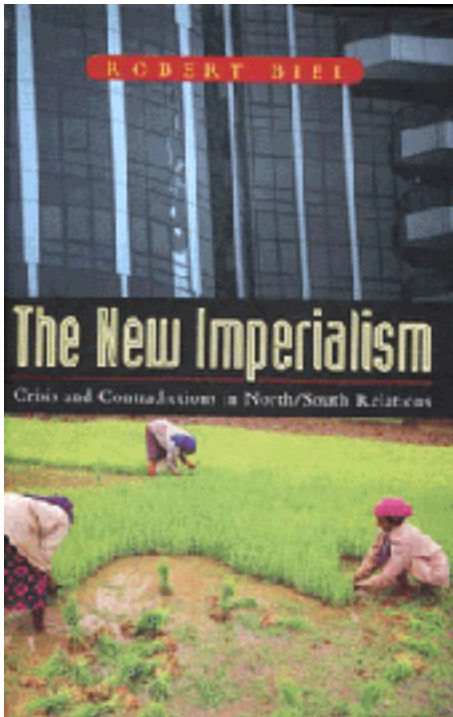


Review

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Robert Biel, *The New Imperialism: Crisis and Contradictions in North/South Relations* (Zed Books, 2000)



Robert Biel's "The New Imperialism: Crisis and Contradictions in North/South Relations" is everything that Hardt-Negri's *Empire* is not. Starting with the premise that there *is* such a thing as imperialism--as opposed to some nebulous concept of Empire--Biel supplies the kind of data to support his argument that is ostentatiously missing from Hardt-Negri. And he ends with an embrace of local, precapitalist initiatives that are disdained by Hardt-Negri, who favor a kind of homogenizing and benign globalization that appears to critics as a leftwing version of Thomas Friedman's *Lexus and the Olive Tree*.

For those Marxists rooted in grass-roots activism, it might come as a surprise that some of their academic brethren either deny the phenomenon of imperialism or--worse--welcome its existence through a kind of neo-Kautskyst self-deception. The late Bill Warren was the most notable example. Starting out with an undialectical appreciation of the *Communist Manifesto*, they assume that because Marx wrote, "The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society," it is necessary to stand with the bourgeoisie against every local initiative that would impede this process. Between the multinational corporation seeking to "modernize" agriculture in Mexico in order to step up the export of flowers or lettuce, for example, and the Mayan peasant seeking to preserve traditional corn-based subsistence farming, they might choose the former.

Although widely regarded nowadays as being overstated, Warren's ideas still reverberate in the academy. As late as 1995, you can still read such nonsense in the Fall 1995 *Science and Society* special issue on Lenin as John Willoughby's "Evaluating the Leninist Theory of Imperialism." From this we discover that the third world suffers not from capitalist penetration, but just the opposite:

Lenin's original argument appeared to link exploitation to stagnation--the implication being that a country could only develop by breaking out completely of capital accumulation circuits. Samir Amin has drawn precisely this conclusion, but an examination of the data suggest that those "Third World" countries most enmeshed in capital circuits are also the most dynamic. It is a common joke in development circles that most poor nations would love to be exploited by an infusion of capital from the North. More seriously, most of those countries that have either purposefully isolated themselves from the world economy or been isolated by imperial action have suffered disastrously.

Space does not permit an elaboration of this point. Nevertheless, radical economists are increasingly realizing that it is not true that global capital accumulation must coerce the Third World into a position of permanent economic backwardness. On the level of the abstract theory of capital expansion and exploitation, it is not possible to argue for the inevitable necessity of the North-South divide.

(Jim Blaut had a reply to Willoughby in the 1997 S&S that can be read at:
<<http://www.columbia.edu/~lnp3/mydocs/Blaut/imperialism.htm>>)

With little apparent interest in staying current with academic fashion, Robert Biel openly describes himself as in the dependency theory tradition. This school emerged in the 1950s as a result of trying to apply Baran and Sweezy's views on monopoly capital to the 3rd world. Andre Gunder Frank's phrase "the development of underdevelopment" captured this approach succinctly. Most of the dependency theorists, including Frank, have long since mutated into world systems theorists. This is a very high level, almost Olympian, understanding of world history that posits rise and falls of hegemonic powers in almost a Viconian sense. Attempts to get off the merry-go-round of history, such as the Cuban revolution, are derided as exercises in futility.

For Biel, world capitalism can only have one set of winners:

The conditions for the form of development which entrenches poverty are international. The dependency perspective (which is a radical critique of mainstream development theory) highlights these conditions by introducing a dangerous idea: it is not just that there is one group of countries in the world which happens to be poor. The two are organically linked; that is to say, one part is poor *because* the other is rich. The relationship is partly historical--for colonialism and the slave trade helped to build up capitalism, and this provided the conditions for later forms of dependency--but the link between development and underdevelopment is also a process that continues today. As Amin pointed out, in what is perhaps the most single idea of dependency theory, the tendency to pauperization--the acute poverty that is both the basis and product of

capital accumulation, and thus of "growth"--was transplanted to the periphery.

