IN THE RUINS OF THE PRESENT
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In the Ruins of the Present

Vijay Prashad.

When the axe came into the forest, the trees said: the handle is one of us.
(Turkish proverb).

Raoul Peck, the Haitian filmmaker, opens his film – Der Junge Karl Marx (2017) – in the forests of Prussia. Peasants gather fallen wood. They look cold and hungry. We hear horses in the distance. The guards and the aristocrats are near. They have come to claim the right to everything in the forest. The peasants run. But they have no energy. They fall. The whips and lances of the aristocrats and the guards strike them. Some of the peasants die. Even fallen wood is not allowed to them.

Young Karl Marx, sitting in Cologne in 1842, is dismayed at the violence against the German peasants. The peasants, he wrote, know the punishment. They are being beaten, even killed. But what they do not know is the crime. For what crime are they being punished?

Peck is clever to open his film with this dilemma, for it is the question that every sensitive person should ask today. What is the crime for which the world’s poor are being punished? Poverty and war produce refugees of hunger and bombardment, but they are denied mobility, denied any exit from their predicament. They know the punishment that they face: indignity, starvation and death. This they know. What they do not know is their crime. What have they done to deserve this?

The Dominican-American writer Junot Diaz visited Haiti after the devastating earthquake of 2010. In a memorable essay titled ‘Apocalypse’, Junot Diaz noted that Haiti warned us of the new ‘zombie stage of capitalism, where entire nations are being rendered through economic alchemy into not-quite-alive. In the old days, a zombie was a figure whose life and work had been captured by magical means. Old zombies were expected to work around the clock with no relief. The new zombie cannot expect work of any kind – the new zombie just waits around to die’.

And the new zombie cannot be allowed to forage for food or to seek shelter or medicine. The new zombie, truly, must just wait to die. This is the punishment. But what is the crime?
Part 1: Structure.

International Division of Humanity

Aadmi tha, bari mushqil se insaan hua.
We were people. With great difficulty we became human.
—Akbar Illahabadi.

US President Donald Trump threatens to annihilate North Korea, Iran and Venezuela. This is the new Axis of Evil, a concept his predecessor George W. Bush used in 2002 but that then did not include Venezuela. It included Iraq, which the United States bombed in 2003 as part of its illegal invasion of the country. Since then, the US has also destroyed Libya and other countries that include Haiti, now substantially under US and UN occupation. Like a wounded dragon, the United States whips its tail across the planet and breathes fire on people – destroying countries, vanquishing its enemies. Its wounds are not fatal, but strategic. The United States still possesses the most powerful military in the world and is capable of destroying any country by aerial bombardment and by the use of weapons of mass destruction. But it uses this power in ways that do not always benefit its ambitions. Because the United States is the most powerful country in the world does not make it godlike; it has its own errors, which are to be carefully tracked by those who favour humanity over submission.

There is iron in the soul of imperialism. It uses its immense military power against human beings and then – conveniently – forgets the human cost of suffering that follows. There has never been any accountability for the use of nuclear weapons on Japan in 1945 nor for the hideous bombardment of Korea in the 1950s nor the massive bombardment of Vietnam in the 1960s and 1970s nor indeed the endless war on Afghanistan and the destruction of Iraq and Libya. The iron is so lodged in the soul that there is barely any concern when the United States drops a massive bomb on Afghanistan. The local authorities – pushed by the United States and the Afghan government – declined to allow journalists into the site on the grounds of security. When the people around the bombsite spoke, their words were chilling. ‘The earth felt like a boat in a storm’, said Mohammed Shahzad. ‘It felt like heaven was falling’. Achin’s mayor – Naveed Shinwari – reflected, ‘There is no doubt that ISIS was brutal, and that they have committed atrocities against our people. But I don’t see why the bomb was dropped. It terrorised our people. My relatives thought the end of the world had come’.

This feels like the era of annihilation, when the world seems poised at the brink of capitalist-induced planetary climate chaos and of nuclear war.
It is fitting, therefore, to pause and register the grave words of those who have already experienced annihilation – the survivors of the US use of weapons of mass destruction against Japan. Torako Hironaka, who survived the US atomic bomb attack on Hiroshima made a list in her diary of what she recalled,

1. Some burned work clothes.
2. A naked woman.
3. Naked girls crying ‘Stupid America’.
4. A field of watermelons.
5. What with dead cats, pigs and people, it was just a hell on earth.

In his *Hiroshima Diary* (1955), written in the aftermath of the nuclear attack, Dr. Michihiko Hachiya wrote,

Those who were able walked silently towards the suburbs in the distant hills, their spirits broken, their initiative gone. When asked whence they had come, they pointed to the city and said, ‘That way’, and when asked where they were going, pointed away from the city and said, ‘This way’. They were so broken and confused that they moved and behaved like automatons. Their reactions had astonished outsiders, who reported with amazement the spectacle of long files of people holding stolidly to a narrow, rough path when close by was a smooth, easy road going in the same direction. The outsiders could not grasp the fact that they were witnessing the exodus of people who walked in the realm of dreams.

The words of the *hibakusha*, the survivors of the nuclear attack, are essential for our times, when it appears that annihilation is on the horizon. These are warnings against complacency. They provide the warmth of human survival against the harshness of iron and hatred.

Catastrophic natural events – hurricanes and rising sea levels – capture our imagination, as the Caribbean islands are wracked by wind and flood and as the South Sea islands disappear into the oceans. Water drowns land as capital drowns the dreams of human survival. Data from international agencies show us that formal employment is an impossible dream for millions of our fellows on the planet. There is, however, always a job with the military. Wars continue endlessly. Pitiless futures stand before the young. Their trust in humanity is fragile.

There is an international division of humanity. It is as if there is a wall that separates our humanity; those who live in zones of great war and tragedy are separated from those who live with the illusion of peace, in countries that produce the conditions for war but deny that they have a hand in it.

How to understand a world of unemployment and annihilation, of poverty, climate catastrophe and war? What concepts do we have to grasp these complex realities? The modes of thought that come from North American positivism – game theory, regression analysis, multi-level models, inferential statistics – are at a loss to offer a general theory of our condition. Steeped in common sense understandings of power and naive about the role of elites in our world, these approaches might explain this or that aspect of our world.

But can they explain the relationship between the endemic crisis produced by globalisation, the failure of neoliberalism to manage this crisis and the emergence of neofascism as its current consensus? Do they have the concepts – such as imperialism – that are essential to an investigation of the real world that we live in and not the illusory world dreamt up by the first principles of bourgeois social science? Can we understand
why the North Atlantic Treaty Organization (NATO) wants to bomb this country or why the International Monetary Fund (IMF) wants to extract its pound of flesh from that country? Do they have an explanation for why the countries of the world spend more money on the arsenal of repression than on the production of social goods, why there are more police on our streets than social workers and artists?

Globalisation

Where do people earn the Per Capita Income? More than one starving soul would like to know.
—Eduardo Galeano.

The concept used to explain the desiccation of social life across the planet is neoliberalism. Neoliberalism is essentially a policy platform designed by multinational agencies such as the International Monetary Fund (IMF) and the World Bank as well as by intellectuals who circle these institutions. These intellectuals have absorbed the bourgeois logic that it is corporate ingenuity that makes history rather than the social labour of human beings. It is corporations, they say, that make jobs, and so therefore to make an economy hum one has to cater to the needs of the corporations. The motor of history is seen to be Capital – corporations and entrepreneurs. It is not seen to be social labour – the workers who design our future and whose hard work produces the commodities that enhance our present.
Scholars critical of the neoliberal policy slate turn to the projects of the UK’s Prime Minister Margaret Thatcher and the US President Ronald Reagan to explain how neoliberalism changed the world. It is as if these leaders were like sorcerers, conjuring up public policy as if from no-where, driving their agenda through the institutions of the planet. They championed the privatisation of the protected commons and the cannibalisation of social resources. That is indeed the case. But why? Why did they move towards privatisation and cannibalisation?

An idealist approach to human history is not adequate. Neoliberalism did not appear out of thin air. It was brought to bear by these governments to solve practical problems produced by structural changes in the global mode of production. Capitalism has always sought a global market, eager to break free of the limits set upon it by national governments, eager to find new resources and new techniques to produce goods for lower costs and to find new markets to sell these goods at higher prices. But capital’s great global ambitions were held in check by technological limitations – such as the inability to access information in real time from across the planet – and by working-class movements that demanded that nation-states restrict capital to benefit labour. But by the 1970s, certain technological barriers had been overcome and working-class power had been relatively depleted. Capital was now able to ascend its chariot and observe the planet from above, looking down at it from its satellites, hoarding information on its computers and seeking the cheapest workers and the dearest markets. This god-like position for capital inaugurates the era of **globalisation**.

A truly magical era opened up for capital. Technological developments came swiftly as a flood of workers marched in single-file towards its global factories, and as a new intellectual property regime developed to protect capital’s gains despite political objections from weakened states around the world. What state power workers and peasants had was now delivered comprehensively to capitalists. Now truly one could say that the state functions as a committee for managing the common affairs of the bourgeoisie.

