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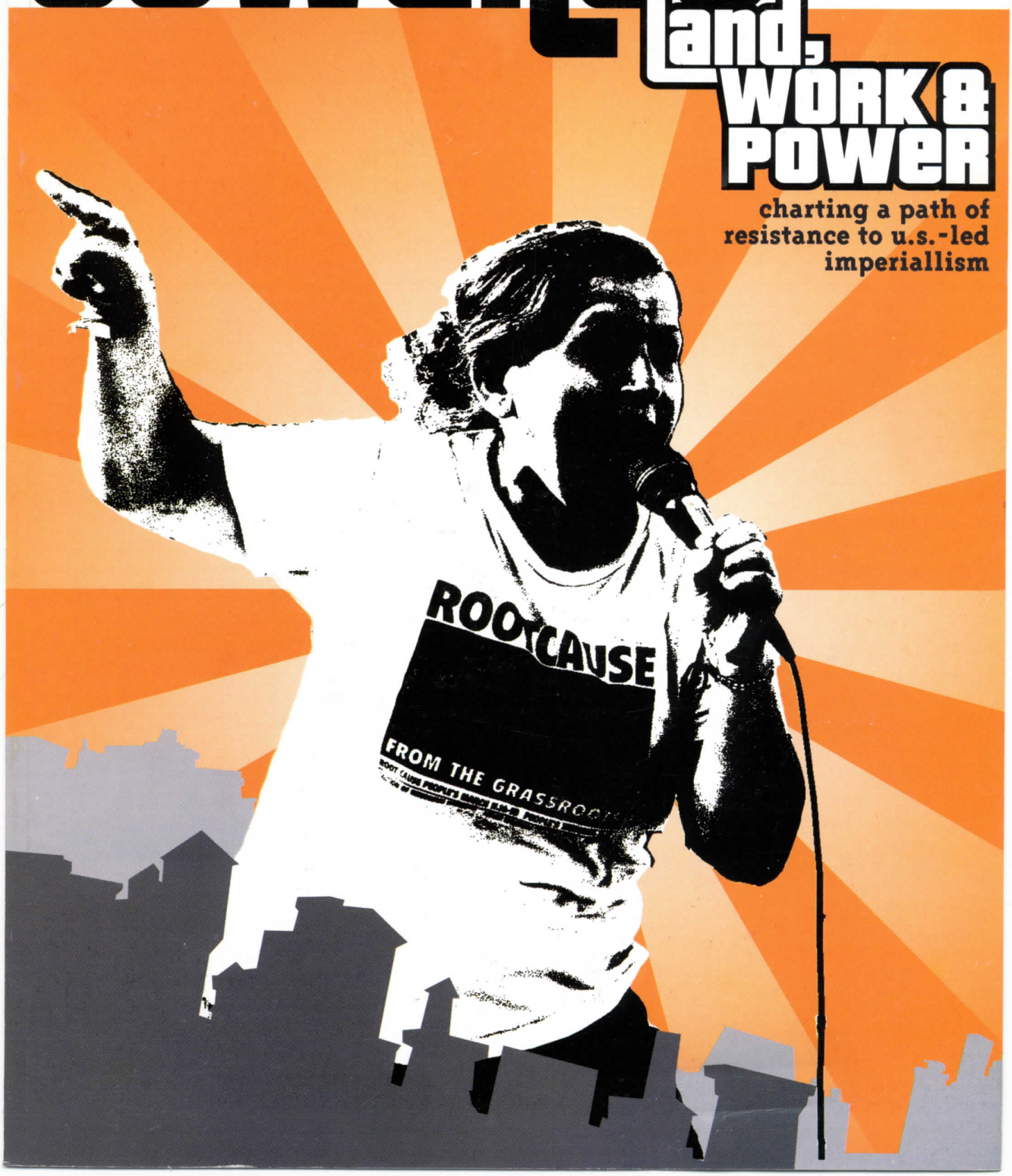
towards land, work & power

charting a path of resistance to u.s.-led imperiallism



imperialism is capitalism all grown up

The political economy of the world today is best described as imperialism. Imperialism is, at its core, an advanced stage of capitalism which thrives off of exploitation in the same way that capitalism does. What changes from capitalism to imperialism is the shape and scale of the system. For example, where the basic unit of exploitation is between the worker and the capitalist under capitalism, under imperialism the basic unit of exploitation shifts to nations exploiting whole peoples.

