

GLOBALIZATION AND THE INVASION OF IRAQ: STATE POWER AND THE LIMITS OF CONSENSUS

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1. One of the major casualties of the U.S. invasion of Iraq has been globalization. By this I do not mean the institutional framework for global capitalism, defined by the dominant role of multinational corporations and multilateral institutions such as the World Bank, the International Monetary Fund, and the World Trade Organization. Instead, the invasion of Iraq has provided what may be a fatal blow to globalization as an ideological force that presents global capitalism as an inevitable process that is beyond the control of states. The war has brought to the forefront one of the principle contradictions of capitalism, which is the contradiction between the global scope of capitalist economic forces and the more spatially and politically limited boundaries of the nation—state. Calls from among U.S. foreign policy officials and intellectuals for a new American imperialism, in which no threats to U.S. power will be tolerated (Foster 2003; Research Unit for Political Economy 2003), would appear to violate the basic tenets of globalization with their emphasis on U.S. political—military might.

2. The politics of global capitalism are defined by neoliberalism, which is a coherent program of market liberalization, state deregulation, and privatization which privileges market forces above all else (Tabb 2001; Teeple 2000). All non—market forces that might challenge the hegemony of the market are either marginalized or absorbed through commodification. At the same time, labor and other subordinate social forces are disciplined by legal restrictions on union activity, punitive reductions in social welfare provision, and the extension of formal institutions of social control. In addition to these concrete policies, an essential component of neoliberalism is the ideological argument that capitalist globalization is an inevitable process that operates independently of human agency (Steger 2002). Such an argument depoliticizes the economy, rendering it a technical problem that lies outside the competency of citizens or the ability of states to participate in a meaningful way.

3. One important expression of this ideological argument is the suggestion that global capitalism has led to the supersession of the nation—state. The political authority of the nation—state is seen as inadequate to limit the transnational movement of capital, and so the best that state officials can do is to make their national territories more competitive in order to attract hypermobile capital (see Friedman 1999; Reich 1992). This view of the nation—state as increasingly marginalized by global capitalism, while a consistent feature of mainstream political debate, has also found expression in the radical social sciences. Teeple (2000), for example, argues that neoliberal policies are “the last national policies to be promulgated, the final act of the independent nation—state”(81). A post—Fordist system of production has simultaneously dispersed and integrated production globally, and has been accompanied by the rise of “a relatively coherent multiplicity of supranational agencies and organizations, dominated by the U.S. state, that oversee the broad reaches of the global economy in the interests of corporate private property”(157). Proponents of transnational historical materialism make a similar argument, but from a

neo—Gramscian perspective (Gramsci 1971). Transnational historical materialism argues that a transnational capitalist class has emerged and is exercising power through its construction of a consensus for capitalist globalization. An important part of this hegemonic power has been the fundamental reorientation of the nation—state toward supporting global rather than national capital accumulation (Cox 1987, 1996). Robinson likewise argues that the nation—state now serves to facilitate global capital accumulation as well as insulate new supranational economic institutions from democratic accountability from below (Robinson 1996, 2001). It helps to secure a generalized acceptance of globalization as a ‘common sense’ description of an uncontrollable, inevitable, and ultimately desirable process.

4. The continued U.S. war on Iraq provides an opportunity to reevaluate these arguments. I suggest in this paper that these critical theories of global capitalism overstate the absorption of the nation—state into the processes of transnational capital; national political structures and cultures, and the needs of national capitals, continue to play a dominant role in global capitalism. By emphasizing the hegemonic nature of neoliberalism, these theories overlook the significance of nation—state militarism in shaping the contours of global capitalism.

MILITARISM AND CAPITALIST ACCUMULATION

5. Despite the fact that capitalism, in contrast to earlier modes of production, is defined by the non—coercive nature of exploitation (Marx 1967), militarism and war have played a major role in the development of capitalism since its origins. Coercive state power, directed both within the state’s territory against the peasantry to force them off the land and compel them to serve as ‘free labor,’ and outside the state’s territory in the form of forcible extraction of resources from peripheral regions, has been instrumental in the process of primitive accumulation. Marx’s writings on Ireland, India, and China all address how British military power was used to subjugate the indigenous population and ensure that other potential competitors were blocked from having access to colonial markets (Marx and Engels 1972). Lenin’s analysis of imperialism (1939) suggested that war between the major colonial powers was an inevitable result of the drive for capital to become more concentrated and centralized: “capitalism’s transition to the stage of monopoly capitalism, to finance capital, is *bound up* with the intensification of the struggle for the partition of the world”(77—78). War provided the means to defend and extend a state’s role as colonial power, thereby ensuring access to cheap labor and natural resources as well as markets for the core state’s manufactured goods. Lenin also pointed to how the resulting “super—profits” could be used “to bribe the labor leaders and the upper stratum of the labor aristocracy”(13); by ensuring that segments of the working class would benefit from colonialism, the ruling class could be more confident in securing popular support for its military policies.

