

## **Imperialism and the developing world**

**Chapter 5 of *Rise and Fall of Neoliberal Rentier Capitalism*  
to be published by Oxford University Press.**

Sent to the OUP on November 27, 2023

The Great Divergence set the stage for modern imperialism. In the 19th century, Britain, France, and the other core countries that made their capitalist revolutions and became powerful built modern empires. I say "modern" because these empires are not to be confused with the ancient empires of slave societies. Atul Kohli, who published a major study in 2020, *Imperialism and the Developing World*, defined imperialism as "the process involving the increasing control of one nation-state over another nation-state or people. More often than not, the goal of control is to seek political and economic advantage." After an extensive study of two empires and two forms of imperialism, he compared the "formal" British colonial imperialism of the 19th century with the American "informal" imperialism of the 20th century.<sup>i</sup>

I distinguish two phases of imperialism, the colonial or formal phase originally studied by Hobson and Lenin, and the informal or ideological hegemony phase. The colonies in Asia and Africa are in the first phase, while the United States, in the 20th century and still in the twenty-first century, is the main agent of informal imperialism by hegemony or the "new imperialism". Harry Magdoff was one of the first to write about the new imperialism when he observed that Hobson and Lenin, characterized the colonies in Asia and Africa, while the informal phase has as an example the 'imperialism by hegemony' exercised by the United States in the 20th century and still in the twenty-first century. Harry Magdoff was one of the first to write about this "new imperialism" when he commented that "the principal feature is the concentration of economic power in giant corporations and financial institutions, with the consequent internalisation of capital."<sup>ii</sup> Whereas colonialism involved military coercion and the reduction of peripheral peoples to the status of colonies, modern imperialism by hegemony combines coercion with persuasion. Kohli sees the Washington Consensus as an example of this second imperialism, and remarks that hegemony was combined with coercion: "in the economic opening of Latin America, American-led economic coercion was deliberate and powerful enough to seriously restrict the political choice of Latin American governments."<sup>iii</sup> He showed that the argument of national security is often used to justify this imperialism when it takes the form

of wars such as those in Iraq and Libya. In his study, he found several historical cases in which political elites took the lead in exercising aggressive imperialism when the economic elite was absent.

Celso Furtado was also a critic of imperialism. As Rubens R. Sawaya noted, “with the rise of multinational corporations after World War II, a ‘new dependency’ emerged in which the rich world or the Empire defined them as ‘arms of hegemonic power acting on the periphery,’ or as ‘instruments of growth and subordination,’ as if these two things were consistent.”<sup>iv</sup> In Furtado’s words, “experience has shown that the room for manoeuvre enjoyed by states to act at the economic level is relatively narrow; [...] pressures are exerted by other governments, by international institutions (controlled by the central countries) and by the companies themselves”<sup>v</sup>

In the 19th century, the countries that carried out their first industrial revolutions soon became militarily powerful enough to reduce the former empires in Asia and Africa to the status of colonies. Germany, Italy and the United States followed with some delay. After World War II, the imperial countries gave up formal imperialism because the resistance of the dominated nations increased, and they fought wars of independence that made the cost-benefit of the colonies negative. The Latin American countries, which had achieved independence from Spain and Portugal at the beginning of the 19th century, were objects of imperialism for hegemony always combined with some coercion.

While the central countries were interested in exporting goods and capital – the latter destined for mining and public services – they were opposed to the industrialization of the periphery. They wanted to maintain the system of unequal exchange (the exchange of goods incorporating goods of high per capita income for goods with low per capita income),<sup>vi</sup> export their capital, and avoid future competition. This is an essential point that has become more obvious with competition from China.

In the aftermath of the World War II I, in the context of the Cold War, the main interest of the imperial countries was not to abort the industrialization that some countries were suffering by adopting a developmentalist strategy, but to stop the expansion of communism. Thus, as Alice Amsden noted in 2007:

the United States in this period, unlike in the period after 1980, did the developing world a great favour. It left it alone – a new form of ‘laissez-faire’. To create modern factories and skilled employment, it allowed the developing world to use unorthodox economic policies rather than force it to embrace the laissez-faire of free markets.<sup>vii</sup>

At the same time, the United States and the rich countries of Europe were adopting developmental policies in the framework of the Golden Age of

Capitalism, but their liberal economists continued to criticize the import tariffs inherent to the import-substitution model of industrialization that developing countries used to industrialize. They therefore stopped preventing industrialization, but not completely. I note, on the other hand, that the import substitution strategy characterized the first phase of industrialization of the first countries to industrialize, the phase of their industrial revolutions. Liberals, however, ignored this fact.<sup>viii</sup>

In a 1978 book, *The Geometry of Imperialism*, Giovanni Arrighi argued that, under Jimmy Carter, the United States had ceased to intervene abroad "to end communism" and had begun to intervene on the grounds of defending human rights.<sup>ix</sup> Under Ronald Reagan, the intervention became justified by the "defence of democracy," of which the United States thought itself the champion. This was also when the Neoliberal Turn occurred, which we will discuss in Chapter 11. Thus, began what Amsden called the "Second American Empire." The Global North abandoned the social-democratic and developmentalist system of the Golden Age, and hegemonic imperialism – now called "American soft power" – began to pressure developing countries to adopt neoliberal reforms.

