

## Imperialism today – Alex de Jong

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# Understanding Imperialism: Old and New Dominion

— David McNally

IT IS A commonplace today that we have entered a “new age of imperialism.” The emergence of complex world money markets, increasingly integrated global production systems, aggressively neoliberal policies imposed by the likes of the World Bank and the International Monetary Fund, and the belligerent militarism of the American state — all these are recognized as new modalities of capitalist empire.

For some on the radical left, the new imperialism has sparked a return to the analyses developed by major figures on the international left in the era of World War One. It is easy to see why. During that period, a number of seminal works on imperialism emerged, most notably Rosa Luxemburg’s *The Accumulation of Capital* (1910), Nikolai Bukharin’s *Imperialism and World Economy* (1915) and V. I. Lenin’s *Imperialism, the Highest Stage of Capitalism* (1917).

Despite their differences, these works shared a number of real strengths. First, each theorist sought to link the territorial expansion of major European nation-states (along with that of the United States and Japan) to the process of capital accumulation. In so doing, they recognized that the imperialism of their era, more than a political policy, was directly tied up with strategies of capitalist accumulation.

In making this connection, they pointed, secondly, to the First World War (or in Luxemburg’s case the drive toward that war) as an inherently capitalist conflict, the bloody, horrifying expression of world capitalist rivalries.

Rather than portray the war as an historical accident, these Marxist writers accounted for it as an extreme form of capitalist competition. Trade wars, they suggested, are ultimately resolved through shooting wars. In the final analysis, argued Bukharin, economic conflicts are settled “by the force of arms ...the last word belongs to military technique.”

Finally, as a result of these analyses, all three revolutionary writers distinguished themselves with resolutely antiwar responses to the global military conflagration. At a time when the major parties of European socialism were falling in behind their governments’ war policies — thereby betraying longstanding commitments to international working class unity — these revolutionary theorists, along with activists of the antiwar left, preserved the honor of international socialism.

For all these achievements, there were real limits to these theories — limits which become especially disempowering today. To begin with, the analyses of capital accumulation they advanced had considerable flaws. Rosa Luxemburg, for instance, held that imperialism was based on the search for new markets outside the capitalist world.

Without new external markets for goods, she maintained, capitalism would collapse due to chronic overproduction. Not only is there very little evidence that newly colonized territories constituted important export markets — how could they, given the poverty of the colonized? — but Luxemburg failed to grasp capitalism’s capacity for intensive, as well as extensive, growth.

Put simply, capitalism regularly creates new markets for both consumer and capital goods inside the so-called “developed world” — whether for fast food or computers. While it is preferable to locate

markets for both intensive and extensive growth, the disappearance of the latter would not spell the death of capitalism.

Lenin's analysis too suffered from real shortcomings. He argued, for instance, that colonialism pivoted on the export to the colonies of excess capital — capital which could find no profitable outlet at home. Yet the very tables he produced in his booklet indicated instead that the bulk of exported capital went from one rich capitalist nation to another — as it continues to do today. As for Bukharin, he took an historically specific period of integration of capital with the nation-state in the early 20th century and inflated it into an inherent tendency of capitalist development, arguing that capital and the state fuse over time. Yet as recent waves of privatization and deregulation indicate, the relationship between state and capital is much more fluid and changeable.

But perhaps the biggest flaw in these theories of imperialism is that they saw territorial occupation by the major powers as a necessary feature of global capitalism. It is easy to see why: From about 1875 onward, the dominant powers engaged in an incredible scramble for colonial territories.

Over the ensuing 40 years Britain added four million square miles in territories to its empire, France 3.5 million, and Germany, Italy and Belgium around one million square miles each. Power within the world system relied heavily at this time on control over territories — and the land, resources, markets and labor they contained.

As a result, war against other capitalist states became a considered strategy for amassing greater might within the global system — a strategy which was especially attractive to Germany and Japan, rising powers which had not managed to develop significant colonial empires. Given this context in which the power of capitalist nation- states was bound up with territorial conquest, it is understandable that Luxemburg, Lenin and Bukharin saw territorial wars among the great powers as an essential feature of world capitalism. Indeed, Lenin described such wars as “absolutely inevitable.”

When the First World War was followed 20 years later by a second, this seemed a vindication of their assessment. Yet while many Marxists thus saw world capitalism as requiring territorial expansion and invariably generating inter-imperial war, history was to develop in unexpected ways.

The decisive shift occurred following the Second World War. Not only did virtually all of the colonized world decolonize over the next 30 years — contrary to expectations — but domination of the world became increasingly based on market power, not territorial conquest.

Crucial here was the emergence of the multinational corporation (MNC), nationally based but globally operating, which enabled capitalists in the rich nations to use cheap labor and raw materials from the Third World as part of integrated processes of production. This allowed western business to exploit peoples of the Global South without incurring all the costs and risks associated with colonizing their territory. The same applies to the more recent explosion of global lending and debt, which drain wealth from the South to financial institutions in the North: These forms of surplus appropriation too can be performed by largely economic means.

As territorial conquest has receded as a mode of competition among capitalists, so too have inter-imperial wars. After a period in which the great powers fought two world wars in the space of 30 years (1914-45), we have now gone through 60 years without one.

Not that war itself has disappeared. Quite the contrary! But the locus of war has shifted to battles between imperial states and peoples in the Global South who fail to do the bidding of empire. Vietnam is the obvious example here. But the same applies, despite all the local differences, to the U.S. war machine's adventures in Afghanistan and Iraq.

It is vital to recognize, however, that these are not wars for territorial control. American imperialism

certainly hopes to exploit the Global South. But it prefers to do so by economic means, without incurring the political and military costs of neocolonial administration and occupation. Intervene militarily it certainly will. But if it does so not for purposes of occupation, what drives imperialist military interventions today?

## **Empire of Capital**

The most powerful and provocative Marxist response to this question has come from Ellen Meiksins Wood, in her recent book *Empire of Capital*. In a rich historical analysis, Wood argues that the non-territorial form of imperialism we see today is probably the most quintessentially capitalist one.

After all, she points out, capitalist exploitation rests fundamentally on economic power, organized through markets. Unlike feudal lords, whose ability to extract surpluses depended upon political rank (which gave them land, rents and control of manor courts) alongside a monopoly of military power, capitalists need not hold office, administer justice or bear arms in order to exploit wage labor.

They largely accomplish the latter through purely economic means: ownership of property and market power. Of course, they call on legislators, police, courts and the military from time to time to uphold their economic rule; but the daily process of exploitation does not require use of force or intervention by the courts.

A purely capitalist imperialism might be expected to operate similarly — that is, using property rights and market power to accumulate surpluses, rather than politically administering or militarily controlling conquered territories.

But does this mean that capitalism need not worry about territorial relations, that it can simply ignore the actual global spaces and places in which exploitation and accumulation take place? Not at all.

Against trendy but superficial theories of the disappearance of the nation-state, Wood maintains that global capitalism is increasingly reliant upon a territorially based nation-state system. Rather than dissolve the state, or pursue the unlikely prospect of a single world state, global capital quite happily articulates itself with local nation-states that exercise sovereignty over discrete territories.