Imperialism takes many forms— cultural, economic, military, political, etc.— which are different but inter-related. All of these forms act in concert with one another, effectively allowing a small group of nations to control the resources, land, labor and markets of the rest of the world. Imperialism has re-shaped the language, culture and future of the majority of the people of the world; and it continues to impact our development to this very day.[23]

In the course of our study, we developed this definition of imperialism:

> ***Imperialism is a global system of political economy based on the super-exploitation of whole nations and peoples by the world's imperial powers and transnational corporations. To sustain this unstable multi-national system, the imperialist state serves as a manager for global capital.***

We're now going to break this definition down so that we understand its implications:

> ***Imperialism is a global system of political economy...***

Like all other systems of political economy, imperialism shapes how a society produces, distributes and consumes its goods

[23] We developed these ideas after a series of conversations with staff and members from CAAAV: Organizing Asian Communities in New York City.

and services. The globalized imperialist political economy is just an advanced stage of capitalism. Like its predecessor, the imperialist system divides humanity on the basis of those who produce wealth and those who exploit the producers of wealth. Imperialism depends on the constant revolutionizing of the means of production. Imperialism is driven by the need for ever-expanding profit and markets. Today's imperialism is not just a set of policies; it is not just how the United States bullies the rest of the world. Imperialism is a system driven by the insatiable quest for more and more profits.

Imperialism, as a system, really took hold when capitalism began to outgrow its national operations and became more and more of a global system. Until the end of the 19th century, capitalism was largely a national system of exploitation of the working class by the capitalist class. But capitalism had to break out of its national borders like a snake that had outgrown its skin. With the development of new technologies such as the steam engine and electricity, the capitalist class was able to produce more commodities than they could sell in just their national markets. The system had to grow or die.

This period, from 1846 to 1898, saw major technological breakthroughs and unprecedented imperialist expansion. The assembly line allowed one worker to complete nine cars in the time that it once took to build one. National railroad systems were set up, connecting disparate parts of the United States. All of these advances in society's productive capacity resulted in the capitalists having more commodities that they needed to get off their hands. The resulting economic warfare of competition went hand-in-hand with political warfare and conquest of nations. The capitalist class attempted to deal with these crises by seizing numerous foreign territories.[24] During this time period, Europe expanded its colonial control of Africa from 10% in 1870 to 90% in 1890.[25] The United States annexed half of Mexico's territory in 1848, and then went to war with Spain in 1898 to snatch up

[24] The crises of the imperialist political economy are very closely related to the crises of the capitalist system. We will examine imperialism's crises later on in this chapter.

[25] Answers.com Website, (http://www.answers.com/topic/scramble-for-africa).

colonies in Puerto Rico, Guam and the Philippines. The expansion of the European and U.S. empires gave the growing imperialist powers direct control over additional markets and sources of raw materials.

NEOLIBERALISM

Within the United States, neoliberalism was so universally adopted by the imperialist political elites of both parties that it came to be known as the Washington Consensus.[54] Developed in the 1970s by a group of economists at the University of Chicago, neoliberalism proposes that the imperialist system will be best strengthened by empowering the state to do away with anything and everything that might impede imperialism's ability to extract profit.

[54] The Washington Consensus is a term that was first developed by ruling class economist John Williamson to describe the similar policies being advocated by both the Democratic and Republican parties outlining how nations should develop their economies. Williamson summarized the Washington Consensus as a package of the following ten principles: 1) Fiscal discipline; 2) Re-direct public expenditure; 3) Tax reform; 4) Financial liberalization; 5) Adopt a single, competitive exchange rate; 6) Trade liberalization; 7) Eliminate barriers to foreign direct investment; 8) Privatize state-owned enterprises; 9) De-regulate market entry and competition; and 10) Ensure secure property rights. See John Williamson, editor, *Latin American Adjustment: How Much has Happened,* 1990.

