THE CONTRADICTIONS OF US SUPREMACY

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This essay seeks to conceptualize and analyze some of the central principles, practices and contradictions of US efforts to unify global political, social and economic space under a particular form of Western supremacy. The use of the term ‘supremacy’ is deliberate, intended to connote a form of rule based on economic coercion and the use – potential or actual – of organized violence as a means of intimidating and fragmenting opposition.1

A central, long-term goal of US strategy is to secure what Marx called the world market, ultimately subordinating the role of the state to the private forces of civil society – so that social development is determined by capital, whose property rights are militarily and constitutionally guaranteed and upheld. However, this US strategy is neither consistent nor far-sighted, nor free from crises, contradictions and resistance. Supremacy is characterized on the one hand by the effort to establish a US-led, disciplinary neo-liberal form of globalization, and on the other by patterns of resistance. With this dialectic in mind the two main aims of this essay are, first, to identify how, over the past twenty-five to thirty years, and especially since the collapse of the Soviet Union, US strategy has sought to secure the supremacy of militant neo-liberal forces, with the goal of strengthening the power of capital; and second, to identify the limits and contradictions of this strategy – a strategy that entails increasingly obscene and intolerable levels of inequality, the extraction of surplus through intensified exploitation, renewed primitive accumulation and mechanisms of debt bondage, and increased surveillance and coercion on a world scale.

As we shall see, there are two main faces of US power in the contemporary world order. On the one hand, US strategy involves the globalization of Anglo-American constitutional principles and neo-liberal mechanisms of accumulation and economic discipline. These are analogous to John Locke’s conception of property rights and limited government, i.e. one that asserts...
the primacy of private property over political jurisdiction. Thus from the Marshall Plan onwards the US took initiatives to make foreign territories more permeable for mobile capital. These measures included: dismantling old sphere-of-influence imperialisms associated with European colonization; defeating economic nationalism; transforming the relatively autarkic Soviet Bloc; and, most recently, liberalizing China and India.2

On the other hand, whilst US leaders represent ‘the empire of civil society’3 they are also heirs of Karl Schmitt: they claim the power to decree national and international rules, laws, and norms, whilst reserving ‘exceptional powers’ for themselves.4 The assumption is that the US has not only the might but also the right to act as a global state – one that decrees rules of world order, whilst selectively deciding, with impunity, which rules apply to US actions and which do not. This central political contradiction of the US role in world order – one that involves both a justification of limited government and its direct repudiation by arbitrary state power – is crucial to an understanding of the nature and limits of US power, and resistance to that power.

In this sense, US efforts to secure the ‘empire of civil society’ in the early 21st century do not necessarily involve colonies or indeed permanent occupation of territories (although extended occupation may well occur). They do, however, entail a far-flung capacity for intervention, discipline and punishment, including US military bases, surrogate forces, covert and intelligence operations and surveillance facilities in over 130 countries – deployed in line with the Pentagon’s strategy of ‘full spectrum dominance’. In sum, securing the world market relies mainly on state power, including constitutional, regulatory, military and ‘exceptional’ police powers – exercised in a global hierarchy of states with the US superpower at its apex, claiming the right to be the arbiter of world politics.

Thus, over the past twenty-five years political forces and institutions of the right have been considerably strengthened, opening the way to an increasingly disciplinary and punitive neo-liberalism, especially after the collapse of the USSR – while, of course, representing it as the only viable development option for humankind. Mainstream political rhetoric represents this either negatively, as a set of abstract forces beyond human control, as in Margaret Thatcher’s dictum that ‘there is no alternative’ to neo-liberal globalization; or more positively, as in US rhetoric, which tends to be more triumphal, equating globalization with ‘progress’ and ‘freedom’. In this discourse it is the providential mission of the US, acting as God’s agent, to deliver freedom on a world scale; His calling is thus currently being followed in Iraq. It appears that George W. Bush, as a born-again Christian, does actually think of his mission as divinely ordained.
In reality, both of these positive and negative dimensions of the neo-liberal ideology of globalization are colossal obfuscations that seek to conceal not only the real costs of disciplinary neo-liberalism, but also its principal beneficiaries, i.e. the global plutocracy of the mega-rich. This explains why James K. Galbraith has characterized neo-liberalism as ‘a perfect crime’, since in these official discourses there appear to be neither perpetrators nor any direct victims. This, despite incontrovertible evidence of a systematic redistribution of wealth from the bottom to the top echelons of society, resulting in a globalization of the extreme patterns of inequality hitherto associated with a country like Brazil. Disciplinary neo-liberalism fundamentally involves the increasing use of market-based structures to secure social discipline and organize distribution and welfare, for example in capital and labour markets, with the costs of adjustment forced upon the weakest by the strong, backed by the coercive apparatus of the state.

In light of the growth of police and emergency powers after September 11, 2001, when mainly Saudi-born terrorists flew commercial airliners into the World Trade Center and the Pentagon, Galbraith significantly noted that: ‘It is not by accident that the effects of neo-liberalism at a global level resemble those of a coup d’état at a national level.’ Perhaps what Galbraith had in mind was an earlier September 11th – the 1973 coup d’état led by General Pinochet against the democratically elected government of Salvadore Allende in Chile. That coup, promoted secretly by the Nixon Administration, produced the first instance of disciplinary neo-liberalism. The dictatorship imposed order through firing squads to facilitate an economic ‘shock therapy’ programme designed by the so-called ‘Chicago boys’ under the right wing formula: ‘a free economy in a strong state’.