Indeed, international capital depends upon such a network of states to enforce property rights, stabilize monetary transactions, insure the subordination of labor, contain social unrest and so on. “The very essence of globalization,” Wood writes, “is a global economy administered by a global system of multiple states and local sovereignties, structured in a complex relation of domination and subordination.” (141)

If anything, Wood suggests, the nation-state system is more essential to capital than ever before, since it and it alone provides the local preconditions for accumulation.

What, then, of war? Here again Wood has a novel account. By no means does she suggest that war withers away in the new form of capitalist empire. She does imply, however, that war between the economically dominant nation-states no longer has the inevitability ascribed to it by Lenin and others.

At the same time, war itself becomes ever-present, given the always unfinished job of policing a truly global capitalism. Since popular protests, regional conflicts and nationalist insurgencies can all create conditions hostile to imperial power, globalized capital can’t invariably rely on local states to secure all the conditions of stable accumulation.

Consequently, the dominant players need to send out a chilling message everywhere — particularly in those regions of the world most hostile to the power of Western capital and states — that resistance to the rule of global capitalist markets will not be tolerated. They need to demonstrate that imperial power,

most decisively that of the American state, will intervene anywhere, any time.

Indeed, this is precisely the position that George W. Bush laid out in his infamous post-9/11 speech in which he claimed that forty percent of the nations on the planet might be on America's hit list. Elaborating on Bush's doctrine, U.S. officials proclaimed that the American state had entered a permanent war "without constraint of either time or geography."

This, argues Wood, is exactly what the new phase of capitalist globalization should lead us to expect. Rather than dominate specific parts of the globe, imperialism today is about policing the entire global space of capitalist accumulation.

"The new imperialism," she writes "seeks no territorial expansion or physical domination of trade routes." Instead, "boundless domination of a global economy, and of the multiple states that administer it, requires military action without end, in purpose or time." (144)

The result is an endless proliferation of wars and occupations whose focus shifts across space and time.

Wood's analysis is especially compelling in grasping the unique dynamics of an imperialism based largely on property and market power, rather than direct control of territories. And while suggesting that military rivalries between the dominant powers will be less acute than during the first half of the 20th century, her argument also clarifies some of the unique features of the doctrines of war and military power characteristic of the U.S. state in the age of globalization.

## **The New Imperialism**

At roughly the same time Wood published *Empire of Capital*, the distinguished Marxist geographer David Harvey brought out *The New Imperialism*. Beginning somewhat differently than does Wood, Harvey identifies two specific dynamics at work in imperialism: an economic imperative (to accumulate capital), and a territorial imperative (to control space in ways that enhance capital's profitability).

Rightly, Harvey points out that these two logics, as he calls them, often exist in contradictory relations to each other. After all, the costs of pursuing the territorial imperative might become "inefficient" in purely economic terms (as could be argued with respect to the soaring price tag on the American occupation of Iraq).

Moreover, his analysis certainly suggests that there might be global asymmetries in the exercise of these two forms of imperial power, with some nation-states operating more as economic than territorial imperialists and vice versa. However, Harvey is less clear about the distinction between direct control of territory and market-based domination that figures centrally in Wood's account.

His analysis seems at times to veer toward the view of territorial expansion that figured prominently in the analysis of Lenin, Luxemburg and Bukharin. Put simply, Harvey often seems to think of the territorial imperative exclusively in terms of occupation, rather than extension of the rule of capitalist markets and property rights.

Perhaps the most distinctive of Harvey's contributions is his emphasis on accumulation by dispossession as a central feature of the new imperialism. Reminding us that capitalism originated in dispossessing peasants of their land (which forced them onto the labor market), he points out that similar processes are at work today.

While classical forms of peasant dispossession are accelerating —with millions in Asia, Africa and Latin America abandoning life on the land — so are other forms, involving privatization of formerly public assets and patenting of life forms, particularly of plants and seeds. All such operations take

property from the public domain and transfer it to private owners.

Also central to Harvey's analysis is the idea that tensions and rivalries between capitalist powers (including emerging ones such as China) figure prominently in the era of the new imperialism. While he does not suggest that these will lead to inter-imperial wars, he clearly sees imperialism today as wracked by conflicts rooted in competition over markets and profits.

Here Harvey's analysis comes up against the arguments of Leo Panitch and Sam Gindin, developed in the annual *Socialist Register* in recent years, whose work could be said to comprise the third significant perspective on imperialism among Marxists writing in English today.

Probably the greatest strength of the Panitch-Gindin position has been its critique of sterile repetitions of the Lenin-Bukharin theory of imperialism, as if it constitutes an adequate guide to the world in which we live today. Their position also insists rightly on the reciprocal relation between global capital and the nation-state.

In addition, their perspective has played close attention to specific institutional forms of the new imperialism, charting the crucial role of the U.S. Federal Reserve in particular as the institution that both oversees the financial architecture of the system and preserves the hegemony of the dollar as world money.

Where their argument is less convincing, I would argue, is in effectively dismissing the idea that antagonisms among the dominant capitalist nation-states shape the world in which we live today. Panitch and Gindin tend to identify the American state, and it alone, as imperial. The rest of the world, including Europe, Canada, Japan and the like, is seen as effectively subordinated to the United States.

At its baldest, this comes close to taking the dependency thesis of the 1960s and 1970s — according to which the Third World was said to exist in a state of “dependence” on the North — and extending it to every nation but the United States. Yet in moving in this direction, their perspective is vulnerable to the criticism levelled against dependency theory for ignoring the class formations and class struggles internal to the Third World, and for understating the important distinctions between, say, Brazil, now the tenth largest economy in the world, and Mali within the global system.

The Panitch-Gindin analysis also skirts the distinction between the economic and territorial logics of imperialism advanced by Harvey. It is undoubtedly true that the American state is far and away the dominant power in military-territorial terms — and this has major implications for world events. But it does not follow that other regional capitals operate outside the economic logic of imperialism.

Indeed the use of property rights and market power to exploit labor, appropriate resources and manipulate markets is not unique to American capitalism. Capitals in many of the wealthiest countries, with the support of the state in their home country, pursue similar accumulation strategies.

It's true that these capitals often look to the American state as the ultimate watchdog of global capital. But this doesn't mean that the interests of, say, Boeing and Airbus are identical — as the American-European trade disputes over the practices of these companies in the aerospace industry attest.

By downplaying the distinction between economic and territorial logics of imperialism, Panitch and Gindin tend to dismiss the idea that other powers — such as Europe, Japan, Canada — might behave according to the imperial pattern in their relations with subordinate nations.

Yet to take the case of Canada, there are at the moment significant protests in the global South against Canadian-based mining companies. Popular movements in Mexico, Guatemala and a number of African nations are targeting these Canadian multinationals for their aggressive, neocolonial practices. [See, for example, Cyril Mychalejko's account elsewhere in this issue of the struggle in Guatemala over the Glamis mining operations.]

It is hard to see why such companies (and the state that backs them) should not be characterized as imperialist. And the same holds true for the operations of European and Japanese capital in the South. At times, however, the Panitch- Gindin analysis suggests that there is something anti-imperial (because anti-American) about countries like Canada, Japan, even France and Germany, asserting their sovereignty in the face of U.S pressures.

