Lecture 7: Continents & Empires
Beyond the National Economy
TODAY’S KEYS

- Expansion Beyond State Boundaries
  - The business of conquest, conflict & control
- Role of US Hegemony in Globalization
  - Both Cold war & Neoliberal Eras
- Challenges to US dominance
  - New economic & political blocs
- Costs of empire to the U.S. & the world
  - It’s a bloody business
Continents & Empires

I. Beyond Boundaries
II. American Empire
III. Continental Challengers
IV. The Sorrows of Empire
I. Beyond Boundaries

A. Geographic Expansion
B. Colonization
C. Compacts & Control
D. War
The Geography of Growth

- Capitalism must grow
  - Logic of accumulation = grow or die

- Outgrows national boundaries of first industrializers
  - Adding late developer states (lectures 5 & 6)
  - Trade is not enough!

- Capitalism must expand spatially
  - Lower costs (lecture 6)
  - New industries (lecture 9)
  - Surplus capital (Part 4)
  - New labor (Part 5)
  - New land/resources (Part 6)
I. Beyond Boundaries

A. Geographic Expansion
B. Colonization
C. Compacts & Control
D. War
Search for Colonies

- Beyond the national territory
- Conquest & control of external territories
  - "colonies"
- Classic imperialism of 19th century
I. Beyond Boundaries

A. Geographic Expansion
B. Colonization
C. Compacts & Control
D. War
Post-Colonial Solutions

- US dominance over Latin America
  - Monroe Doctrine & selective invasion

- British Commonwealth

- French sphere of influence in Africa

- Bilateral trade agreements
I. Beyond Boundaries

A. Geographic Expansion
B. Colonization
C. Compacts & Control
D. • War
Conflict & War

- Beyond economic competition !8-(

- Sordid history of modern wars
  - Wars of national consolidation
    - E.g., US civil war, Franco-Prussian War, Latin Am. War of the Pacific
  - Inter-imperialist wars (WW1 & WW2)
War & Economic Geography

- Rearrangement of national boundaries
- Liberation of colonies
- Stimulus to industrialization
  - Government spending (demand)
  - Labor mobilization
  - Technical innovation
Continents & Empires

I. Beyond Boundaries
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II. American Empire

A. Empire of Commerce

B. Cold War Era

C. Neoliberal Era
Age of American Hegemony

- End of World War II
  - Europe and Japan in ruins
    - U.S. must step up
  - War time planning
    - Carving up postwar map
    - Occupations of Japan & Germany
Post-Colonial Order

- Decolonization & self-determination
  - Breaking up European empires
- International accord
  - United Nations
  - International Law
- Military umbrella
  - International Military Alliance
    - NATO, SEATO, etc.
Postwar Economic Order

- **Free trade**
  - Rebuilding trade (GATT)

- **National development**
  - Suppressing revolts & unions
  - Export-led development
  - Lending (US & World Bank)

- **Capital export**
  - Marshall Plan (Europe)
  - Military spending
  - US FDI (direct investment)

- **Financial stability**
  - Fixed exchange rates
  - Dollar as global money
  - IMF
Iron Fist of Liberalism

- Policing the globe
  - Repeated invasions

- Backing dictators
  - Suppressing liberation movements

- Ignoring international law
  - Violating Geneva Accords
Ideology of Empire

- "America is the most peaceful nation on earth" -- Ronald Reagan

- "I will never apologize for the United States of America - I don't care what the facts are." -- George Bush, Sr.
II. American Empire

A. Empire of Commerce

B. • Cold War Era

C. Neoliberal Era
Face Off of Empires

- U.S. vs. U.S.S.R
  - Breakup of WW2 alliance
  - Berlin and 'Iron Curtain' (1948)

- Fall of China (1949)
  - US ideology:
    - 'they started it'
    - Free World
US Military Umbrella

- Cold War front lines
  - NATO v. Soviets
    - Europe disarmed
    - Germany, Turkey bases
  - China front
    - Japan disarmed
    - S. Korea, Okinawa, Taiwan, Philippines
Capitalism v. Communism

- Rival to capitalism
  - Soviet success & WW2
  - Alternative economic model for new states
  - Inspiration for revolts

- Two world economies & geographies
Bulwarks of Capitalism

- Western Front
  - Rebuilding West Germany
  - Suppressing Left parties

- Eastern Front
  - Rebuilding Japan
  - Protecting Taiwan
  - Korean War & South Korea
  - Export-led development

  - Capitalism rebuilds behind US protective barrier
  - German & Japanese miracles had help
Third World Containment

- Liberation movements suppressed
  - Congo, Vietnam, Central America, etc.
- Independent governments ousted
  - Guatemala, Iran, Indonesia, Dominican Republic, etc.

