

Chapitre 16/Chapter 16

US Global Rollback Policy After the Overthrow of Communism

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Synopsis:

This piece argues that the existence of communist countries set limits on how and where US leaders could forcefully intervene throughout the world and also limits on how far they dared to mistreat their own working populations and 3rd world nations. The paper traces the changes that have come in policy and the global scope of the rollback, in what the author calls, "the Third Worldization of the World."

For years U.S. political and economic leaders saw themselves in mortal combat with communist nations for the allegiance of peoples at home and abroad. The pressure of being in competition with an alternative economic system set limits on how thoroughly Western leaders dared to mistreat their own working populations. Indeed, pains were taken to demonstrate how much finer life was for workers under capitalism. Time and again, the argument was made that U.S. workers enjoyed a higher standard of living than their opposite numbers chaffing under the yoke of communism. Statistics were rolled out to show that Soviet workers had to toil many more hours than our workers to buy various consumer goods. No comparisons were offered in regard to medical care, rent, housing, education, transportation, and other services that were heavily subsidized by communist governments.

The concern about communism helped the civil rights struggle. Since we supposedly were competing with Moscow for the hearts and minds of nonwhites in Asia, Africa, and Latin America, it was considered imperative that we rid ourselves of Jim Crow and grant equality to our own people of color. Many of the arguments made against segregation were couched in just that opportunistic rhetoric: not racial equality for the sake of justice, but because it would improve America's image in the cold war.

The Third World Comes Home.

The overthrow of communism in the Soviet Union and other Eastern European nations caused much rejoicing among the higher circles in this country. Except for a few minor holdouts like Cuba and North Korea, transnational corporate capitalism now seemed to have its grip on the entire globe. Yet, an impatient plaint soon could be detected in conservative publications. It went something like this: "If everywhere socialism is being rolled back by the free market, why is there no rollback here in the United States? Why do we have to continue tolerating all sorts of collectivistic regulations and services?"

By 1992, it became clear to many conservatives that now was the time to cast off all restraint and sock it to the employee class. The competition for their hearts and minds was over. As Margaret Thatcher is credited with saying: **TINA** ("There Is No Alternative") is the new order of things. There was no place else for working masses to think of going. Having

scored a total victory, Big Capital now would be able to write its own ticket at home and abroad. There would be no more accommodation, not with blue-collar workers, nor even with white-collar professionals or middle management.

Throughout history there has been only one thing that ruling classes have ever wanted--and that is *everything*: all the choice lands, forests, game, herds, harvests, mineral deposits and precious metals of the earth; all the wealth, riches, and profitable returns; all the productive facilities, gainful inventiveness, and technologies; all the control positions of the state and other major institutions; all public supports and subsidies, privileges and immunities; all the protections of the law with none of its constraints; all the services, comforts, luxuries, and advantages of civil society with none of the taxes and costs. Every ruling class has wanted only this: all the rewards and none of the burdens. The operational code is: we have a lot; we can get more; we want it all.

With the rollback of communism, the politico-economic circles that preside over this country no longer feel they need to tolerate any *modus vivendi* with those who work for a living. Instead of worrying about lowering unemployment, as during the cold war, corporate elites now seek to sustain a sufficiently high level of joblessness in order to weaken unions, curb workers, and attain growth without inflation.

Growth without inflation sounds pretty good. But meanwhile we are witnessing the Third Worldization of the United States, the economic downgrading of a relatively prosperous population. Corporate circles see no reason why millions of working people should be able to enjoy a middle-class living standard, with home ownership, surplus income, and secure long-term employment. They also see no reason why the middle class itself should be as large as it is.

As the haves would have it, people must lower their expectations, work harder, and be satisfied with less. The more they get, the more they will demand, until we will end up with a social democracy--or worse. Better to keep them down and hungry with their noses to the grindstone. It's time to return to nineteenth-century standards, the kind that currently obtain throughout the Third World--specifically, an unorganized working populace that toils for a bare subsistence; a mass of unemployed, desperate poor who help to depress wages and serve as a target for the misplaced resentment of those just above them; a small, shrinking middle class that hangs on by its bleeding fingers; and a tiny, obscenely rich owning class that has it all.

The haves are pulling out the stops. For them, it's time to cutback drastically on such luxuries as public education, affordable medical care, public libraries, mass transportation and other publicly funded human services, so that "people will have the opportunity to learn how to take care of themselves." Time to do away with unions, business regulations, taxes on investment income, minimum-wage laws, occupational safety, consumer safety, and environmental protections. All these things cut into profits. Every dollar that goes into the public sector is one less for the private sector. And the haves want it all. "Capitalism with a human face" has become capitalism in your face.

