

September 11, Ten Years On

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Ten years ago I argued in this space that under global capitalism, wars among major nations no longer made sense¹ and that the turning point from a world where the great countries were permanently threatening each other with war to a world of international economic competition had been the collapse of the Soviet Union in 1991. War made sense while there were real winners and losers—while the winner could reduce the loser to a condition of slavery, or impose taxes on its new colony, or incorporate its territory.

In ancient times those three possibilities were open—which explains why wars were a permanent part of life. After the 1648 Westphalia treaties, through the years of the formation of the modern nation-states, the first two possibilities were closed and the last one (which determined the size of each nation-state) was the rationale behind most wars, insofar as the major nations were defining their borders. But with national frontiers reasonably set in the twentieth century, at the same time that a world political system had begun to take shape with the creation of the United Nations, wars among major nations turned into a negative-sum game.

But what about imperial wars—the wars against small or poor countries? They, too, lost their rationale in the twentieth century insofar as the “modern” empires of Britain and France were dismantled after World War II. These empires had been built in Asia and Africa in the previous century after the respective industrial and capitalist revolutions had made the two countries

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world powers, but after World War II, in a world that was now involved in formally defining human rights and defending democracy, the gathering revolt of the colonized societies made continuing colonial rule simply unfeasible. As colonialism lost political legitimacy worldwide, the increasing resistance of the colonized peoples made the costs of colonial exploitation greater than the benefits.

Nevertheless, after decolonization, imperial wars continued to be waged “successfully” by rich countries—initially in the name of the fight against communism, and after the September 11 attacks, in the name of the fight against terrorism. But only the war in Afghanistan was initially related to the 9/11 attacks; the other two wars, in Iraq and Libya, were not. But they have all been imperial wars—wars through which the United States, Britain, and France, or “the West” (as the empire likes to characterize itself), aimed to impose semi-colonial or disguised rule on developing countries, particularly on poor ones. This type of behavior is age-old, but its legitimization has been updated. In the past, the fight against communism was the central rationale of imperial intervention and wars; now, the imperial powers offer a “democratic” or a “humanitarian” justification. As a Conservative MP in the United Kingdom remarked to justify the intervention of the West in North Africa, “There are parallels between the desire to prevent the spread of communism in Europe then [after World War II] and the importance of promoting stability in North Africa now.”²¹

In following the same kind of reasoning that informed my 2001 essay, the question I pose now is: how viable or sustainable is this type of international strategy? In the 1990s, in a moment of pure US hegemony, the answer seemed to be that it was indeed viable and sustainable. But now it is time to acknowledge that this has ceased to be so. If we take into consideration the more representative case—the case of the Middle East—we will see that the West continues to practice an old logic: classical geopolitics. Ignoring change, rich countries act today in the region as they used to in the late nineteenth century: the Middle East is strategic because it is a crossroads and because of its oil reserves, thus it should be kept under control for economic reasons and also for the sake of “national security.” The only innovation is the justification in terms of “democracy” or “humanitarian” considerations. Economic interests continue to play a role, but national security is the definitive touchstone. The Cold War ended, but as if the United States remained under threat, the national security argument remained unchanged. That argument is a heritage of balance-of-power diplomacy (which dominated international relations from the Treaty of Westphalia until the end of the Cold War) and of the Cold War itself.

During the Cold War, it was reasonable to believe that the national security of the United States was at stake. It no longer is, unless the United States adopts an all-encompassing concept of national security—which it does. The American

elites have been unable to understand that imperial rule—even disguised imperial rule—has lost political legitimacy and has ceased to promote the national interest. Instead, the United States insists on a broad concept of national security to justify high military expenditures and the permanent use of force.

I believe that this is a self-defeating strategy, not because I reject imperialism—that is irrelevant—but because I am persuaded that such an approach to world affairs does not promote the interests of either the United States or the other rich countries. What is the final balance of the recent “successful” imperial wars? It may suit the interests of the wealthy people in these countries, but it is not in the interests of the middle classes and the poor. The present widening and worrying division in American society, which was so cohesive in the aftermath of World War II, is probably both a consequence and a cause of this mistaken approach. As wars ceased to make sense among major nations, so too did imperialism.

Today imperialism goes against the deep sentiments and beliefs of people everywhere. Before World War II, empires enjoyed broad legitimacy, but new historical facts have changed this picture. First, as I have already argued, colonialism became an economic liability, not an asset. Second, even when it is disguised, imperialism is inconsistent with democracy; in the transition from the nineteenth to the twentieth century, all rich countries became democracies as they adopted universal suffrage, and in the second part of the twentieth century, a large number of developing countries—mostly middle-income, but also many poor countries—also became democracies. Third, in the era of global capitalism, countries no longer need to control the sources of raw materials, particularly of oil, in order to have access to them. Under globalization, all markets have become reasonably open; it makes no sense to refuse to supply another country for political reasons, and the lack of legitimacy of such behavior is so obvious that countries do not dare to engage in it.

The September 11 attacks did not make the United States better. The Americans did not learn the lesson that the terrorist attacks could have taught them. They attributed the event to religious fundamentalism and concluded that terrorism should be fought with warfare. They did not recognize that Al-Qaeda was a tiny part of the Arab world or that religious fundamentalism was just a small part of the whole picture. The real problem in the Middle East is not religious but political. People are involved in a struggle for national autonomy, for the formation of nation-states, and for the achievement of economic growth—the three main “ingredients” of capitalist revolutions—as well as for democracy.