  - Repression » economic backwardness
  - Self-defeating politics over economics

Military at Home

- **Geography**
  - Military bases
  - Arms industries

- **Economy**
  - #1 economic sector
  - #1 export
  - Key to rise of Sun Belt
    - SoCal the buckle
    - Markusen, Hall & Glasmeier, *The Rise of the Gun Belt*
II. American Empire

A. Empire of Commerce

B. Cold War Era

C. Neoliberal Era
Spreading the New Gospel

- The New Project
  - New York, UK

- The Washington Consensus
  - But who controls IMF, World Bank & WTO?

- Neoliberalism by imperialism
  - The interventions continue....
Schooling the Americas

- Alliance for Progress & School of the Americas (Kennedy & Johnson)
  - After Bay of Pigs
    - Trade pact + military aid
  - Military coups follow...
    - Brazil, Argentina, Chile, Bolivia (1965-75)
  - US invades Dominican Republic (1965)

- Contras in Central America (Reagan)
  - Nicaraguan Revolution (1979)
  - El Salvador (1980)
    - murder of Romero, Civil War
  - Guatemala (>100,000 killed)
  - Invasion of Panama, 1989 (Bush I)
Patrolling the Middle East

- Things go badly
  - Six Day War & oil boycott (1973)
  - Iranian Revolution (1979)
  - Lebanon civil war (1980s)

- Advancing frontier
  - Defeat Russia in Afghanistan (1984-89)
  - Iran-Iraq (1980s)
  - First Intifada (1989-91)
  - First Gulf War (1991)

- Triumphantism
  - US Afghan war (2001-?)
  - Iraq War (2003-10)
New World Order

- Fall of USSR
  - East Europe rebels (1989)
  - Gorbachev ends CP rule (1990)
  - Soviet republics released (1991)

- Bush Sr. declares ‘New World Order’
  - Global TINA
  - NATO into Eastern Europe, ahead of EU
    - Russian reaction & Putin
Continents & Empires

I. Beyond Boundaries
II. American Empire
III. •Continental Challengers
IV. The Sorrows of Empire
Continental blocs

- Definition
  - Multi-state economic territories
  - Trading blocs -- and more

- Origins
  - Promoted by nation-states
  - By mutual agreement (formal)
  - By practice (informal)

- Unequal power
  - (but ≠ imperialism)
III. Continental Challengers

A. European Union
B. East Asia
C. Latin America
Origins of European Union

- Political
  - Wreckage of World Wars
  - Control of Nation-States
- Economic
  - Expanded markets & investments
  - Competition with US
- Social
  - European commonalities
  - Social Democracy
EU Expansion

- 1950s core
- 1973 - Britain & Denmark
- 1986 - Mediterranean
- 1995 - Scandinavia
EU poised to add 10 nations

Human rights concerns keep Turkey off list — U.S. displeased

By Robert Walliser
ASSOCIATED PRESS

Brussels — The European Union's executive commission declared the east European nations of Bulgaria, Latvia, Lithuania, Poland, and Romania on Wednesday that 10 countries will be added to an EU expansion list.

The commission decided to add these countries to its list of potential candidates, bringing the number of countries to 25. Bulgaria, Romania and Turkey are now listed as candidates.

Although the commission declared that Turkey will not be added to the list, it said that Turkey is on the list of countries that are eligible for EU membership.

The commission cited human rights concerns as the reason for not adding Turkey to the list. It said that Turkey has made progress in improving its human rights record, but that it still needs to make more progress.