**AMERICAN SUPREMACY AND THE SOCIAL REPRODUCTION OF AFFLUENCE**

Despite intense competition within the ranks of capital, disciplinary neo-liberal governance is associated with ruling elites from the historical or power blocs that dominate global accumulation, i.e. corporate capital (in manufacturing, finance and services) and who are pre-eminent in the political and civil societies of the OECD, much of Latin America, the Former East Bloc, Asia and China. These globalizing elites are also drawn from the ranks of international financial institutions, parts of the UN, and plutocratic organs such as the World Economic Forum in Davos. Whilst organized labour is largely excluded from its inner circles, these power blocs incorporate some privileged and affluent workers, e.g. drawn from professional firms (accountants, consultants, architects, urban planners, designers, advertising and public relations firms), small businesses (i.e. subcontractors of large transnational
corporations, import-export businesses), as well as top sports stars and celebrities who market corporate images and identities. The principal beneficiaries of disciplinary neo-liberalism are integrated into elaborate networks of global production and consumption and their affluent lifestyles are increasingly protected by social and spatial segregation, coercive surveillance and punitive systems of incarceration, ultimately enforced by police and military power.

Here we might note that whilst the US has less than 5 per cent of world population it accounts for almost a third of global GDP; while China, with almost 20 per cent of the world’s population, accounts for less than 4 per cent of global GDP – although this is rising rapidly, to the point where China is now the second largest consumer of oil after the USA. To consider the implications of this we start with the well-known statement of President Bush Sr. before the UN Conference on the Environment in Rio 1992, that ‘Our lifestyle is not negotiable’. President Bush Jr. has also adopted this political stance, which depends for its satisfaction on very large amounts of foreign finance, as well as a huge proportion of the world’s natural resources and energy supplies.

By analyzing what this lifestyle entails we can get a sense of some of what is being secured culturally and politically by the exercise of American supremacy. What Bush Sr. was referring to was the unwillingness of the most politically significant and affluent segments of the US population – and their counterparts elsewhere – to give up their attachment to energy-intensive patterns of production and consumption – large houses, cars and appliances. This attachment drives a broader societal dependence upon the automobile and an apparently insatiable appetite for cheap consumer goods and food (and a growing problem of obesity). As Mike Davis has shown, the social reproduction of this type of affluence is linked to the militarization, privatization and redrawing of social space. Indeed this phenomenon may well be part of a worldwide development: a proliferation of gated communities that resemble medieval fortresses with panic rooms, surrounded by fortifications and patrolled by armed security guards who police these privatized spaces against envy, crime and terror.

In a social and spatial sense there is a new global politics of inequality, a process that has been attributed mainly to race, thus obscuring its class dimensions. Increasingly, the affluent are socially, spatially and politically segregated from the poor of the world’s population (except of course their domestic servants). This pattern of global ‘Brazilianization’ – of extreme inequality, racialization and stigmatization – rests on a distinct pattern of economic linkages between capital and labour throughout the world.
Everyday low prices, everyday low wages

A good example of the mechanisms that link everyday, mainstream US production and consumption patterns to the rest of the world is Wal-Mart, the world’s biggest retailer, and the second largest employer in the United States after the Pentagon. Its business motto is ‘Everyday Low Prices’. Wal-Mart, one of the largest companies in the world, has $256 billion in annual sales, and if it were an independent nation it would be China’s eighth-largest trading partner. Wal-Mart profits flow from a regime of low wages, tight labour discipline and centralized managerial control (even the temperature in each of Wal-Mart’s more than 3,500 American stores is controlled from its headquarters in Bentonville, Arkansas). Its massive size and monopoly purchasing power allow it to push down supplier prices, which in turn forces low wages on the employees of the supplying companies at home and abroad.

As of 2003, 222 of the 400 billionaires in the world were Americans, and members of the Walton family who effectively own Wal-Mart were among the eight richest people in the world. Exploitation of labour results in an enormous transfer of wealth and resources to this plutocracy, although the owners of Wal-Mart would no doubt argue that it exemplifies the efficiency of capitalism. Nonetheless capital accumulation does not necessarily mean that capital, or the key individuals that direct its activities, are becoming any more productive (or indeed productive at all). For example, between 1980 and 2000 the compensation of America’s ten most highly paid C.E.O.’s rose 4,300 per cent, to an average of $154 million, partly thanks to stock options and other more or less legal ways of augmenting salaries, a rise that has no relationship to the relatively small increases in productivity measured in that period. And any productivity gains there have been have not been shared: over the past decade, the proportion of Americans living in poverty has risen, per capita income for members of middle-class households has fallen, US real wages have stagnated and household indebtedness has increased rapidly.

What we are seeing is a kind of revolution in the relationship between capital and labour in the US, which disciplinary neo-liberalism seeks to reproduce worldwide. Indeed, whilst the US working classes get everyday low prices at Wal-Mart they also get drawn into debt bondage and suffer from badly funded Federal social programs. They are paying much more of their income in taxes than was the case thirty years ago and they are much more likely than the rich to be tax-audited. The unemployed are subjected to workfare whilst the affluent receive ‘corporate welfare’. For example, the mid-1980s bail-out of the Savings and Loans industry was the largest socialization of private debt in history, to the tune of approximately $500 billion – though whether such a bail-out could be mounted again today, given the US government’s enormous debt levels, is far from certain.
Discipline and punish: at home and abroad

In the US, whereas there is socialization of risk for the affluent, risk is increasingly privatized for the majority, and the market disciplines that increasingly apply for the weaker members of society are supplemented by often arbitrary forms of coercion and abuse. These are administered with apparent impunity through the apparatus of the state – including its ancillary privatized mechanisms. Such mechanisms of discipline and punishment are increasingly controversial features of US supremacy.

Indeed the major growth industry in the US over the past twenty years has not been in high-technology, dot-com activities but in private forms of crime control and the development of the so-called prison industrial complex, with private prisons the most vibrant sector. This may not be sustained in the immediate future because of the intensifying fiscal crisis in many of the states of the American union, which may well lead to calls for shorter sentences; but the prison-industrial complex seems unlikely to be significantly run down.