The reactionary rollback in the United States is being replicated throughout most of Western Europe, Canada, Australia, and New Zealand. While the overthrow of communism in Eastern Europe--completed now with the destruction of Yugoslavia--and the decline of social democratic and communist parties in western industrial countries have been hailed by some commentators as "the end of class struggle" and even "the end of history," in fact, the global corporate elites are waging class war more determinedly than ever.

The Fourth World Comes to the Third World.

Along with the rollback struggle in the United States and other Western nations, there has come an economic collapse in many Third World countries. This too has been accelerated by the collapse of communism. During the cold war era, U.S. policymakers sought to contain communism by ensuring the economic growth and stability of anticommunist regimes. But Third World development began to threaten U.S. corporate profitability. By the late 1970s, governments in Brazil, Mexico, Taiwan, South Korea, and other nations were closing off key sectors of their economies to U.S. investment. In addition, exports from these countries were competing for overseas markets with U.S. firms, including within the United States itself. At the same time, growing numbers of Third World leaders were calling for more coordinated effort to control their own communication and media systems, their own resources, markets, air space, and sea beds.

By the 1980s, U.S. policymakers were rejecting the view that a more prosperous, economically independent Third World would serve the interests of U.S. capitalism. And once there no longer was a competing communist world to which Third World leaders might threaten to turn, the United States felt freer than ever to rollback Third World development. One rollback weapon was the debt. Third World governments are burdened with huge debts. In order to meet payments and receive new credits from the U.S.-dominated World Bank and International Monetary Fund (IMF), these governments have had to agree to heartless "structural adjustments," including reductions in social programs, cuts in wages, the elimination of import controls, the removal of restrictions on foreign investments, and the privatization of state enterprises.

Such measures are ostensibly designed to curb inflation, increase exports, and strengthen the fiscal condition of the debtor nation. By consuming less and producing more, debtors supposedly will be better able to pay off their debts. In fact, these structural adjustments work wonderfully for the transnational corporations by depressing wages, increasing the level of exploitation, and boosting profit rates. But they also leave the economies and peoples of these various countries measurably worse off. Domestic industries lose out to foreign investors. There is a general deindustrialization as state enterprises fall by the wayside or are handed over to private owners to be milked for profits. Many small farmers lose their import protections and subsidies and are driven off the land. Unemployment and poverty increase along with hunger, malnutrition, and various attendant epidemics and diseases.

In time, Third World countries like the Philippines, Brazil and Mexico slip deeper into the desperately absolute poverty of what has been called the "Fourth World," already inhabited by countries like Haiti and the former Zaire. Thus, in the first ten months of 1995, malnutrition in Mexico City increased sixfold. As many as one-fifth of Mexico's ninety million people are now considered "severely undernourished," while the incidence of cholera, dengue, and other diseases related to malnutrition was nearly ten times higher in 1995 than in the previous year. The Mexican public health system that had begun to improve markedly in recent years is now at the point of complete collapse, with overcrowded, underfinanced, and understaffed hospitals no longer able to provide basic medicines.

As a further blow, the industrial nations, began making substantial cuts in nonmilitary foreign aid to poor countries. These include sharp reductions in funds for education, environmental protection, family planning, and health programs. As noted in the Los Angeles Times (June 13, 1995), "With the decline of the Soviet threat, aid levels fell off. . .

. " Measured as a percentage of gross national product, the United States gives the least assistance of all industrialized nations, less than .02 percent.

Reformist governments that try to protect their resources, develop their economies, and raise their minimum wages are finding these efforts undermined by the General Agreement on Tariffs and Trade (GATT), and the unswervingly pro-corporate decisions of the World Trade Organization that have allowed transnational corporations to bypass the sovereignty of individual nations on many essential matters. Not only are Third World economies now more successfully penetrated but the governments themselves are being undermined and marginalized by WTO and the whole process of economic globalization. Thus government attempts to institute import protections, public health and insurance services, consumer protections, and environmental regulations are being overruled by the WTO as "restraints of trade," "unfair competition," "lost market opportunities," and the like.

Superpower Unlimited.

Reformist governments are attacked not only economically but, if need be, militarily, as has been the case of more than a dozen revolutionary nations in the last decade or so. In some cases, they are subjected to dismemberment as with Yugoslavia or complete obliteration as with South Yemen. Yugoslavia's advancing industrial base could no longer be allowed to compete with Germany or France. Secession and war accomplished the goal of breaking up that nation-state into small right-wing client states that are falling under the economic suzerainty of the western corporations.