The commission also said that it will continue to monitor Turkey's progress in improving its human rights record.
EU economics

- free trade zone
- free labor markets (no passports)
- continental corporations
- continental finance & capital flows
- unified currency (Euro)
EU trade

- More internal than external
- German export hub
- De-globalization?
European Companies

- Cross-border companies
- Mergers & scale
- Southern & Eastern peripheries ( cheaper)
Euro-Zone

- Euro 2002
- Challenge to the dollar
EU Governance

- EU NOT a state
  - Confederation
    - Not a Federal State like USA

- French Model
  - Centralized (European Commission)
  - Strong bureaucracy
  - Weak parliament
Failure of constitution

French say 'No' to EU treaty (2006)

French voters have overwhelmingly rejected the European Union's proposed constitution in a key referendum.

Almost 55% of people voted "No", with 45% in favour. Turnout was high, at about 70%. The vote would deal a fatal blow to the EU constitution, which needs to be ratified by all 25 member states.
Many Europes

- EU core
  - France & Germany
  - Western Europe

- Off-center
  - Britain & Italy
  - Scandinavia
  - Southern Europe
  - Eastern Europe
Challenges of the East

- Inequality (poorer)
- Labor emigration
- Agricultural surplus
- Unstable states & parties
- Resentment of Western dominance
Inter-Continental Competition

- EU initiatives
  - Airbus
  - Knowledge economy
  - Green Energy
III. Continental Challengers

A. European Union

B. East Asia

C. Latin America
Japan’s Asia

- Japan moves outward
  - Into East Asia, 1985-96
  - Into China, 1997-?

- Japanese triangle
  - Exports factories & machinery
  - Imports finished goods
  - Uses Asia as export platform to US

Figure 11.5
Japan's Foreign Trade by Country/Region (2005)

Source: Ministry of Finance.
East Asian tensions

- Legacy of Japanese imperialism
- Japan vs. China
- Korea vs. Japan & China
- Taiwan vs. China

Japan and China square off in desperate struggle for energy supplies

Inside Asia

Jonathan Weiss

The Asia edition of the Great Game — the race for energy resources — is growing more intense in Japan, the region’s biggest oil importer, finds itself increasingly in competition with China, where demand is rising faster than anywhere else in the world.

Since the start of the year, the two nations have edged up against each other in efforts, aiming to expand their role in energy security. The Japanese government has offered to help China build oil pipelines, a move that would help both nations become more energy independent.

Japan, which is heavily dependent on imports, has been working for decades on developing new energy resources. China, which is the world’s second-largest oil importer, has been focusing on developing its own resources.

The competition for energy resources is intensifying, with both nations seeking to secure their energy future. The competition is expected to continue, with both nations focusing on developing their own energy resources.
Greater China

- Huge national territory
  - #2 world economy
- Chinese diaspora
  - Hong Kong, Taiwan, Singapore
    - More investment than all others
- China trade & FDI
  - Resource imports from Central, SE Asia & Australia
  - Exports & trade deficit to Asia
- Shanghai Cooperation Org. (2001)
  - China, Russia & ‘Stans’ (Central Asia)
  - Pakistan, Iran, India & Mongolia want in
Traces of the Soviet Bloc

- USSR falls apart 1990
- Building new states
- ‘Commonwealth of Independent States’ (CIS)
- Relatively weak economies
III. Continental Challengers

A. European Union

B. East Asia

C. • Latin America
North America

- **US triangle**
  - #1 Postwar Canada
  - #2 Mexican maquilas

- **NAFTA (early 1990s)**
  - US strategy vs. EU & Japan
  - Also neoliberal
    - Freedom for K not L
Into Latin America?

- Free Trade Act of the Americas (FTAA)
  - Extend NAFTA
  - Defeated 1998

  - Revived under Bush
  - Chile & Colombia
Lula Raises the Stakes
By William Greider & Kenneth
THE NATION November 13, 2003
Cancún was the flashpoint where Lula's ambitions collided head-on with American power. His diplomats helped organize the coalition of twenty-two developing nations that stood their ground in the WTO negotiations and did not yield to the usual pressure tactics from the United States, Europe and Japan. The talks collapsed, an emblematic victory for Lula in demonstrating that unity means power.
Strengthening Old Ties

› MERCOSUR

[Map showing independent state, dependent territory, member, associate member, and observer areas]

[Map showing independent state, dependent territory, member, associate member, and observer areas]
Political Revolt & Autonomy

Pat Robertson calls for assassination of Hugo Chavez

VIRGINIA BEACH (AP) — Religious broadcaster Pat Robertson suggested on-air that American operatives assassinate Venezuelan President Hugo Chavez to stop his country from becoming "a launching pad for communist infiltration and Muslim extremism."