Partly reflecting the wider trends towards the privatization of security and organized violence (including the privatization of warfare, as in the Iraq war), the USA now has the world’s highest rates of incarceration of any major power – and the racial and gender composition of the US prison population is also striking. Striking too are the consistent reports of abuses, brutalization and torture, similar to those reported against prisoners of war, e.g. in Iraq in Abu Ghraib and Guantánamo Bay, Cuba, and more broadly in an archipelago of gulags, including apparently many secret installations in a variety of countries. In the past twenty-five years the prison systems of more than forty states ‘have been under some form of court order, for brutality, crowding, poor food or lack of medical care’, with many of the worst cases in the USA in Texas, whose prisons were under federal court supervision during much of the time President G.W. Bush was state Governor, because of overcrowding, violence and abuses by guards (even allowing inmate gang leaders to buy and sell other inmates as slaves for sex).

Given that in the USA unknown numbers of people have also been detained in contravention of their constitutional rights it should not be surprising that in the current military offensives US-held prisoners of war have been routinely denied their rights under the Geneva Convention. In 2003 Attorney General John Ashcroft selected Lane McCotter to help lead a team of prison officials, judges, prosecutors and police chiefs to rebuild Iraq’s system of justice. McCotter, who had been forced to resign as Director of the Utah Department of Corrections in 1997 after an inmate with a schizophrenic condition died while shackled naked to a restraining chair for sixteen hours, was nonetheless put in charge of reopening the notorious Abu
Ghraib prison in Baghdad and training its guards. At the time, McCotter’s company, Management & Training Corporation, the third-largest private prison company in the US, was under investigation by the Justice Department.\textsuperscript{15}

Major General Geoffrey Miller, former head of the Guantánamo detention center, was also put in charge of detentions and interrogations in Iraq, and much of the work appears to have been carried out by both troops and private military contractors under the supervision of the CIA.\textsuperscript{16} In 2002-03 leaks revealed that the Bush administration had requested senior lawyers from the Justice and Defense departments to establish justifications to allow torture to be used in the war on terrorism: ‘administration lawyers concluded that Congress had defined both international and domestic prohibitions on torture very narrowly, saying that harsh treatment was torture only if interrogators \textit{deliberately} afflict serious physical or mental harm over prolonged periods’.\textsuperscript{17} At the same time, lawyers in the Bush Administration have consistently sought legal measures and arguments to provide for immunity for US personnel from the International Criminal Court.\textsuperscript{18} These developments have provoked outrage in the US and worldwide.

\textbf{ECONOMIC CONTRADICTIONS OF NEO-LIBERAL GLOBALIZATION}

The current era of economic globalization is dominated by US efforts to extend the empire of civil society and to secure the world market for the rule of capital. The mechanisms used to bring this about include a more liberalized framework for trade and investment, a related world market in intellectual property, and a more integrated world capital market. Each of these mechanisms helps US corporations to maintain their access to foreign markets, supplies of foreign labour, raw materials and goods, as well as facilitating huge inflows of foreign capital into the US. Yet it is a risky strategy and contains the possibility of a global financial crisis.

\textit{New constitutionalism and the plutocracy}

Recalling our earlier reference to the wealthiest Americans, we can note that the US plutocrats with the highest net worth have their money concentrated in software and computers (e.g. Microsoft, Oracle, Dell), in media and entertainment (e.g. Metromedia, Viacom) and in investment houses. The other main area of massive accumulation of wealth is retailing, as we have seen with the Walton family. Not surprisingly each of these areas is reflected in the emphasis given in US foreign economic policy to creating new governance structures – in effect, new constitutional arrangements in other countries that lock in the rights of capital whilst locking out democratic
accountability and democratic control over economic policy-making.\textsuperscript{19}

First, the US government obtained guarantees for foreign investment and access to global sourcing for its brands to feed the endless US appetite for inexpensive consumer goods – so the shelves of Wal-Mart stores will remain stacked with goods manufactured by cheap labour from China. This partly explains why the US was keen to facilitate China’s entry into the WTO and to lock in Chinese commitments to full repatriation of profits, and eventually to get China to allow full foreign ownership of private enterprises, and investment and sourcing in China for American corporations.\textsuperscript{20}

Second, to govern these arrangements US models have informed not only accounting standards but also legal concepts and disciplines, although, as we have noted, the US government often refuses to be bound by its own strictures on the rule of law. Nevertheless, the US constitutional mechanism of judicial review has been reformulated internationally in the creation of dispute resolution mechanisms, with binding enforcement rules, such as those provided for in NAFTA and the World Trade Organization. Under pressures from the USA, the IMF and World Bank now use conditionality to give institution-building and policy advice to borrowing governments on banking law, contract law, company law, and more generally on the role of the judiciary, and especially on judicial review mechanisms modelled on American jurisprudence. Other US legal principles and concepts such as transparency are at the heart of global trade and investment regulation.

Third, these initiatives have allowed the USA to secure access to foreign markets and to protect its firms’ high technology and other intellectual property, so as to strengthen US-owned capital relative to foreign rivals.\textsuperscript{21} In addition the USA has pressed other governments for changes in tax and bankruptcy policy, favouring higher indirect taxes, lower income and corporate taxes, as well as new legal protections for investors against expropriation.

A fourth strand of the strategy involves efforts to globalize US-style corporate governance structures for securities markets, with freedom of corporate takeovers or other transfers of ownership. US corporations thus find it easier to acquire overseas firms and assets previously shielded from foreign takeover. Indeed, the vast majority of foreign direct investment in the 1990s was through mergers and acquisitions, not new investment – giving control over new areas of production, but not necessarily expanding it.

Fifth, the US has also established a commanding lead in core technologies associated with the information, communications and other industries of the so-called new economy (including defence), as well as internationally entrenching the dominance of its huge entertainment/image complex, and of its pharmaceutical giants. The period of accelerated globalization of intellectual property rights really began in earnest when the USA succeeded in
linking trade to intellectual property rights in the Uruguay Round trade negotiations in 1994, redefining intellectual property rights as commodities. American software, entertainment and pharmaceutical companies then successfully lobbied for an agreement with global coverage and enforcement mechanisms. Of course, ‘trade-related intellectual property rights’ (TRIPs) actually have little to do with free trade, but involve locking in the rights of private monopolies over innovations through patents and other forms of protection.