The overthrow of the Soviet Union has given the world's only superpower a completely free hand to pursue its diplomacy by diktat. The record of U.S. international violence in the last decade since the rollback in Eastern Europe would be the cause for real dismay and horror were it ever subjected to mainstream critical exposure -which it *never* is! U.S. forces or proxy mercenary forces wrecked death and destruction upon Iraq, Mozambique, Angola, Nicaragua, El Salvador, Guatemala, East Timor, Libya, and other countries. In the span of a few months, President Clinton bombed four countries: Sudan, Afghanistan, Iraq repeatedly, and Yugoslavia massively. At the same time, the US national security state was involved in proxy wars in Angola, Mexico (Chiapas), Colombia, East Timor, and various other places. And US forces occupied Macedonia, Bosnia, and Kosovo, and were deployed across the globe at some 300 major overseas bases--all in the name of peace, democracy, national security, and humanitarianism.

David North points correctly, I believe, to what he sees as "an obvious and undeniable connection between the collapse of the Soviet Union and the arrogance and brutality with which the United States has pursued its international agenda throughout the 1990s" (wsws.org June 14, 1999). Many members of the US ruling elite "have convinced themselves that the absence of any substantial international opponent capable of resisting the United States offers a historically unprecedented opportunity to establish, through the use of military power, an unchallengeable position of global dominance." Earlier dreams of a US global hegemony, an "American century" were frustrated by the constraints imposed by a competing superpower. But today, policymakers in Washington and in academic think tanks all over the country are arguing that overwhelming and unanswerable military superiority will establish US global domination, and "remove all barriers to the reorganization of the world economy on the basis of market principles, as interpreted and dominated by American transnational corporations."

The road to development is the road of economic nationalism, and economic nationalism will no longer be tolerated in the New World Order. The nations of the world face a

comprehensive, cohesive strategy pursued by U.S. politico-economic elites, whose goal has been to create a world free for maximizing profits irrespective of the human and environmental costs.

Who's Left to Buy It All?

If the workforces of the world are being downsized and wages are stagnating, where will purchasing power come from? Who will buy all the goods and services produced by overworked and underpaid employees? The elites are cutting their own throats, the argument goes, and sooner or later will have to reverse their policies as consumption diminishes. Indeed, a major preoccupation of the financial sector is "overcapacity," overcapacity in Brazil, Indonesia, Japan. This is a real problem that capitalism chronically faces. But there are several mitigating factors.

First, though people may be working for proportionately lower (real) wages in the United States, more of them are working. Despite all the downsizing, millions of new but poorer paying jobs are being created every year. In many households, the male breadwinner has been joined in the job market by his wife and even child, adding to the nation's aggregate wage and buying power.

Second, people are working longer hours. Economists say that the average work week is close to record levels. We not only have the two- and three-job family but the two- and three-job person. Workers are still buying things but they have to work harder and longer to do so.

Third, for the big ticket items like cars, refrigerators, and homes, there's installment buying. The consumer debt is climbing precipitously. Those with lots of extra money need to do something with it, so they lend it to those in need--at a price. Among those in need is the government itself. The government's deficit spending converts savings into consumption and consumption into investment profits.

Fourth, demand is increasing among the rich and the superrich. Even during recent recession years, the sales of jewelry, antiques, art work, executive apartments, mansions, vacation homes, yachts, luxury cars, and fabulous excursions abroad boomed among upper-class clientele.

Fifth, there will always be some sort of middle class consumption. In the United States there are some ten million professionals, upper and middle corporate managers, government bureaucrats, small investors, and small but successful entrepreneurs who do well enough. Even in an impoverished country like India, with a largely impoverished population of about 900 million, there are some 80 million who might be designated as middle class, a consumer market much larger than in most other countries.

Sixth, it should be noted that the present forced rollback in the United States started from an exceptionally high level of prosperity. With downsizing, the pie may expand at a slower rate or even get a little smaller, but if the people at the top get a larger and larger slice, they are not much troubled about sluggish demand.

Many left intellectuals in the United States are busy fighting the ghost of Stalin, dwelling on the tabloid reports of the "horrors" of communism, doing fearless battle against imaginary hordes of "doctrinaire" Marxists at home and abroad, or in some other way flashing their anticommunist credentials and shoring up their credibility. So busy in these pursuits are they that they seem not to have noticed how the center of political gravity has shifted so

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drastically to the right since the overthrow of communism. Others of us, from Seattle to Washington DC., are more directly concerned about the real dangers we face, concerned about how the rights and life chances of millions of people throughout the world have been seriously damaged, and how we can fight back. More and more people are coming to see that our leaders are running the cruelest scam in history, and that the conditions we face are not the outgrowth of happenstance but the result of concerted and intentional rapacity, the creation of poverty by wealth, the creation of powerlessness by the powerful---a cycle we might yet someday reverse.

Michael Parenti's most recent books are America Besieged, History as Mystery, To Kill a Nation: The Attack on Yugoslavia, and A People's History of the Roman Empire.