The political condition for globalisation was set by the Western financial system’s induced debt crisis for the Third World. A sharp increase in US interest rates in 1979 – the Volcker Shock (named after US Federal Reserve chair Paul Volcker) – jolted the economies of the Third World. What Volcker did by his monetary policy was to export inflation from the shores of the United States to the rest of the world. High interest rates for the dollar meant that the London Inter-Bank Offer Rate (LIBOR) skyrocketed. For no fault of their own, Third World states now found themselves at catastrophic levels of debt against commercial banks and Western governments. The situation of the fifteen heavily indebted countries (based on the World Bank’s assessment) is illustrative. In 1970, these fifteen countries carried a total external public debt of $17.9 billion (9.8% of their Gross National Product, GNP). By 1987 – in the heat of the debt crisis – the figure rose to $402.2 billion (47.5% of their GNP). The debt service or interest payments on this loan was monumental – from a high payment of $2.8 billion (1970), it rose to an unmanageable $36.3 billion (1987). By 1991, the numbers had gone out of control. The total external debt for the Third World states was at $1.4 trillion, which amounted to 126.5% of the total exports of these countries. This means that the amount owed to commercial banks and governments was greater than the amount earned by the export of goods and services.

The Third World debt crisis crushed the ability of these states to provide social goods to their
populations. UNICEF – the UN Children's Agency – noted that this debt crisis resulted in a 25% drop in average incomes in the 1980s, a lost decade. The 37 poorest countries in the world reduced their spending per capita on health by 25% and on education by 50%. UNICEF’s interest was in the children. It estimated that in 1988 half a million children died of preventable ailments as a result of the debt crisis. That means, UNICEF noted, that 40,000 children died every day because of the financial system. At this time, Tanzania’s President Julius Nyerere put it clearly, ‘Must we starve our children to pay our debts?’.

The debt crisis in the Third World had destroyed the political confidence of many of the states in Africa, Asia and Latin America – which meant that they had little to bargain with when companies arrived to negotiate for ‘free trade zones’ and other advantages. It was the debt crisis that weakened the bargaining power of the post-colonial states, weakening their leaders’ resolve and the cultural confidence of the nationalist elites. Dependence is a consequence of a lack of independence. ‘He who feeds you’, warned Burkina Faso’s Thomas Sankara, ‘controls you’. So it has become.

It was on the graves of these children and on the weakness of the Third World states that the new architecture of globalisation would be built. There were three elements to this new dynamic: the development of new technologies, the delivery of millions of new workers to the accumulation strategies of the monopoly firms and the creation of a new intellectual property regime.

First, new technologies – such as satellite communications, computerisation and container ships – provided firms with the ability to manage global, real-time databases and to move goods as fast as possible. Firms could break-up factories and set them up in several countries at the same time – a process known as the disarticulation of production. Each factory could produce one part of the final commodity, with the firm able – thanks to detailed information held on its proprietary database – to judge which country would be best able to provide the cheapest location for which production need. Capital did not need to build factories near markets or to build one giant factory. Those days were over. Now capital could take advantage of small changes in prices of input costs to build smaller factories in many locations. Because of advances in transportation – containerisation, for instance – capital could move the parts of the commodity swiftly and relatively cheaply as well as shift commodities to markets with relative ease. The technological means to remove production from one territory and to spread production across the planet now became available.

Second, barriers erected by the October Revolution, the Chinese Revolution and the Third World Project began to tumble in the 1980s because of the Third World debt crisis, the fall of the USSR and the opening of the Chinese labour market to foreign capital. Millions of workers, previously sheltered from full-scale capitalist demands, now became prey to the capitalist market. They would await the disarticulated factory to descend into their lives.

Thirdly, capital went into the final round of the General Agreement on Trade and Tariffs (GATT)’s Uruguay Round from 1986 to 1994 to ensure that intellectual property rights would be in the hands of capital rather than society. Previously, intellectual property was vested in the process by which a good was produced, not in the good itself. That allowed people to find new ways to make goods and to therefore enhance science and technology. Reverse engineering of goods was possible, which was crucial to the pharmaceutical
sector in the poorer nations where they could develop life-saving medicines for the poor. After the final round of GATT, which produced the World Trade Organisation (WTO) in 1994, the idea of intellectual property changed. Now, the good itself was to be patented, which means that capital can collect rent from anyone who makes this good – regardless of their own innovations. It also means that the value of goods produced outside the core territory of capital – North America and Western Europe – will be protected by this new intellectual property regime. Furthermore, the new intellectual property framework – through the patenting of nanotechnologies, genomics and transgenics – provided major food corporations with new power over agriculture that transcended control over land. It also provided ‘information firms’ with the basis for the new drive to ‘digital colonisation’ – namely the theft of data by large ‘information firms’ towards the consolidation of new desires through new means of consumer surveillance and by the delivery of mainly Western content to people across the planet (the slow death of ‘net neutrality’ as a principle for a social Internet is another indicator of digital colonisation). This was the new legal framework of the architecture of disarticulated production.

The World Trade Organisation came about as a result of a so-called ‘Grand Bargain’, as the economist Omar Dahi put it. Most of the global South, crippled by the debt crisis, gave up its industrial policy and protection of its workers and markets in return for exporting its agriculture and its extracted raw materials. In reality, what was lost was economic sovereignty in both industry and agriculture.

These technological developments, the delivery of millions of potential workers and the new intellectual property rules allowed firms to operate on a global scale. They used two different strategies along the global commodity chain for the production of goods and services. First, they moved their entire production processes overseas to one country. This is known as Foreign Direct Investment (FDI) outsourcing. Here, the multinational firm would still have to invest money elsewhere to build up the physical infrastructure for production. Second, to produce their commodities the multinational firms would merely hire subcontractors, who would struggle against each other in a race to the bottom. This ‘arms-length outsourcing’ – as political economist John Smith put it – allowed multinational firms to save their capital and to bear almost no risk in the production process. Either way – by FDI or by arm-length outsourcing – capital found its advantage in labour arbitrage, using cheaper and weaker labour to make its products, while hollowing out societies in the North and the South.

This new geography of production weakens the power of workers by removing the two institutional frameworks for the building of worker power – trade unions and nationalisation. How can workers build unions in these arms-length sub-contracted firms that are run on low margins by owners who use every brutal means to extract work from replaceable workers? How can states, if they are taken over by workers, nationalise parts of the production process if they do not control the entire process of the production of a commodity? Neither of these means is available to workers. Their own motion to change the world is stifled by the concentration camp features of the Export Processing Zones and by the *maquiladora* factories.

Arms-length outsourcing enables firms of the North to no longer invest their capital into the production process. Nike, Apple and others like them do not invest money into factories. They are brand firms. The profits they make from the rent they collect against their brand
is astronomical – and it does not get substantially reinvested into productive enterprises. Little wonder that firms are sitting on vast amounts of cash or that they have turned over mountains of capital into the unproductive financial casino. Rather than invest this money for productive enterprises or for the social good, they hoard it in financial circuits where they attempt to produce more money from money without the intermediation of production. No surprise then that the people who control some of these large firms become obscenely wealthy. Eight men, says an Oxfam study, now hold as much wealth as the entire bottom half of humanity. Their wealth is a direct result of the arms-length outsourcing established by disarticulated production and by the ballooning financial sector as a result of the lack of need to invest in production.

Not only have the rich and corporations amassed vast amounts of cash, but they have also been – over the past forty years – stingy with that money. North American corporations – by themselves – are holding $1.9 trillion in cash within the US and an additional $1.1 trillion in their offshore accounts. US banks are holding $1 trillion in cash reserves. That's a total of $4 trillion. Add in the cash held by corporations and banks in Europe and Japan and the total amounts to $7.3 trillion, a number that does not include the ‘black money’ hoarded in Luxembourg, Singapore, Switzerland and other such banking havens. That figure – according to a study by the National Bureau of Economic Research and based on numbers from the Bank for International Settlements – indicates that tax havens hold an estimated $5.6 trillion (in 2007). Offshore wealth – held in these havens – amounts to about 10% of total global GDP. In some countries (such as the UAE), the offshore wealth is above 70% of GDP. The elites of the UAE, Venezuela, Saudi Arabia, Russia and Argentina make their countries the highest states with offshore wealth as a percentage of GDP. This vast hoard of accumulated money capital means that the richest firms and individuals have outsourced stagnation into the heart of the world – they have refused to invest this cash into the world of social labour, while they insist on cuts to national budgets paid for by taxes on workers and peasants and lower living standards for workers and peasants. There is no greater scandal than this structural constipation of capital, this ‘investment strike’.