In practice, neoliberalism was a complete reversal of the strategy of containment liberalism of the previous period. Though the ten-point package of neoliberalism (listed in the footnotes) came cloaked in seemingly harmless terms, the reality of neoliberalism has been anything but harmless. Fiscal discipline really meant the take back of gains made by Third World nations, women, oppressed nationalities and workers inside and outside the U.S. Re-directing public expenditures meant that the state would offer up what it was taking back to private capital. The overarching mandate of taking whatever means necessary to extract profit furthered the super-exploitation of the working class and in particular Third World women.

The take-back took many different forms. Neoliberal states shredded the social wage of working and low-income people and slashed taxes for the rich and corporations, directing huge sums of money into the pockets of the wealthiest. The privatization of publicly controlled and natural resources, like public education and water, allowed corporations to commodify resources that were once freely available. The elimination of tariffs and the deregulation of financial systems allowed First World corporations to swallow up their smaller rivals in the Third World. All of these measures sought to put resources in the hands of the imperialists and undermine the development of national industries in the Third World. This component of the neoliberal program was vital because these take-backs made up for the profits that the corporations were unable to realize in a period of declining profits.

Another key expression of the take-back has been the soaring debt re-payments from Third World nations to the imperialist powers. Under the guise of offering humanitarian aid, First World nations have extracted hundreds of millions of dollars to temporarily smooth over the world financial crisis. For example, in 2004, the IMF and World Bank offered in $78 million in development projects; during that same year, Third World nations collectively paid $436 million towards debt repayment, most of which went into U.S. banks.[55]

[55] "The Impacts of External Debt on Economic, Social and Culture Rights of Nations," 2005 World Festival of Youth and Students, Caracas Venezuela.

However, debt is not solely a problem of finance; its impact is not solely economic. Third World debt is an ideological, political, ethical problem. It is an instrument of extraction of resources from the Third World to the richest nations which greatly undermines the sovereignty of nations. Most of the Third World is paying off debts which were taken on by anti-democratic, corrupt governments, such as the apartheid regime of South Africa. The people of the Third World were never consulted about whether or not they wanted to go into debt in the first place. Secondly, debt re-payment responds to the needs of capital, not to the needs of the people. More often than not, nations are forced to close medical clinics and schools in order to send their payments off to the rich nations. And finally, neither the debt nor the underdevelopment of Third World nations would exist if not for the history of colonization and pillage of these very nations by the imperialist powers. After the United States and other imperialist nations devastated those nation's economies through centuries of slavery, pillaging, trade embargoes and war, the imperial powers are now living off of the wealth extracted from bad loans and high interest rates like loan sharks. The debts are illegitimate. The true debt is historical, ecological and social and it is owed from the North to the South.

After the United States and other imperialist nations devastated those nation's economies through centuries of slavery, pillaging, trade embargoes and war, the imperial powers are now living, like loan sharks, off of the wealth extracted from bad loans and high interest rates. The debts are illegitimate. The true debt is historical, ecological and social and it is owed from the North to the South.

When countries couldn't pay back the debt, imperialist powers, operating through the apparatus of the IMF and the World Bank, crafted specific packages of neoliberal policies, often referred to as structural adjustment programs. Some packages prioritized the privatization of valuable resources. Others prioritized undermining advances in industrialization. While the rhetoric always suggested that the neoliberal policies were designed to strengthen national

economies, the imperialists frequently forced neoliberalism on the countries. One of the earliest and most quintessential examples of the imposition of neoliberal structural adjustment took place in Chile. Here, a U.S.-sponsored coup ousted the democratically elected government of Salvador Allende in 1973. Hundreds of thousands of people were murdered and disappeared so that a military dictatorship could pursue a course of free market fundamentalism and privatization of publicly held assets in that nation. Despite the heinous acts of violence that brought this regime to power (or maybe because of them), Chile became the poster child for future U.S.-directed IMF and World Bank programs throughout the Third World.