As one would hope and expect, any book with the title "The New Imperialism" would be charged with the duty of updating both Lenin and dependency theory to the current global setting. Arguments that Lenin is not current might have some basis as long as one assumes that his 1916 pamphlet was etched in granite rather than written with pen and paper. Biel makes it clear that Lenin is not a deity:

Today's capitalism, dominated as it is by currency speculation, the futures market, and so on, has become parasitic in ways that Lenin could scarcely have imagined, strongly confirming his argument that these are characteristics of mature capitalism, which it will never shake off. In this sense it is still correct to see imperialism as "the highest stage of capitalism." But despite this, it is important to recognize that imperialism can still undergo large-scale change as it acquires new regimes of accumulation that allow it to be parasitic in new ways.

Starting from this premise, Biel's study supplies all the data that shows the new parasitic forms of imperialism. This entails, among other things, a close look at ecological imperialism. It also involves a thorough and devastating refutation of the Asian tiger "miracle."

For the South, among the most serious ecological problems is soil fertility. In Africa today, where as many as tens of millions face famine, the West offers genetically modified crops as a panacea. When African leaders question such aid, they are regarded as foolishly unscientific. Producing cheap food that in environmentally sustainable conditions must be a *sine qua non* for Africa and the rest of the South.

Biel supplies some rather enlightening statistics. Using the ratio between the caloric content of crops and the calories used up in the process of producing them, traditional crops such as cassava can produce output/input relationships like 60 to 1. But the industrial agricultural model being foisted on the South comes nowhere near this ratio. In fact, in the US food industry, which is heavily dependent on huge energy inputs from fertilizer, fuel for machinery, processing, canning, transportation, refrigeration, cooking, etc., the calorific output/ratio in 1940 was only 1 to 5. By 1970 it had deteriorated to 1 to 10.

Used as a substitute for organic inputs, chemical fertilizers epitomize the law of diminishing returns. Holland currently uses 660 pounds per acre. Japan consumes more fertilizer than all of Latin America! When touting the benefits of the Green Revolution, modernization ideologists tend to sweep such costs under the rug. Biel observes, "Resources such as phosphates or oil are drawn in at an insubstantial cost (neither reflecting the full value of the rents, nor that of the labour used to extract them) to make agriculture *seem* more efficient."

Another example, which relates to the meat industry, can be described as "protein imperialism." Biel writes:

Animals consume 10 times as much plant protein as they produce meat protein (in the case of beef, 21 times). Grain converted to meat loses 75-90 per cent of its calories and 65-90 percent of its protein. According to FAO figures for 1978, animal feed accounted for 36 percent of the total world consumption of cereals and for 61 per cent of the world consumption of maize. The total cereal deficit of the Sahel countries during the famine of 1973 was 1 million tones, which was only 0.25 per cent of the amount of grain fed to animals in the industrial countries in the same year. A significant amount of animal feed takes the form of high-quality protein imported from the South (fish meal, oilseeds, etc.).

Comparing this to the Hardt-Negri view of the meat industry below, which is somewhat lacking in the ecological department, one has to wonder why *Empire* became a runaway best-seller. One supposes that it is a confirmation of P.T. Barnum in some perverse fashion. In Hardt and Negri, the proletariat has become the global multitude. "I keep thinking of fast-food workers in McDonald's all over the world," says Hardt, "who wear a badge saying 'Service with a Smile.'" But there are stirrings within this "multitude," says Hardt, that reach beyond its smiling servitude to Empire (*Guardian*, July 15, 2001).

With the smoldering rubble of capitalist "development" all around the world from Buenos Aires to Istanbul, it is a little bit more difficult nowadays to argue the Bill Warren line. The last gasp of modernization theory, either directly from the horse's mouth like Paul O'Neill or from like-minded academic Marxists with their own peculiar Kautskyist spin, centered on the Asian tiger model. Taking the bull by the horns, Biel demonstrates both the exceptional nature of this model and why it has ultimately failed even on its own terms. His analysis of the limitations of the Asian tigers or "NIC's" (newly industrializing countries) is contained in chapter ten and is worth considering in some detail.

During the initial flush of enthusiasm over the NIC's, a kind of escalator stagism was put forward. South Korea was at the top and others such as Indonesia and Malaysia were on their way up. As they vacated their spots on the escalator, other less developed countries would take their place. The implicit view was that South Korea would eventually be as prosperous as the USA, with all the aspiring tigers, either in Asia or even in Africa, on their way up.