In sum, the governance regimes of the world market have been reshaped in the past twenty years in accordance with the ‘new constitutionalism’ and disciplinary neo-liberalism. The US has initiated many of these changes, and its corporations and consumers have tended to benefit most directly, but by no means to the exclusion of powerful interests in the EU and elsewhere who have supported these changes. Yet this has been a process full of problems in terms of its capacity for reproduction. As capital has become more liberalized and globalized, the frequency and depth of economic crises has worsened. The 1997-98 global crisis was the worst since the Great Depression, with many millions of people impoverished, and it illustrated the destabilizing effects of the free movement of capital to the point where even neo-classical economists have come to question its value and efficiency.

In 1998 many large institutional investors, corporations and super-wealthy individuals were bailed out when their investments went sour, ostensibly to prevent a more general financial collapse such as the one posed by the bankruptcy of Long Term Capital Management triggered by the Russian bond default. LTCM was managing money for super-wealthy individuals and large private banks (i.e. the risks of large investors or depositors were socialized). By contrast, in financial crises the general pattern is for the costs of adjustment to be dumped on unprotected capital, unprotected workers and the most vulnerable members of society – i.e. their risks are privatized, so ordinary taxpayers and the poorer members of society meet the costs either way. Nevertheless, in 2004 the Bush Administration was pressing for more free trade agreements to prohibit controls on capital movements (even in the event of an economic crisis), along the lines of two model bilateral agreements recently made with Chile and Singapore.

In this way, the US financial complex has been at the vanguard of restructuring and deregulation (or more accurately, liberal re-regulation) of the world financial system. This more liberalized system that emerged during the 1980s and 1990s helped recycle the trade surpluses of other nations (especially
from China, Japan and South Korea, as well as from the European Union) to fund American expansion and massive US debts and payments deficits. Thus globalization has also allowed the US to avoid relying solely on domestic resources to pay for its foreign wars.

In contrast to the early post–World War II period of the PaxAmericana, when the US funded global reconstruction, the US is now by far the world’s biggest debtor, and according to the Congressional Budget Office, US government debts are growing very rapidly. There is even a growing consensus amongst economists that despite the huge depth and liquidity of US capital markets, the scale of US individual, corporate, state, federal and foreign debt is not sustainable, and this is reflected in the tendency for some central banks to switch out of dollars into euros. By 2003 one estimate was that foreign investors had claims on the US for about $8 trillion of its financial assets, the result of ever-growing US balance-of-payments deficits, which had reached about 5 per cent of GNP and were still rising in 2004. This stands in contrast to the period 1960–76, when the US ran balance of payment surpluses totalling almost $60 billion.

Moreover, the costs of an American military imperialism based on ‘full spectrum dominance’ and the ‘war on terrorism’ are bound to rise very rapidly, and will ultimately have to be met with an increase in funding from domestic resources – i.e. they will involve financial sacrifices, in no small part because US imperial policies command little consent from other countries, as the Financial Times noted in 2003:

The US may bear the cost of [future] conflict largely on its own. Kuwait, Japan, Germany and Saudi Arabia shared most of the $60bn costs for the 1991 Gulf War. No such coalition of the wallets seems likely this time. In a unipolar world, the US’s potential ad hoc coalition partners for each engagement would be in a powerful bargaining position, as the recent haggling with Turkey shows. Mr. Magnus [of UBS Warburg] says: ‘In a world where all countries [in effect] belong to the non-aligned movement, the price to a major power of building a coalition increases.’

Although US defence spending reached about 10 per cent of GDP at times in the 1950s, dropped to 5–6 per cent by the 1980s and fell to a low of 3 per cent by 2000, it rose rapidly again thereafter. According to an analysis by UBS Warburg any open-ended commitment to position military forces and make them capable of fighting throughout the globe, allied to the costs of new weapons systems, could mean that the military budget, ‘encompassing homeland security, foreign aid and other nation-building programmes’, could rise from 4–5 per cent of GDP to as much as 8–9 per cent over the coming years. The Warburg report argues that this would lower private
sector growth, particularly since highly skilled workers are needed to design and direct ‘smart bombs, unmanned drones and laser-guided missiles’. Larger resources for human intelligence would also be needed ‘against an amorphous terrorist enemy’ in countries such as Turkey, North Korea, Colombia, Iraq, Afghanistan, the Philippines, Djibouti, Yemen and Bosnia. The authors add:

Taking the nation’s best brains out of biotechnology research, investment banks and corporations and putting them into the State Department, the Central Intelligence Agency and the military is not a blueprint for continuing the high productivity growth of the 1990s.28

Thus US imperial ambition may well be curtailed by ‘fiscal overstretch’. While the US Federal debt is officially put at $6.5 trillion, the fiscal crisis is worsening at the state level, and US Federal deficits are rising rapidly because of a combination of tax cuts which mainly benefit the affluent and increased military outlays. Looking further ahead, funding obligations for Medicare and Social Security payments continue to grow – their combined net shortfall is growing at about $1.5 trillion per year and will accelerate around 2010 when about 77 million ‘baby boomers’ begin to collect Social Security benefits, and in 2013 when they start to obtain Medicare benefits.