For the last thirty years, the imperialist powers have forced neoliberalism down the throats of nations like Mexico, South Korea, Argentina, Haiti, South Africa and all throughout the Global South. Privatization of once-publicly held resources is one of the most common neoliberal initiatives. One example of this occurred when the World Bank forced the Bolivian government to sign a $2.5 billion contract to turn over control of the water in Cochabamba, the nation's third largest city, to the San Francisco-based Bechtel Corporation. Just weeks after taking over the water system, officials at Bechtel tripled the rates for water. Families earning less than $100 per month received bills for as much as $20. Refusing to pay for water, the residents of Cochabamba shut the City down with a series of massive protests calling for the end of privatization. Ultimately, these protests were successful.[56]

Neoliberalism is not just an export to the Third World. Neoliberal ideology has so thoroughly permeated our thinking that most of us don't even think twice about relying on bottled water. Even progressive activists have absolved the state of its responsibility to provide clean, healthy water as a basic right; instead, many of us pay for the commodification of this basic resource. Yes, structural adjustment programs have made themselves at home within the empire too, especially in cities where there are higher concentrations of working class people of color. Privatization

[56] Jim Shultz, "World Bank Forced Water Privatization on Cochabamba," Common Dreams News Center Website (http://www.commondreams.org/views/071500-101.htm).

of public education has followed cut-backs to vital services such as women's health programs which have preceded endless tax subsidies to wealthy corporations. Fundamental to the successful implementation of the neoliberal agenda was the role of the imperialist state. Privatization, cuts to the social wage, deregulation and all of the core components of neoliberalism would not be possible without the transformation of the state's role. With the strategy of the previous period of containment liberalism eroded, the welfare state was replaced with the neoliberal state.

Whereas the welfare state regularly intervened to establish regulations governing the process by which corporations attempted to secure profit, the neoliberal state has systematically gone about eliminating virtually all of the regulations that would restrict the behavior of corporations. The aim is to make it as easy as possible for corporations to make profits no matter the social, political or environmental costs. Because the proponents of neoliberalism are so fervently committed to the notion that the market will address all social inequalities— despite the overwhelming evidence— they are increasingly known as free market fundamentalists.

As a result of free market fundamentalism, corporations not only enjoy fewer regulations within nations, but they also face fewer obstacles blocking them from moving some or all of their operations across national borders. Global trade agreements such as the North American Free Trade Agreement (NAFTA) have made it increasingly easy for corporations to pick up entire plants to relocate to a nation with low labor costs and little regulation of the corporations' pursuit of profit.

Free market fundamentalism has also resulted in the loss of power by workers. Take, for example, the re-structuring of work. Increasingly, corporations are producing commodities by sub-contracting or by employing contingent and non-traditional workers. Today, three in ten workers in the United States are working in these re-structured jobs.[57] The proponents of neoliberalism will often argue that re-structured, or flexible, jobs are better for workers, but the reality for most workers is

[57] National Alliance for Fair Employment, "Worker Center Strategies: A NAFFE Working Paper," p. 1.

very different. Re-structuring has made institutions that were designed to protect the rights of the working class— such as trade unions and the National Labor Relations Board in the United States— impotent. Corporations are able to circumvent traditional organizing campaigns by moving or denying responsibility.

The core neoliberal principle of driving down the cost of production then turned the imperialists' attention squarely on the Global South. Clearly, the exploitation of Third World nations was happening before the 1970s; as we have previously described, this is one of the defining characteristics of the current imperialist political economy. But in the early 1970s, the imperialist nations stepped it up.

In particular, this quest to lower production costs has led to the super-exploitation of Third World women as workers at home and abroad. The patriarchy of the imperialist system renders women's work invisible and when it is compensated, it is considered supplemental. Corporations have been quick to take advantage of this, recruiting more and more women into the workforce, paying them significantly less than their male counterparts.

The impact of neoliberalism's super-exploitation of Third World women has been a well-documented dramatic increase in the feminization of poverty and low-wage work. Women workers now make up a majority of the global workforce and are an overwhelming majority in key industries like agricultural work, light manufacturing and the service sector.

