money, entrepreneurship and the idols of the rich bourgeois are not, as they would have it, our conflict ridden civilization's highest achievement. Their ideological world focuses on Rome's epic greatness as the utopia of a new imperial power, warrior culture and political morals. They are *political warriors* (Robin)⁴, sometimes diplomatic (Powell), but mostly bellicose (Rumsfeld) – they are not unsettled by a few photographs depicting torture. *In the history of American foreign policy this is the military generation.*⁵ Its spiritual home is the Pentagon. This generation is unified by a belief in the paramount relevance of the USA's military power. In the 1970's and 1980's this generation worked at reconstructing American military power after the Vietnam war

⁴ Corey Robin: Endgame. Conservatives after the Cold War, in: Boston Review 1/2004.

⁵ James Mann: Rise of the Vulcans: the history of Bush's war cabinet, New York 2004, S. XIV

and fought talk of *American decline*. The transition in 1990's was seen by them as the greatest victory in American history: the USA had won the third world war, the cold. In the 1990's the *political warrior* activists created the concept of a new offensive key function of the military. After 9/11, they addressed the problem of enforcing a real existing *military imperial project*. During these three decades their ascent to power was linked to the American military's re-ascent to a position of supremacy "beyond challenge". *This generation perceived this period as one of success and as a time in which it did not fail, but won. Nothing seemed impossible in the end, not even an American empire. A look at this generation highlights a crucial feature of these three decades: the USA's renewed ascent in the international system. It is this alliance which represents this history. The conceptual basis of its political project increasingly adopted an imperial dimension. However, in political practice, this project oscillated between hegemonic and imperial internationalism. Its contours are unclear and its basic questions are debatable. Does an American empire already exist? Is it on the advance, or must it first be created? What or who is part of it and how does it realise its power? The project does not arise out of the blue, but picks up on a hegemonic tradition of US- American foreign policy.*

The first problem: hegemonic competition

American foreign policy was and is characterised by the twin political aims of making "the world safe for capitalism" and ensuring "American primacy within world capitalism."⁶

- (1) Protecting the capitalist world basically means opposing any non-capitalist formation, be it merely a political tendency or a real alternative socioeconomic system. At its core this means: eliminating anti-capitalist political or socioeconomic structures through integration and transformation or destruction.
- (2) Securing American primacy calls for two problems to be resolved: They must obtain dominance in the competitive relationship between the

⁶ Perry Anderson: Force and consent, in: New Left Review September/October 2002, p.5ff

central capitalist states as well as an *overall* dominance in the global international system. The former involves preventing a Eurasian competitor from emerging, and controlling his potential peripheries (Western Europe, Near East and the Pacific Reef). This is the classic, crucial aim of US-American geo-strategy. This is what is at the heart of *political imperialism*. A century ago, the USA was already concerned with containing and smashing competitive hegemonies in the Eurasian heartland engaging in the “long war”⁷ from 1917 to 1989. However, following the breakdown of state socialism the USA was no longer solely concerned with *detering* a competitor, opponent or enemy, but with preventing the development of a new one. They did so by means of blockades, inclusions and preventative intervention. *This new kind of interventionism is the first qualitative problem to which the project of neo-liberal Empire is trying to react*. Therefore we live in a new age of post-westphalian interventionism shaped by this basic concern.

The second Problem: World order

Beyond this, securing US American primacy also means establishing the USA’s free flow and exchange of goods – “securing the world for capitalism” , in such a way that it supports its primacy, by keeping the entire political and economic system open and accessible for the USA (*open door, free trade, access*), thus preventing closure, mercantilism and policies of autarky. Here the issue of moulding the *entire* international system is raised, not only that of stopping and smothering a hegemonic competitor. Of primary importance is the production of a *world order*. *This is the second qualitative problem to which the project of the neo-liberal Empire is trying to react*. This is currently an *exclusive* US American project. This is why we may call it the *question of empire*.

Imperial projects differ from other orders in the fact that they aim for the whole.