This seems to slip into the very problems identified with dependency theory: the substitution of nation for class as the axis of struggle in the world today.

What's more, such a theory tends also to ignore the internal colonialisms that characterize many of these states. In Canada, the oppression of aboriginal peoples and the predominantly French-speaking population of Quebec are especially significant in this regard. Yet the defense of national sovereignty (for ostensibly anti-imperial reasons) too easily slides into a defense of the power of states founded on the expropriation and oppression of others.

It also tends to downplay the significance of anti-racist struggles by immigrants, refugees and people of color against the national state. The depiction of global power in terms of a hierarchy of nation-states (and largely as the United States against everyone else) thus risks deemphasizing national and racial oppressions as well as internal class divisions.

In fairness, Panitch and Gindin are well aware of the crucial importance of class struggle — and the Socialist Register has a proud record of highlighting global workers' movements (see especially the 2001 edition). Indeed, they rightly suggest that internal struggles are likely to define the period in which we live. But while Panitch and Gindin are right to underscore the decline of territorial and military rivalries of the sort that characterized the first half of the 20th century, their polemic against the idea of "rivalry" drops inter-capitalist competition out of the equation.

As a result, their account of world capitalism has become excessively unipolar, and their theory of imperialism entirely focused on Washington. Further, in downplaying regional and national conflicts among major capitalist nation-states, their theory runs the risk of promoting a left nationalist outlook in which the struggle against American power becomes the overriding focus of left politics.

This seems especially problematic for socialists operating in those parts of the world with highly developed bourgeoisies which benefit from the exploitation of the global South. To rework their theory in ways that overcome these vulnerabilities will require rehabilitating an analysis of global capitalist competition.

As much as we need to grasp what is new about imperialism today — and all three approaches have real insights in this regard — we need also to delineate the new forms of inter-capitalist competition and antagonism that define the capitalist world system.

The emergence of the euro as a partial competitor to the dollar's role as a world currency seems to me especially significant in this regard. And in a longer run, the emergence of China as a dynamic economic center may significantly reshape the geography of world power — assuming its rulers can contain social upheaval, develop more sophisticated financial markets and limit the damage of speculative bubbles, none of which is by any means given.

In providing an account of new forms of international capitalist competition today, Wood's focus on property rights and market power, not territorial conquest, as central to the new imperialism remains vital, as is Harvey's distinction between the two logics of empire. The Panitch-Gindin analysis of the role of the Federal Reserve in terms of generating the monetary and financial framework of empire adds further insights to the mechanisms of empire, though it requires a more complex account of other currencies, like the euro.

Not surprisingly, there is still much work to do in elaborating a theoretically comprehensive and politically enabling account of the new imperialism. As I have tried to indicate, there is important recent Marxist work to build upon — work which better fits the current conjuncture than do the theories of nearly a century ago. But we also need clear, comradely debates over the strengths and weaknesses of new interpretations as we struggle with the realities of an imperialism we seek to challenge and ultimately to overturn.

### **Recent Works Cited**

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## The relevance of permanent revolution

*Saturday, 7 October 2000* / **Michael Löwy** /

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The theory of permanent revolution is not a metaphysical speculation but an attempt to respond to one of the most dramatic questions of our epoch: how to resolve the appalling social problems suffered by the dependent capitalist countries - colonial and semi-colonial in the language of the time - how can they escape pauperisation, dictatorship, oligarchical regimes, foreign domination?

This theory has undoubtedly been one of the most significant and innovatory contributions to Marxism made by Trotsky in the 20th century. How did it emerge and what is its meaning today, at the dawn of a new century?

The idea of permanent revolution - initially uniquely related to the Russian problematic - appeared for the first time in the writings of Lev Davidovitch in the course of the revolutionary upheavals of 1905-1906 in Russia. Trotsky's theses on the nature of this revolution constituted a radical rupture with the dominant ideas in the Second International on the subject of the future of Russia. Marx and Engels had not hesitated to suggest, in their preface to the Russian edition of the Communist Manifesto (1892), that if the Russian revolution gives the signal to a proletarian revolution in the West, and the two complement one another, the existing commonly owned property in Russia could serve as a point of departure for a communist evolution.

### **Bourgeois democratic**

However, after their death, this line of thought - suspected of affinity with Russian Populism - was abandoned. Soon it became a universal premise - almost an article of faith - among "orthodox" Marxists, Russian or European, that the future Russian revolution would necessarily, inevitably, have a strictly bourgeois democratic character: abolition of Tsarism, establishing a democratic republic, suppression of feudal vestiges in the countryside, distribution of land to the peasants. All factions of Russian Social Democracy took this presupposition as their incontrovertible point of departure; if they argued with each other, it was on the different interpretations of the role of the proletariat in this bourgeois revolution, and its class alliances: who should be privileged, the liberal bourgeoisie (Menshevik) or the peasantry (Bolsheviks)?

Trotsky was the first and for many years the only Marxist to question this sacrosanct dogma. He was, before 1917, alone in envisaging not only the hegemonic role of the workers' movement in the Russian revolution - a thesis shared also by Parvus, Rosa Luxemburg and, in certain texts, Lenin - but also the possibility of a growing over of the democratic revolution into socialist revolution.

It was during 1905, in a number of articles for the revolutionary press, that Trotsky would formulate for the first time his new doctrine - systematised later in the pamphlet *Results and Prospects* (1906). He was undoubtedly influenced by Parvus, but this latter never went beyond the idea of a workers' government accomplishing a strictly democratic (bourgeois) programme: he wanted to change the locomotive of History but not its rails. [1]

### **Inspiration**

The term 'permanent revolution' seems to have been inspired in Trotsky by an article by Franz Mehring in the *Neue Zeit* in November 1905; but the sense attributed to it by the German socialist writer was very much less radical and vaguer than that it received in the writings of the Russian revolutionary.

Trotsky was alone in daring to suggest, from 1905, the possibility of a revolution accomplishing the socialist tasks - that is the expropriation of the big capitalists - in Russia, a hypothesis unanimously rejected by the other Russian Marxists as utopian and adventurous.

An attentive study of the roots of Trotsky's political audacity and his theory of permanent revolution shows that his positions were founded on an interpretation of Marxism and the dialectical method which was very distinct from the reigning orthodoxy in the Second International. This can be explained, at least in part, by the influence of Labriola, the first Marxist philosopher studied by the young Trotsky. Labriola's approach, of Hegelian-Marxist inspiration, was the polar opposite of the vulgar positivism and materialism so influential at the time.