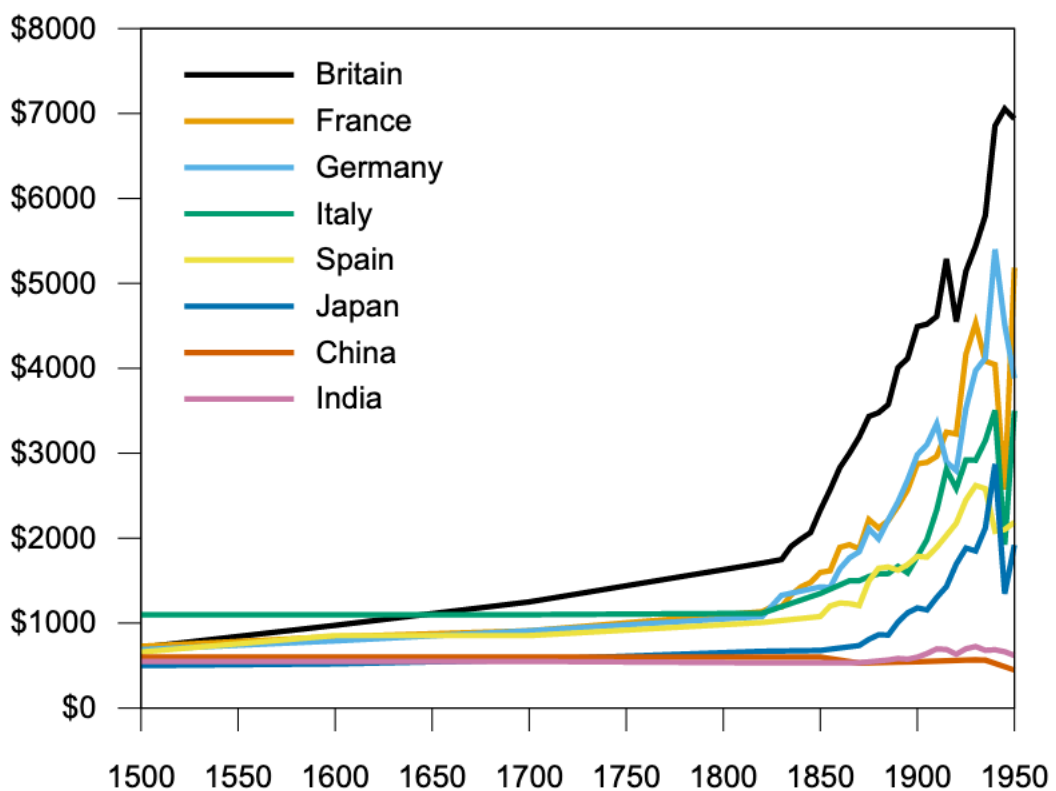
The Empire began to use the World Bank and the World Trade Organization as the two main instruments to reduce the political space of developing countries and impose the new truth.<sup>x</sup> It was a project that I call the "globalisation project": the political decision to accompany the historical process of globalisation underway caused by the advance of transport and communications technology with a trade and financial liberalization to be carried out by all countries. The 1985 Baker Plan, named after Treasury Secretary James Baker, set that the indebted periphery should engage in structural adjustments under the IMF (something that was inevitable because they were heavily indebted), while the World Bank was in charge of neoliberal reforms that fell short of delivering on their promises. Four years later, the fall of the Berlin Wall and victory in the Cold War made the United States the sole hegemon on earth, while turning neoliberalism into the only truth.

## **The Great Divergence**

Why did industrial revolutions and capitalist revolutions originally occur in countries in Europe? Various schools of thought offer answers. The new institutionalism argued that Europe protected property rights and contracts, while China and India did not. But this explanation does not hold because institutions are endogenous – there is a high correlation between the level of economic development and the quality of institutions. A curious and equally mistaken explanation is that the fragmentation of Europe was more favourable to the

industrialized countries than to the centralized empires of Asia that mimicked the operation of markets.

It is more reasonable to say that this historical divergence resulted from a set of propitious and favourably aligned events that took place in Europe from the twenty-first century onwards, crowned by the industrial and capitalist revolutions in Britain, France, Belgium and Holland, and by the formal imperialism of the 19th century. Germany, Italy, and the United States, which later formed their nation-states, followed suit. The formation of the nation-state—which integrated large territories under the same nation, built large internal markets, and enabled the Industrial Revolution in each country—was at the heart of this interpretation. Recently, this view has been confirmed and enriched by reading Giovanni Arrighi. He argues that "interstate competition was a crucial component" of capitalist expansion, and that "major material expansions only occurred when a new ruling bloc amassed enough world power to remain in a position not only to circumvent interstate competition."<sup>xi</sup> Arrighi credits Fernand Braudel with the correct understanding of the relationship between capitalism and state power. For the great historian, the emergence and expansion of capitalism is absolutely dependent on the power of the state. Capitalism only triumphs when it identifies itself with the state, when it is the state.<sup>xii</sup>



Fonte: Angus Maddison (2007) *Contours of the World Economy*, Maddison Project 1-2030 AD.Sec.: 382.

