

## THE SOCIAL BASIS OF AMERICA'S IMPERIAL POLITICS: RETHINKING IMPERIALIST THEORY<sup>1</sup>

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The 'fluidity' of US power relations with Latin America is a product of the continuities and changes in Latin America. Past hegemony continues to weigh heavy, but the future augurs a continued decline. The current balance of power will however be determined by shifts in world markets, in which the US is destined to play a lesser role. Hence the greater probability of more divergences in policy, barring major breakdowns within Latin America. Almost all theories of contemporary imperialism lack any but the crudest sociological analyses of the classes and political character of the governing groups which direct the imperial state and its policies. The same is true about the theorizing of the imperial state which is largely devoid of institutional analyses. Most theorists resort to a form of economic reductionism in which 'investments', 'trade', 'markets' are presented as historical disembodied entities comparable across space and time. The changing nature of the leading classes are accounted for by general categories such as "finance," "manufacturing," "banking," and "service" without any specific analysis of the variable nature and sources of financial wealth (illegal drug trade, money laundering, real estate speculation, etc.). The shifts in the political and economic orientation of governing capitalist politicians, resulting in linkages with different capitalist/imperialist centers, which have major consequences in the configuration of world power, are glossed over in favor of abstract accounts of statistical shifts of economic indicators measuring capital flows.

Imperial theorizing totally ignores the role of non-economic socio-political power configurations in shaping imperial policy, over and against major economic institutions like MNC, up to and including major military commitments. The role of Zionist power configurations and militarist ideologues in shaping US Middle East policy (2000-2010) is a crucial consideration in discussing contemporary imperialism in theory and practice. Imperial impacts are largely determined by the kinds of imperial states (predominantly economic or military and the sub categories of each), the kind of "targeted" or "host" state (neo-liberal run by collaborators, bourgeois nationalist "partners", nationalist-statist adversaries) the kinds of policies on foreign capital inflows (sectors open, content and joint-venture rules, technology transfers, financial controls) as well as on capital and profit outflows (tax on profits, time constraints on buy and sell of stocks/bonds).

The issue of imperial domination is not based so much on how much capital flows from imperial countries. Rather it is based on class relations: between imperial and domestic classes. Different imperial classes (bankers, manufacturers etc) must compete with other imperial classes as well as domestic state and private capitalist classes. These multiple class relations are changing over time to the degree that the host state insists on transfers of technological, management and marketing know-how. "Domination" or "dependence" is not a structural feature embedded over time, insofar as learning by the "host" country leads to upgrading of productivity, access to world markets and increased competitiveness based on technological innovations. This results in qualitative changes in the relations between established imperial and emerging capitalist states. Hence imperial theorizing which focuses only on imperial outflows and inflows of capital – as if the "host" country was a 'blank factor' – cannot account for the dynamic growth (or stagnation) of host countries with large scale, long term relations

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<sup>1</sup> Global Research, December 22, 2010, URL: [www.globalresearch.ca/index.php?context=va&aid=22485](http://www.globalresearch.ca/index.php?context=va&aid=22485)

with imperial economies.

## **Emerging and World Powers**

Can “emerging countries” whose dynamic growth is based primarily on the export of agro-mineral products sustain their expansion over time and avoid the volatility associated with past cyclical patterns? Can high demand and prices for commodity exports be sustained by ever-growing Asian (Chinese) demands? Are the earnings and revenues accruing to agro-mineral export states having “spread effects” beyond the “enclaves” directly engaged in producing transporting and exporting commodities? Are the emerging states adding value to raw material exports, processing agricultural commodities, industrializing minerals, developing technology and upgrading skills? Are they developing marketing know-how, professional managers who retain and invest revenues productively? Are they diversifying their economies, markets and exports? Are their exports financing the development of the home market, lessening vulnerability to external market fluctuations? Is growth overly dependent on investments and exports at the expense of social consumption and the domestic market? Are state revenues from commodity exports secured at the expense of local industry? Is a local comprador class of importers and retailers, financiers and creditors of local consumers, creating a “power complex” which erodes the influence of local large, medium and small scale producers? Is access to overseas markets for commodities, secured at the expense of local manufacturers? Do agro-exporters undermine local food production, increase the need for food imports, augmenting food insecurity?