### **Characteristics**

Here are some of the distinctive characteristics of the Marxist methodology at work in the writings of the young Trotsky and in his theory of the Russian revolution:

1. Partisan of a dialectical conception of the unity of opposites, Trotsky criticised the rigid separation practised by the Bolsheviks between the socialist regime of the proletariat and the "democratic dictatorship of the workers and peasants" as a "purely formal, logical operation". In the same way, in an astonishing passage of a polemic against the Menshevik Tscherewanin, he condemns the analytical- that is to say abstract, formal, pre-dialectical - character of his political approach: 'Tscherewanin constructs his tactics as Spinoza did his ethics: that is to say, geometrically'. [2]
2. Trotsky explicitly rejects economism, one of the essential traits of Plekhanov's Marxism. This rupture is one of the fundamental methodological presuppositions of the theory of permanent revolution, as shown by this well-known passage from Results and Prospects: "To imagine that the dictatorship of the proletariat is in some way automatically dependent on the technical development and resources of a country is a prejudice of 'economic' materialism simplified to absurdity. This point of view has nothing in common with Marxism". [3]
3. Trotsky's conception of history is not fatalistic but open: the task of Marxists, he wrote, is "to discover the 'possibilities' of the developing revolution by means of an analysis of its internal mechanism". [4] The permanent revolution is not a result determined in advance, but an objective possibility, legitimate and realistic, whose accomplishment depends on innumerable subjective factors and unpredictable events.
4. Whereas most Russian Marxists tended, because of their polemic with Populism, to deny any specificity to the Russian social formation, and insisted on the inevitable similarity between the socio-economic development of western Europe and the future of Russia, Trotsky formulated a new dialectical position. Criticising equally the Slavophile particularism of the Narodniki and the abstract universalism of the Mensheviks, he developed a concrete analysis which explained simultaneously the specificities of the Russian formation and the impact of the general tendencies of capitalist development on the country.

It is the combination of all these methodological innovations which made *Results and Prospects* - the famous pamphlet written by Trotsky in prison in 1906 - a unique text. Starting from a study of combined and uneven development (the term does not yet appear) in Russia - which had as its result a weak and half-foreign bourgeoisie, and a modern and exceptionally concentrated proletariat - he came to the conclusion that only the workers' movement, supported by the peasantry, could accomplish the democratic revolution in Russia, by overthrowing the autocracy and the power of the landowners.

In reality, this perspective of a workers' government in Russia was shared by other Russian Marxists - notably Parvus. The radical novelty of the theory of permanent revolution was situated less in its definition of the class nature of the future Russian revolution than in its conception of its historic tasks. Trotsky's decisive contribution was the idea that the Russian revolution could transcend the limits of a profound democratic transformation and begin to take anti-capitalist measures with a clearly socialist content.

### **Iconoclastic**

His principal argument to justify this iconoclastic hypothesis was quite simply that "the political domination of the proletariat is incompatible with its economic enslavement". Why should the proletariat, once in power, and controlling the means of coercion, continue to tolerate capitalist exploitation? Even if it wished initially to limit itself to a minimum programme, it would be led, by the very logic of its position, to take collectivist measures. That said, Trotsky was also convinced that, without the extension of the revolution to western Europe, the Russian proletariat would face difficulty in holding power for a long time.

The events of 1917 dramatically confirmed Trotsky's basic predictions of 12 years earlier. The inability of the bourgeois parties and their allies on the moderate wing of the workers' movement to respond to the revolutionary aspirations of the peasantry, and the desire for peace of the people, created the conditions for a radicalisation of the revolutionary movement from February to October. What were called "the democratic tasks" were carried out, so far as the peasantry were concerned, only after the victory of the soviets. [5]

But once in power, the revolutionaries of October were not able to limit themselves to simply democratic reforms; the dynamic of the class struggle obliged them to take explicitly socialist measures. Indeed, confronted with the economic boycott of the possessing classes and the growing threat of a general paralysis of production, the Bolsheviks and their allies were forced - much sooner than anticipated - to expropriate capital: in June 1918, the Council of Commissars of the People decreed the socialisation of the main branches of industry.

In other words: the revolution of 1917 had seen a process of uninterrupted revolutionary development from its 'bourgeois-democratic' phase (unfinished) of February until its 'proletarian-socialist' phase which began in October. With the support of the peasantry, the Soviets combined democratic measures (the agrarian revolution) with socialist measures (the expropriation of the bourgeoisie), opening a 'non-capitalist road', a period of transition to socialism. But the Bolshevik party was able to take the leadership of this gigantic social movement that 'shook the world' only thanks to the radical strategic reorientation initiated by Lenin in April 1917, according to a perspective fairly close to that of permanent revolution. Useless to add that Trotsky, in his role as president of the Petrograd soviet, leader of the Bolshevik party and founder of the Red Army, had himself played a determinant role in the socialist 'growing over' of the October revolution.

### **Controversy**

There remains the controversial question of the international extension of the revolution: did events confirm the conditional prediction of Trotsky - without revolution in Europe, was proletarian power in Russia doomed? Yes and no. Workers' democracy in Russia did not survive the defeat of the European revolution (in 1919-23); but its decline did not lead, as Trotsky thought in 1906, to a restoration of capitalism (this would only take place much later, after 1991) but an unforeseen development: the replacement of workers' power by the dictatorship of a bureaucratic layer originating from the workers' movement itself.

In the second half of the 1920s Trotsky elaborated, in the course of heated political and theoretical confrontations with Stalinism, the international implications of the theory of the permanent revolution. His thought was catalysed by the dramatic explosion of the class struggle in China in 1925-27, just as the first had been stimulated by the Russian revolution of 1905.

In the book *Permanent revolution* (1928) Trotsky for the first time presented his theses on the dynamic of the social revolution in the colonial and semi-colonial countries (to employ the terminology of the time) in a systematic manner, as a theory which was valid on the world scale. It amounted first to a polemic against the disastrous Chinese policy of the Stalinised Comintern, which wished to impose on the Chinese communists the doctrine of the revolution by stages - the bourgeois democratic revolution as separate historical stage - and alliance with the national bourgeoisie, represented by the Kuomintang of Chiang-Kai-Shek. Trotsky insisted that in China as in Tsarist Russia the bourgeoisie, feeling itself threatened by the socialist workers' movement, could no longer play a consequent revolutionary and anti-imperialist role: it was only the proletariat, in alliance with the peasantry, which could fulfil the democratic programme, agrarian and national, in an uninterrupted process of 'growing over' of the democratic into the socialist revolution.

### **Combined and uneven**

The theoretical foundation of this analysis is undoubtedly the law of combined and uneven development, already implicit in the writings of 1906 or in the polemics of 1928, but formulated for the first time in explicit fashion in his *History of the Russian revolution* (1930). It allowed Trotsky to transcend the evolutionist conception of History which makes it a succession of rigid and predetermined stages, and to elaborate a dialectical interpretation of the historic process, which integrates the inequality of rhythm - the 'backward' countries constrained from advancing - and 'combined development', in the sense of the rapprochement of the distinct phases and the amalgam of archaic forms with the more modern.

From this approach flowed decisive strategic and political conclusions: the fusion/articulation of the most advanced socio-economic conditions with the most backward is the structural foundation of the fusion or combination of the democratic and socialist tasks in a process of permanent revolution. To present the problem another way, one of the principal political consequences of combined and uneven development is the inevitable persistence of unresolved democratic tasks in the peripheral capitalist countries.