### ***Figure 5.1 – Rich countries, China, and India's per capita growth 1500-1950***

The Great Divergence was the period when the countries of Europe carried out their industrial and capitalist revolutions and became wealthy and militarily powerful, capable of subjecting the rest of the world to their domination. It was the time the first countries to industrialise built colonial empires by subjecting the ancient societies of Asia and Africa to colonial condition. The great Asian civilizations faced collapse and regression. China, which only ceded to Britain in the 19th century, faced decay and general poverty for a century. The Chinese call the period 1850-1949 the "Century of Humiliation."

#### **China, a century of humiliation**

The case of China is a good example of what can happen to a great civilization after it has been subjected to the Western powers by formal imperialism. In the 18th century, China was a rich and cultured society and had held such a position for at least 2000 years. She saw herself as the centre of the world – the "Middle Kingdom." It was only in the 18th century that England overtook China to become the richest and most powerful nation in the world.

As Henry Kissinger, who was the architect of the U.S.-China rapprochement in the 1970s, wrote, "no other country can claim so long a continuous civilisation, or such an intimate link with its ancient past and classical principles and strategy and statesmanship." And he quotes Lucien Pye, the American political scientist who said in 1992 that China, in the modern era, "remains a civilisation pretending to be a nation-state". And Kissinger continues: "China's splendid isolation nurtured a particular self-perception. Chinese elites grew accustomed to the notion that China was unique – not just a 'great civilisation', but civilisation itself."<sup>xiii</sup>

One hundred years later, in the 1950s, after a century of submission to imperialism, China was a poor country and 80% of the population was illiterate. Mao Tse-Tung waged a victorious war of liberation against the Japanese and the "nationalists" associated with the United States. Only this new independence, coupled with the existence of a culturally sophisticated and powerful politico-bureaucratic elite and an experienced business elite, can explain China's rise after 1949.

In the 16th century, European countries began the colonization of America. They were strong enough to subjugate indigenous peoples in both South and North America. However, it wasn't until the 19th century that they became strong enough to build empires in Africa and Asia. Dominance over China began when Britain fought the two Opium Wars (1839-1842 and 1856-1860) on the grounds

that the Qing dynasty forbade British traders from selling opium to Chinese traders. China did not become a simple colony like India, but from the Opium Wars to the victory in the Civil War and Independence of 1949, it was reduced to a quasi-colonial condition, under the rule not only of Great Britain but also of other advanced countries such as the United States, Germany, France and Japan, which invaded it in 1937. China suffered political fragmentation and was often forced to make large concessions and pay large sums as "reparations" to Britain, France, Germany, Japan, and the United States. Not surprisingly, it experienced a major process of deindustrialization (China mainly produced silk products) and radical economic decay. In the 1960s, when I read *The Wealth of Nations*, and not knowing that until the eighteenth-century China was the richest country in the world, I was surprised that Adam Smith insistently compared Great Britain to China, a very poor country at that time. It was much later that I learned from Paul Bairoch, the Swiss economic historian, how enormous was China's decadence under the imperial rule of European countries and the United States.<sup>xiv</sup>

To explain why China "came to a standstill" in the 18th century and eventually faced decay, scholars have come up with institutional, cultural, and economic explanations. But they made two mistakes. First, the question they asked was wrong. China did not stop in the 18th century while European countries developed. Until that century, all peoples around the world – including European countries – were stagnant. They didn't know what economic growth was, as there was no increase in productivity, and the idea of capital accumulation and technical progress was not part of the economic system. Everything changed when some countries, starting with Great Britain, made their capitalist revolutions.

Secondly, they disregarded the weight of imperialism. Like the Spanish and Portuguese in the 16th century, the British and French in the 19th century were convinced that they had a "civilizing mission". In fact, they were engaged in incredible imperialist exploitation, not only of some tribal peoples they decimated in countries like the United States and Australia, but also of ancient civilizations like the Chinese and India. Some historians look to internal causes for Chinese decay, such as the Taiping Revolution (1860-1864). This revolution devastated China in this period, involved great loss of tax revenues for the state, as it eroded its tax fund and led the Qing emperor to raise taxes. But the key factor that explained the century of humiliation was Western imperialism.

