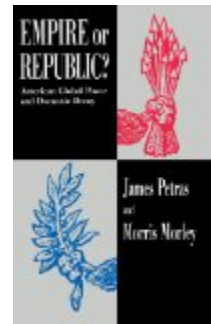


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James Petras, Morris Morley. *Empire or Republic?: American Global Power and Domestic Decay*. New York: Routledge, 1995. xvii + 172 pp. \$38.95 (paper), ISBN 978-0-415-91065-1; \$135.00 (cloth), ISBN 978-0-415-91064-4.

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## Up From Neo-Liberalism: Globalization, National Decline and the U.S. Imperial State

James Petras and Morris Morley are prolific articulators of a distinctive Marxist approach to US-Latin American relations.[1] Their latest book, however, is something of a departure from their earlier work insofar as they do not focus directly on inter-American relations.[2] Instead they stake out a position in the ongoing debates about the decline of US global power and what is increasingly characterised by both celebrants and critics as globalization.[3] Their short and sharp *cri de coeur* joins a growing body of writing which attempts to explain and/or find a way out of what many see as the United States' post-Cold War political, social and economic malaise.[4] Petras and Morley also challenge the views of policy-intellectuals, such as Henry R. Nau and Joseph N. Nye, who argue that the United States' position as a global power is not under serious threat and that the US can enjoy a resurgence based on a renewed sense of "national purpose" and economic liberalization. [5] They contest this kind of approach in part by looking closely at the national bases of U.S. global power and analysing the linkages between national economic development and U.S. power projection capabilities overseas. Petras and Morley's emphasis is on the important and direct connection between the vicissitudes of US global power and the growing domestic socio-economic inequality which is a key characteristic of late twentieth century North America. In this relatively brief review I will outline their argument in more detail and then turn to a brief discussion of what I perceive to be some of the shortcomings of their analysis and some of the attendant limitations of their implied political prescriptions.

Their overall argument is that the "pursuit of world dominance," spearheaded by the "political and capitalist classes" of North America is increasingly based on the redirection of government funds away from social programs and towards the promotion of economic and geopolitical expansion overseas. This is linked to the ongoing efforts to bring down domestic wages and standards of living in support of higher profits and an increased international market share for US-based corporations. This is being carried out by an externally oriented "elite dominated political system" based on a "regressive tax structure" that effectively redistributes income upwards to the benefit of "global actors." This has resulted in the appearance of a "two-tiered" socio-economic structure in the United States. They argue that the socio-economic order in North America is one in which most people are connected to declining domestic institutions at the same time as a "small privileged elite" are able to engage in spectacular capital accumulation within increasingly "global networks" (pp. xi-xii).

From Petras and Morley's point of view US global power is best understood via two key distinctions. They argue that a distinction needs to be made between economic power on the one hand and military and politico-ideological power on the other. The other distinction they draw is between domestic state and class actors on the one hand and overseas state and class actors on the other hand. In this context they make four major points about US global power in the post-Cold War era. First, they are adamant that in military, political and ideologi-

ical terms the US is an “ascending” power. Second, they emphasise that the “national economy” of the United States is in decline when compared with its “global competitors.” Their third point is that US-based transnational corporations are expanding economically in contrast to domestic economic decline. Finally they argue, and this is their key point, that as the U.S. empire expands via the continued diversion of “domestic resources” into the sustenance of U.S. global power, “the national economy and society deteriorates” (pp. xv-xvi). U.S. economic actors are continuing to expand overseas with the help and encouragement of a U.S. imperial state which is anchored in a declining urban economy, a corrupt and moribund political system and an alienated and cynical electorate (p. 24).

In the first chapter the authors focus on the late Cold War and early post-Cold War era (the Reagan and Bush years) providing an analysis of the changing role of the US in global politics. They chart the way in which the end of the Cold War has given rise to increased inter-capitalist competition and efforts by Washington to subordinate its major allies to U.S. “global leadership.” They argue that the end of the Cold War has not, and will not, usher in an “era of peace and prosperity”. The New World Order which the US is attempting to organize in the 1990s will be characterised by an increase in interventions by large powers such as the U.S., which seek to manage economic and political trends, especially in those nations which attempt to stake out a position independent from that of the United States. Also they anticipate “rising conflict” and increased competition between emergent capitalist blocs. In their view this will increase the flow of resources away from the domestic economy into support for interests and concerns of the “outward-looking elites,” resulting in a further decline in living standards in the U.S. (pp. 22-23). A second chapter focuses on US domestic and international economic decline concluding that, against the backdrop of accelerating international economic competition and the decline of U.S. power in particular areas of economic activity, the U.S. continues to be the “preeminent actor in the global system.” In a third chapter they chart the way in which U.S. power internationally is closely connected to “economic decay and social deterioration at home” (p. 104).