Based on this grim reality, it is necessary to develop – in our common sense language – the concept of the ‘tax strike’. Those who hold capital, who are the masters of property, have been – essentially – on strike against regimes of taxation. They use their vast wealth to either hide their money or change tax laws to offer them increasing protections. This vast pool of wealth is not used substantially in any productive way. If it is used, it is put to work to inflate the stock market and various asset bubbles. The most obscene version of this use of capital is in the centre of finance: in Wall Street. The turbulence that this dynamic can produce was shown in the 2007-08 explosion of the largest asset bubble to burst as of yet – the US housing market. In the heyday of the housing boom, the US government’s delivery of liquidity to banks was called the Greenspan Put – the US Federal Reserve’s chair was famous for flooding the markets with capital, which was used to inflate asset bubbles such as housing prices. Without any real social security or pension scheme, retirement for older middle-class US residents had come to be premised on increased home prices. This was the main asset, so the country’s middle class acceded willingly to the Greenspan Put and cheered on finance to develop out of control for their own short-term benefit. This is what Greenspan’s Put enabled – the North American Dream for the middle-class and upper levels of the working-class was now cemented in the foundations of rising property prices.
If housing prices provided the US middle class and upper sections of the working class with the dream of retirement, credit from banks allowed them to consume at rates that were far above their own incomes. The United States market operates as the ‘buyer of last resort’ for the world market, continuing to vacuum up goods and services as well as resources of all kinds from across the planet. The scale of US consumption is astronomic. Merely 5% of the world’s population, the US consumes at least a quarter of its energy. If everyone on the planet lived like a US resident, then at least four Earths would be needed to sustain that level of consumption. The scale of consumption, fuelled by the Greenspan Put and by credit delivered through the international banking system, allows the US consumer to become essential to the manufacturers from China to Mexico. So the inflation of the asset markets and the entry of cheap credit into the US consumer sector is not irrational for this system, but perfectly rational. The system is designed in this way, its rationality driving the system from one crisis to another, from chaos to chaos.

When the US housing market – an overinflated bubble – burst, Greenspan, one of America’s leading monetarist practitioners, said he was ‘shocked’. When Greenspan came before the US Congress in 2008, he faced sharp questions from Representative Henry Waxman (California):

**Greenspan:** I made a mistake in presuming that the self-interest of organisations, specifically banks and others, were such as that they were capable of protecting their own shareholders and their equity in the firms.

**Waxman:** In other words, you found that your view of the world, your ideology, was not right, it was not working.

**Greenspan:** Absolutely, precisely. You know that’s precisely the reason I was shocked, because I have been going for forty years or more with very considerable evidence that it was working exceptionally well.

Greenspan’s ideology, his theory, was flawed, and he was shocked – and yet it had no impact on the Economics profession or on their public policy frameworks. Monetarism came out of this crisis unscathed. Macro-economic policy remained in the hands of technocrats who pushed the view that there need not be any political discussion about their choices. They were above politics, in the land of theory, a theory that Greenspan himself had told the US Congress had been wrong. The former Greek Finance Minister Yanis Varoufakis said quite clearly, ‘The danger of a coup these days comes not from a tank, but from a bank’. No need for a military coup (except in certain countries) when the well-paid lobbyists and the well-behaved bankers tied democracy up in chains.

The tax strike enabled individuals to hold large – unimaginable – quantities of social wealth. This wealth, beyond what an individual or a family could consume, created the morbid cult of philanthropy. Rich donors became the hero of our times, with Bill Gates lionised for his work on medicine and with other wealthy men and women seen as champions against poverty. It was these individuals who became key drivers of social policy against the democratically produced needs of a country. In this way, public policy is now driven less by democratic institutions and more by donor-driven agendas. As Sarah Mukasa of the African Feminist Forum put it, ‘We must caution against attempts to de-politicise economics and development and prevent this [new development] agenda from being completely donor-driven’.

Tax strikes come alongside the insistence from the
official policy makers (backed by the full force of big capital) that public officials must balance the books of public finances. Governments must balance their budgets, even as capital reduces its payments into the public exchequer. This means that governments are forced to either sell assets to raise funds so as to continue to maintain social institutions or else they slice away at these social goods. Fiscal responsibility alongside the tax strike means impoverished government finances. No wonder then that the pressure on society is now defrayed from the state onto society. What the hidden hand destroyed, the hidden heart had to hold together – the social costs of globalisation frayed society, whose loose bonds had to be held together by triple time labour mainly from women in families.

Neoliberalism

A philosophy of a hopeless society,
Man eat man, man can’t plan
Whiteman society IMF and subsidies,
and like beggars we continue to stretch our hands.
—Kalamashaka, Ni Wakati.

Modern states, with commitments won by their population through sustained struggle, could not immediately cut all social benefits. Childcare, education, transportation, fresh air, welfare, pensions: all these the people had forced their states to provide. These were part of the minimum definition of modern civilisation. It is the tax strike, fiscal responsibility and the demands from the public for social goods that produced neoliberalism. Neoliberalism, in other words, was a product of a bourgeois public policy solution to the crisis of globalisation.

The tax as well as investment strike and fiscal responsibility desiccated public budgets. Bourgeois governments simply could not find the means to deliver upon their obligations. Dearly
won public assets and non-commodified parts of nature went on the auction block. This privatisation raised funds to maintain the tenuous finances of the modern states. International entities such as the IMF and commercial banks punished states that did not cut deep enough into their public finances, downgrading their bonds, preventing them from raising short-term capital to protect them from the spiral into insolvency. The gatekeeping by western institutions against the ‘developing nations’ is now well known. A World Bank report from 2007 found that by the end of the previous year only 86 developing countries have been rated by the rating agencies. Of these, 15 countries have not been rated since 2004. Nearly 70 developing countries have never been rated. In other words, the private ratings agencies – Fitch, Moodys and Standard & Poors – ignore these countries and thereby make it hard for them to raise capital in commercial markets. It is the IMF that rates these countries, often adversely, making money expensive for them. Not only do these countries lose out because their GDP is under-reported (since they export valued commodities at low prices, which are marked up when they enter the imperialist zone), but they are also prejudiced against because they are seen as high-risk borrowers. This is the finance-development trap, where nations that are poor in capital are forever fated to remain so. Fire sale of their national assets is seen as the only way to contain their haemorrhaging national budgets.

The money raised from privatisation continues to be used to service debt obligations as well as to pay for expensive energy imports. This is money that does not provide new infrastructure or enhance the social wealth; it is rarely used to invest in education to broaden the skills of the population. This is – essentially – a form of theft. A recent study by Global Financial Integrity and the Centre for Applied Research (Norwegian School of Economics) found that the total aid, investment and income that entered the developing countries from outside in 2012 amounted to $1.3 trillion. That is a great deal of money. But then, the study looked at the outflow from the developing world that same year and found that the number is $3.3 trillion. In other words, the developing world haemorrhaged $2 trillion to the West. Since 1980, the total drain of wealth has amounted to $16.3 trillion. The richer nations, like vampires, have been sucking dry the wealth of the poorer nations – not during the era of high colonialism – as did happen –, but in our contemporary period. What is the character of this money that flees the developing world? It comes in three packets – $4.2 trillion in debt service (almost four times the total aid package), income made by foreign firms that is repatriated back to the Global North and unregulated and illegal capital flight (not just ‘black money’ but also trade misinvoicing, which itself amounted to $700 billion in capital loss). For the Global South, then, funds for basic social development are simply not easily available.

Matters are no easier in the Global North, where the State’s neoliberal obligations has driven social development into the private sector. In fact, the experience of neoliberal policy in the Global North has steadily gone global. Tax cuts for the wealthy and lax restrictions on corporations to repatriate profits into the territories where they are registered have decreased the assets in national budgets. Enormous expenditure on militaries and on security services dig into the wells of the national treasury. Money is not turned over for essential social services – education and health care. It then becomes the private obligation of citizens to find means to pay for what should be a social function. As a result, personal debt increases when citizens study and when they fall ill. Young people and cashiered older workers are forced to pay for their education through debt, as this
education was promised as the avenue for individual advancement. Student loan debt in the United States is now $1.3 trillion, in the United Kingdom $500 billion. This model of the privatisation of social goods has been rapidly exported into the rest of the world. Student debt is on the rise from China to South Africa, from India to Mexico. In the United States, 85% of the population has some health insurance and yet – in 2012 – US residents spent $2.7 trillion on health care out of their own pockets. One study from 2010 showed that 40% of US residents had trouble paying their medical bills. Medical debt is the main reason for individuals in the United States to declare bankruptcy. This ‘American model’ of privatisation has resulted in a rise in global bankruptcy through health care bills. In India, the World Bank and the World Health Organisation found that 52.5 million Indians were impoverished by health care costs in 2011. Each year, the World Bank and WHO show, about a hundred million people go into ‘extreme poverty’ as a result of health care costs. The number rises to 180 million people per year if the threshold is lifted for extreme poverty from $1.90 or less per day to $3.10 per day as income.

Free university education – a major gain for social democracy – is being gradually whittled away across the world. College debt suffocates the ability of students to experiment with new ideas. They are eager to find courses that would enhance their ability to find a high paying job once they graduate. To this end they spend their time finding wage-less internships, whose growth has been astronomic over the past two decades. Students seek out ‘coaching’ classes to help them with their English, get them into expensive private graduate schools and hope against hope that the investment in them will pay off with jobs that are increasingly not available. This means that courses that challenge the prevailing social order or that introduce students to innovative thinking (whether in the arts or sciences) seem less attractive. College becomes less a social incubator and more a springboard to individual success – not driven by cupidity but by debt-induced desperation. This has an impact on intellectual life in general. ‘Once upon a time’, Professor Issa Shivji of the University of Dar es Salaam said, ‘our universities took pride in being centres of controversy; now we covet to become centres of excellence. You can’t attain excellence if you are controversial’. In other words, the discourse of ‘excellence’ sucks the energy out of new thinking, especially elaborations of counter-hegemonic thought rooted in the experiences of workers, peasants and the unemployed.