6. Rosa Luxemburg (1968) likewise argues that war is an indispensable feature of capitalist development. While she, like Marx, Engels, and Lenin, examines the role that war plays in primitive accumulation, colonialism and imperialism, her major contribution lies in seeing war itself as a form of capital accumulation: “[f]rom the purely economic point of view, it is a pre—eminent means for the realization of surplus value”(454). In addition to being a specific means of capital accumulation, the destruction of specific

capitals that is a consequence of war provides new opportunities for accumulation. Militarism can be seen as a form of indirect taxation on the working class that, by reducing its standard of living, provides resources that can be directed toward the production of military goods and services; this reduced standard of living, in turn, ensures the existence of sufficient labor power for the military. Baran and Sweezy (1966) build on Luxemburg's argument, stating that militarism is one way in which economic surplus can be absorbed, thereby reducing the severity of capitalist crises resulting from underinvestment.

7. Critical theories that emphasize the consensual nature of neoliberalism have marginalized the central role that coercion and militarism have played in the history of capitalism. An appreciation for the significance of militarism for capital accumulation leads to a renewed focus on the central role that the nation—state has and continues to have in global capitalism as both a facilitator for and an obstacle to capital accumulation. The U.S. war on Iraq provides a vivid illustration of this.

IRAQ AND THE CRISIS OF NEOLIBERALISM

8. With its emphasis on the importance of state coercive power, the U.S. invasion of Iraq is a reflection of growing weaknesses in the 'Washington consensus' for neoliberalism. Almost immediately after the collapse of the Soviet Union, the 1992 Defense Policy Guidance recognized that "the 'first objective' of U.S. defense strategy was 'to prevent the re—emergence of a new rival'" and "to convince allies and enemies alike 'that they need not aspire to a greater role or pursue a more aggressive posture to protect their legitimate interests'"(Armstrong 2002: 78).¹ This assertion of the need for unchallengeable U.S. power is reflected in more recent policy documents. The report *Rebuilding America's Defenses*, prepared by the Project for the New American Century in 2000 and reflecting the views of the 'new imperialists' in the Bush administration,² states that

9. At present the United States faces no global rival. America's grand strategy should aim to preserve and extend this advantageous position as far into the future as possible.... America should seek to preserve and extend its position of global leadership by maintaining the preeminence of U.S. military forces (Project for the New American Century 2000: i, iv).

10. This would be accomplished by ensuring the U.S. military's ability to fight multiple wars simultaneously³ and that potential competitors are tightly constrained by U.S.—led institutions.

1 ARMSTRONG (2002) POINTS OUT THAT THE CURRENT DEFENSE POLICY GUIDANCE, SIGNED EARLIER THIS YEAR, CONTAINS ALL OF THE KEY ELEMENTS OF THE EARLIER DOCUMENT.

2 THIS REPORT WAS COMMISSIONED BY, AMONG OTHERS, DICK CHENEY, DONALD RUMSFELD, AND PAUL WOLFOWITZ (FOSTER 2003).

3 "[I]F ANYTHING, THE CANONICAL TWO—WAR FORCE—SIZING STANDARD IS LIKELY TO BE TOO LOW THAN TOO HIGH"(PROJECT FOR A NEW AMERICAN CENTURY 2000: 9).

11. The most recent statement of these ideas, and the one that is currently driving U.S. political—military policy, is the *National Security Strategy of the United States of America*, published in September 2002 (United States 2002). The report refers to “the possible renewal of great power competition”(26), and then calls on a sufficiently strong U.S. military to “dissuade future military competition....Our forces will be strong enough to dissuade potential adversaries from pursuing a military build—up in hopes of surpassing, or equaling, the power of the United States”(29—30). One way in which the *Strategy* foresees this is through U.S. support for a European Union foreign policy and military identity and a commitment “to ensure that these developments work with NATO”(26). Other potential competitors, such as Russia, India, and China, are to be contained by a commitment to “our common principles,”(28) which include opposition to ‘terrorism’ and support for free markets. The latter point is especially important, as it makes explicit the connection between military and economic policy. The goal of U.S. policy is to “promote economic growth and economic freedom beyond America’s borders”(17). This means “pro—growth legal and regulatory policies,”(17) lower taxes, “strong financial systems” and “sound fiscal policies to support business activity,”(17) and the expansion of free trade by strengthening the World Trade Organization and creating regional and bilateral free trade agreements.