A capitalist revolution and democracy are the two transformations that all peoples desire. They want not only democracy but a consolidated democracy that is possible only after a country has more or less completed its capitalist

revolution and turned into a market economy. Before that, the governing oligarchy appropriates the economic surplus with the help of the coercive state and will not permit a democratic alternation of power. When countries that are not yet market economies turn formally democratic, they do so usually as a result of external pressure and will be unstable. Today's rich countries are rich because they completed their capitalist revolutions early, in the eighteenth and nineteenth centuries, and only then became democratic. To succeed, they used nationalism to legitimize the formation of their nation-states and to promote industrialization. The peoples of the Middle East as well as those of the poor countries in Latin America, Asia, and Africa want to do the same thing, but this will is opposed by the West, which believes that nationalism associated with religion is a threat to its short-term economic interests and national security, instead of seeing it as a means to these countries' capitalist revolutions.

The first successful attempt in the twentieth century by a backward society to realize its nationalist and capitalist revolutions was the 1923 secular Turkish Revolution. Since then, however, all secular revolutions have failed—in Egypt, in Iran, in Iraq, and, now, in Syria—as they were defeated either by imperialism or by domestic corruption. The Islamic movements and revolutions are clearly an attempt by nationalist local elites to use religion as an alternative source of unity and legitimacy for the capitalist revolution—not necessarily in a fundamentalist way, but always in a way that conflicts with the interests of the individuals and firms of rich countries.

The West could have understood these new realities and tried to adapt its international policies to them. But Western elites believe that nationalist revolutions are dangerous and that imperialism or hegemony—not open, but disguised, “soft,” “benevolent”—is consistent with their national interests.

This kind of imperialism, which is highly attractive to the economic and intellectual elites of rich countries, is associated with the practice of “kicking away the ladder,”³² with preaching full-fledged economic liberalism to countries that are far from that stage of development in which economic growth can be achieved without the state playing a strategic role. The poorer the developing country is, the more fragile and corrupt will be its elites and the more successful will be disguised imperialism. But even among poor countries, this device is ceasing to work, as we can see in Latin America with the election of left-wing, nationalist presidents. It is associated with corrupt elites, and for that reason, and because of increased awareness on the part of the dominated people, is increasingly self-defeating.

But is not imperialism, the exploitation of the periphery of capitalism, “necessary” for the wealth and continuous prosperity of rich countries? This is the classic contention that we find in John A. Hobson and Vladimir Lenin's theories of imperialism. The West acts as if it were true, but it is unlikely to be. Today rich countries derive their prosperity essentially from the level of

education of their people, from the high productivity of their business enterprises, and from the high quality of their institutions. Imperialism may have helped in the past; it may have represented a gain for the metropolis. In a second historical moment, open imperialism ceased to work, but disguised imperialism continued to generate gains. Yet, at the beginning of the twenty-first century, the last bastions of disguised economic imperialism are falling as developing countries gradually become aware of their interests and critical of reforms and policy recommendations that originated in the North, while in rich countries the benefits flowing from trade and financial openings are increasingly meager.

We live under global capitalism: a worldwide economic and social system that is neither “the evil” nor “the good” and which it is not the outcome of market fundamentalism but just a moment in which the reductions of transportation and communication costs have made international trade more attractive. It is a system where business firms and nation-states compete economically, mostly with mutual benefits. It is true that this system was associated with neoliberalism and financialization and that it led to serious distortions and major financial crises in the thirty neoliberal years of capitalism (1979–2008), when financiers and economists successfully broadcast to the world the idea that financial markets should have the same liberal treatment as commodities. But this is today a discredited claim, and the theories that justified it are also discredited. The 2008 global financial crisis and the Great Recession that followed it have made that clear.

The challenge today for rich, middle-income, and poor countries is to agree to a middle way that assures that poor countries catch up while rich and middle-income countries continue to grow with stability. This challenge will be successfully met only if increased economic competition is accompanied by increased political cooperation and more active participation of the state in regulating markets and inducing growth. In my 2001 essay, I argued that the era of balance-of-power diplomacy was over, that the era of the politics of globalization was at hand—that is, the era of international cooperation in the task of regulating international competition—and that the UN, the G20, and other international forums and institutions have to recover their regulatory power and *reregulate* economic and especially financial transactions.

What is wonderful about markets is that they allow for positive-sum games, provided that they are well regulated by the state. This became definitively clear in the 2008 global financial crisis. The state is the final regulator and the lender of last resort in a world that has become global—that is, it has become one integrated economic and social system. Integration must also be political so that regulation can be global. Nation-states are today democratic; international relations must also become democratic. International relations can no longer be characterized by imperial rule but must be the outcome of well-understood

interests actively negotiated in international forums. There is much to gain and little to lose from such international cooperation aiming to regulate world affairs.

¹ Luiz Carlos Bresser-Pereira, "Sept. 11: The View from Latin America" (Social Science Research Council of New York, http://essays.ssrc.org/sept11/essays/latin_america.htm)

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² David Davis, "A 21st-century Marshall Plan," *Prospect*, July 2011, 13.

³ On this matter, see Friedrich List, *National System of Political Economy* (1846, in German; Roseville, CA: Dry Bones Press, 1999); and Ha-Joon Chang, *Kicking Away the Ladder* (London: Anthem Press, 2003). In 1846, List was criticizing the English political economy, according to which Germany should profit from its comparative advantages in agriculture instead of industrializing. Chang writes a fascinating history of the inconsistency between the present policy advice that the West offers to developing countries and its actual practice in the corresponding stage of growth.