DILEMMAS OF DOMINATION
THE UNMAKING OF THE AMERICAN EMPIRE

Walden Bello, author of the book with the above title (New York: Metropolitan Books, 2005), is Filipino, professor at the University of the Philippines, and author of numerous books on globalization. He offers what he calls "a southern perspective on the crisis of the Empire." Actually, he notes at the outset three crises of global capitalism that are now converging to destabilize the global U.S. empire. The crisis of overproduction results from capitalism's relentless drive to expand production, consumption, and profit, the growing conflict between the few who control productive and financial assets and the many who have little control, and the widening gap between the growing production potential of the system and the capacity of consumers to purchase its output, due to depressed income of working people. The crisis of overextension results from the drive of the wealthy nations, primarily the U.S., to dominate the world militarily, economically, and politically, eventually revealing the limitations of this empire and the real potential of even small guerrilla movements, as in the Middle East. The crisis of legitimacy derives from the need of the empire for ideological justification, at home and abroad, of capital accumulation, typically through the proclamation of individual freedom and economic mobility through free markets and democratic representation (elections), backed up by international or multilateral institutions and agreements, even as poverty and inequality increase to unprecedented levels at the national and global levels. The empire has, of course, acted unilaterally, collaborated with authoritarian regimes, imposed drastic economic structural adjustments on Third World nations, allowed corporate interests to dominate its own political system, and even restricted the civil liberties of its citizens—all of which undercut its legitimacy at home and abroad. (3-7)

In Chapter 4 Bello analyses the impact of financial speculation, which "has replaced industrial and manufacturing activity as the prime source of profitability" and "increasingly drives global economic activity." (10) "The mobility of capital, facilitated by the elimination of capital and foreign exchange controls, has been extremely destabilizing for developing countries. "They have watched themselves become the darlings of speculative investors at one moment and pariahs the next. With the liberation of finance, economic crises have become more and more frequent and serious, and most of them have occurred in the South." (10) Notable cases are the financial collapse of Mexico in 1995, Southeast Asia in 1997, South Korea in 1997, and Argentina in 2001.

In Chapter 5 Bello describes the processes by which the U.S. used the IMF, World Bank, and WTO to control the economies of the South in what he calls "The Economics of Antidevelopment." In the name of free trade and prosperity, Third World countries have been forced to remove subsidies and trade barriers so subsidized U.S. and Euro products and funds could take over global markets, undercutting, impoverishing, and destroying millions of poor farmers and small businesses. In the long run this could only delegitimize the leadership and ideology of the empire itself.

Compare this analysis of the global role of the U.S. with the views generally expressed in the media and the public here and in other parts of the world.