### **Vulgar**

Rejecting the vulgar evolutionism of the Stalinist doctrine of revolution by stages, Trotsky stresses, in *Permanent revolution*, that there could not be, in China and the other 'Oriental' countries - Latin America or Africa were as yet outside his field of interest - a separate and complete democratic stage, in some way a necessary historic precursor to a second stage of a socialist type. The only authentic revolutionary forces are the proletariat and the peasantry, and once they had taken power, the democratic revolution, in the course of its development, becomes directly transformed into the socialist

revolution and thus becomes a permanent revolution. [6]

From the point of view of metaphysical and abstract logic, it is perhaps possible to distinguish two separate stages, but in the real logic of the revolutionary process they would combine organically in a dialectic. [7] As Trotsky wrote in his preface to the Harold Isaacs' book on China, "revolutions, as has been said more than once, have a logic of their own. But this is not the logic of Aristotle, and even less the pragmatic demilogic of 'common sense'. It is the higher function of thought: the logic of development and its contradictions, i.e. the dialectic". [8]

The principal limitation of Trotsky's analysis is of a "sociological" rather than strategic nature: to consider the peasantry uniquely as a "support" of the revolutionary proletariat and as class of "small proprietors" whose horizon did not go beyond democratic demands. He had trouble in accepting, for example, a Chinese Red Army composed in its great majority of peasants. His error - like that of most Russian and European Marxists - was to adopt, without critical examination, Marx's analysis (in the 18th Brumaire) of the French peasantry as an atomised and petty bourgeois class and to apply it to colonial and semi-colonial nations with very different characteristics. However, in one of his last writings, Three conceptions of the Russian revolution (1939) he argued that the Marxist appreciation of the peasantry as a non-socialist class had never had an "absolute and immutable" character.

The theory of the permanent revolution has been verified twice in the course of the history of the 20th century. On the one hand, by the disasters resulting from stageism, from the blind application, by the Communist parties in the dependent countries, of the Stalinist doctrine of the revolution by stages and the bloc with the national bourgeoisie, from Spain in 1936 to Indonesia in 1965 or Chile in 1973.

### **Predict**

On the other hand, because this theory, such as it was formulated from 1906, has largely allowed us to predict, explain and shed light on the revolutions of the 20th century, which have all been 'permanent' revolutions in the peripheral countries. What happened in Russia, China, Yugoslavia, Vietnam or Cuba has corresponded, in its broad outlines to Trotsky's central idea: the possibility of combined and uninterrupted revolution - democratic and socialist - in a country of peripheral capitalism, dependent or colonial. The fact that, overall, the leaders of the revolutionary movements after October 1917 have not recognised the 'permanent' character of these latter (with some exceptions, like Ernesto Che Guevara), or have only done it a posteriori and employing a different terminology, takes nothing away from this historically effective relation.

The other dimension of the theory which has been confirmed - above all in its negative form - is the concept of permanent revolution in opposition to the Stalinist doctrine of socialism in one country. Trotsky's view that socialism can only exist on a world scale, that a revolution in a peripheral country could only begin the transition to socialism, and that a socialist society worthy of the name could not be constructed inside the national limits of a single country, has been verified by the inglorious demise of the Soviet Union in 1991. Certainly things did not happen as he had hoped - anti-bureaucratic political revolution - but the failure of the Soviet bureaucratic experience is not least a confirmation of his main hypothesis.

The theory of permanent revolution does not just allow us to make sense of the great social revolutions of the 20th century; it remains of a surprising relevance at the dawn of the 21st century. Why?

First, because in the great majority of the countries of peripheral capitalism - whether it be in the Middle East, Asia, Africa or in Latin America - the tasks of a true democratic revolution have not been

fulfilled: according to the case, democratisation - and secularisation! - of the state, liberation from the imperial grip, the social exclusion of the poor majority, or the solution of the agrarian question remain on the agenda. Dependence has taken on new forms, but these are no less brutal and constraining than those of the past: the dictatorship of the IMF, the World Bank and soon the WTO over the indebted countries - that is to say practically all the countries of the South - through the mechanism of neo-liberal 'adjustment' plans and Draconian conditions for payment of the foreign debt. One can say that, in many respects, the power exerted by these institutions of the global financial system - in the service of the imperialist powers in general and the USA in particular - over the economic, social and political life of these countries is still more direct, authoritarian and total than that of the old neo-colonial system.

### **Complex**

The revolution in these countries can only, then, be a complex and articulated combination between these democratic demands and the overthrow of capitalism. Today as yesterday, the revolutionary transformations which are on the agenda in the societies at the periphery of the system are not identical with those of the countries of the centre. A social revolution in India could not be, from the point of view of its programme, strategy and motor forces, a pure 'workers' revolution' as in England. The decisive political role - certainly not envisaged by Trotsky! - played in many countries today by the indigenous and peasant movements (the FZLN in Mexico, the Brazilian MST, the CONAIE in Ecuador) shows the importance and social explosiveness of the agrarian question, and its close link with national liberation.

One cannot imagine, for example, a social revolution in Brazil which did not take in hand the effective democratisation of the state, national liberation, radical agrarian reform, the search for a road of autonomous economic development, orientated towards the social needs of the majority. And vice-versa: only a social - that is to say anti-capitalist - revolution can fulfil this democratic programme, in a process of 'uninterrupted' social transformation.

In the struggle of the countries of the South against neo-liberal globalisation, against the world financial institutions, against the inhumanity of the foreign debt system, against the imposition by the IMF of 'adjustment' policies with dramatic social consequences, the national question regains a burning relevance.

### **Illusions**

In this context, one sees a new flourish - with or without the participation of the parties of Stalinist origin - of illusions of a nationalist type on the possibility of a 'national development' (capitalist), of a vigorous policy of promotion of national industry (capitalist), of a strategic alliance with the nationalist military, or again a vast coalition of all the classes supporting an 'independent economic path', turned towards the internal market. The theory of permanent revolution allows us - while giving a decisive place to the aspirations for national liberation and the fight against new forms of imperialist domination - to go beyond this kind of illusion in keeping a hold on the inseparability of the national democratic and socialist struggles in a single historic movement.

In many countries of peripheral capitalism - as well as in the ex-USSR and the countries of eastern Europe - the national question is also taking a new, particularly disturbing, form: bloody inter-ethnic conflicts, inter-communal, inter-religious, promoted by reactionary, often fascist-type, forces, whether manipulated by the western empires or not. There again, only a socialist/internationalist revolution can break the infernal cycle of murders and reprisals, community vendettas, by proposing genuinely democratic federal or confederal solutions, which guarantee the national rights of minorities and create

conditions for the unity of workers of all nations. This goes in particular for South-east Asia, the Middle East and the Balkans.

For Trotsky whatever the profound social contradictions of the dependant countries, the revolution is never 'inevitable', the 'necessary' product of the crisis of capitalism or the aggravation of poverty. All that one can advance is a conditional proposition: as an authentic socialist/democratic revolution - in a 'permanent' process - has not taken place, it is unlikely that the countries of the South, the nations of peripheral capitalism can begin to carry a solution to the 'Biblical' (the expression comes from Ernest Mandel) problems which afflict them: poverty, misery, unemployment, crying social inequalities, ethnic discriminations, lack of water and bread, imperialist domination, oligarchical regimes, monopolisation of the land by the latifundistas.

[1] On the differences between Parvus and Trotsky, see Alain Brossat, *Aux origines de la révolution permanente : la pensée politique du jeune Trotsky*, Paris, Maspero, 1974. On the convergences and divergences between Lenin, Rosa Luxemburg and Trotsky, see the remarkable book by Norman Geras, *The Legacy of Rosa Luxemburg*, London, New Left Books, 1976.