In the First Opium War, the British obtained the concession of Hong Kong and the opening of the Chinese market to foreign trade. The Second Opium War—now with the support of the French to the British—opened up the entire Chinese domestic market to imperial powers, forced the adoption of very low import tariffs on manufactured goods, and forced the legalization of opium. In 1858,

profiting from the weakness of the country and the loss of legitimacy of the imperial system, the Russians invaded Vladivostok. France obtained the Indochina concession in 1885, while Britain obtained the Burma concession in 1886, and Japan won the Taiwan concession in 1895. In the 1890s, profiting from the Boxer Rebellion – an anti-imperialist and anti-Christian revolt by Chinese who supported the Qing dynasty, which was then still in power – an eight-nation alliance uniting American, Austro-Hungarian, British, French, German, Italian, Japanese and Russian troops, occupied Beijing. The emperor was placed under the tutelage of this alliance. This meant the practical end of the Chinese Empire, a rupture that was formalized by the Chinese Revolution of 1911 and which established the Republic in China, but it soon proved incapable of governing the great country. The new Chinese government was totally demoralized, a situation that did not change when, in 1927, the Kuomintang (the "nationalist" party supported by the Western powers) took control of the country. At the same time, Mao Tse-Tung was initiating an anti-imperialist socialist revolution – the Chinese Revolution – but in 1937 China suffered an invasion from another imperialist country, Japan.

Mao Tse-Tung then waged two wars, one against the Kuomintang and the imperialist nations, the other against the Japanese invaders. After the defeat of imperialism or the completion of the Chinese Revolution in 1949, the Chinese nation was able to form a true nation-state, organize state power, invest in education, infrastructure, and heavy industry, and finally industrialize. These were policies aimed at socialism but soon made China, like the Soviet Union, an example of statism. In 1978, under the leadership of Deng Xiaoping, the transition to capitalism began, which we will discuss in Chapter 10.

## **The concept of imperialism**

Rich and powerful countries tend to be imperialist. In the original theory of imperialism, it stemmed from the fact that these countries, without investment opportunities within their borders, reduce the periphery of capitalism to the status of colonies. And to this was added that colonialism would lead the periphery to develop. The first part of the theory was correct, not the second. Imperialism prevented the periphery from developing, in more advanced societies it caused a great setback as was the case in China and India. Powerful countries are imperialist when they block the industrialization of the peoples of the periphery or cause their deindustrialization and the fall in the standard of living of the population. Rosa Luxemburg made a convincing analysis of how the countries that first industrialized brutally subjugated pre-capitalist societies and made them open up their economies.

The modern Marxist political economy of imperialism is more a discussion of the dynamics of contemporary capitalism – in which rich and developing countries interact – than an analysis of the sum of the efforts that rich countries make to prevent the industrialization of peripheral countries. David Harvey's 2003 book on imperialism, for example, is rather a discussion of American capitalism. He sees contemporary imperialism as a political project of two political communities in the United States: the conservative political-military community that is dedicated to building domination of territories and their economic and natural resources, while the economic sector is engaged in profit-making.<sup>xv</sup> What happens to the victims of imperialism is forgotten or relegated to the background, leaving no room for the anti-imperialist struggle.

Alex Callinicos shares this view and speaks of two forms of competition: economic and geopolitical. And he sums it up: "Capitalist imperialism is constituted by the intersection of two forms of competition, namely, the economic and the geopolitical... Geopolitical competition undermines rivalries between states over security, territory, influence and the like."<sup>xvi</sup> Great, but where is imperialism itself, that is, the practice of the modern Empire of blocking the industrialization of the periphery of capitalism.

The Marxist groups associated with *the Monthly Review* have studied imperialism in depth. John Bellamy Foster, in 2001, criticized Michael Hardt and Antonio Negri and their very successful 2000 book, *Empire*. He argues that we are in the era of late imperialism, where 500 corporations account for nearly 40% of the world's revenue, and where imperialism can be seen as a period of economic stagnation, financialization, and ecological crisis.<sup>xvii</sup>

In a 2019 paper, Intan Suwandi, Jamil Jona, and Bellamy Foster see imperialism "in the concept of *global labour arbitrage* – the replacement of high-wage workers in the United States and other rich economies with low-wage workers abroad".<sup>xviii</sup> And they associate imperialism with multinational corporations and the value chains they create. Again, this is not a critique of imperialism, but of capitalism. They say that "today, the global monopolies at the centre of the world economy have captured the value generated by labor in the periphery within a process of unequal exchange." When referring to the theory of unequal exchange, the authors begin to speak of imperialism, but this theory is well known and does not exhaust imperialist practices of an economic character.

We find a similar line of thought in John Smith's 2016 book in which imperialism is associated with or defined by the outsourcing of production: "capital's eternal search for new sources of cheaper and easily exploitable labor power."<sup>xix</sup> Once again, this is not a critique of imperialism, but of how multinational corporations generally located in the Global North act. capitalist exploitation.