Women in particular have borne the brunt of the elimination of the social wage, which is the array of services such as income support, childcare, housing aid, health care, and social security which the welfare state provided to supplement the wages paid by the private sector. The loss of the social wage means that workers not only are facing lower wages at work, but fewer social wages at home and in the community. With cuts to these public programs, those costs have been dumped onto the family where it is women who normally shoulder the additional burden. As a result of the loss of the social wage, women around the globe have been forced to enter into the informal economies, including a rising boom in

the sex trade, especially in tourist sites and military outposts in Thailand, the Philippines and the United States.[58]

CASINO ECONOMY

The neoliberal agenda advanced by imperialists couldn't completely resolve the crisis apparent in the system. In order to sustain itself the system must constantly expand, this means that capital must constantly be reinvested in hopes of extracting more profit. For capitalists, they either grow or they die. The problem was that during this time, there were few places where capitalists could profitably invest their capital. What they needed was some way to invest their capital that was not tied to the ailing process of commodity production. A solution soon followed.

The mass of floating capital in the hands of the capitalist class desperately needed some outlet for investment, and that outlet came in the form of expansion of the financial sector. A solution was found in what is referred to as "casino capitalism." Developed in the mid-1970s, this form of economy is based on the speculation of currencies, stocks, real estate, etc. Where the capitalists could no longer reliably extract profits by investing in production, they invested in the stock market or speculated in the buying and selling of currency. The deregulation of finance and the move towards a system of floating currencies enabled that process to happen.

The example of currency speculation demonstrates how important the casino economy is to the survival of the imperialist system. Currency speculation is the practice of buying, holding and selling different national currencies to profit from the periodic fluctuations in the values of those currencies.[59] The decision to

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[58] Many writers including Maria Mies have documented this phenomenon.

[59] Generally regarded as the world's best currency speculator, billionaire philanthropist George Soros is a prime example of the extreme wealth and financial crisis that currency speculation can bring about. Soros came to fame because of his actions on one day, September 22, 1992, when he single-handedly broke the Bank of England. "At the time, West Germany was busy swallowing up the former East Germany, creating a pocket of growth and inflation amidst a European community otherwise marked by high unemployment. As the Bundesbank (the German central bank) moved to raise rates, it threatened the Maastricht Treaty by putting pressure on the European Exchange Rate Mechanism that was to be the vehicle for creating a unified European currency. Even though other European countries needed lower rates to spur growth, they

abandon the gold standard in favor of floating exchange rates in the mid 1970s opened the door for massive currency speculation. When the change took effect in 1975, the ratio of the value of international currency sales to the trade of commodities was about two to one. In other words, twice as much money was spent on currency speculation as was spent to purchase commodities. By the early 1980s, that ratio of currency speculation to commodity trade had jumped to fifteen to one. Today, the ratio is one-hundred and twenty to one. This incredible mass of floating value which totaled 1.3 trillion dollars a day in 1995 moves from one world city to another through electronic transfer.[60]

These developments within the expansion of finance have caused spurts of speculation; notable examples being the Savings & Loans crisis of the 1980s and California's deregulation-inspired 'energy crisis' of 2000. The rise and fall of the dot.com boom and information technology sectors in San Francisco during the late 1990s were a result of the same phenomenon.

All the talk about the "new economy" in reality involves the capitalist class scouring the globe with their capital, hungry for get-rich-quick schemes, investing capital in financial products that often times have at best a tenuous relationship to production. Nevertheless, this circulation of capital has helped to stave off a massive crash of the global economy.

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were forced to raise them, or see their currencies decline relative to the powerful German [currency, the] mark. Soros' Quantum Fund [] stepped into this crisis environment to bet against the Italian lire and then the British pound. Indeed, the British position seemed so untenable. Soros [] leveraged an enormous bet of $10 billion. Even as the British government announced a 2% rate hike, Soros kept selling sterling. By evening of that day, the British were forced to rescind the rate increase and withdraw the pound from the ERM altogether. Sterling immediately plunged, [the Bank of England went bankrupt].., and Soros walked away with more than $1 billion in profits. (The Motley Fool Website, http://www.fool.com/Features/1996/sp0719c.htm)

[60] International Cooperation for Development and Solidarity Website, (http://www.cidse.org/pubs/cttenapp.htm).