The extent of the fiscal crisis was revealed in a report by a Federal Reserve economist and a former Treasury official. It was immediately buried by the Bush Administration, but noticed by investors. Its main findings were presented in Congressional testimony:

The government reports that the national debt in 2003 was about $3.8 trillion in the form of government ‘debt held by the public’. But that number ignores massive imbalances in the Medicare and Social Security programs and … other programs. When the liabilities associated with those programs are taken into account, the nation’s fiscal policy is currently off-balance by over $43.4 trillion in present value, a number that is not reported in standard budget documents …. That imbalance is over 11 times the $3.8 trillion debt held by the public that the government officially reports. $35.5 trillion of this $43.4 trillion imbalance stems from Medicare … while Social Security accounts for another $7.2 trillion. The rest of the government … has an imbalance of only $0.68 trillion.29

In this context, the US government could encounter very immediate constraints, particularly if there is a serious decline, let alone a reversal, of capital inflows. By early 2004 foreign capital inflows of about $1.5–2.0 billion a day were financing the US external deficit. If this funding problem worsens
the Federal Reserve will be forced to increase interest rates at a time when the oil price is also rising quickly, potentially triggering substantial defaults on mortgages and other financial securities, as well as further fiscal retrenchment.

Thus the next international debt crisis could take place not in the Third World but in the US. Whilst the USA has consistently pressed for freer capital mobility to facilitate inflows of capital into the USA, thus helping to fund its balance of payments deficits, its leaders may soon come to realize that this a double-edged sword: a crisis of confidence in the US economy could reverse these flows very rapidly indeed, with the US hoist on its own petard.

‘FULL SPECTRUM DOMINANCE’ AND ITS LIMITS

US military dominance thus relies on its ability to maintain the confidence of (foreign) investors. Yet if the ‘war on terror’ continues to be pursued indiscriminately, along with continued engagement in Iraq and the development of expensive weapons systems, the costs could shake that confidence. US expenditures already massively dwarf those of all its major allies and rivals – the US spends more on its military than the next twenty states combined.30 It is worth bearing this financial constraint in mind as we consider some of the expenditures that finance its military strategy, and its potential future costs.

The achievement of ‘full-spectrum dominance’ (the ability to dominate simultaneously land, sea, air and space) was heralded by the Bush II Administration as the most important single strategic initiative for the US in the twenty-first century. Its central rationale is to protect ‘US interests and investments’, not only from traditional rivals, but also from ‘new challenges’, including those stemming from ‘a widening gap between haves and have-nots’ – something the Bush II Administration seems to have considered natural, or at least unavoidable.

To bring this about Secretary of Defense Donald Rumsfeld emphasized rapid reaction, mobility and flexibility of forces, partly based on high-technology innovation, with incentives for American capital to serve to revitalize the military-industrial complex. Rapid militarization of space is one of the central facets of this approach.31 Another flank includes efforts to enlarge US capacities to engage in information warfare, including secret information agencies that report to the White House and the Pentagon, shielded from wider scrutiny, along with a transformation of the US military apparatus so that it is better equipped to engage in ‘cyber-wars’, and to control global communication nodes and networks.32 As we shall see, US military and intelligence apparatuses have already established considerable control over strategic nodes within global communication networks.
New wars and an empire of bases

Full-spectrum dominance is the counterpart to the Bush Administration’s concept of the new wars of the twenty-first century. As Rumsfeld articulated it, this entails ‘all elements of national power: economic, diplomatic, financial, law enforcement, intelligence, and both overt and covert military operations’. This totalizing perspective includes the need for not only sovereign power to override the existing rules of war, e.g. pre-emptive strikes against actual or potential enemies but also policing what the Bush II Administration came to call the ‘arc of instability’. This apparently runs between the Andean region (in effect Colombia), across North Africa, the Middle East and Southeast Asia towards the Philippines and Indonesia, where many of the key oil reserves in the world are to be found.

The apparatus for policing this area also includes US allies subordinated to US command, e.g. in NATO, and use of the forces of many other countries. This is why the US increased its budgets for Foreign Military Financing by 27 per cent for 2003 making it the USA’s largest military aid programme, at about $4 billion annually. Much of this goes to foreign military training for the global war on terror in countries previously restricted from receiving American aid because of their human rights abuses or possession of nuclear weapons, such as Uzbekistan, Pakistan and India. Simultaneously, the Pentagon is also creating ‘an elite secret army with resources stretching across the full spectrum of covert capabilities’, following recommendations made by its Defense Science Board’s 2002 Summer Study on Special Operations and Joint Forces in Support of Countering Terrorism.

However, the main forces for policing world order are located in what Chalmers Johnson calls an empire of military bases. The USA has between 700 and 1,000 military bases around the globe (depending on how they are categorized and counted); it has a further 6,000 inside the US and its own territories. About 250,000 uniformed personnel are deployed overseas with an equal number of civilian officials, plus around 45,000 locally hired foreign personnel (this does not include the new deployments in Iraq, of about 140,000, nor the small army of private contractors working alongside them as part of the new US model of quasi-privatized warfare). At least four and possibly six new bases are currently being constructed in Iraq. Since September 11th 2001 US forces have built, upgraded or expanded military facilities in Bahrain, Qatar, Kuwait, Saudi Arabia, Oman, Turkey, Bulgaria, Pakistan, Afghanistan, Uzbekistan and Kyrgyzstan. With the discovery of greater oil deposits in West Africa the US is also seeking to establish new bases in that region. The Pentagon’s Base Structure Report 2003 shows that it currently owns or rents bases in about 130 countries. So US imperialism is, after all, territorial, as empires necessarily are; its contemporary form of
colony is the military base, allowing for rapid deployment and intervention throughout the globe.