How was the economy to grow? Neoliberal policy bet on letting loose the animal spirits of consumerism, paid for through debt, and from the creation of new technologies and assets that would miraculously increase growth rates and produce social wealth that could be – somehow – spent on social goods. None of this happened. Instead, consumerism and the emergence of new technologies led to debt and the inflated assets led to more turbulence of the global economy, a derivative civilisation, a civilisation founded on trickery and theft. To make the economy grow, ordinary people had to go into debt.

Debt is one part of the plan to keep the economy humming, to make sure that the overabundance of products finds a buyer. The proliferation of advertising to create new desires is evident in the visual landscape that surrounds us. Firms have developed sophisticated theories of market segmentation to target more finely grained desires and to produce subcultures of consumption. Demand is created for goods that are either not essential or that are new versions of older products that do not need to be replaced (such as the requirement to get new phones or new cars). This drive for planned obsolescence certainly
helps a saturated market expand, but at the same time it creates enormous volumes of waste. The world’s annual garbage production, according to a World Bank study, amounts to 1.3 billion tonnes of waste, namely around 11 million tonnes of garbage a day. It has been estimated that 99% of what is purchased is thrown away within six months. The World Bank study shows that by 2025, the total daily garbage will likely triple and that by 2100, the total annual waste would exceed 4 billion tonnes. Since 1950, the world has generated 9 billion tons of plastic waste – only 9% of which gets recycled. The mirror image of planned obsolescence to expand the shrinking market is the mountains of waste that find their home at the bottom of the seabed, as toxic gases after incineration and in landfills that leach into precious drinking water and onto fertile land. The volume of garbage and the destruction of nature are slowly eroding the ability of capitalism to gallop forward into its own version of Nirvana.

More than an economic policy, neoliberalism functioned as a desirable cultural agenda. The promise of a world of commodities is the lure of neoliberal policy. But beneath that is a call to live one’s life as if one is not a human being but a business enterprise. The sensibility of an enterprise culture or a culture of entrepreneurism attracts people of all backgrounds, but – as a great deal of psychological research shows – it impacts upon human beings divergently. Those with fewer resources are not so easily able to flourish in a world of self-improvement and self-motivation, to be able to live with the assumption of being a self-driven individual in world where success is premised upon background and on chance. Depression and insecurity are the outcome of a society that is increasingly driven by a quixotic drive for immediate success premised on individual talent or drive. Failure is a cost that is borne individually. ‘The psychic life of neoliberalism’, as sociologist Christina Scharff put it, damages not only society but human personality. It undermines cultures of solidarity in favour of cultures of consumerism and cultures of individualism – leading, in sum, to greater dispersed anxiety and less social cohesion. To put the point sharply, the World Health Organisation has suggested that in the past 45 years, suicide rates have increased by 60%. Suicide is now, as the WHO has pointed out, among the three leading causes of death among those men and women aged 15 and 44. The ideology of neoliberalism, seductive as it might be, has harsh effects in an unequal society, particularly amongst the youth.

The data on the poverty of our times is utterly miserable. Let’s begin with the fact that 22,000 children die every day from poverty. Every ten seconds a child dies of hunger. About half of the world’s population live on less than $2.50 per day. Household debt rates in much of the world have increased astronomically – which implicates the middle class into a debt-driven consumption pattern. There are miserable implications for this data – the fact that global wealth, drawn from the exploitation of social labour, has been sequestered by very small numbers of people; and that the amelioration of suffering of a very large number of people will be sporadic and insufficient.

Older categories that have been set aside by social science – such as humiliation, frustration, desolation, alienation, anger – will be needed if we are to understand the condition in the planet of slums. Rather than fight to break the tax strike, the governments of the world turn their energy towards corralling the masses through devices of great ingenuity – a War on Drugs, a War on Terror – with new vocabulary to suggest the inevitability of the new mechanisms of control – Security, Surveillance, Risk Mitigation, Sensitivity Analysis, Hazards. Social wealth that could be used to overcome poverty is now moved
– increasingly – to build up the arsenal of ‘security’.

A 2016 report from the Institute for Economics and Peace showed that the total cost of violence per year is about $13.6 trillion, with half of this ($6.6 trillion) going to military expenditure and a quarter ($3.5 trillion) going to internal security. The total cost of violence amounts to 13.3% of the world’s GDP. Since the stated commitment for Official Development Aid is merely 0.7% of GDP, this discrepancy between aid and violence shows that the market has failed. Neoliberal policy, which is essentially starvation of the social side of state policy and indulgence of the military side of state policy, has little answer to the widening inequality gap and the deepening sense of despair that grips large parts of the planet. Guns intimidate people, but they do not provide them with any hope for a better future.

Neofascism

Fixation on Donald Trump is a natural instinct. He is the most bellicose of the strong men, a long line that runs from the Philippines’ Rodrigo Duterte through India’s Narendra Modi to Turkey’s Recip Tayyip Erdogan. Of these men, Trump is in charge of the most powerful state, with vast military capabilities and with its power coursing through the institutions of international finance and diplomacy.

Trump – and the European neofascists – provides a muted rhetorical opposition to neoliberalism. They do not oppose neoliberal policy in any direct way, since they remain committed to policies that increase economic growth and to policies that curtail the social wage. Substantial critiques of globalisation are not to be found at the policy level, but only at the rhetorical or political level. It is here – in speeches before their constituencies – that Trump and the neofascists gesture towards policies of economic sovereignty. They grumble about job loss and trade policies,
but – like neoliberals – they have no real alternative to globalisation. They are trapped by its material contradictions: immense profits harvested by multinational corporations that feed the financial structure; while great misery grows for the mass of the world’s population, who produce the social wealth to which they seem to have no claim.

Neofascism is the inverse of the psychic life of neoliberalism. The general cultural atmosphere of neoliberalism breeds the attitude that success is a personal journey, that self-direction drives excellence and wealth. This is the attitude of the novelist and philosopher Ayn Rand’s Howard Roark, from her novel *Fountainhead* (1943), who believes that ‘second handers’ must be shunned so that people of talent and motivation – such as himself – can win. But what happens to those who do not ‘win’, who cannot ‘succeed’, who find it hard to even live at the standard they think is necessary for their desires? Failure cannot be allowed to be personal, but nor is it understood in structural terms. It is someone else – the scapegoat – who is the reason for one’s failure, not one’s own limitations or the barriers placed upon social advance by the way the system is structured. Those who fail by Ayn Rand’s rules look over their shoulders to find someone to blame. It is, as Ernst Bloch wrote almost a century ago, a ‘swindle of fulfilment’ – a false, brutal community substitutes for a genuinely humane community. If neoliberalism blames the individual for ‘failure’, neofascism blames the scapegoat.

What the neofascists promise is much weaker than either economic sovereignty structured around nation-states or around the working-class. Their rhetoric sparkles with economic nationalism, but in fact their policy provisions are stuck at the border of cultural nationalism. They obsess over a fantasy of cultural homogeneity – a Europe without minarets and hijabs, an India without Muslims, the United States without Mexicans. Anti-immigrant sentiment is the platform of their nationalism. Trade ceases to be about the principles of exchange and becomes increasingly about racism. There is little serious conversation here about how increased productivity rates in the West – driven by technology – have been the cause of job loss. Trade has played only a marginal role in the haemorrhaging of ‘white collar’ jobs. Serious economic discussion is left by the wayside as the antidote to suffering is suffocated by ‘Build the Wall’ and ‘Muslim Ban’, ‘Beef Ban’ and the war on ‘drug pushers, hold-up men and do-nothings’ – slogans of great meaning to those who are hurt by them, but with little meaning for those who suffer from economic insecurity. This is the cruelty of the neofascism, the dominant political form of our times.

Ayn Rand’s children – those who believe that they have succeeded – are now in charge, a great buoyancy in Wall Street, the Finanzplatz, Dalal Street, and in the City of London, a sense that tax burdens will lessen even more and that liquidity will allow far more wealth to be created in the financial world than previously. The tax ‘reforms’ of the Trump administration are indicative of the favouritism towards Ayn Rand’s children rather than to the dispossessed populations. Wealth is comfortable with neofascism, if a little embarrassed by its cultural obscenity. The tax strike remains sacrosanct. So is the investment strike. None of this is under threat from the ‘nationalism’ of the neofascists who are quite happy to turn their attention against the vulnerable rather than the propertied.

The neofascists are under no compulsion to mask their belligerence, to hide behind phrases such as ‘humanitarian interventionism’ or ‘security’. They believe in violence and want to use it in allopathic doses to maintain their domination. Calls for re-colonisation come alongside calls for the theft of
natural resources. Their wars – internal and external – are the prophylaxis against the failure of their fantasy of cultural sovereignty. They cannot make a world of cultural homogeneity so they use force to intimidate those who are seen as foreigners, as outsiders, as lesser human beings.

Imperialism

When imperialism feels weak, it resorts to brute force.
—Hugo Chávez.

Neither neoliberalism nor neofascism is capable of moving a human agenda against the contradictions produced by globalisation. People are being seen as disposable, as a gated-community civilisation grafts itself above society. It is a miserable world that confronts us.