In a substantial epilogue, they look at the first Clinton administration arguing that the “fundamental choice” confronting the newly elected Democratic president was “whether to follow the Bush policy of global empire building or reconstruct the nation’s economy and society” (p. 108). They conclude that, as with the Bush ad-

ministration, the Clinton administration is pursuing policies that facilitate the continued prosperity of U.S.-based transnational corporations “at the expense of the domestic economy.” They emphasise that government financial support for “military and ideological institutions abroad drain resources from social programs at home” (p. 122). While Clinton’s electoral mandate was clearly grounded in a domestic agenda for change, since becoming president he has made numerous calls for domestic “sacrifices” which support the U.S.’s role as a global leader—emphasising that the global role of the United States is, in his words, that of “‘the worlds’ strongest engine of growth and progress’” (p. 130). Clinton’s policies during his first term increasingly reflected the overwhelming influence of transnational corporations and finance capital in the wider political economy of the United States. The Clinton administration’s commitment to the “same basic policies” followed during the Reagan-Bush era have resulted in the “same polarization between the growth of overseas power and continuation of domestic decay” (pp. 134-35).

Petras and Morley argue that in the post-Cold War era “class conflict” and “North-South conflict” have increasingly been “overshadowed” or “displaced” by “inter-capitalist economic conflict and competition.” In this context U.S. society and the national economy are “deteriorating.” This process of deterioration is apparent in the decline of industry and manufacturing, increasing trade and budget deficits and a rising foreign debt, major problems within the education and health system, the dramatic cutting back of social spending, the continued urban decay and the way in which the labour force is increasingly made up of poorly paid and insecure workers operating well outside the ambit of any organized form of trade union or employee-employer relations. There is “political unease and insecurity in the middle and social malaise at the bottom.” They conclude that the decline of the U.S. is not a result of “unfair Japanese competition” (as President Clinton has argued), nor is it a result “of the failure of American institutions” insofar as U.S.-based “multinationals are investing”; the problem is that they are doing the investing “overseas.” From their perspective “it is the success of the nation’s elites in converting the domestic economy into a trampoline for global leadership” that has dramatically eroded “the domestic foundations of state power and eroded domestic society.” They emphasise the need to transform “the state—from an imperial to a republican state”—which would mean doing battle with the corporations, the banks and the main political parties “that have profited from the ex-

plottation of American society and the public treasury in the name of global leadership” (pp. 137-39). They warn that if the Clinton administration continues to “focus exclusively on the ‘domestic causes’ of domestic problems, and to proffer solutions that do not confront the economic power configuration that supports ‘empire building’” there will be an acceleration of “popular discontent” which will “trigger the emergence of new political alternatives” (pp. 134-35).

Petras and Morley’s approach to the debate over the decline of U.S. global power provides an important corrective to that offered by policy-intellectuals who conflate elite interests with those of the nation and emphasise individual initiative over deep-seated structural inequities in North America. At the same time, although Petras and Morley identify key aspects of the current crisis (they emphasise a socio-economic structure dominated by outward-looking elites and driven by economic liberalization, financial deregulation and poor wages and conditions) their explanation as to why the United States is characterised by such incredible and worsening inequalities is incomplete. Petras and Morley evaluate the deepening social inequality of contemporary North America with an emphasis on class structure, implying that such an exercise will, or ought to, feed into a renaissance of class consciousness and class struggle. Petras and Morley’s book appears to be directed in part at reinvigorating the progressive wing of the Democratic Party which still has some potential to alter the country’s present political course. They also clearly envision those unions and organisations to the left of the Democratic Party as part of some future political alternative. Their analysis appears to be aimed at least at encouraging a genuinely social democratic alternative to the status quo. Of course I may be reading my own political preference into Petras and Morley’s work here. At any rate, the corollary of their analysis and their general prescriptions seem to imply that the growing social malaise can be halted via some form of social democracy (a radical objective in the age of neo-liberal hegemony). At the same time, because they deploy class as a foundational and universal category of analysis there is a tendency for their perspective to ignore the importance of historical specificity. Their analysis tends to overlook the historical and cultural complexities of social power in the United States. This relative neglect of the historical and the cultural also places clear limits on the political alternatives which they see emerging, or at least anticipate will emerge. An emphasis on socio-economic structure provides a crucial point of departure for the discussion

of political change in the United States; however, structural approaches such as those provided by Petras and Morley do not take sufficient account of the historical and cultural specificity of political and socio-economic change. Any attempt to understand the processes of political accommodation and reorganisation in the United States since the late 1970s, which are linked to U.S. decline and globalization, needs to focus on the historical and cultural specificity of political change.