‘Future Image Architecture’ and ECHELON

US strategic thinking holds that challenges to its primacy are likely to be diffuse and global. Therefore an additional goal of American military-intelligence apparatuses is the dream (some might call it a nightmare) of creating a global panopticon: a total surveillance system that can place both friends and enemies alike under total surveillance. An ironic example of the mindset that accompanies this was given following the capture of the EP-3E spy plane by China in April 2001, when a veteran of US Navy surveillance remarked to journalists that an officer in his squadron had business cards inscribed with the motto: ‘In God we trust. All others we monitor’.38

In fact, there are already growing links between the far-flung empire of bases and its ‘homeland’ – all maintained by sophisticated communication structures that integrate and distribute information virtually instantaneously, in a military form of space-time compression. Moreover, full-spectrum dominance presupposes control over, or at least the ability to decisively intervene in, global communication systems. As has been noted in a report by a Lieutenant Colonel of the US Army:

Whereas the world wars used attrition (WW I) and maneuver (WW II), information age war emphasizes control. Whereas the world wars attempted to exhaust (WW I) and annihilate (WW II), cyberwar seeks to paralyze. And whereas the tools of the world wars were firepower weapons (WW I) and mechanization (WW II) produced in mass, the tools of information war are limited numbers of inexpensive computers linked via global communication systems.39

Indeed, with respect to many military and surveillance practices, the Bush II and Clinton Administrations display considerable continuity. In April 2001 it was announced that the secret National Reconnaissance Office of the US had been authorized to undertake a massive expansion of its spy satellite systems, partly because other nations such as Russia, France, India and closer American allies such as Israel and Canada have satellite surveillance systems of their own.

‘Future Image Architecture’ is the most expensive venture ever undertaken by US intelligence agencies. FIA will cost US$25 billion over twenty years – by comparison the Manhattan Project to build the atomic bomb during World War II cost $20 billion in inflation-adjusted dollars. Again, this system fits well with the Bush Administration’s priority of developing and dominating the military uses of space and the use of cyber warfare.40

Needless to say such developments – involving the National Security
Agency (NSA) and other US intelligence agencies – have created concerns in the European Union and elsewhere, particularly given the extensiveness of American intelligence networks such as ECHELON, which ceaselessly trawls electronic communications across Europe. Tens of billions of messages are analyzed every day through ‘data mining’ software operating through Internet servers. ECHELON feeds the data into huge computers known as Dictionaries that automatically select communications using lists of target numbers, subjects and keywords. Virtually all the messages that are selected by Dictionary computers are automatically forwarded to the NSA or other users without being read locally. ECHELON is designed primarily for non-military targets: governments, businesses, organizations and individuals. Since most nations make it illegal to spy on their own citizens, UK-USA arrangements may allow this to be circumvented.

‘Operations’ in Afghanistan and Iraq

It is in this light that the use of US military power in Afghanistan and Iraq needs to be assessed and we should note that organized violence forms only a part of an overall strategic effort in the region. The full panoply of ‘operations’ devoted to ‘regime change’ in Afghanistan and Iraq have thus included: covert or clandestine operations (e.g. widespread use of CIA and Pentagon Special Forces); the mobilization of foreign bases, as platforms for the attacks; integration of battlefield and surveillance plans; financial aid (including military aid); efforts to gain support from ‘coalition members’; the Middle East Partnership Initiative; the Middle East Free Trade Initiative; and investments in military education and training, including training of police. This has been accompanied by extensive use of propaganda, both of the ‘white’ variety (e.g. ‘embedding’ journalists within military units; use of US-controlled media and television stations in Iraq to represent news in ways supportive of the US war/occupation efforts) and also of the ‘black’ type: i.e. disinformation campaigns, efforts to discredit enemies or dissenters through deliberate falsifications.

As for why the United States decided to go to war in Iraq – especially given that there was no evidence of links to Al Qaeda, or of WMD, and thus no evidence of direct threats to the USA; and given that virtually all credible legal authorities pronounced that the war was an illegal act of aggression – suffice it to say that, while the war is linked directly to the USA’s official policy on energy security, driven by its increasing dependence upon foreign and especially Middle Eastern oil, we need to probe deeper. The willingness to risk a great deal in terms of a loss of legitimacy and to provoke mass resistance, protests, and even holy and civil war, was not only about conquering Saddam and taking control of Iraqi oil, but was also linked to reinforcing
several of the main pillars of US supremacy: above all, the USA’s long-term geopolitical position, involving both its military basing strategy and its commercial interests, including potential threats to dollar hegemony, and of course its prerogative to pursue wars of impunity.

This geopolitical rationale clearly unites the Clinton and Bush Administrations, both of which waged war against Iraq, although in the case of Clinton it was linked to a strategy of containment, principally through the sanctions regime and the policing (and bombing) of the no-fly zones in the northern and southern regions of Iraqi territory. The fulcrum of US policy in the region since 1945 has been Saudi Arabia, and concerns were being raised about fundamentalists in Saudi Arabia years before the attacks on the World Trade Center and the Pentagon. So the geopolitical rationale predates Bush II; and as James Woolsey, the Director of the CIA during the Clinton Administration, explained in Congressional testimony, insofar as oil is involved it had to do with the fear that future oil revenues ‘amounting to hundreds of billions ranging toward trillions of dollars … into this volatile region … will support much governmental and private activity that is not in the US interest, to put it mildly.’

Nonetheless, the outcome of the war in Iraq has not been anything like the Bush Administration had hoped. A massive blow to US prestige and credibility, one much more powerful than that stemming from its defeat in Vietnam, may be in the making. And since the Middle East is now the fulcrum of geopolitics, such a failure by the US in Iraq would encourage the belief that the world superpower could be defeated by national resistance forces, and would be a potentially decisive moment in the relationship between the US and the Arab world, if not the entire Muslim world. Indeed Iraq shows that the global panopticon and massive military power associated with the US military ‘footprint’ is far from all-seeing and omnipotent, and that its ‘sovereign prerogative’ can be challenged by forces of national resistance.

**FORMS OF RESISTANCE**

So with the Iraqi resistance in mind we conclude with a hypothesis connected to Antonio Gramsci’s political maxim: ‘pessimism of the intelligence, optimism of the will’. Pessimism of the intelligence presupposes that we can identify that which is relatively permanent or structural, and that which is contingent or ephemeral in an historical situation and therefore move towards sober, grounded analysis of the movement of political forces, and their tensions and contradictions. As Gramsci noted, political analysis must be directed ‘violently towards the present as it is, if one wishes to transform it’.