Patnaik and Patnaik (2017) make a curious criticism of imperialism, that advanced countries are imperialist because they block producers of tropical commodities in order to exert their monopoly power over such commodities and raise their prices. But it is doubtful that the core countries have this power. The problem faced by developing countries, which mainly produce commodities, is Dutch disease. Imperialism plays a role here only insofar as the economists of these countries prefer to speak of the "natural resource curse" – in which the peripheral country itself is to blame – than to say that the problem is the Dutch disease, which, if properly neutralized, would allow the country to industrialize. This, however, is not in the interest of the Global North, which prefers that countries on the periphery of capitalism remain commodity exporters. For their part, African economists, influenced by the "great experts" of the North, accept their ideas instead of understanding and fighting the Dutch disease.

Michael Hardt and Antonio Negri published the book *Empire* in 2000. It is an interpretation of central capitalism in the light of postmodernity and the ideas of the French philosopher Gilles Deleuze. For them, modern imperialism is dead, and what we have is "empire" – "a decentred and de-territorializing apparatus that incorporates the entire global realm within its open, expanding frontiers"<sup>xxx</sup> Although the book is supported by philosophical discourse and has had a positive reception from the left, Atilio A. Borón noted that "nothing could be more mistaken than to posit, as Hardt and Negri do in their book, the existence of such implausible entity as an empire without imperialism."<sup>xxxi</sup> Borón is right; this concept of empire makes little sense; after all, it encompasses the rich West and the rest of the world. It was no longer an acceptable concept when it was formulated, and it became even less acceptable after countries like China and India, embedded in the rest of the world, developed into great powers as powerful as the original imperialist powers were.

What Hardt and Negri really wanted to do was to find a replacement for the revolutionary proletariat, which – organized in trade unions and socialist parties – was supposed to carry out the socialist revolution, or at least support the social-democratic political parties in building the welfare state; roles that recently the proletariat was not fulfilling. They found such a substitute, the "multitude"; something difficult to define. A postmodern proletariat that, for Negri and Hardt, comprises "all those whose labour is directly or indirectly exploited by and subjected to capitalist norms of production and reproduction".<sup>xxxii</sup> As Nicholas Tampio remarks, "the multitude designates a social body in which singularities is not required to shed their differences in order to form a common notion... The multitude combats the state apparatus that seeks to control its movements and capture its innovative force."<sup>xxxiii</sup> In short, *Empire* is not a book about imperialism, but about its definition of the global order that the authors call "empire"—a global

order in which conflict between nations has become irrelevant, and the enemy is the object of police repression.

Empires and imperialism only make sense if the empire has colonies or quasi-colonies to exploit or prevent them from industrializing. In contemporary capitalism, the Empire or the West is not just the United States but the entire rich world under its leadership. They compete with each other, but they do not fear or exploit each other. The object of modern imperialism is "the rest," made up of the middle-income countries, which seek to industrialize and compete with the advanced countries in the export of manufactured goods, and the simply poor countries that have some natural resources and a small domestic market to be exploited.

## **The American Century**

Until 1980 Americans, while always affirming their faith in economic liberalism, built their nation as a developmental and illiberal economic policy regime. This statement may be surprising, but a developmental strategy has been the basis of the great development of the United States since the Civil War. There, the market played a key role in coordinating the competitive sector of the economy, while the state intervened in the non-competitive sectors, kept the economic system relatively stable, and set limits on economic inequality.

While countries that had experienced all phases of capitalist development—such as Britain and France—migrated to economic liberalism around the 1840s, when they opened up their economies, and kept them liberal until 1929, the United States kept its economy closed and its manufacturing industry firmly protected until 1939. After World War II, in the Golden Age and under the Bretton Woods Accords, the United States remained developmental like all other advanced countries. Without this, the Golden Age of Capitalism would not have happened.

Emily S. Rosenberg, studying American economic and cultural expansion between 1890 and 1945, argued that the defining ideology of the period was "liberal developmentalism"—an ideology that blended 19th century liberal principles with the historical experience of America's growth experience, which included "growing acceptance of governmental activity to protect private enterprise."<sup>xxiv</sup> Until 1939, the United States maintained high import tariffs on manufactured goods, and thus its economic policy regime was developmental. While free enterprise has always been exalted, Rosenberg notes that "the government intervened in the economy primarily in order to release the energies of the private sector."<sup>xxv</sup> No country has been as convincingly capitalist as the United States, but contrary to popular belief, capitalism doesn't have to be liberal to be capitalist. Capitalism is better defined by the profit motive and the

transformation of the entrepreneur into a risk-taking, innovative, Schumpeterian hero than by the exclusive coordination of the market. As Joseph Schumpeter, capitalism's greatest ideologue, well understood, what guarantees good profits are monopolistic innovations, not competitive markets.