It is important to say directly that this new architecture of production is maintained by diplomatic and legal extortion as well as military intimidation. When countries do not agree with the institutional arrangements that benefit the largely Northern-based multinational firms or if policies move against property, the full force of the corporate media and the military establishment of the North are mobilised into action. The pressure that runs from Venezuela to Iran to North Korea is a visible demonstration of imperialism, namely the extra-economic power used by states in an era of hyper-monopoly arms-length capitalism.

In our current period, the United States government has been the main gendarme for the
structure of imperialism. It links together a web of allies that runs from the countries in the North Atlantic Treaty Organisation (NATO) and goes outwards to important regional allies such as Saudi Arabia, India and Colombia. The United States – and its European allies – has to hold together an unsustainable set of contradictions. The United States has made it clear that it would not like to see any rivals challenge its putative hegemony – with the main rivals in our time being China and Russia. The World Economic Forum estimates that in 2017 the United States had the largest economy in the world ($18 trillion, just above 24% of the size of the world economy), but that China is next ($11 trillion, 14.84% of the world economy). IMF data shows that the Chinese economy grew by 6.7% in 2016, while the US economy grew at a much slower pace of 1.6%. A study by PricewaterhouseCooper says that China will be the largest economy by 2050. China, in other words, is poised to become the largest economy in the world. Furthermore, China's economy dynamism is no longer to be based on low-wage work, but on technology-driven productivity improvements. The World Intellectual Property Organisation report from 2016 showed that in the previous year, China had filed the largest number of patent applications – twice the number of applications filed by US-based entities. China, in fact, filed a third of the world's patent applications in 2015. This suggests that China might challenge the US and Western domination of the intellectual property driven arms-length outsourcing accumulation strategy.

If these rivals – China and Russia – emerge to become powerful poles, then they would challenge the three pillars of the Western advantaged system of disarticulated production and global accumulation of capital: arms-length outsourcing, intellectual property rights and the use of violence by the West for its own ends. There are small signs that these three pillars are indeed being challenged. The first two are certainly being undermined – although it would take many decades before they can be totally set aside. The third pillar – monopoly on force – is going to be harder to shake. The United States, in 2016, spent more than the next eight largest spenders on arms combined (China, Russia, Saudi Arabia, India, France, the United Kingdom, Japan and Germany). At $611.2 billion, the United States dwarfs the second largest spender, namely China, which spent a mere $215.7 billion in comparison. US President Donald Trump’s proposed increase to the US military budget will add more to US military spending than total spent by the third largest spender, namely Russia, at $69.2 billion. The United States also has a massive military footprint with its eight hundred bases spread over seventy countries. The United Kingdom, France and Russia combined have a total of thirty foreign bases. China has one foreign military base – in Djibouti – in the shadow of a massive US base in the same country. Russia’s military bases are mainly in the former Soviet Union (mostly in Central Asia), with two bases in the edges Asia (Syria and Vietnam). There is no indication that these powers – China and Russia – will be able to challenge US military supremacy at any point. At most, they will be able to halt the aggressive behaviour of the United States to conduct regime change operations, such as in Syria.

Despite their military weakness, these countries cannot be easily subordinated. Too much pressure on them would turn them inwards, or towards building their own networks of accumulation outside the parameters of Western institutions. China already through its Silk Road project and its investments in Africa as well as through its own intellectual property developments is building a production and accumulation architecture that would undermine the disarticulate production process that advantages Western firms. To push too hard against China and Russia might move
China to slowly withdraw from the Western banking system to park its surpluses elsewhere and to cease to rely upon Western markets for sale of its products. The contradiction between holding the rivals down and making sure that they do not move outside the orbit of the West is the complex task of modern-day imperialism.

The use of force for economic ends is evident in the expansion of NATO towards Russia and in the encirclement of China. Hot conflicts in Ukraine and North Korea and cold conflicts around the South China Sea are the measure of these struggles. Neither Russia nor China is willing to provide economic advantages to the West. China is the nettle under the saddle for the United States. Its trade surpluses rankle. The behaviour of China as opposed to Japan is instructive. In the 1980s and 1990s, Japan's trade surpluses also bothered the United States. Japan's government twice allowed US political pressure to revalue the Yen to the betterment of the Dollar (in the 1985 Plaza Accord and the 1995 Reverse Plaza Accord). When Japan's people elected in a reform-oriented government on a mandate to remove the US base at Okinawa in 2010, US Secretary of State Hillary Clinton directly intervened to force the resignation of Prime Minister Yukio Hatoyama. It has not been so easy to force China to revalue its currency and to allow its political system to be dictated by Washington. It has, therefore, been imperative to challenge China's use of the sea-lanes and to threaten its security with military bases and over-flights. Much the same sort of sabre-rattling is evident in the expansion of NATO eastwards, breaking the minimal agreement between the Soviets and the Germans for the absorption of the newly unified Germany into NATO. Germany's foreign minister Hans-Dietrich Genscher told the USSR's foreign minister Eduard Shevardnadze, ‘We are aware that NATO membership for a unified Germany raises complicated questions. For us, one thing is certain: NATO will not expand to the east’.

But it has, and in doing so with an aggressive missile defence shield, it has directly threatened the security of Russia. The Ukraine crisis is a clear consequence of the expansion of NATO into Eastern Europe. NATO's expansion into Eastern Europe is not merely to protect the countries along the Russian perimeter but to ensure that these countries remain within the tentacles of a Western-dominated political economy rather than a Russian or Chinese one. The force of arms is the iron fist inside the velvet glove of globalisation.

Behind doors, the Masters of the World – the G7 states – continue their shenanigans despite the world financial crisis. Policy space is constrained by them in international institutions, allowing them latitude on subsidies but allowing the Global South little freedom. The pressure on the Global South against their food security requirements is one such. Another is the Trade in Services Agreement (TISA) pushed by the US and the European Union and their ‘Really Good Friends’ (a strange term of art used by the US and the EU to refer to the bloc they have put together). The bulk of the Really Good Friends involved in the TISA negotiations are from the upper income countries, with only two lower income states (Pakistan and Paraguay) in the process. The TISA pushes for the privatisation of public services and for the control over data by large corporations outside the territories from which this data is harvested. The point of the TISA agenda is to set aside the old development project and to assert in its place an ‘e-commerce’ strategy to reduce poverty. A UBS report suggested that the e-commerce agenda, rather than end poverty, would exacerbate it. With e-commerce, said the banking analysts, countries in the Global South ‘will face the threat of the Fourth Industrial Revolution, compromising low-skilled jobs via extreme automation, but may not
have the technological ability to enjoy the relative gains that could be re-distributed via extreme connectivity’. What this means is that the digital colonialism will give a handful of firms – Facebook, Amazon, Netflix and Google (FANGs) – the power to provide services across the planet, harvest data from this provision and make efficiency gains that benefit capital but have a negative impact on labour and society.

Alongside the TISA is the trade regime pushed by the West on both flanks of Eurasia – the Transatlantic Trade and Investment Partnership (TTIP) across the Atlantic and the Trans-Pacific Partnership Agreement (TPP) across the Pacific. Both the TTIP and TPP bind countries to the Western networks of trade hegemony and keep weaker countries out of the networks of China and Russia. Both have been negotiated utterly in secret and – if not for the occasional leak – the entire content of the discussion would be unknown to the public. Domestic laws would be set-aside before the TTIP and TPP, where the North would set an agenda for the rest of the ‘partners’. One of the leaked documents suggests that the US is applying ‘great pressure’ on the countries to get through the divergence of opinion on questions of intellectual property. In the debate around investment, one of the documents shows, ‘the United States has shown no flexibility on its proposal’. The outcome of these ‘negotiations’ is typically a victory for the West. Western pressure continues to be overwhelming. Its rules will continue to subordinate the economies of the South to Western advantage. Any trade rule that weakens the intellectual property regime that benefits the large monopoly rent-seeking firms of the West will be rejected outright by the Western leadership. This is the essence of imperialist pressure in trade discussions.

US President Donald Trump has signed an executive order to rip up the TPP. To see Trump’s rejection of the TPP as a change in direction is an illusion. The real issue of the TPP is not the trade rules itself, but China and not even China, but the emergence of rivals who can rewrite the trade rules and produce new networks for global production and accumulation. On October 5, 2015, former US President Barack Obama said, ‘We can’t let countries like China write the rules of the global economy’. TPP was not the essence. It was the isolation of China and the prevention of any rival from writing the rules of the global order. Trump has set a much harsher tone but says the exact same thing. China, a sovereign country with the second largest economy in the world, must not be at the table when the ‘rules of the global economy’ are written. This is the underlying floor of imperialism. It must decide the rules. Imperialism of the new era comes on two axes. First, on the institutional front, the Global North pushed a series of organisations, such as the WTO, to provide the only forum for discussion of issues of trade and development. At the same time, the Global North subordinated older institutions, such as the UN, to do its bidding in terms of use of force. Second, on the ideological front, the Global North argued against any alternative to the set of policies that went by the name of neoliberalism. Private sector led growth for private sector gains were seen as the only logical path for development. This, then, has been the new imperialism – so-called globalised institutions that follow a neoliberal policy platform even as the neofascists moan about the threats to their culture.

