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NEO LIBERAL GLOBALISATION AND US HEGEMONY

Neo-liberalism advocates the complete submission of societies, their adjustment – in all its dimensions, political and social – to the sole rational of markets through maximal deregulation of the economic systems. Neo-liberal globalisation advocates the same principles for the management of the world economy.

This project is no less than a reactionary impossible utopia aiming at establishing the unilateral rule of capital, negating legitimacy to any other social interest. It is the ideology of capitalist fundamentalism which assumes that society can be reduced to a collection of individuals and, through this reduction, asserts that the equilibrium produced by the so called market both constitutes the social optimum and guarantees by the same token stability and democracy. This perception substitutes a theory of an imaginary “market society” for the analysis of the contradictions in really existing historical capitalism. Additionally its assumption that deregulated markets are self regulatory, has never been proved theoretically (in fact the opposite has been proven, i.e. that deregulated markets are explosive). For that reason there are no deregulated markets except in the fantastic imagination of the sect of “pure economists”. Markets work because they are regulated. Thus the only real question is to know by whom and to the benefit of whom. Deregulation is the fig leaf that covers clandestine regulation (in contradiction therefore to the fundamental rule of democracy which demands transparency) by the dominant capital of oligopolies. WTO is that black room in the corridors of which those oligopolies conclude their agreements to regulate the economy to their exclusive benefit, while the governments are invited only to rubber stamp those agreements.

Such a disastrous system was the result of the erosion of the historical social compromises which ruled societies in the West, East and South as a result of the double victory of democracy over fascism and of the liberation movements over colonialism. Whether these societal projects which ruled the after World War II period were good or bad, democratic or not, constitutes another set of questions. They provided patterns of regulation which were successful, i.e. generated high growth which resulted into the expansion of the middle classes, an upper social mobility which constituted the basis for the legitimacy of the various power systems, albeit to various extent. That was also a period of globalisation, but of a regulated and negotiated one.

The pattern of so called deregulation – i.e. unilateral clandestine regulation by oligopolies – creates an imbalance between the social forces and it reproduces and deepens it. The implementation of the neo-liberal programme therefore coincides – not coincidentally – with the development of a structural crisis of capitalism of gigantic proportions. The imbalance between production capacities on the one hand and those of consumption on the other, endlessly deepened by growing inequalities themselves the result of neo-liberal policies, engenders a surplus that cannot be invested in the expansion of productive systems. To avoid the devalorisation of capital the system needs to create alternative means to absorb the surplus. Monetarism, floating exchanges, foreign debt of third world countries and former

eastern countries, the American deficit together all make up the means to manage this crisis. This explains the apparent paradox that is not one : that the rates of profit are increasing, stock market values rise every time “good news” is announced – an economic stagnation, a dismantling of industry, or the growth of unemployment. This programme consists therefore of a set of policies aiming at managing the crisis, not moving out of it. Of course the sole success of this policy has been to deepen the social catastrophe : the wealthiest 20 % of humanity increased their share of the global income from 60 to 80 % during the last decades of the century.

Neo-liberal fundamentalism cannot stand for a long time. The social disaster that is associated with it generates political instability and even growing chaos, as we can see today. The management of such an irresponsible economic system calls therefore for a growing need to use repressive methods. It is at this point that appears the link between neo-liberal globalisation and US hegemonism. It is in this chaotic conjuncture that the US took the offensive to reestablish its global hegemony and to organise the world system in its economic , political and military dimensions according to this hegemony .

If we examine the economic dimension of what is called hegemony, measured roughly in terms of per capita GDP , and the structural tendencies of the balance of trade , we will conclude that the US hegemony , so crushing in 1945 , receded as early as the 1960s and 70s with Europe and Japan ‘s brilliant resurgence. The Europeans bring it up continuously , in familiar terms : the European Union is the first economic and commercial force in the world etc. The statement is hasty , however , for , if it is true that a single European market does exist, and even that a single currency is perhaps emerging , the same cannot be said of “a” European economy , at least not yet . There is no such thing as “a European productive system “; such a single productive system , on the other hand , can be spoken of in the case of the US . The economies set up in Europe through the constitution of historical bourgeois states , and the shaping , within this framework , of autocentric national productive systems (even if those are also open ,even aggressively so) ,have remained more or less the same . There are no European TNCs :only British or German or French TNCs .Capital interpenetration is no denser in inter European relations than in the bilateral relations between each European nation and the US or Japan . If Europe’s productive systems have been eroded , therefore , weakened by globalised interdependence to such an extent that national policies lost a good deal of their efficiency ,this is precisely to the advantage of globalisation and the forces that dominate it ,not to that of European integration , which does not exist as yet .