It is common to hear that the 20th century was the American century. This dates back to the end of World War I, when the GDP of the United States was already more than double that of the United Kingdom and its per capita income equally higher. In a fascinating introductory essay, historian Andrew J. Bacevich, who edited the book *The Short American Century* (2012), dates the emergence of the idea of the American century to the early 1940s, when the United States was considering entering the war. It comes from Henry R. Luce, editor of *Life* magazine, who published in its February 17 issue a famous essay with the provocative title "The American Century." Following Bacevich, Luce argued in this article that the British were happy because they had already completed their hegemonic mission; Now the time had come for the Americans. For Luce, the time had come for the United States to answer the call of history. As he himself said, "the opportunity for complete leadership is ours"... No nation was better positioned to determine the character of this new world than the United States. As "the heir of all the great principles of Western civilization, especially the ideals of Justice, love of Truth, and the ideal of Charity", which the American already embodied.<sup>xxvi</sup>

At that time, and for the next 60 years, we lived through the American century, which "soon found an apt expression, the 'Pax Americana', Washington exercising broad authority throughout the 'Free World.'"<sup>xxvii</sup> From the 1940s onward, the world was under a "benevolent hegemon" – a phrase that, according to Bacevich, may have been inspired by the network of Protestant reform societies that existed between 1815 and 1861 to cultivate a moral and virtuous public. I would add that it was also inspired by the republicanism that the Founding Fathers adopted together and in contradiction to political liberalism. Given that the United States ceased to have a state-sponsored religion, most Americans agreed that a good, moral citizenry was essential to the national project. In the 20th century, the United States was the paradigmatic empire, but the word "empire" had ceased to be legitimate; a new denomination was needed; "Benevolent Empire" or, better yet, "Benevolent Hegemon" was the solution found.

## **The Incoherent and Violent Empire**

In the 19th century, the United States was a formal but unimportant empire; in the twenty-first century it has become an informal and powerful empire. Since

the Iraq War (2003) if not since the defeat in Vietnam (1975), it has been a challenged and declining empire. An empire whose highest point came in the 1950s, when the United States emerged victorious from World War II. At that time, the idea of a benevolent hegemony was not far-fetched. He had just proved himself to be a defender of democracy and had exhibited a soft stance toward the developing world. This was because it needed the fulfilment of the developing world in the Cold War, and because American society had achieved an extraordinary level of cohesion – which only the racial problem denied – and because a developmental or industrializing strategy on the part of the developing countries was something acceptable to American elites.

Michael Mann, in his 2003 book, *Incoherent Empire*, showed in a balanced and objective way how the United States acts like a classical empire in the time of capitalism and subordinate the other peoples or other nation-states formally, using its military power, or informally, using its ideological hegemony. Mann authored his book shortly after 9/11 – when the United States was still at the top of its hegemony – and before President George W. Bush, bowing to the neoconservative imperialism of his mentor and vice president, Dick Cheney, started the wrong and demoralizing Iraq War.<sup>xxviii</sup>

Mann (p.29) notes that neoconservatives don't like the term "imperialism," but they do like the sound of the noun "empire" and its adjective, "imperial." Charles Krauthammer argued that the collapse of the Soviet Union established the United States as the unipolar power that dominated the world.<sup>xxix</sup> Robert Kaplan wrote that victory in World War II made the United States a "universal power."<sup>xxx</sup> Joseph Nye celebrated the "soft power" of the United States and shared with many the idea that the United States was a "benevolent hegemon" or a "benevolent empire"<sup>xxxi</sup> – as if a benevolent empire were possible. Mann (p.7) does not believe in such a possibility; the United States is a militaristic empire, not a benevolent empire. However, he is not immune to the main argument offered by the defenders of the imperial status of the United States: that if this country has the role of guaranteeing universal order, it is the bastion of the "Pax Americana". Mann notes that the United States has good intentions but is clumsy with its interventions. The new imperialists don't want to dominate other countries permanently – they just want their country to play the role of an indirect, informal empire; a country that, while threatening, coercing and sometimes invading foreign states, improves them and then leaves (p.26).

Mann is mistaken. While his book was being published, the first thing President George W. Bush did after 9/11 was to invade Iraq – an invasion that represented a defeat for both sides: for Iraq, whose society and economy were destroyed, and for the United States he started the war with a false excuse (that the Iraqi government had weapons of mass destruction) and, from then on, it saw its global

leadership crumble. The war was a resentful and irrational response to the terrorist attack of 9/11. You don't lead anyone with resentment. Instead of going after the terrorist organization, al-Qaeda, whose origins were in Saudi Arabia, the invasion of Iraq was decided under the rule of arrogance. As Perry Anderson noted at the time, the United States has been turned into a "house of war" under the influence of neocon hawks and the Israel lobby; a war against a nationalist and incompetent dictator who was hated in Washington, even though he was not associated with terrorism and did not possess weapons of mass destruction.<sup>xxxii</sup>

The war was "won" in a month; the Iraqi president was killed; the country was destroyed, while political control was pathetically transferred from Sunnis to Shiites, from a friendly Islamic denomination to an enemy denomination whose headquarters are in Iran. This war made it evident that there was no Pax Americana; On the contrary, what we see are the endless American wars on the periphery of capitalism. As Jeffrey Sachs wrote about the US government's addiction to war and military spending,

The single biggest answer is the U.S. government's addiction to war and military spending. According to the Watson Institute at Brown University, the cost of U.S. wars from fiscal year 2001 to fiscal year 2022 amounted to a whopping \$8 trillion.<sup>xxxiii</sup>