By the 2000s, the first major challenge at the inter-state level to the new imperialism emerged. In 2003, many states in the UN questioned the US desire to extend its warfare in Iraq while the emergent states at a WTO meeting in Cancun
blocked the Global North’s agenda for intellectual property. These two developments – among others – provided the basis for the emergence of the BRICS (Brazil-Russia-China-India-South Africa) project. What was the BRICS bloc in its early stage? It was not an anti-imperialist platform. An anti-imperialist platform would have required the BRICS bloc to take on imperialism both at the institutional and ideological level. The BRICS grouping was merely an institutional challenge to ‘unipolarity’, a move by major states to craft a multi-polar world.

BRICS has certainly attempted a new institutional foundation beside that of the Global North – the New Development Bank against the World Bank; the Contingency Reserve Arrangement against the IMF; the demand for permanent seats for the BRICS states on the UN Security Council. There is talk of a Southern ratings agency against the hegemony of Fitch, Moody’s and Standard & Poors. There is also talk of other currencies to denominate inter-state trade. Least convincingly, the BRICS has begun a conversation toward the creation of a new security architecture.

But the BRICS bloc – given the nature of its ruling classes (and particularly with the right now in ascendency in Brazil and in India) – has no ideological alternative to imperialism. The domestic policies adopted by the BRICS states can be described as *neoliberal with southern characteristics* – with a focus on sales of commodities, low wages to workers along with the recycled surplus turned over as credit to the North, even as the livelihood of their own citizens is jeopardised, and even as they have developed new markets in other, often more vulnerable, countries which were once part of the Third World bloc. There is little argument within the BRICS to defend food sovereignty or the right to food, to create decent jobs against hoarded wealth, and to fight against the power of the bankers. In fact, the new institutions of the BRICS will be yoked to the IMF and the dollar – not willing to create a new platform for trade and development apart from the Northern order. The Contingency Reserve Arrangement will continue to rely upon IMF surveillance and IMF agreements as a way to measure its own lending. The dollar is omnipresent in these mechanisms. Eagerness for Western markets continues to dominate the growth agenda of the BRICS states. The immense needs of their own populations do not drive their policy orientations.

Finally, the BRICS project has no ability to counter the military dominance of the US and NATO. When the UN votes to allow ‘member states to use all necessary measures’, as it did in Resolution 1973 on Libya, it essentially gives carte blanche to the Atlantic world to act with military force. There are no regional alternatives that have the capacity to operate on such UN resolutions. The Russian military interventions into Crimea in 2014 and into Syria in 2015 are indications that US military uni-polarity might be slightly weakened, but not at an end. The US is a global force with bases on every continent and with the ability to strike almost anywhere. Regional mechanisms for peace and conflict-resolution are weakened by the global presence of NATO and the United States’ war machine. Overwhelming military power translates into political power. BRICS have few means, at this time, to challenge that power.

Russian and Chinese alliances across Eurasia on security and economic lines are not signs of the creation of an alternative pole to Western imperialism. They are merely signs of defensiveness against imperialist aggression, with sanctioned Russia seeking shelter in the Chinese surpluses and with Chinese caution being given some boost by Russian confidence. The Russian-Chinese naval exercises during the 2017 US-North
Korean standoff and the entry of Russian forces into West Asia, backed by China, is a sign that they will not allow complete US domination – as has been the case from 1991 to the present. What they are jockeying for is to protect their sovereignty and the zone of influence around their territory – not for competition around the globe against US imperialist power.

What we have rather than an inter-imperialist conflict is an inter-capitalist conflict, with the BRICS states – mainly China – pushing for market share across the world and pushing back a weakened Western economic bloc. Tensions between Trump’s America First policy and the political-economic order that has relied on the vast pools of labour brought into the capitalist orbit since the 1990s has led the inter-capitalist crisis to take on inter-state dimensions. Western fantasies of Chinese domination go back a decade at least, when Chinese – and other – surpluses bailed out the Western financial order from collapse. But those fantasies were not always translated from rhetoric to policy. The danger now is that policies might appear that would confound the system as it operates. China’s premier Xi Jinping put it plainly at the 2017 Davos meeting, ‘No one will emerge as a winner in a trade war’. What he meant is not merely a trade war but an inter-state conflict with confounding outcomes. As inter-capitalist rivalries accelerate the tendency towards inter-state – and in time, to inter-imperialist – conflict should not be underestimated.

Imperialism continues to structure the world order – but it no longer appears as either raw colonialism or as mid-20th century style neo-colonialism. Matters are more complex. Here are six contours of 21st century imperialism:

1. To maintain the alliance system, with the United States as the hub and its secondary allies (the United Kingdom, France, Germany, Japan and others) as its spokes. At the outer edge of its spokes are subsidiary allies, such as Colombia, India, Israel and Saudi Arabia. These allies are essential to the global reach of US power. Any challenge to the allies will be swiftly put down by the full force of the United States military and with the open pipeline of military equipment and training from the Atlantic powers to their subsidiary allies.

2. To ensure that no challenge to the alliance system is allowed to emerge. The end of the Cold War signalled the demise of the main threat to the alliance – the Soviet Union and its satellites. Since then, the United States and its confederates have made sure to squeeze dry any challenge to the system. Pressure has built up on China and Russia through the expansion of NATO into Eastern Europe and with the build-up of US forces in the Pacific Rim region. South America’s emergence had to be cut down, whether through the old-fashioned coups (as in Honduras) or through post-modern coups (as in Brazil). BRICS, ALBA, or any other alphabet soup that sought an alternative power base had to be disaggregated.

3. To ensure that US confidence remain at a high note. During the first Gulf War of 1990-91, US President G. H. W. Bush said that the ‘Vietnam syndrome’ had been quelled. The US now felt confidence once more to act as a major power on the world stage – unafraid of exercising its full force. Proxy wars of the 1980s could be set aside. The US could now act with full spectrum domination against its adversaries. Calls for ‘another American century’ resounded after the US war on Iraq in 2003. – there was a fear that the imbroglio in Iraq would heighten doubts about US power. This had to be squashed. It was important to
revive anew the self-image of the United States as primus inter pares – the first amongst equals, the ‘indispensable power’ as US Secretary of State Madeleine Albright put it. Threats against Iran and North Korea are visible depictions of this bluster.

(4) To protect the global commodity chain, which is the basis for industrial production – whose benefits are secured by transnational corporations based in the Global North. Disaggregated production sites (with factories spread across nations) and stringent intellectual property laws enable these corporations to have much more power along this global commodity chain than workers’ organisations and nation-states. Diplomatic and military power of the Global North’s alliance system is used against policies of nationalisation and the intellectual commons. Sub-contracted mechanisms of labour discipline allow the Global North to maintain high moral standards while they rely entirely upon brutal work conditions that render social relations toxic.

(5) To guarantee the safe passage of extracted raw materials from mines and wells at rates far below what might be paid to the people who are the guardians of that wealth. Environmentally deleterious and inhumane practices of extraction are hidden away in forests and deserts, where protests will be fought in the name of the War on Terror or the War on Drugs or some kind of war that allows the extraction to take place without threat. Both the subsidiary partners of the Global North and the emergent states rely upon exports of raw materials for their growth agendas, allowing the Global North to wash its hands off the harshness that takes place in the dark – outside its direct control.

(6) To secure the financial power of the Global North, whether by protecting Saudi Arabia’s royal family so as to secure the flow of petrodollars to the North’s banks or by making sure that debts taken by the countries of the poor are paid up in full. When the financial crisis struck the Atlantic world, the Global North begged the large states of Asia (China, India and Indonesia) to provide liquidity to the system. In exchange, the Global North promised to shut down its executive – the Group of Seven (G7) – and substitute it with the Group of Twenty (G20). After the banks recovered, that promise was forgotten. Financial power had to been restored. That was the bottom line.

The challenge from the BRICS has now largely been muted. This has a great deal to do with its own internal contradictions, the rise of the right to power in Brazil and India as well as the rightward drift in South Africa, and the lowered commodity prices that struck at the heart of the BRICS economic power. The BRICS have failed – for now – to rebalance the world order. It was left to two of its members – Russia and China – to produce a modest challenge to Western imperialism. Squeezed on the two flanks of Eurasia by military manoeuvres and by Western threats against Iran and North Korea as well as by sanctions on Russia for its intervention in Crimea, the Russians and Chinese signed economic and commercial deals as well as military and strategic agreements. The economic and commercial ties – particularly for the sales of energy – remain, however, modest. Chinese and Russian naval manoeuvres off the coast of North Korea and the entry of Chinese warships into the Mediterranean near Russian ships are signals that they will not easily allow the West to use its force to fashion a world to its advantage. But these are defensive postures, not capable fully of rebalancing the world order let
alone providing an alternative to this order. Whether they will be able to sustain their defensive attempt in this time of neofascism is hard to say: will Russian and Chinese aircrafts land in Tehran and Pyongyang to prevent regime change in these two borderline states of Eurasia?

Part 2: Agency.

Decomposition of the Agent of History

General, your tank is a strong vehicle. It breaks down a forest and crushes a hundred people. But it has one fault: it needs a driver.
—Bertolt Brecht, A German War Primer.