What was missing in this rosy scenario was the element of indebtedness accrued by countries like South Korea. Seen in retrospect, it is now obvious that internal borrowing in South Korea was heavily reliant on external capital. Biel points out that "Domestic banks felt free to loan money because they knew that external funds would cover the gap. It has become clear that the peripheral economies are self-expanding only in so far as they absorb finance from outside. In late 1997, South Korea was discovered to have an external debt of US\$110 billion, which served as backing for an internal debt accrued by all Korean companies that amount to a staggering US\$323 billion."

Another weakness of the Asian tiger model was that they lacked real technological autonomy. Biel writes, "Reprisals against Asian exports sharply increased in Europe in the period 1985-1988 and a computer price war, launched by the big American companies in 1991, led to a wave of bankruptcies in Korea and Taiwan. The Korean company that won the top award in 1990 for computer exports went bust in the following year!"

Like the current collapse of the US stock market, the prolonged rise of the Asian tiger economies can be attributed to speculative mania. Credit flowed into the region as long as a high return could be insured. Once that prospect disappeared, the bubble burst. Biel points out that it is estimated that by the late 1990s only 2.5 percent of foreign exchange transactions in the region had anything to do with the real economy (buying commodities or goods, investing, etc.). By contrast, over 80 per cent of capital in 1975 flowed into the real economy.

As Biel proposed in the early part of his book, "The conditions for the form of development which entrenches poverty are international." The ways in which dependency are manifested come in various sizes and shapes, but they all leave the peripheral country worse off. With respect to the Asian tigers, the "coup de gras" came wrapped in currency manipulations. Pegged as they were to the US dollar, devalued NIC currencies have made it possible for Western multinationals to buy local companies at bargain basement prices.

If Hardt and Negri are all too eager to repudiate localized struggles that can "can easily devolve into a kind of primordialism that fixes and romanticizes social relations and identities," Biel shows both a deep compassion for the peasant villagers inevitably drawn into such a struggle and provides insights into why their "primordialism" might have a rational basis in the need for survival.

The implicit assumption in Hardt-Negri, Bill Warren, John Willoughby and others is that precapitalist farming somehow needs to be swept away like cobwebs. At first blush, hostility toward "fixed" and "romanticized social relations" would seem to be a core belief of Karl Marx, if you take the *Communist Manifesto* seriously if not altogether dialectically: "The bourgeoisie has subjected the country to the rule of the towns. It has created enormous cities, has greatly increased the urban population as compared with the rural, and has thus rescued a considerable part of the population from the idiocy of rural life."

However, there is much evidence that there is less idiocy in rural life than meets the eye, at least when it comes to producing food, the necessity of life. Biel points out:

It is being recognised more and more by the public that ordinary people can possess scientific knowledge of enormous importance. Besides reflecting genuine admiration for grassroots initiatives, this shows that many specialists believe that mainstream agricultural development will come to a dead end if it does not take on board some of this traditional knowledge. Part of what is needed, people say, is a reassessment of

ancient practices, for example the use of ridging systems in agriculture. In pre-colonial America these enabled marginal land to be cultivated very effectively, while in Africa the area of contemporary Tanzania--conventionally considered to have been barren and stagnant prior to colonialism--possessed, in fact, a thriving system that, using a mixture of contour-following ridges laced with diagonal up-and-down ridges, permitted land on steep hills to be farmed. But even more important than historical re-assessment is to look carefully at contemporary practices. All traditional systems have elements of sustainable agriculture that can be seen in the balance between livestock and the cultivation of crops that return nutrients to the soil, the use of mixed cropping instead of monoculture, and so on.

Biel does not call for a return to the past. He is especially adamant that women must enjoy equal rights with men. But there must be a willingness on the part of the revolutionary movement to root itself in the peasant-based and urban "informal sector" that is drawing a line of blood against imperialism today. While this might not coincide immediately with the traditional battalions of organized labor, it is where the fight is being conducted on the sharpest terms.

In order to participate successfully in struggles of what Biel calls "unofficial society," it will be necessary to approach it with a kind of respect that Marxism has not always lived up to. Fortunately, there can be exceptions to the rule, as he points out in the concluding sentences of his book:

Lenin, in his last years, argued strongly for the independent organizations of workers *within* the socialist state. This has interesting implications for the grassroots movements. While any movement to establish an alternative power will necessarily draw its strength from the new grassroots struggles, it is also clear that the social movements will have to maintain a distinct identity. What is needed is some new relationship between official and non-official society on a different basis. In the longer term, the relationship of pre-eminence would be reversed, with the non-official world dominant, but in the immediate term the relationship would keep the state machine in check. In general, the point is for the raw material of future socio-economic development to emerge from the base. The source of new ideas and new practices must be mass initiatives, the real social movements. And this must continue under a new social order.