A year later, Anatol Lieven published a book along the same lines. He sought to describe "the anatomy of American nationalism." Americans do not see themselves as imperialists, however, "many Americans are not only intensely nationalistic, but bellicose in their response to any perceived or mild attack against the United States." He recognizes that in his country there is a "hard nationalism," which derives above all from ethnoreligious roots" and involves "the nativist sentiments on the part of the original white population of America, the particular culture of the White South, and the beliefs and agendas of ethnic lobbies." But as a trade-off, he speaks of a "civic nationalism" that is grounded in what he calls the "American Creed" – "a set of great democratic, legal, and individual beliefs and principles upon which the American state and Constitution are founded."<sup>xxxiv</sup> Lieven advocates the first form of nationalism or imperialism, but regardless of this distinction of the two forms of nationalism which he identifies with imperialism. Now, nationalism implies the defence of the national interests; given that, the US does that forcefully and is the hegemon, it is condemned to be imperialistic.

Stephen M. Streeter saw globalisation as an "American project." Instead of dating the Neoliberal Turn of the 1980s, he dated it to the 1960s, the Kennedy administration and the "struggle for hearts and minds" of the Cold War. To that end, they "conveniently forgot or ignored that the U.S. government has

historically subsidized the private sector and erected tariff barriers to protect local industry."<sup>xxxv</sup>

Sociology in the United States was then the theory of modernization, that American society should be the ideal society and thought of economic, political, and social development as the path defined by the American model that all countries should follow. Along these lines, the paradigmatic book of the theory of modernization was by Walt Whitman Rostow (1960) on the stages of economic growth, the take-off (corresponding to the industrial revolution), the stage of maturation of economies and the final stage, the "era of mass consumption". In the context of the Cold War, the Kennedy administration (1961-1963) devoted itself to "counterinsurgency strategy" and "nation-building," two concepts that "were completely impregnated with empire and imperialism" (p.198).<sup>xxxvi</sup> In this framework, "nation building " is not the nation-building carried out by a society that aims to transform itself into a nation-state, but it is the action of the Empire that claims to act to build that nation, but is actually exercising domination in its own interest.<sup>xxxvii</sup>

Emily Rosenberg identified the post-war modernization theory to "liberal developmentalism." Within the framework of the Cold War, American imperialism was not anti-industrialist, as it would become from 1980 onwards. This is one of the reasons why many countries were then successful in industrialization, as was the case with Brazil, and managed to complete their Capitalist Revolution.

The 1970s were a time of crisis for the American economy and its world hegemony. It faced defeat in the Vietnam War and suffered a significant economic crisis, the special feature of which was stagflation. Ten years later, it ended up overcoming the crisis with a flight forward (*fuite en avance*): a violent increase in interest rates to fight inflation and a huge increase in state spending, paradoxically in the name of neoliberalism. Add to this the unexpected fall of the Berlin Wall in 1989, completed two years later by the collapse of the Soviet Union, and the United States once again rose to the top of the world, to the status of the sole hegemonic power.

This hegemony, however, had feet of clay and cost the United States dearly. The replacement of a developmentalist model with a neoliberal one has not worked, except for the many rich who have become even richer. It has left the American manufacturing industry defenceless in the face of China's successful exports of manufactured goods. While the United States had voluntarily abandoned its developmental policy regime, China had abandoned statism and was engaged in a vast program of deregulation that weakened its economy and paralyzed it in the face of Chinese competition. Successive neoliberal administrations in the United States have adopted pro-rich liberal-conservative policies and caused a growing

division of American society. To convince and reassure the Americans, their intellectuals identified American capitalism efficiently, although China was more efficient; fairly, even though inequality indicators were reaching new heights; and with democracy, the only point with which the United States has a clear advantage over China.

But the hegemon was blinded by his own power. It claimed to be a benevolent hegemon, but it became less and less benevolent and more imperialistic. It had the support of neoconservative intellectuals organized in think tanks financed by the capitalist class. In 2015, Saccarelli and Varadarajan, after listing a number of neoconservative intellectuals, argued that "what united them was the assertion that imperialism practiced by liberal states (Britain in the past and the United States in the present) was not only beneficial but necessary to maintain peace and stability in the world."<sup>xxxviii</sup>

The time for military intervention in Latin America, particularly Central America, is over, but since the Gulf War of 1990 the world has faced a sequence of imperialist wars in Afghanistan, Somalia, Syria, Libya, Yemen, and the Gaza Strip, initiated or supported by the United States. These wars gave a justification to U.S. military bases around the world: to facilitate the conduct of petty imperialist wars and the imposition of "sanctions" on unfriendly countries. The fact that the sanctions were unsuccessful and were increasingly rejected by the American people eventually led President Barak Obama in 2011 to begin withdrawing U.S. troops from Afghanistan. This was a slow and hesitant process that only became a reality in 2021, during the Biden administration, when American troops had to leave the country quickly, pursued by Taliban troops: a withdrawal and humiliation similar to that of Vietnam, when American soldiers were forced to flee in a hurry before the Vietnamese Army took Saigon.