[2] Trotsky, 1905, Penguin, London, 1973.

[3] Trotsky, Results and Prospects, in *The Permanent Revolution*, Pathfinder Press, New York, 1969, p. 63.

[4] Trotsky, Results and Prospects, op. cit., p. 36.

[5] As Lenin would later write, "it was the Bolsheviks... who, thanks to the victory of the proletarian revolution, helped the peasants to lead the bourgeois democratic revolution to the end".

[6] L. Trotsky, *The Permanent Revolution*, op cit.

[7] Ibid.

[8] L. Trotsky, preface to *The Tragedy of The Chinese Revolution*, Harold Isaacs, Secker and Warburg, London, 1938.

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Interview: Gilbert Achcar: Balance-sheet of U.S. imperialism

Gilbert Achcar is a professor at the School of Oriental and African Studies of the University of London, as well as a socialist and antiwar activist. Among his recent books are *The Clash of Barbarisms* (2nd ed. 2006, Paradigm Publishers) and, with Noam Chomsky, *Perilous Power: The Middle East and U.S. Foreign Policy* (2nd ed. 2008, Paradigm Publishers). Charles-André Udry is editor of *La Brèche*, and of *Page Deux* books. Visit [www.alencontre.org](http://www.alencontre.org). This article first appeared in *La Brèche*, No. 3, Juin-Juillet-Août 2008, and was translated into English by Sophie Hand and Sherry Wolf. It is reprinted here with permission.

*THE DISASTER that marks the end of the Republican administration of George W. Bush reinvigorates the discussion of the status of the United States, whether it is a “hyper-power” or in decline. Can you provide perspective on this debate?*

THE CONCEPT of “hyperpower,” attributed to Hubert Védrine, former foreign minister of the French government under Lionel Jospin (1997–2002), describes the image of the United States such as it appeared following the first war with Iraq in 1991. This concept looks back to the emergence of a “unipolar world” with the increasing paralysis of the Soviet Union, then its disappearance—or rather of a “unipolar moment” according to the more precise expression of the American neoconservative columnist Charles Krauthammer.

The year 1991 was a turning point, a year fraught with symbols because there were real changes: not only the collapse of the USSR, but also the first Gulf War, which was a defining moment in the configuration of the post–Cold War period. Indeed, the United States concretely demonstrated the power of the military force that was built up during the Reagan era—from 1981 to 1989, a period during which military expenditure was the highest in the history of the United States, except for years of war.

The 1991 war was also part of demonstrating to U.S. allies that “the obliteration of communism” would not imply that they could do without American military force, and even less so since there were indeed very significant threats of international destabilization. The role of “American gendarme” has not decreased; in a certain sense, it’s been reinforced, because full-scale military interventions are presented as a “democratic” requirement for “peace.” The same period saw the proliferation of expressions like “global cop”—or “globocop”—alluding to a popular film. This last term was on the cover of one of the major American weekly magazines.

The invasion of Kuwait by Saddam Hussein’s Iraq in August 1990 was used by the American administration to return and establish itself militarily in this region of the world, which it had had to leave at the beginning of the 1960s (with the evacuation of the American base of Dhahran in the Saudi kingdom under pressure from Nasser’s Egypt). The United States reinstalled itself in force in this zone whose strategic importance, because of oil and geopolitical concerns, does not escape anyone. Control of this space is used as a strategic argument in relations with their partners who depend on Middle Eastern oil, whether it’s Western Europe or Japan, as well as with their potential adversary, China, who is no less dependent in this respect.

In such an overall situation, given the intricacies of all these elements, the United States comes forward as a “hyperpower,” much stronger than the “superpower” it was in times of bipolarity. Especially since the U.S. had two consecutive record periods of economic expansion, first under Reagan—in terms of



duration, again except for war years—and then under Clinton—an absolute record. The economic bet initiated under Reagan was, in a certain sense, won. It was certainly a risky bet, to the extent that some had foreseen the final phase of American decline in this period. It should be remembered that the principal best-seller on the American decline was published in 1987, in the midst of the Reagan period: Paul Kennedy's book *The Rise and Fall of the Great Powers*. That book made a monumental error in judgment on the actual significance of military spending. Its interpretation rested on the following idea: Excessive military spending was, as such, a sign of the decline of the American Empire and it was going to accelerate its collapse by "overstretch," i.e., going beyond the means available. However, the reverse occurred. The Reagan bet consisted of an apparently incoherent combination of neoliberalism, including tax cuts for the wealthiest, and of "military Keynesianism," a (debatable) formula that designates expenditure in the military sector for the purpose of economic stimulus. The combination of a reduction in fiscal revenues and an increase in military spending resulted in an astronomical budget deficit, accompanied by a process of consolidation of the arms industry through transactions on the stock market.

In sight of the end result, the Reagan bet was crowned a success. Another dimension of this bet was to bring the economy and power of the USSR to its knees. Reagan himself, in his autobiography (*An American Life*), indicates that he "was briefed" by the CIA, before his inauguration, on how the economy of the USSR was in a state of asphyxiation. He deduced from this that, in this context, the arms race would accentuate their choking. This is certainly not the fundamental cause of the collapse of the Soviet economy, but it is an incontestable fact that to simultaneously wage the war in Afghanistan and compete in a paroxysmal stage of the arms race greatly accelerated the agony of the USSR. Left standing alone in the field, the United States thus emerged as the only power in a unipolar world, as a "hyperpower."

Védrine's term also reflected French bitterness vis-à-vis an American partner who had exclusive decision-making power on all the key questions that emerged during that time. Such was even the case with those questions that most directly affected the European Union, like the maintenance of NATO, its change from a defensive alliance to a "security organization," i.e., a military interventionist one, and on top of it all the expansion of NATO to Eastern Europe, toward the member states of the ex-Warsaw Pact, and even later to include former Soviet republics. The ostracism of the new Russia that resulted from these plans would impact the future of Europe. It was, however, Washington that decided, playing on inter-European divisions when necessary.

Moreover, as I already indicated, America's increased power was propped up by the very long phase of economic expansion under Clinton, and by a revival of productivity, and conquering or reconquering leading-edge positions in the realm of technology—a realm in which military expenditure played a determining role. We saw then the "comeback" of the United States, after the stage of deindustrialization in the 1970s that had given rise to so many declinist forecasts. This whole set of factors consolidated the hyperpower image, which culminated, paradoxically, in the immediate aftermath of September 11, 2001, with the "war on terror" launched by George W. Bush's team—the most arrogant administration in U.S. history. Its arrogance expresses the intoxication of this "unipolar moment" at its apogee with the coming to power of the members of the Project for the New American Century (PNAC) and the occupation of the ideological and political scene by the neoconservatives. The Bush administration would convey all this in the way it reacted to September 11, the way it led the invasion of Afghanistan in 2001, then of Iraq in 2003.

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*A POSTERIORI, various European analysts put the question: How is it possible that a power such as the United States allowed an administration such as George W. Bush's to seize control? That deserves an explanation.*

IT SEEMS to me that two major dimensions are involved here. One relates to the sociopolitical changes inside the United States. The bourgeoisie as a class never rules directly and collectively, of course, but in a country like the United States, it does not even exclusively choose the political personnel that will form the executive branch. There is an electoral selection process that is not solely determined by big capital.