What remains before us? Across the planet, there are many strong and powerful movements of the people – labour struggles and dignity struggles, fights to defend the right to natural resources and fights to defend the rights to one’s body. These are the main avenues of resistance to the powerful.
For a hundred years, factories and offices drew in large numbers of workers in a dense environment of surveillance and productivity. Capital, hungry for profit, saw the advantages of creating gargantuan factories and offices. The scale of production benefitted capital – by making enormous numbers of commodities, capital could bid down the price of raw materials and saturate the market with its volume. Smaller firms went out of business. The craft of work vanished slowly, as the workers had to take their place in endless lines of production, where they expended their energy on smaller and smaller tasks that added up – outside their control – into the commodity. No worker made the entire commodity, but all the workers – combined – produced the commodity. This made individual workers into ‘an appendage of a machine’, as Marx wrote in *Capital* (1867). The intellectual demands on the workers fell, as artisans saw their skill taken over by the assembly line and the machine. The life of workers became indebted to the factory, and the working-class found itself dragged – as Marx wrote – ‘beneath the wheels of the Juggernaut of capital’.

The advantage of capital soon became its disadvantage. Having large numbers of workers consolidated in one factory allowed them to converse with each other. They would deliberate about their problems and consider how to understand the collapse of their dignity. It is in these conversations and the actions that the modern trade union movement developed. Factories were the centres of them because these were the places where the workers had density. They were also traps for capital – money had been invested in them, and any second of wastage would produce losses to the bosses. It meant that if the workers could strike work, then they would put capital under pressure. During this period, in Great Britain for instance, the bulk of the wageworkers were not employed in the factories; they were in domestic service. But domestic servants did not have the advantage of being in one factory, where they could organise together and where their strike would put pressure on capital. If a domestic servant protested, he or she would be fired. It was harder to fire an entire workforce in a factory. That is why factories became the hub of the trade union movement, and it is why the Marxists and socialists saw the trade unions as the centre of the socialist future. It also reveals how the sexism of parts of the trade union movement was reproduced in the strategy of industrial unionism: the majority of the working-class, difficult to organise because they were scattered in the homes of the propertied, were outside the hegemony of the working-class organisations.

By the mid-20th century, a hundred years after the trade union movement and its gains, capital had recourse to new methods of exploitation. We entered the era – as we have seen – of disarticulated production. Smaller factories no longer have the kind of worker density that large ones do. If a commodity is being built across national lines, it advantages capital against nations – governments of the people find it hard to nationalise a factory since they would only be able to nationalise one part of the production chain. The commodity chain revokes the strategy of nationalisation. The disarticulation of production makes trade unionism difficult, because capital now says that if you strike in one factory, then they will close you down and move production elsewhere. Their investment is no longer as trapped as it used to be. Since a great deal of production is outsourced to small capitalists in distant lands, the monopoly firms think nothing of abandoning one supplier for another in a different country. Their loyalty to their supplier is zero. In other words, the new techniques of production have disadvantaged trade unionism. It is also in these new, smaller, scattered factories that women workers have become such a crucial entity – brought in for less
than a decade of their lives, worn out by the speed-up of the factory floor and then sent back to their rural lives from where they came – waste products of contemporary capitalism.

With workers traveling for insecure jobs, the question of the working day has now been elongated such that leisure time is minimal if not non-existent, and so the time required to build the bulwarks of the working-class and peasantry has been eaten away. This time of the commute has eaten into the time of the community and the time of the union. Social life has been frayed as time has been stolen from people not by employers alone, but by the structure of insecurity and part-time work. More time is often spent in search of work than in work itself.

Furthermore, the culture of unionism has taken a beating before the culture of commodities. People have increasingly been converted by a fierce blast from the media, from the advertising industry and from educational institutions from workers into consumers. That is, the new identity – worn down by the psychic life of neoliberalism – is not to be seen in relation to one’s workplace, but to one’s consumption patterns. Malls and advertisements attract people of many classes to imagine themselves as someone else. If not malls, then religious halls – temples, mosques, churches – have become once more salves for displaced informal workers, whose beaten bodies and consciousness is now redeemed through the salvation promised by preachers of different faiths. Pentecostalism in Latin America, Protestant Christianity in China and so on have doggedly made their presence felt where union and socialist culture once held sway. Communities are created around desire for commodities and around faith. These have become more appealing in many quarters than the culture of the union and of socialist societies.

Trade unionism, in this context is made to seem anachronistic. It is portrayed in the mainstream as yesterday’s culture, with its slogans depicted as reminiscent of the days without malls and advertisements. But this is not all, since even more general sentiments of unity – such as nationalism and patriotism – have been eroded. They are becoming merely lifestyles, not meaningful cultural attributes. One can claim to be a nationalist without having any commitment to the people who make up the nation. The sharp edge of nationalism rubs hard against dissent. Crying sedition has become the order of the day. Students, journalists, workers, peasants, women – anyone who wants to suggest that there are problems with the national ‘consensus’ is seen as alien to the nation. The ‘nationalism’ that is acceptable is a hateful, unthinking form of social cohesion that does not require the work of building society, but instead is premised on violence and anti-social activity.

Structural unemployment and the widened informal sector channel grievances out of the workplace and into the streets. Survival in these streets leads to activity that could be seen as illegal – whether in the trade in drugs, sex, weapons or even barter. The existence of these activities provides the state with the opportunity to go to war against the population. The character of the state tends more to security than to welfare, to the policing of the population rather than to its care. Ideologies that argue for a smaller state (neoliberalism) have no problem with an expanded state apparatus for security. The calculus between desperation and revolution was clear to the elite. Tom Clausen of Bank of America is exemplary, ‘When people are desperate, you have revolutions. It’s in our own evident self-interest to see that they are not forced into that. You must keep the patient alive, because otherwise you can’t effect the cure’. To prevent the journey to revolution, only two paths lay
open to the elite – concessions to prevent the worst effects of neoliberal policy (which was the character of liberalism) or harsh security measures to crush the spirit of revolt (which was the character of fascism). But, in fact, in our times only one path opens up as neoliberalism and neofascism find common cause – namely, to send in the riot police. The gap narrows between the force of ‘free trade’ and ‘humanitarian intervention’, between the global commodity chains that wrap around the world and regime change wars that break states to create chaos. Force is, Marx wrote in 1867, ‘itself an economic power’.

Recomposition of the Agent of History

Nos tienen miedo porque no tenemos miedo.
They are afraid of us because we are not afraid of them.
—Berta Cáceres.

What does the Left movement do today as it is confronted by the disarticulation of production, the culture of consumerism and the rise of the Security state? There are no easy answers, but there are essential questions. There can be no full revival of trade union power without a revival of the culture of workers. There can be no easy revival of trade union power without an acknowledgment of the disarticulation of production, and the need – therefore – to build worker power where workers live if it is not always possible to organise them where they work. The point is to build worker power, not only factory power. Great social and economic changes are afoot beneath our feet,
which will drive frustration and anger amongst workers. It is the role of the sentinels of the workers – the unions and parties – to be prepared when these waves break out, when the objective conditions of distress lead to the subjective eruption of protest. For that reason, the recomposition of the working-class and the peasantry is of the essence.

The promise of trade unionism is to build worker power. To build worker power does not mean to only build unions in the workplace, notably in factories and in the fields. There is no doubt that it remains important to organise workers into unions. But the difficulties in many sectors – notably in the small manufacturing outfits in Export Processing Zones and the home-based work – means that other, creative means must be deployed to organise workers. For example, some of the most dynamic organising work around the world has happened in the places where workers live, as they fight to survive against rising prices for essential items, including water, and as they fight to produce spaces of safety for their families. Such battles – over water and over public spaces – have galvanised workers and peasants around notions of the ‘community’ or the ‘neighbourhood’, terms that do not on the surface have a class connotation but certainly do so when one approaches them from a materialist perspective. After all, the ‘community’ that the workers of Cochabamba (Bolivia), organised by trade unionists, defended during the ‘water wars’ was not an abstraction, but it was the concrete community of workers whose lives were being torn apart by privatisation. They knew that their community was a tangible fact in their lives, the solidarity that they needed to fight against water privatisation and the social bonds that they needed to hold fast to and rebuild for survival in the protracted struggles ahead.

Experiences of South Africa’s Abahlali baseMjondolo (AbM or the Shack Dwellers) and Brazil’s Movement dos Trabalhadores Sem Terra (MST or the Landless Workers Movement) as well as that of the Democratic Youth Federation of India (DYFI) and the All-India Democratic Women’s Association (AIDWA) – both mass organisations of the Indian communist movement – show the efficacy of building worker and peasant power in the areas where workers and peasants live. Slums are the homes of the workers and peasants of our time. These are congested areas, with minimal state support. UN Habitat estimates that a fourth of the world’s population lives in slums. In some cities of the Global South, half the population live in slums, where there is inadequate shelter, lack of clean water, poor sanitation and little if no health and education facilities. The figures from international agencies seem deflated. For instance, the slum of Khayelitsha in Cape Town (South Africa) is said to have 400,000 residents, although those who work in the slum say that the actual population is at least three times this number. Dharavi in Mumbai (India) houses somewhere between 1 million and 1.5 million people, while that of Ciudad Neza in Mexico City (Mexico) houses a million people. The largest slum in the world is said to be Orangi Town in Karachi (Pakistan), which houses over 2.5 million people. In these slums live people who work in the informal sector – in some countries measuring close to the totality of the workforce (India’s informal sector, for instance, is 90% of the workforce). These working-class populations are outside the social regulations of state-driven labour policy and they are – often – outside the network of trade unions.