The US’s hegemony rests on a second pillar , however , that of military power . Built up systematically since 1945 ,it covers the whole of the planet , which is parcelled out into regions , each under the relevant US military command . This hegemonism had been forced to accept the peaceful coexistence imposed by the USSR military might . Now that the page is turned , the US went on the offensive to reinforce its global domination , which Henry Kissinger summed up in a memorably arrogant phrase : “ Globalisation is only another word for US domination “.This American global strategy has five aims : 1) to neutralise and subjugate the other partners in the Triad (Europe and Japan) while minimising their ability to act outside the US ‘s orbit ; 2) to establish military control over NATO while “ latin-americanising “ the fragments of the former Soviet world ; 3) to exert uncontested influence in the Middle East and central Asia, especially over its petroleum resources ; 4) to dismantle China , ensure the subordination of the other great nations (India , Brazil) , and prevent the constitution of regional blocs potentially capable of negotiating the terms of globalisation; 5) to marginalise the regions of the South that represent no strategic importance . The favoured

instrument of this hegemony is therefore military , as the US's highest-ranking representatives never tire of repeating ad nauseam . This hegemony , which guarantees in turn that of the Triad over the world system , therefore demands that America's allies accept to navigate in their wake . But this means that the speeches with which the European politicians water their audiences – regarding Europe's economic power – have no real significance . By placing itself exclusively on the terrain of mercantile squabbles , Europe, which has no political project of its own , has lost before the race has even started . Washington knows this well .

The principal means in the service of the strategy chosen by Washington is NATO , which explains why it has survived the collapse of the adversary that constituted the organisation's *raison d'être* . NATO still speaks today in the name of “ the international community “ , thereby expressing its contempt for the democratic principle that governs this said community through the UN . Yet NATO acts only to serve Washington 's aims – no more and no less – as the history of the past decade, goes to show .

The question is therefore : why does Europe accept that US hegemonic role in the management of the system ? My answer is that this proves that Europe as such does not exist. There is no European supranational political power. The fact that European states have chosen this path reveals the frailty of the European project itself, and even the fact that this project is only a subaltern priority on the scale of dominant political visions. Great Britain's fundamental option since 1945 has been to console itself for the loss of its imperial role by reliving it vicariously through the US. Germany, having given up the insane Nazi dream of world conquest, has chosen to limit its ambitions to the means at its disposal by reconstituting its traditional zone of influence in eastern and south-eastern Europe, tailgating Washington's global hegemonic strategy. For somewhat similar reasons Japan – confronted with China and even Korea – has also inscribed its strictly regional expansionist ambitions within the same global American perspective.

Thus US hegemonic apparent strength is therefore to a large extent the product of Europe's inexistence. The more the US project succeeds, the more the European project itself is “withering away” through its double dilution : (i) at the economic level by the dilution of the European common market into the globalised market (and in that respect when Leon Brittan, a former European Commissioner, mentioned the “Atlantic market” rather than a European one, he did only recognize the fact) ; (ii) at the political level by the abandoning of a European political autonomy diluted into NATO (i.e. US leadership).

Nonetheless the US hegemonic ambitions remain fragile. British and European hegemony in the XIXth century was based on a structural surplus in their trade which was the counterpart of their exporting capital and through it financing the development of the peripheries (albeit a peripheral dependant biased development). The US today is not in a similar position ; it suffers from a structural trade deficit, and relies on a massive import of capital from all the rest of the world – Japan, Europe, the Third World. Its prosperity dries up the global capital market and therefore relies on the pauperisation of the others.

That cannot be accepted for a long time. Crisis management has already entered the phase of collapse. The South Eastern Asian crisis is not a minor event, an accident. It announces the coming end of the neo-liberal absurd project. This crisis was foreseen by the people of the region long before it occurred. But these views were not considered by World Bank type of economists. What is more important is to note the reaction of the local powers to that crisis : they try to take distances with respect to financial globalisation. The secretariat of the G 15

(which represents to a large extent the South), in its last meeting in Jamaica spoke a language absolutely different from that of its 10 or 12 previous meetings, starting to move away from liberalism, and from globalisation. Will that change be pursued and lead the Movement of Non Aligned Countries (NAM) to become “Non Alignment on Globalisation ? These are strong indications that things will happen in the South, along the lines suggested here. How will that develop ? How the Triad will react to such evolutions ? Such a counter offensive from the South could lead to aggravating the contradictions within the Triad, which could push Europe in a new direction very different from what it is presently. But there is also the opposite possibility : that of the Triad moving together in a more aggressive way against the South.

The US hegemony and the neo-liberal dream will collapse together ; one cannot collapse without the other one collapsing equally ; they were and are linked together in their momentary success ; they will disappear together for the same reason. But to the benefit of what ? That is another set of questions.

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