The sociopolitical changes of the American electorate have been extensively studied. The evolutions of political topography toward the South and the West gave rise to thorough empirical studies. The increase in votes from the South was decisive, among other things, for the election of George W. Bush. A new political personnel imposed itself—tied, for example, to the Texas bourgeoisie—far removed from the Weberian ideal-type of “rational” industrial capitalism. The sectors whose influence is on the rise are related to oil, to speculation, and to real estate or property income. This is reinforced by the conservative counterrevolution that's been on the rise since Reagan: it accentuated the selection of this type of personnel, who rely in turn on organized and business-like religious networks. The rise in power of the latter group expresses the “anomic” [from “anomie”: the loss of norms or benchmarks] social impact of neoliberal counter-reforms that created a wide opening for the Christian Right, for religious retrenchment.

That's what I see as the causes of the shift in political terrain. The election of Ronald Reagan in 1980 did not yet reflect this shift, at least not exclusively. In reality, Reagan benefited especially from the reaction to what was perceived as the decline of the United States, by running on the theme of a comeback against Jimmy Carter, who became the very incarnation of decline. However, Reagan created conditions that accelerated and amplified the shift in political terrain toward the Right. When Clinton became president in 1993, he had to face the election of an ultra-right Congress the following year, with the Democrats losing the majority in the House of Representatives for the first time in forty years, and likewise with the Senate, after six years. The Republican Right went on to preserve the majority in the two houses of Congress until the election of November 2006.

However, at the time when it came to power in 2001, the new Bush administration was not yet perceived for what it will prove to be. The sharp rupture with the political legacy of Bush Senior was not obvious from the start. On foreign policy grounds, Bush Sr. fitted the traditional mainstream of the American establishment. However, it would soon become apparent that there were significantly more differences between Bush Sr. and Bush Jr. than between Bush Sr. and Clinton with respect to foreign policy. In other words, the Bush Jr. administration broke with a long bipartisan tradition in U.S. foreign policy.

The election of Bush Jr. was not a collective choice of the ruling class. That the installation of such a team was accepted—the decision of the Supreme Court regarding the dispute over electoral results in Florida as well as the non-objection of Al Gore—expresses an important fact: key sectors of the American bourgeoisie were in favor of an offensive in the Gulf region, which people knew was one of the priorities of the new Republican team. They wanted the situation resulting from the first Gulf War to be resolved, which Clinton had not been able to do. This is the second element that explains the rise to power of the Bush-Cheney team. Indeed, control of this region was certainly a key element in the acceptance of the quasi-usurpation of power by this team.

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Moreover, the Bush-Cheney team seemed initially to insure continuity and political balance, with the presence of Colin Powell as secretary of state as a guarantee of a sort of levelheadedness and respect for the bipartisan dimension appropriate to the field of foreign policy. Initially, the Bush administration even acted with moderation, as with the attitude it adopted in 2001 at the time of the crisis created by the landing of an American spy plane on the Chinese island of Hainan, after a collision with a Chinese fighter plane. Beyond statements, the Bush administration did not really flinch when Beijing refused “to restore the plane intact” and returned it in pieces.

It was September 11, 2001, which offered this administration the opportunity to implement its central project. Cheney and Rumsfeld shared a true obsession over the question of Iraq. Their initial reaction to September 11—today this fact is well documented—was: “Let’s invade Iraq” although they knew very well that Iraq had nothing to do with the attacks of September 11.

*IF SEPTEMBER 11 made it possible to implement the perspective of the new administration, didn’t the actual choices they made reveal the intrinsic limits and contradictions that comprise this perspective?*

WITH THE administration of George W. Bush, one can say Paul Kennedy’s thesis of “imperial overstretch”—altogether banal—is to some extent validated. Indeed, this administration got involved in risky ventures that went well beyond the means of the United States. And they did this on every level. Let us start first of all with the military. One of the consequences of the Vietnam War has been the development of both a new doctrine by the Pentagon and new military programming relying on the progress of military technology and leading to a reduction in troops, combined with the elimination of the draft and the professionalization of the army—all expressing the will to no longer depend on the enlistment of youth that had proven to be the Achilles’ heel in Vietnam.

Thus, under Reagan, they developed what was described as a “revolution in military affairs,” closely overlapping with the more general technological revolution (telecommunications, the Internet, lasers, new materials, widespread use of computers, etc). With the first Gulf War, these new methods were tested in the real world, on the ground, providing at the same time an impressive spectacle for the rest of the world. In 2001 moreover, on the technological level, the weaponry used ten years earlier against Iraq was largely superseded. All that confirmed the opinion of the civilian core of the Bush administration—certainly more than the military personnel who have the advantage of practical knowledge—that military technology was to some extent all-powerful. Already the former academic Madeleine Albright, when she was Secretary of State during Bill Clinton’s second term, had asked the more circumspect military professional Colin Powell: “What’s the point of having this superb military you’re always talking about if we can’t use it?” This tendency to believe in the absolute power of military technology was illustrated most clearly during the invasion of Iraq. It was Donald Rumsfeld, a founding member of the PNAC—who settled the debate over the numbers of troops necessary to control Iraq. He made his decision against the wishes of a significant layer in the Pentagon that considered the project of controlling Iraq with a military presence on the ground reduced to only 150,000 soldiers utterly unrealistic. Many in the military maintained that two or three times that number of soldiers were necessary in order to have a chance to “stabilize” Iraq.

The military adventurism of the Bush-Cheney-Rumsfeld team started in Afghanistan in October 2001, and then continued in Iraq. It led to a situation of overstretch of the military means of the United States: not of its technological means, to be sure, but of its “human resources.” From any point of view, the capacities of the U.S. armed forces are clearly above the level of the Vietnam War—except on one point that was grossly underestimated: soldiers. The current troop levels of the U.S. armed forces are

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much reduced compared with the time of the Vietnam War: in 1970, the total personnel of the Department of Defense exceeded 3 million people; in 2005, that figure hardly reaches 1.4 million, which includes all civilian personnel, administrative and otherwise. Since then, the pressures put on the “human resources” of the armed forces have been pushed to the extreme.

On top of that, the Pentagon does not even manage anymore to achieve its moderate recruitment goals—in spite of the increasingly “enticing” conditions it offers in the form of salary and other advantages. This is surely where the Achilles’ heel of U.S. military power is located. In a certain sense, this confirms the resilience of the “Vietnam syndrome,” which looked as if it had been overcome in 1991. The quagmire in Iraq actually revived the syndrome. Moreover, to the extent that the quantitative recruitment goals are not reached, there is a tendency to lower the threshold of qualitative requirements, which has resulted in, among other things, the increase in the number of “blunders” in Iraq. The situation in Iraq—and the exposure of the massive lies that served to justify the launching of war—have both aggravated these problems, so it is barely conceivable, if not unthinkable, to restore the draft.