"We have the ability to take him (Chavez) out, and I think the time has come that we exercise that ability," Robertson said.

By Gene Puskar, AP

"We don't need another $200 billion war to get rid of one, you know, strong-arm dictator," he continued. "It's a whole lot easier to have some of the covert operatives do the job and then get it over with."
New Prosperity

- Supplying China
  - Long arm of China (Africa, too)
- Industrial growth
Continents & Empires

I. Beyond Boundaries
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IV. •The Sorrows of Empire
IV. The Sorrows of Empire

A. The Military Noose
B. Afflicted Powers
C. Costs of Empire
D. The War at Home
US bases around the world

1000+ bases

The Costs of “Permanent War”

Since Sept. 11, the U.S. has attacked Afghanistan and established at least 13 new military bases in the oil and natural gas-rich countries surrounding it. The bombing of Afghanistan has killed some 3,800 civilians, wrought horrible destruction and displaced nearly two million Afghans internally and externally. Today there are seven million Afghan internal and external refugees. The U.S. has put back in power the murderous Northern Alliance whom the Afghans threw out some years ago.

The administration has publicly threatened to attack 60 more countries, especially Iraq, in violation of international law. It has claimed the right to preemptively strike any country it thinks “harbors terrorists” or might produce weapons of mass destruction. The first use of nuclear weapons, even against countries that have no such weapons, is non-official U.S. policy.

To carry out this dangerous military project, Washington proposes a 2009 military budget of $1.66 trillion, an astounding 37% percent increase since Bush took office, and more than half of the total U.S. discretionary budget.

BY THE NUMBERS

- 545,000 Number of structures (covering 30 million acres) controlled by the Dept. of Defense, the world’s largest landlord.
- $216 billion Bush’s 2009 military budget
- $209 billion 2008 military budget (before Bush)
- $64 billion Military budget of Russia, 2nd in the world after U.S.
- 25 Number of top military spending countries whose combined military budgets equals that of the U.S.
- $45 billion Budget for education, 2nd largest discretionary budget from after military in 2002
- 58.5% Proportion of the total 2002 U.S. discretionary budget devoted to military

Umbrella or noose?

- US has the world surrounded
- New fronts
  - Middle East & Indian Ocean
  - African command
- ‘Rapid deployment’ to all corners
IV. The Sorrows of Empire

A. The Military Noose
B. Afflicted Powers
C. Costs of Empire
D. The War at Home
Bay of Pigs

- US invades Cuba (1962)
  - Failed, humiliation

- Latin America turns left
  - US kills Che in Bolivia c 1967
Defeat in Vietnam

- Against national liberation
  - Take over from French
  - Anti-Communism
- Vietnamese nationalism
  - + China & Russia support
  - Guerrilla warfare
  - Tet offensive
- 10 years, 2 million dead
Vietnam Syndrome

- Popular Refusal
  - Aftermath of popular opposition to all war
  - Disarmament/Peace movement of 1980s

- US rulers furious
  - Angry with Vietnam (no relations for 20 years)
  - Angry with Soviets (US aid in Afghanistan)
  - Angry with public (still cannot tell truth)
  - Angry with draft (mercenary/volunteer army)

- US hegemony hardens under Reagan & Bush
9/11
- Striking at Heart of Empire
- War on Terror
  - The war without end

Cheney's grim vision: decades of war
Vice president says Bush policy aimed at long-term world threat
Why?

- Do ‘they hate us for our freedom’?
  - Or for our power & ruthlessness?