The dynamic growth of the emerging agro-mineral export countries has been combined with relatively high interest rates. In the context of economic crises, low interest rates in the imperial countries has led to the large-scale influx of speculative funds into the local bond market of emerging economies. This has fueled a speculative bubble and overvaluation of the local currency, undermining the export competitiveness of local industrialists.

## **Imperial Power in Latin America**

Most discussions of US imperial power in Latin America are impressionistic, superficial and anecdotal, relying on particular events, devoid of any comparative historical perspective. The general tendency in recent years has been to emphasize the ‘downside’ or decline of US power, without reference to specific political time frames or issue areas. In this section we will raise a number of methodological and measurement problems that point to the complexity accompanying any estimate of the power of the US empire in Latin America. We will then identify the principle tendencies with regard to the direction of imperial power and conclude by providing an interpretation of the complex shifts over time and location.

Determining the direction of imperial power – rising or declining – depends on the comparative historical time frame as well as the type of indicators. If for example, one compares US imperial power in Latin America between 1990-99 to 2000-2010 on a broad range of issues, including ideology, client regimes, market shares, economic policies, foreign policy alignments, there is no doubt that a sharp decline of US hegemony has taken place. However, if one examines a shorter time frame, comparing 2000-2005 to 2006-2010, an argument can be made that by certain measures, the US has stopped its decline and may have recovered relative influence.

For example, between 2000-2005 major popular upheavals and mass mobilizations took place, overthrowing incumbent neo-liberal client regimes, calling for the renationalization of privatized firms, the renunciation of the foreign debt, radical agrarian reforms and income

redistribution. Neo-liberal ideology was totally discredited and US foreign policy was subject to a thorough discredit. Anti-imperialist, if not anti-capitalist ideology held sway among broad sectors of the working, middle and even elements of the political class.

This radical moment however, did not lead to a break with the capitalist system. Instead a series of 'center-left' regimes took power and, favored by extraordinarily high commodity prices, proceeded to stimulate an economic recovery, and a marked improvement in social conditions. These policies led to the de-radicalization of the social movements and a modicum of normalization of relations with Washington, albeit with greater autonomy.

If between 2000–2005 Washington 'lost' collaborator clients in Argentina, Brazil, Uruguay, Bolivia, Venezuela, and Ecuador, and faced strong opposition throughout the region, between 2006-2010, Washington retained or regained clients in Panama, Costa Rica, Honduras, Colombia, Peru and Chile. Equally important the center-left regimes stabilized capitalism and blocked any move to reverse privatized firms. They weakened independent class-based movements which threatened radical changes. They moved the political-economic spectrum to the 'center'. Furthermore, the disarray and retreat of pro-US rightwing parties of the 2000-2005 period was replaced by a recovery and regrouping in Bolivia, Venezuela and elsewhere. Using regime composition and alignment as a measure, Washington's decline of 2000-2005 was contained and even to a degree reversed by the end of the decade.

However, when we turn to economic indicators, such as free trade agreements, market shares, trading and investment partnerships, the decline of US accelerated throughout the decade. By 2010 Asia, especially China, replaced the US as the major market for Brazil, Argentina, Peru and Chile as well as encroaching on US primacy throughout Latin America. If we examine patterns of regional integration a similar decline in US hegemony is apparent in the growth of inter-regional trade and political associations: UNASUR an association of Latin American countries eclipses the US dominated OAS. MERCOSUR, ALBA and other intra-Latin American free trade organizations expand at the expense of US centered 'free trade' projects.