Social wealth does not trickle down to these places. The good side of the state is largely absent here. As a result, the workers in these areas rely upon (a) their own ingenuity and self-organisation; (b) the markets produced by gangsters of one kind or another as well as of religious orders and NGOs; (c) the invisible heart of the women amongst
the workers, whose fight to protect the integrity of their families moves them to great efforts of social reproduction. The first practice demonstrates the possibility of socialism. It is here that one sees the formation of cooperatives and self-help groups by the working-class and for the working-class. The second is the most important challenge, since it is here that religious organisations and the mafia dig their own tentacles deep into working-class life. They – including NGOs – are a structural impediment to the growth of the Left. But the Left has learned that it will not grow merely by challenging these entities frontally. Experiences from across the Global South show us that the Left will have to prove by its work in the arena of social reproduction that it is indeed a better alternative to religious and charitable organisations as well as the mafia. Left organisations are already working to create platforms to assist the working-class in its fights for water and electricity, housing and street services, schools and healthcare – but at the same time working alongside the working-class as it begins to deliver these services in a relatively autonomous fashion. This is dangerous activity. It means undermining the gangs, the religious groups and the NGOs – all of whom have great stakes in this kind of work. At the same time, the intervention of the Left into these spaces socialises the privatised labour of social reproduction largely done by women. A great deal of work will need to be done to build the institutions of social reproduction amongst the workers and peasants, and a great deal of work will need to be done by intellectuals to study these initiatives, write about them to share them in different settings and to exchange the best experiences and outcomes that have emerged from this popular energy.

Furthermore, working-class power, in our period, is being built with great energy against the social divides of gender, religious and other types of hierarchies and discriminations. Marxists often used to worry that these divides of social hierarchy might ‘split’ working-class unity; in fact, these divides in society have already sundered unity and further the neglect of these issues only exacerbates disunity and distrust. The struggle for dignity by workers and peasants is not something outside class politics. It is precisely the essence of a class politics that wishes to liberate us from oppression and exploitation and redeem us as full human beings. Workers and peasants cannot be powerful unless they are united. The 180 million workers in India – under the flag of the trade union movement – who went on strike in September 2016 did so because the issues on the table included political questions of social division, including the division between unionised workers in the formal sector and non-unionised workers in the informal sector (many of them women, such as those workers in public health and early childhood education jobs). These workers showed that central to the building of working-class and peasant power is the fight against social hierarchies, religious sectarianism and misogyny.

A major constraint to the building of worker power has been the overwhelming bourgeois-dominated culture of commodities that proliferates the idea of people as consumers. This cultural push, driven by the corporate media and by the urgency of advertising, undermines notions of history and collectivity – with history reduced to emblems for the sale of goods, and with history elevated from the collective struggles of the popular classes to the intervention of individuals. These ideas are firmly inserted into the media and into academic discourses, where there is a broad hesitation to admit the importance of popular action in the making of history and where there is a general sentiment that transformative change is perhaps neither desirable nor possible. What this implies is that there is a need for a cultural struggle to enrich the reservoirs of Left history, to emphasise
and illuminate the worker and peasant contribution to the world. Young people no longer learn about the Left in a robust way. The fight to introduce the history of the Left and of workers and peasants into the imagination of the youth is essential, not tangential, to any struggle to rebuild Left strength. Sympathetic intellectuals will need to make connections to popular movements to help drive this agenda.

The debate over ideas, in other words, is a central front for the movements of hope and possibility. A corporate-driven media, for instance, operated within a regime of truth that promotes the view that the West is benevolent when it bombs countries and when it pushes trade policies that destroy the agriculture in countries. When the United States military kills civilians in Afghanistan or Somalia, it is treated as an accident; when a government that is treated as a problem kills a civilian, it is seen as essential to the character of that country or civilisation. If a Western-driven trade policy ends up destroying cotton production in Mali, this is seen as a necessary effect of the laws of nature; when a country that is treated as a problem makes an error in economic policy, it is seen as the result of a failed model. Control of the narrative of history is one problem, but control over media representations of the present is another. A narrow, sclerotic corporate-driven media – whether CNN International or Globo – is saturated with an ideological framework that sees Western-driven regime change wars as acceptable and Western-driven trade policies as inevitable. To push back against the institutional control of this media and its ideological framework as well as to provide alternative networks for the traffic in emancipatory information is crucial.

What is the task of the socialist intellectual alongside the work being done by the political and social movements of the people? In an earlier era, it was considered straightforward that the socialist intellectuals would learn from the movements, would see what kind of alternatives the movements proposed and to build these gestures from the movements into a full-fledged theory of the future. This stance of the socialist intellectual is now no longer self-evident. Many socialist intellectuals – for various reasons – find themselves at a distance from movements. This is for a host of reasons: the embourgeoisement of the intellectual class (both the media intellectuals and the academics), the decomposition of the movements and the adoption of the idea that major change is simply not possible and the embarrassment in the post-modern era of taking a strong stand in favour of values seen to be ungrounded and contingent. Nonetheless, there are millions of intellectuals around the world who have not been impacted by these developments but continue to have strong ties to movements and continue to play vital roles with the movements. One of the tasks of Tricontinental: Institute for Social Research is to bring these intellectuals together across national boundaries and to inspire – by their work – others to join in projects that are done in close association with social and political movements towards emancipatory ends.

If we look closely at our movements we will find that they want to bring macro-economic policy under democratic control, they want to increase social wages, they want to build infrastructure to attend to popular needs, they want to break the tax strike of corporations and the elite, they want convert banks from private entities into utilities, they want to ensure a livelihood for everyone and for housing for all. Here are elements of a future. It is up to intellectuals to take these ideas and stimulate debates around them. It is important that we nourish an intellectual platform for an alternative social, cultural, economic and political order drawn from the experience of the movements themselves. It is important, equally,
to recover two ideas that have been eroded by the onslaught of bourgeois ideology – socialist ideas of the human and of the future.

The culture of commodities and the idea of people as consumers has desiccated the idea of the human. Bolivian socialists have looked deeply into their own traditions and elaborated a vocabulary to talk about human character, of a human society that is not subsumed by capitalist social norms. David Choquehuanca, the executive secretary of the Bolivarian Alliance for the Peoples of Our Americas (ALBA), speaks of Qhapag ñan, the path of the good life, with the need to create not consumers and owners, but iyambae, a person without an owner. Being a person without an owner is, as Choquehuanca says, 'the future, the path of people who look for the good life'. Such efforts to revive the idea of the human – and to revive ideas of the need to tend to the creation of a human community – requires a great deal of effort, effort already apparent in the mass movements which struggle against the reduction of human decision making to the logic of the double-entry account book.

As socialist intellectuals, it is important that we recover the very idea that the present is not eternal and that a transformation is possible. The possibility of such a transformation is nothing other than the idea of the future. There is no debate amongst us over the existence of a past and of a present. These are self-evident terms. But there is a debate about the future. We know that tomorrow will come and then the day after and then next month and then next year. But this is seen as merely sequential time – as the present stretching outwards. But this is not the idea of the future. If there is a common sense idea of the future, it has been seized by technology – technology, not human character, has become the idea of the future. It is imagined in our period that new technological breakthroughs will be able to solve our social crises – new green technologies to liberate us from climate change, new digital and nano-technologies to liberate us from economic stagnation. Technological determinism has meant that the problems that sit athwart the dreams of billions of people have no social or political barriers; they are entirely technical. This is a narrow idea of history and of the future. Certainly some technological developments will be essential for a better world, but technology itself will not shape history. Older, inherited hierarchies of wealth and power will need to be confronted before these technological breakthroughs can have a positive social impact and not merely provide greater and greater wealth and power to those at the top of the inherited hierarchies.

A rich idea of the future requires us to imagine that the present is not going to be eternal. Transformations are possible, new solutions to current problems are necessary, new horizons must be built. These solutions will come from people who know – in their bones – that the social organisation of our society is inadequate to our hopes and dreams. Our movements give us an indicator of these horizons. We have to make sure our social sciences are not dulled into the cynicism of the impossible.
The organised bestiality of our times, with food denied to people and weapons sold with eagerness to nations who have only scarce public resources, comes with little condemnation. Cynicism and nihilism is the order of the day. This opens the door to a blasé attitude towards the idea of humanity, of the necessary effort it takes to produce human freedom. All known traditions of humanity seem to be under great threat. Concepts such as democracy, peace and culture have been worn thin. They mean so little, often a fragile shell of the powerful ideas that they could become. It is clear to us that something in our world is dying. What is not so clear is what is being born as the replacement of the old.

Thirty million people are currently on the threshold of famine. They would like to flee towards food and away from drought, forest fires and war. Squeezed between the end of livelihood and the refusal to allow migration, the world’s poor experience punishment for a crime that is unknown. What did they do to deserve their fate? Why are they being punished when they have not committed a crime?
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