- US as victim
  - Excuses our global role

- The unspeakable
Iraq – 2003-10

- Illegal invasion
- Few allies
- Iraqi resistance
- Capitalism deferred
Blowback from Iraq

- US isolation
- Military quagmire
- High oil prices
- Recruits for Al Qaeda
- US budget deficits
- Descent into delirium
Agony in Afghanistan

09/17/2009 13:13
AFGHANISTAN

Europe's doubts on President Karzai's election victory

Yesterday the EU observers denounced suspect validity of one third of the votes, which could overturn Karzai's victory in the first round. The outgoing president reaffirms the legality of the vote. The Afghan Election Commission criticizes EU "interference". Difficulties for U.S. government.

Kabul (AsiaNews) - Afghan President Hamid Karzai today reaffirmed his "firm belief in the fairness of the presidential elections," held August 20 that saw him win with 54.6% (3.1 million out of 5.7 million valid votes). He denies European Union doubts that more than a third of the 1.5 million votes were fraudulent; 1.1 million for Karzai and 300 thousand for the challenger Abdullah Abdullah.
China test sparks space arms fears

It has been described by some arms control experts as the beginning of a new arms race in space, pitting China against the United States. Last week, according to US officials, China managed to destroy one of its own ageing weather satellites using a medium-range ballistic missile. ....
IV. The Sorrows of Empire

A. The Military Noose
B. Afflicted Powers
C. Costs of Empire
D. The War at Home
The Cost of Empire

- Military budget
  - Grows & grows
- Can’t pay for domestic programs
  - health, universities, etc.

**US Military Expenditure since 1998**

- $350 billion in 1998
- $700 billion in 2008

Sources: Friends Committee on National Legislation, Center for Arms Control and Non-Proliferation, 2006, 2007.

See important note about data in accompanying table.

**U.S. Military Spending vs. The World in 2008**

- In billions of U.S. dollars, with % of total global

- United States, $711 (40%)
- Europe, $289 (20%)
- China, $122 (9%)
- East Asia/ Australia, $120 (7%)
- Middle East/ N. Africa, $82
- Russia, $70 (5%)
- Latin America, $38 (3%)
- Sub-Saharan Africa, $10 (1%)
- Central/ South Asia, $30 (2%)

2008 Total Global Spending = $1.47 Trillion

Notes: Data from International Institute for Strategic Studies, The Military Balance 2008, and DOD. The total for the United States is the FY 2009 request and includes $170 billion for military operations in Iraq and Afghanistan, as well as funding for DOE nuclear weapons activities. All other figures are projections based on 2008, the last year for which accurate data is available.
Competitive Bind

The Current Account Deficit of the US is huge

US debt is 40% of GDP
US manufacturing in decline

- Steady decline as % of GDP
- By 2000, % smallest of the major economies
Should we panic?

- Japan in 1980s
- East Asia 1990s
- China 2000s
What we’re still good at

Weapons

Electronics

Entertainment

A 'sleeper' market: film exports to the United Kingdom and Europe - US exports of film and television programs find niche in Europe - Industry Overview

*Business America, Jan 11, 1993* by Edward Deutsch

The U.S. film and television industries, which directly employ more than 250,000 workers, now generate a $4.5 billion trade surplus for the United States--second only to that of the aircraft and aerospace industry. Due to an expanding programming market...
IV. The Sorrows of Empire

A. The Military Noose
B. Afflicted Powers
C. Costs of Empire
D. *The War at Home*
What does permanent war do to us?

- National security state
  - Undermines democracy
- Pandering to the military-industrial complex
  - Undermines social spending
- Love of war & military
  - Suppresses all criticism
*Loss of Moral Compass*

**Bush memos reveal stance on torture**

President reserved right to suspend Geneva convention at any time

**Winter Soldier**

"The enemy has got a face. He's called Satan. He lives in Falluja."

Marine Lt Col Gareth Brandl, quote by the BBC, 2004
Loss of Freedom

“War on Terrorism”
- End of Habeus Corpus
- Spying & wiretaps at home
- Mexican Wall & Deportation

New Orleans - Heavily armed paramilitary mercenaries from the Blackwater private security firm, infamous for their work in Iraq, are openly patrolling the streets of New Orleans. Some of the mercenaries say they have been "deputized" by the Louisiana governor; indeed some are wearing gold Louisiana state law enforcement badges on their chests and Blackwater photo identification cards on their arms. They say they are on contract with the Department of Homeland Security and have been given the authority to use lethal force. Several mercenaries we spoke with said they had served in Iraq...