Let us therefore start with a few final observations on the situation in Iraq,
which is crucial for understanding the geopolitics of empire. The USA has sought to fully privatize the Iraqi economy (with the exception of oil, which is under direct US military and indirectly, financial control) so as to constrain the options of any future Iraqi government – whether it is one of the successive puppet governments or one that may eventually draw on a broader popular mandate. For example, the US will keep its military bases, and ports and other airfields are now under the ownership and control of foreign private military contractors who are answerable to the US – not to any Iraqi government. The UN has effectively supported this policy of expropriation and primitive accumulation, as have Germany and France, and to a lesser extent Russia, countries that claimed to be most opposed to the invasion. In practice, the US now also controls the world’s second largest known oil reserves after Saudi Arabia. If the US is able to further consolidate its political and strategic hold over the Middle East it will extend US geopolitical power significantly.45

The USA’s allies know this, and central aspects of world order hinge upon the future relations between the most powerful capitalist states/regions. There is continuing discord between the leaders of the Atlantic states and their populations, reflected in the massive demonstrations against the Iraqi war and occupation. Indeed, some commentators see Iraq as provoking the worst crisis in transatlantic relations since the formation of NATO. But we should recall that with respect to Europe, as Giovanni Arrighi once pointed out, in many countries since 1945 there has emerged an ‘American party’, i.e. a set of social and political forces that support US imperial strategy and that form the foundations of the transatlantic ‘organic alliance’. These forces form a transnational historical or power bloc drawn from political and civil society under US leadership (and Japan was added to its inner circles in the 1970s with the formation of the Trilateral Commission). In Europe such ‘American’ forces have included socialist, social democratic, conservative and authoritarian parties and regimes, as well as churches, media, intellectuals and unions – forces that more or less favour the enlargement of the empire of civil society – an empire that has now radically expanded eastward into the Former East Bloc after the collapse of the USSR.

Indeed, while concerns about the USA’s technological leadership and its militarization and dominance of space (e.g. the Missile Defence/Star Wars system) have provoked efforts by other states and consortia into developing military-industrial alternatives, the US works hard to prevent allies and rivals achieving technological autonomy, since this would undermine its own ‘full-spectrum dominance’. Thus whilst the EU has invested 3.6 billion euros in the Galileo system (planned to be operational by 2004) to challenge the US Global Positioning System (under Pentagon control), the US succeeded in
2004 in forcing the EU to make Galileo inter-operable with GPS, on national security grounds.

However, besides promoting its own consortia in strategic industries (e.g. the Airbus), the EU has also begun to confront key US interests in competition policy (including mergers and acquisitions and challenges to US monopoly power, e.g. against Microsoft). And in 2000 the EU announced its Lisbon strategy of becoming the most competitive economic space in the world by 2010, thus challenging US global economic leadership in the future.

Nonetheless, while the EU is seeking in some respects to increase its relative autonomy, at the same time it is gradually moving towards US-style financial liberalization and corporate governance based on shareholder value, replacing corporatist arrangements with regimes determined by ownership of capital. In effect the EU is actively promoting further deepening of disciplinary neo-liberalism in a wider Europe, as it has already been doing in its reconstruction efforts in the states of eastern Europe. However, there is widespread opposition, even among the European middle classes, to disciplinary neo-liberalism because of the way it undermines the social and welfare provisions that have constituted the West European postwar order.

Massive transatlantic trade and investment links and deep and cross-cutting ownership structures suggest a relatively permanent and structural alignment of Euro-American linkages that may endure any short-term rupture over Iraq. And European military development since 1949 has been within the NATO framework under US dominance, which seems likely to continue as NATO’s eastward expansion proceeds further. Nevertheless, none of these transatlantic arrangements are permanent, and we should also take note of the fact that this seems to go against the grain of majority opinion in Europe – again the middle classes are crucial here – which would like to see a European capability less subordinated to US imperialism.

Other constraints on US supremacy also seem likely to grow. For example, there are signs that large countries from the South, including India, Brazil and China are cooperating to establish a countervailing bloc to reduce the advantages of the US (and the EU) in matters of trade and investment. So far they have pressed mainly for greater liberalization of trade, particularly in agricultural products which are heavily protected by the metropolitan countries, but tensions are likely to increase rather than abate.

For their part, a growing number of US leaders are concerned about their heavy dependence on foreign capital to finance government operations. By mid-2004 over 50 per cent of US Treasuries were in foreign hands. Chinese and Japanese central banks hold the lion’s share – largely to support the dollar and thus protect their US export markets (resulting in an overvaluation of the dollar relative to the East Asian currencies of about 20 per cent). Leading
American economists are worried at growing risks of a highly leveraged global economy, particularly in the US and Japan, and at the huge international financial imbalances. This suggests that any effort to increase or even sustain the US supremacy project risks a worldwide destabilization of investments, debt crises, and bursting of the worldwide asset bubbles that have grown in the past ten to fifteen years.47

The financial world itself, gorged on the ‘seductive opium’ of borrowing in a regime of cheap money (historically low interest rates and a depreciating dollar), is now becoming very jittery at the prospect of rising interest rates in the US and a ‘destructive decline in the dollar’ because of a worsening US current account deficit.48 This links to growing long-term constraints on US financial and monetary power, and with it the US capacity to finance full-spectrum dominance. Alternatives to the hegemony of the dollar in world currency markets, such as the Euro, will be further strengthened by a dollar crisis. Nor should it be forgotten that the US pays its foreign military bills in dollars.