12. These documents provide the intellectual and political context for the U.S. invasion of Iraq. This context suggests that, while the direct object of U.S. military power was Iraq, the real targets of the war were the United States’ advanced capitalist competitors. Critics of the war who said the war was about oil are correct, but less so in terms of U.S. oil consumption needs. Iraq is one of the world’s major sources of oil, with proven reserves that are second only to those of Saudi Arabia (Klare 2001: 55). Given the central role that oil plays not only in economic growth as a source of energy and as an input for manufacturing but also in maintaining a large military, and with estimates that global oil consumption needs will increase by more than half between 1997 and 2020 (Klare 2001: 56), whoever exercises dominance in the region will necessarily exercise dominance globally:

13. What better way for the United States to ward off that competition and secure its own hegemonic position than to control the price, conditions, and distribution of the key economic resource upon which those competitors rely? (Harvey 2003: 25).

14. It was this recognition, more than a commitment to the United Nations or to principles of international law, which was the driving force behind the opposition of other major states to the U.S. war. During the 1990s, Iraq had signed contracts with French, Russian, Chinese, and Italian companies to develop Iraqi oil fields (RUPE 2003: 50); with the U.S. occupation of Iraq and the granting of contracts to major U.S. corporations such as Halliburton and Bechtel for the reconstruction of Iraq, these pre—war contracts are now likely to be reevaluated. The continued opposition by France, Germany, and Russia in the United Nations to unilateral military action by the United States is thus strong evidence of the strength and persistence of inter—capitalist rivalry.

15. While inter—capitalist rivalry calls into question the omnipotence of neoliberal consensus from above, neoliberalism has been increasingly challenged from below. Popular mobilizations against the institutions of global capitalism helped to derail the proposed Multilateral Agreement on Investment (Egan 2001), and have disrupted meetings of the World Trade Organization, the World Economic Forum, and other

multilateral institutions. Opposition by a coalition of twenty—two countries organized by Lula to U.S. proposals for expanding liberalization led to the collapse of talks at this year's WTO meeting in Cancún. It is in this context that efforts by the U.S.—controlled Coalition Provisional Authority to remake Iraq's economy along neoliberal lines must be understood. Not since the overthrow of Salvador Allende in Chile and Pinochet's implementation of monetarist policies has there been such a clear example of the use of military power to impose neoliberalism on a country. The CPA has enacted orders suspending all tariffs and trade restrictions (Coalition Provisional Authority 2003a) except a short—term 5 percent surcharge for reconstruction (Coalition Provisional Authority 2003c), limiting individual and corporate income taxes to 15 percent (Coalition Provisional Authority 2003b), permitting up to 100 percent foreign ownership (with full remittance of profits) of all sectors except natural resources (Coalition Provisional Authority 2003d), and permitting foreign banks to purchase up to 100 percent of local banks (Coalition Provisional Authority 2003e). It seems clear that Iraq is to serve as a lesson for the global South of the determination of the United States to ensure the success of neoliberalism on a world scale.

CONCLUSION

16. The argument that the nation—state is declining in significance in global capitalism is revealed by the U.S. war on Iraq to be premature at best. I would go further than this and argue that the war reinforces the centrality of the nation—state in global capitalism. Calls for a renewed patriotism and 'support' for U.S. troops in Iraq (as well as in Afghanistan), as well as the mantra of 'homeland security,' all evoke the significance of the nation—state for domestic political forces. At the same time, efforts by the United States to unilaterally impose its will on Iraq and, more importantly, other major competing states, reflect the significance of nation—state power in international politics. Finally, national political structures and political cultures (e.g., the role of the Green Party in Germany, and the strong nationalist current in France and Russia), as well as direct economic interests, explain the continued opposition of France, Germany, and Russia to U.S. policy in Iraq. The war thus provides further evidence that "the state has long been and continues to be the fundamental agent in the dynamics of global capitalism" (Harvey 2003: 92)

17. Consent and coercion are the specific mechanisms through which nation—state agency is organized. Although there is a tendency to see these as opposites, they are more appropriately understood in a dialectical manner. As we saw earlier, militarism provides opportunities for the capital accumulation that state officials depend upon to win popular consent for their policies. More specifically, Bush administration justifications for invading Iraq as well as their going through the motions of seeking United Nations support for U.S. policy (even though it was ultimately not forthcoming) are evidence of the importance of constructing consent for the use of military power. At the same time, the lack of international legitimacy for the war, as seen by the massive, world—wide protests against the war, as well as the way in which U.S. justifications for war have been revealed to be false, place important limits on the exercise of U.S. power. In this light, consent is not an alternative to coercion. Rather, they are inseparable: war is

simultaneously a means of generating consent (e.g., the invasion of Iraq is ‘doing something’ about terrorism) and the product of that consent.

18. The dialectical nature of the relationship between coercion and consent undermines one of the central arguments concerning globalization – that it is a process that is beyond the control of nation—states. The nation—state, therefore, must continue to be at the center of theoretical understandings of and political mobilizations against global capitalism.

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