One of the most significant limitations on mounting a serious challenge to the status quo can be found in the dominant political ideas and cultural forms, and the processes of cultural redefinition and reinvention, which are presided over by powerful elites and institutions in North America. Since the late 1970s, a rising neo-liberalism has, with considerable success, worked to reconfigure individual subjectivity around flexible conceptions of unmitigated individualism and consumerism, often within a contradictory amber of nationalism.[6] Those already at the bottom, as well as the downwardly mobile, find themselves constantly exhorted to avail themselves of the individual initiative that is their birthright, while North American culture is saturated with appeals to self-improvement and self-gratification. In this context the impressive litany of social inequality in North America which is outlined so well by Petras and Morley falls on deaf ears. Despite evidence to the contrary it is still widely assumed that within the borders of the nation all citizens have an equal opportunity to improve their material and personal circumstances. While, many citizens are clearly sceptical about this idea, there are also many (whether they are beneficiaries of it or not) who proudly uphold the United States as a land where people are born free and equal and any failure to achieve material success must be a result of individual failings. Petras and Morley’s analysis of socio-economic structures provides a welcome alternative to the dominant political and cultural discourses in U.S. today, but the perspective outlined in their book overlooks the way in which the political challenge is also a profoundly cultural challenge. The powerful liberal narratives which reinforce the inequitable social order in the U.S., and facilitate the regional and international dissemination of neo-liberalism, need to be challenged as part of a full-scale cultural project, involving the reinvention of social democracy as a legitimate and unrealized strand of the North American past, and a necessary aspect of any civilized future.

Notes:

[1]. See James F. Petras and Morris Morley, *U.S. Hegemony Under Siege: Class, Politics and Development in Latin America* (London: Verso, 1990). James F. Petras and Morris Morley, *Latin America in the Time of Cholera: Electoral Politics, Market Economics and Permanent Crisis* (London: Routledge, 1992). Also see Morris H. Morley, *Imperial State and Revolution: The United States and Cuba 1952-1986* (New York: Cambridge University Press, 1987). Morris H. Morley, *Washington, Somoza, and the Sandinistas: State and Regime in US Policy 1969-1981* (New York: Cambridge University Press, 1994).

[2]. At the same time the themes they address have direct relevance to inter-American relations and undoubtedly justify the distribution of a review of this book on H-LATAM.

[3]. Globalization can be defined in a general way as the growing array of world-wide processes of integration and differentiation which move capital, goods, information, ideas and people across national boundaries, linking and disrupting local and regional formations and helping to throw up new social and cultural forms and politico-economic patterns.

[4]. For example, see John K. Galbraith, *The Culture of Contentment* (London: Sinclair-Stevenson, 1992). Christopher Lasch, *The Revolt of the Elites and the Betrayal of Democracy* (New York: W. W. Norton, 1995). Michael Lind, *The Next American Nation: The New Nationalism and the Fourth American Revolution* (New York: Free Press, 1995). For an analysis which questions the se-

riousness and scale of the problem see Robert J. Samuelson, *The Good Life and Its Discontents: The American Dream in the Age of Entitlement 1945-1995* (New York: Times/Random House, 1996).

[5]. Henry R. Nau, *The Myth of America's Decline: Leading the World Economy into the 1990s* (New York: Oxford University Press, 1990). Joseph S. Nye, Jr., *Bound to Lead: The Changing Nature of American Power* (New York: Basic Books, 1990). Both Nau and Nye directly challenged the view, articulated most famously by Paul Kennedy, that the United States projection of politico-military power had exceeded its economic capacity and it had entered a period of relative, although not absolute decline. Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict From 1500 to 2000* (London: Fontana, 1989; first published 1988). There are numerous contributions to this debate. One of the most recent attempts to challenge the decline thesis is Alfredo G. A. Valladão, *The Twenty-First Century Will Be American* (London: Verso, 1996).

[6]. Toby Miller, *The Well-Tempered Self: Citizenship, Culture, and the Postmodern Subject* (Baltimore: Johns Hopkins University Press, 1993).

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