What all this suggests is that the war in Iraq may be seen not as the first of a new series of endless twenty-first century wars waged to maintain and extend disciplinary neo-liberal globalization, but as the first that showed significant limits of US power. This is not only because of Iraqi resistance, but because other forces constrain and challenge US supremacy, at least in its current form. Indeed, a potentially far-reaching indicator of this is global public opinion which shows severe damage to the already shaky legitimacy of the US worldwide, with a majority viewing the US as the major threat to a peaceful world order.49 The lawlessness and illegitimacy of US power in Iraq partly explains why political opposition to empire will likely grow. Further limits and political challenges arise with each of the many revelations of torture and brutalization of Iraqis, degrading acts that reflect not only the failure of the US to quell resistance, but also its impunity and repudiation of international law, and the amorality of its ‘power to decree the exception’.

Throughout the world, and indeed in the US, many people are concerned at the threat to their own security posed by current US policies, which appear to be having the opposite effect that was intended – actually strengthening the ranks of terrorist groups such as Al-Qaeda. Many others worry about the consequences of the militant liberalism being applied in Iraq and the way it seems to be part of the organized grand larceny of the Enron stage of capitalism. The generalized economic insecurity of a world of disciplinary neo-liberalism is superimposed on that caused by the war on terror and in Iraq.

This also explains why some US allies could either refuse to be further co-opted into extending the American military dominance project, or pull back.
from it, as did the Spanish government elected in 2004 in the immediate aftermath of the terrorist bombings in Madrid. Grounds for optimism exist, too, in the growth of new movements that seek alternatives to the insecurity, injustice and excesses of disciplinary neo-liberalism and US supremacy. These new movements include workers and peasants; forces associated with peace and the environment, and disaffected former members of organized parties of the left – forces that reject a civil society premised on corporate rule with its political, social and ecological mono-culture, and intensified frameworks of exploitation and dispossession; and they also attempt to articulate alternatives that can preserve political, economic, ecological, cultural and social diversity. Ultimately these forces stand against the most fundamental and antagonistic contradiction of all those that US supremacy entails: the fact that for a growing proportion of the world’s population the deepening power of capital expropriates and undermines the basic means of livelihood. These forces engage in transformative resistance and are forging new forms of political agency that might transcend the structures, limits and contradictions of US-led efforts to instantiate disciplinary neo-liberalism. They seek to lower the increasingly tattered flags of the empire of capital and raise their own banners, under the slogan ‘another world is possible’.

NOTES

I thank Tim Di Muzio for invaluable suggestions and research assistance.


4 Giorgio Agamben, *Homo Sacer: Sovereign Power and Bare Life*, Stanford: Stanford University Press, 1998. Schmitt was of course a Nazi theoretician. For Agamben the concentration camp reflects this exceptional nature of sovereign power.


6 In 1973 Pablo Neruda published a collection just before he died, prior to the coup. *Incitement to Nixonicide and Celebration of the Chilean Revolution* contained images of the poet’s expulsion from his house by an army of corpses, and a world flooded by ‘a great urinato’.


13 Approximately 2.1 million are now in US jails, up from 330,000 in 1972. A further 5 million are under supervision within its criminal justice system. The US incarceration rate in mid-2000 was 702 per 100,000 people, whereas the rate for Japan was 40, Sweden 60, Switzerland 85, Netherlands, France and Italy 90, Germany 95, Canada, Australia and Spain 110, UK 125, South Africa 400 and Russia 699. The incarceration rate for young black males aged 25–29 years was an astonishing 13 per cent. See http://www.sentencingproject.org/news/usno1.pdf; also the special edition of *Social Justice*, 27(3), 2000; Christian Parenti, *Lockdown America: Police and Prisons in the Age of Crisis*, London: Verso 1999.


15 Butterfield, ‘Mistreatment of Prisoners’. In an Orwellian moment, the Pentagon announced in 2004 it would rename Abu Ghraib ‘Camp Redemption’.


20 Of course powerful interests throughout the OECD, notably the EU, also support new constitutional mechanisms.


22 US corporations have influential organizations such as the powerful Intellectual Property Committee. Its members include many giant corporations. IPC coordinates with Japan’s Keidanren and the Union of Industrial and Employers’ Confederations of Europe to shape US negotiating...
positions.


28 Beattie, ‘New Role’.


30 US military spending projected for fiscal year 2004 was approximately $420 billion, up about $80 billion since 2001. The 2003 supplement for Iraq was $79 billion; the 2004 supplement for Iraq was initially $87 billion; then President Bush requested a further $25 billion in mid-2004.


35 The study encouraged the amalgamation of special ops, intelligence, cover and deception, information warfare, psyops, and covert forces from the CIA and military agencies – into entities called Proactive, Preemptive Operations Groups (P2OG). Parallel efforts were urged to improve and link information databases and networks. According to Rumsfeld, ‘Our task is to find and destroy the enemy before they strike us’. Cited in William Arkin, ‘The Secret War’, *Los Angeles Times*, 27 October 2002.


41 Proof of ECHELON was found in 1998-99 by intelligence specialist Jeffrey Richelson, via the US Freedom of Information Act.
45 Leaders of ‘old Europe’ complained that the US had failed to give their firms ‘equal access’ to lucrative Iraqi reconstruction contracts, many of which were reserved for friends of the Bush Administration (e.g. Halliburton and Bechtel).
46 US-EU trade/investment links, the biggest in the world, are about $600 billion annually. By 2001, cumulative US-EU direct investment topped $1.6 trillion, with the EU receiving 53 percent (or $726 billion) of all US direct investment abroad, and sending 72 percent (or $947 billion) of all direct investment into the US. Jeffrey J. Schott and Gary Hufbauer, ‘Transatlantic Trade Relations: Challenges for 2003’, Munich: Transatlantic Strategy Group, Bertelsmann Foundation, 2003, www.cap.uni-muenchen.de/download/2003/2003_Miami_Schott_Hufbauer.pdf.
47 Deborah Brewster, ‘Pimco Chief Says Global Outlook is Less Stable Than in Past 20 or 30 Years’, *Financial Times*, 17 June 2004. Pimco is the world’s biggest bond fund manager of about $400 billion in bonds.
50 For elaboration see Gill, *Power and Resistance*, pp. xi-xiv; 211-22.