In the area of military influence and political intervention, the US collaborators suffered major setbacks in coup efforts in Venezuela (2002, 2003), Bolivia 2008, but were successful in Honduras in 2009. The US secured a base agreement with Colombia, a major potential military ally against Venezuela in 2009. However, with a change in President in 2010, Washington suffered a partial setback with the reconciliation between President Chavez and Santos. Lucrative \$8 billion dollar trade agreements with Venezuela trumped Colombia's military base agreements with Washington.

Several propositions about US imperial power in Latin America can be outlined. US decline in economic power is structural and irreversible, at least given the state of the world economy and the dynamic growth of Asia. US political influence exhibits a great deal of fluidity, depending on the levels and intensity of the class struggle and most important the success or failures of the incumbent regimes in combining growth and increased living standards. US military power does not translate into political influence and increased market shares, especially where the guiding ideology ("neo-liberalism" or "US-centered economic strategies") and its local advocates have been discredited because of severe economic crises. The decline of US imperial power has not led to an increase in the influence of the working class or other exploited classes: a dynamic "national" capitalist class is the prime mover and beneficiary of the loss of US influence.

The rise of a dynamic relatively independent capitalist class has not broken with the colonial international division of labor; rather the dynamism of this class is a product of the

intensification and extension of primary product exploitation and exports. The new dynamism is derived from the revenues from high prices and expanding export markets and here lies future vulnerability if prices decline. "Structural" analysis which underlies most theorizing about imperialism overlooks the important contingencies and class agencies which put into motion the organizational and institutional forms of capital accumulation.

### **An Interpretation of the Problematical Status of Imperial Power In Latin America**

The poverty of class analysis of imperial power among the leading and best known theorists, underlies their superficial understanding of complex changes and continuities in US-Latin American relations. The 'fluidity' found in the countervailing tendencies in imperial power is illustrated by the relative economic decline in the present decade and continued military hegemony in the same period. This can be best understood by the fact that there have been no changes in the mode of production in the hemisphere, no reversals in the wholesale privatizations of the 1990's and the continuation of free trade practices. Given these continuities, US imperial policymakers retain a presence, albeit reduced, close collaborators in important economic sectors and are potentially in a position to reverse the current decline. Equally important the US is still the principle economic power in the hemisphere even as its ability to exercise 'dollar diplomacy' has diminished.

Secondly, while politically Washington can no longer dictate policy or easily pursue military intervention, the basic military linkages remain intact, including joint military exercises, sales and training programs, thus providing important points of leverage in limiting radical (but not reformist) changes. Thirdly, the growth of autonomous political action and an independent foreign policy in Latin America, is to an uncertain degree, dependent on personalities in power. It is not clear to what degree the institutional bases to sustain the current course of action is firmly entrenched or based on merely 'conjunctural' circumstances.

Fourthly, Latin America's current growing affluence, high growth rates and relative independence is to a large extent based on a 'colonial division of labor', mainly trade and investments in agro-mineral products and the importation of finished, intermediate and capital goods. Historically, this has been subject to great volatility in demand and prices.

Taken together these historical continuities argue for greater caution in assuming a permanent shift in imperial power relations with Latin America. Nevertheless, there are powerful reasons to consider the decline in US power as a long-term and irreversible trend. Among the most important structural considerations is the embedded military-zionist power configuration which dictates continuing wars which bankrupt the treasury, devalue the currency and undermine any effort to project economic power and new initiatives to recover market shares in Latin America.

Secondly, the new dynamic capitalist centers in Asia are firmly established, growing and defining a multi-polar economic world. They have established in the minds of Latin American policymakers and ruling classes a new 'world view': Their future interests lie in Asia. As a consequence of this fact Latin America's rulers have reoriented the direction of trade and investment, away from the US. Thirdly, there are no signs of any reversal of the decline of US manufacturing; nor has Washington demonstrated any capacity to curtail the trade and budget deficits. Washington lacks the capacity to challenge, subvert or co-opt the emerging capitalist power configuration which underpins Latin America's independent politics.