Thus, the Bush administration is forced to rediscover a banality: one does not control a population solely with military technology, no matter how cutting-edge it is. Above all, you have to deploy foot soldiers on the ground. In the debate over the invasion of Iraq, the ideological clique of neoconservatives, of whom Paul Wolfowitz was the principal representative in the administration, was used by Bush, Cheney, and Rumsfeld to make a case that it was not necessary to put more men on the ground in Iraq than the Pentagon already had at its disposal. It was this clique that propagated the famous illusion that invading American troops would be welcomed in Iraq with flowers. The administration’s self-deception in this regard was decisive in its ability to overcome objections on the part of military personnel. The question, of course, was whether the United States could control Iraq in the long term: This is indeed why Saddam Hussein had been kept in power after the 1991 war—for lack of any certainty that the United States would be able to control the country after his fall. The Bush-Cheney-Rumsfeld team settled these doubts with a tremendous dose of wishful thinking.

This monumental miscalculation led to quagmire in Iraq. Iraq turned into a “catastrophe,” to use Zbigniew Brzezinski’s expression. The Bush administration will leave the scene soon with what is, indeed, the most catastrophic result in the history of American administrations. The greatest failure of U.S. foreign policy will figure among its liabilities. Coming to power at a time when the “hyperpower” was at its apogee and had considerable capital, it leaves after having thrown the United States into bankruptcy. And the expression here is not only metaphorical.

*READING THE coverage in the American press, from the New York Times to the Wall Street Journal, two poles emerge. One, the economic difficulties that American capitalism is experiencing; the other, the sustained effort to permanently expand the arms potential of the United States. How can we understand the conjunction of these two elements?*

CERTAINLY THE military expenditures of the U.S. are enormous. In real dollars, they are the highest since the Second World War. They even exceed those from the period of the Korean War (1950–1953). Nonetheless, in relative terms, that is, compared to the Gross Domestic Product (GDP), the United States still has a considerable margin for maneuver. At approximately 5 percent of GDP, U.S. military expenditure is still far from the peak of nearly 15 percent during the Korean War and 9 percent during the Vietnam War. Military expenditure remains even below the level of 7 percent reached in “peacetime” under Reagan in 1985.

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Still, the more alarming question is that of the twin deficits, which rebounded after the balancing of the federal budget achieved under Clinton, an indispensable measure on his agenda following the massive accumulation of debt under Reagan. The United States is again submerged under twin deficits, the most serious of which is not so much the budget deficit—which was worse under Reagan—but the balance of payments/balance of trade deficit that has beat all records.

From this angle, we are facing a configuration that resembles, with necessary adjustments, that of the first serious crisis of American decline at the time of the Vietnam War. Vietnam already revealed a situation of overstretch, in terms of the indicators at that time, the cost of the war contributing to the whole of foreign spending and to a balance of trade moving into the red that would begin to pull the balance of payments toward a deficit. This would result in the end of the international monetary system established at Bretton Woods in 1944 and based on fixed dollar-gold parity and fixed exchange rates.

Today, taking into consideration the convergence of factors that I indicated, I think that we are living through a similar moment of crisis and decline, of which the slipping of the dollar is one indication. The number one priority of the next American administration will be to attempt to remedy this situation. It will have to repair the damage caused, which is not completely impossible. The United States has enormous resources at its disposal and is capable of bouncing back, so much the more since it can inveigle significant outside resources from its position as world overlord, both on the monetary level (seignorage) and on the politico-military level (suzerainty). And it's hard to imagine how the United States could be dislodged from this position.

In U.S. ruling circles, the understanding that their major trump card resides in military supremacy is acute. In contrast with those who never cease ringing the death knell of an endless decline, we must be extremely cautious. In reality, U.S. military supremacy compared to the rest of the world is at a record high and constitutes the key to the vault. In the military realm, the United States overspends all other countries on Earth combined—something unprecedented in world history. Arms expenditures obviously do not translate into immediate military power, because a whole series of other conditions enter into the balance. Nonetheless, while not dismissing the Achilles' heel I mentioned previously, the hyperpower remains a hyperpower as far as the power to strike from a distance is concerned.

And Washington is keen on revalorizing its role as Lord Protector of Europe and Japan. The policies outlined by Brzezinski for the Clinton administration—of which the expansion of NATO was the most pivotal piece—aimed to weaken Russia, confronting it with an imposed choice between submission and abdicating all imperial pretensions, or a return to a posture of opposition to the Western system. By presenting itself as the defender of the countries bordering Russia, Washington revalorizes its role as protector of “democracy” and “freedom,” which was its ideological rationale during the Cold War.

Moreover, the United States positions itself as the rampart against the growing power of China, which worries Japan. Thus, from the perspective of the alliances formed during the Cold War and expanded since the end of the Cold War, Washington still affirms itself in a real position of overlord. And that's what future administrations will attempt to exploit anew, by attempting to refurbish the hegemonic “soft power” of the United States that was largely damaged under Bush's presidency.

*HOW DO you explain the roots of the alliance between London and Washington?*

WHEN BRITISH capitalism saw that it was on the slope of an irreversible imperial decline after the Second World War and especially after the Suez crisis in 1956, it took the option of wagering on its

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alliance with the United States. This alliance was facilitated by an obvious cultural affinity between the two countries and was supported by capitalist interpenetration, a liaison between Wall Street and the City of London. The historic economic ties between the two countries were already very strong, of course.

It is also possible to examine the political attitude of European countries toward Washington in relation to the degree of economic interpenetration between their respective capitalism and U.S. capitalism. We can take the example of Holland or, certainly for a long period of time at least, Switzerland.

The economic and political elite of the United Kingdom chose to play with the strongest. This option was, and still is, considered by the elites as the best way to guarantee themselves a slice of the pie that they would not have had the option of retaining if they had followed the French example. That's why de Gaulle was opposed to Great Britain's joining the Common Market: for him, London represented Washington's Trojan horse. On their side, the British ruling circles thought that the Gaullist attitude was reminiscent of Don Quixote. They still think so. They did not believe in the Franco-German alliance that Chirac and Schröder tried to establish in order to salvage a margin of autonomy against Washington. They remained faithful to the Atlanticist commitment, even more so since they appeared to be a counterweight to the Chirac-Schröder policies in Europe, something that increased their value in the eyes of their American ally.

Certainly, Blair has been called a "poodle" and the United Kingdom is often the brunt of contemptuous commentary in the United States—on the part of Brzezinski, for instance. But all that is unimportant compared to the recompense the British ruling circles expect to gain for their loyalty. Their involvement in the Iraq War is an example of this. Blair, with the support of the City, aligned with Washington for a very simple and comprehensible reason. Saddam Hussein thought he could play on what some have termed "inter-imperialist contradictions" by offering juicy oil contracts to the French and the Russians—I say "Russians" and not "Soviets" because this took place in the 1990s. He hoped they would push for the lifting of the embargo imposed on Iraq throughout the entire decade and up to the invasion of the country.

Against this, the English maintained their tight alliance with the United States and considered themselves rewarded when they were chosen to be the Bush administration's Sancho Panza for the invasion of Iraq. Thus they hoped, and still do, to gain a piece of the pie of Iraqi oil, which is enormous. They think their American ally will guarantee them this and that the Russians, as well as the French, will get nothing, or at most a few crumbs. Certainly, Blair ended up paying his part of the price for the monumental error committed by the Bush administration in its conquest of Iraq. But that doesn't change their fundamental choice.

(...)

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