The American century is over, but American elites have not yet realized that the time of empire is also over. This will only become clear when a greater number of developing countries demonstrate real autonomy, define their own national projects, and show themselves capable of growing and updating. For now, this has only happened in a few parts of the world – mainly in China, India and Russia. American elites propose that, as in the Cold War, the world be divided into a "free world," led by the American empire, and a group of "evil autocracies." This is a geopolitical simplification that reality rejects every day.

## **Economic liberalism as an instrument of imperialism**

In the Latin American countries – which became independent from Spain and Portugal at the beginning of the 19th century – imperialism was an informal imperialism combined with the pressures of formal imperialism. After the World

War II, however, when formal imperialism lost its historical viability, imperialism for hegemony became the only alternative available. After the Neoliberal Turn, this imperialism resorted to economic liberalism and the law of comparative advantage to prevent the industrialization of capitalism's periphery. The core countries, which had not adopted a liberal form of capitalism to carry out their capitalist revolutions, did not hesitate to demand that the peripheral countries do so – to engage in neoliberal reforms. Between the 1930s and the mid-1980s, the state played a key role in the beginning of industrialization in Latin America. After that, by combining pressure and persuasion, the Empire prevented the states of the developing countries from fulfilling their developmental role. The countries of East Asia, and to some extent Southeast and South Asia, were the exceptions.



- 
- <sup>i</sup> Kohli (2020: 7).
- <sup>ii</sup> Magdoff (2003, p. 41).
- <sup>iii</sup> Kohli (2007: 392).
- <sup>iv</sup> Sawaya (2020: 178).
- <sup>v</sup> Furtado, 1974: 56).
- <sup>vi</sup> Emmanuel Arghiri (1996) was the author of this expression, ‘unequal exchange’, which was originally developed from classical structuralist developmentalism.
- <sup>vii</sup> Amsden (2007). I owe this reference to Alexander Abdal.
- <sup>viii</sup> See Chang (2002a) and Reinert (2007).
- <sup>ix</sup> Without using the phrase "globalisation project," Giovanni Arrighi was one of the first analysts to record in his 1978 book, *The Geometry of Imperialism*, that, under President Jimmy Carter, the United States had ceased to intervene "to end communism" and was talking about human rights.
- <sup>x</sup> Soft power was a term coined by liberal international analyst Joseph Nye. I analyzed the World Bank’s shift from a center of developmental economists to the agent of neoliberal reforms in Bresser-Pereira (1995).
- <sup>xi</sup> Arrighi (1994: 13).
- <sup>xii</sup> Braudel (1979a).
- <sup>xiii</sup> Kissinger (2011: 2; 10; 11).
- <sup>xiv</sup> Bairoch (1993).
- <sup>xv</sup> Harvey (2003).
- <sup>xvi</sup> Callinicos (2007: 15).
- <sup>xvii</sup> Foster (2001).
- <sup>xviii</sup> Suwandi, Jonna e Foster (2015: 53).
- <sup>xix</sup> Soares (2016: 39-40).
- <sup>xx</sup> Hardt and the Blacks (2000: 333).
- <sup>xxi</sup> Borón (2005, p. 19).
- <sup>xxii</sup> Idem (2005: 52).
- <sup>xxiii</sup> Tamping (2009: 386).
- <sup>xxiv</sup> Rosenberg (1982: 7).
- <sup>xxv</sup> Rosenberg (1982, p. 9).
- <sup>xxvi</sup> Bacevich (2012: 4-5).
- <sup>xxvii</sup> Bacevich (2012, p. 10).

---

<sup>xxviii</sup> The film *Vice* (2018), a biographical docudrama in which director Adam McKay shows how Dick Cheney and his associates occupied the top positions in the White House and played a decisive role in promoting wars.

<sup>xxix</sup> Krauthammer (2002).

<sup>xxx</sup> Kaplan (2001).

<sup>xxxi</sup> New Jr. (2002).

<sup>xxxii</sup> Anderson (2007).

<sup>xxxiii</sup> Sachs (2023) “America’s wars and the US debt crisis”, *Project Syndicate*, May 20, 2023.

<sup>xxxiv</sup> Anatol Lieven (2004: 5; 11).

<sup>xxxv</sup> Stephen M. Streeter (2009: 197).

<sup>xxxvi</sup> Walt Whitman Rostow (1960: 198).

<sup>xxxvii</sup> Como lemos na Enciclopédia Britânica, consultada em 4/11.2023, “states engaged in nation building abroad are generally motivated by some strategic objectives of their own, such as advancing their own wealth, security, or international standing.”

<sup>xxxviii</sup> Saccarelli and Varadarajan (2015: 12). The intellectuals listed were Niall Ferguson, Robert Cooper, Stanley Kurtz, Max Boot, Deepak Lal and Sebastian Mallaby.