⁷ Philip C. Bobbitt: *The Shield of Achilles: War, Peace, and the Course of History*, New York 2002 S.21ff.

Charecteristic	Imperial Projects...
Space	... have a territorial basis, characterised by size and (since the second half of the last century) by the extent of its global reach (power projection), whereby „ <i>limitless</i> “ (Arendt) <i>expansion of power und property</i> , ie. <i>geopolitics</i> are the urgent issues of every imperial project („ <i>producing world order</i> “); they are capable of expansion from the centre and have the ability of “densifying” and zoning, starting from the centre and of reproducing an unequal distribution of resources and activities in space; the problem of „ <i>overstretch</i> “ is a genuinely imperial one.
Time	... base their policies on long term calculations (“1000 years” or “for ever”).
Environment	... are distinguished from their environment by great advantages as to their disposal of <i>resources</i> [capital / wealth, culture, power] and their consequent ability of <i>appropriation (influence)</i> , which justifies their <i>sovereignty</i> as well as local effectiveness and prevents an <i>exit</i> from the imperial space [<i>voice</i> , on the other hand, is permitted]; <i>inequality by appropriation is the central characteristic of this relationship</i> (e.g. via zoning, segregation, attraction, border management, etc.).
Control	... are capable of a) controlling not only foreign affairs but parts of the inner relations of other states b) creating or controlling a hierarchical interstate order c) constructing and managing non state borders.
Means	... can mobilise a great variety of power resources in the political arena (capital, law, culture, violence) and <i>direct/formal</i> as well as <i>indirect / informal (“penetration”)</i> means which as a rule are “caesaristic” (undemocratic) and implement these by a significant use of force.
Subject	... have state central complex subjects of power with a high social, spatial and time density.
Substance	... by means of non-economic forces, reproduce the conditions and the processes of appropriation (at the core: the asymmetrical process of <i>capital accumulation</i> – at present with the emphasis on <i>accumulation through dispossession</i>) and also finance themselves by this (“ <i>tribute</i> ”); often, but not always, they represent technological dynamic production sectors.
Moral	... always set clear moral political distinctions: they are “benign” undertakings and clearly define where the <i>borders</i> are: vis-à-vis the “outside” or the “evil”.
Culture	... on the basis of economic asymmetry and political social inequality

	they foster their own superiority, <i>policies of denial and loss of respect.</i>
Service	... offer to manage global accumulation, <i>accessibility to it and to its security and protection, perspective and moral..</i>

As the central political basis of globalised capitalism is the nation state⁸, the territorial logic of hegemony is Empire, ruling informally *via* the state system – its “formal” structure is only changed (as in Iraq), when a rogue state attempts to leave the realm of capitalist accumulation (“state change”). The American empire that came about after 1945 was thereby *informal* from its very beginnings: penetrating borders, rather than dissolution was their chosen method. It only works “via” and by means of real existing non-American nation states, which turn into “*penetrated systems*” (James N. Rosenau). It was not a *command empire* (Gowan). Thus, we can accept Panitch / Gindin’s characterisation of the central problem of US American politics: “The need to try to refashion all the states of the world so that they become at least minimally adequate for the administration of global order -- and this is now also seen as a general condition of the reproduction and extension of global capitalism -- is now the central problem for the American state.”⁹ In the US American imperial project of neo-liberalism, the culture of concentrating and centralising power, which has been produced by neo-liberalism and its industry of control over the worldwide distribution of production, continues. Its political imperial grasp is becoming ever stronger. Overthrowing this project is crucial for the future shape of the global political order and its inner form. A start can be made by giving it its correct name: Empire.

⁸ S.Ellen Meiksins Wood: *Empire of Capital*, New York & London 2003, S.141:” The political form of globalization is not a global state or global sovereignty...The very essence of globalization is a global economy administered by a global system of multiple states and local sovereignties, structured in a complex of domination and subordination.”

⁹ Leo Panitch, Sam Gindin: *Global Capitalism and American Empire*, in: *Socialist Register* 2004.