

What is Neo-Liberalism? A Revolutionary Analysis of the Final Stage of Imperialism

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Neoliberalism is “the ideology of corporate domination and the plunder of finance capital.” To preserve itself domestically, the modern system has created both the Mass Black Incarceration State and the National Security State. Internationally, “terrorism, ‘humanitarian intervention,’ and economic sabotage are the primary means of maintaining US hegemony of the neo-liberal variety.”

February is Black History Month. During the month, the historical struggle for Black self-determination is whitewashed, distorted, and packaged to fit the needs of the US imperialist empire. The concept of neo-liberalism rarely garners attention in dominant narratives of Black history. Yet, neo-liberal policy has largely determined the conditions of Black life in the US for almost four decades. In this study, neo-liberalism is examined in preparation for the “Get to Freedom Organize” Conference at Skidmore College. At the conference, I will discuss the roots of neo-liberalism in the context of white supremacy and capitalist development. This article concludes with the often overlooked connection between neo-liberal capitalist economics and the imperial warfare state.

Neo-Liberal Ideology: Rooted in Capitalism and White Supremacy

Neo-liberalism is rooted in the historical development of capitalism in the Western Hemisphere. During the colonial period, English settlers arrived on the shores of what was called “Turtle Island” (North America) by its original inhabitants with plans of developing a system of capitalist accumulation. After driving indigenous peoples from their land, settler planters utilized European and African servant-labor on mono-cultural tobacco farms to extract profit for the English Crown. Competition in the world tobacco market lowered prices and created a crisis of overproduction that moved capitalist planters to expropriate small tobacco farmers and extend the labor time of bondservants. The “proletarianization” of African, Irish, and other European laborers created servant class unity against the interests of the plantation ruling class.

In the last few decades of the 1600’s, numerous rebellions took place in the tobacco dependent Southern colonies. The most famous was Bacon’s Rebellion. Bacon was an unsavory advocate of indigenous extermination but did lead almost a thousand servants and farmers of all classes to overthrow the governor. Many who took part in the rebellion did so out of resistance to the deteriorating conditions of bond-laborers in the colony. The Governor of Virginia responded by creating a system of “white” privileges for European laborers and a system of hereditary bond labor (chattel slavery) for African laborers. Virginia and the North American colonies became deeply dependent on highly profitable African slave trade to increase the profits of merchants and planters alike. Thus, the white race was

born to save capitalism from ruin.

Capitalism and racism developed together to fit the interests of the colonial ruling class. White supremacy provided a powerful buffer of protection for the capitalists from super-exploited Black people and exploited whites. The so-called “American Revolution” at the end of the 18th century was declared in response to bourgeois fear that the Crown would terminate the highly profitable system of slavery. If one reads the anthem of the war, the “Star Spangled Banner,” the fourth stanza reads:

“Their blood has wash’d out their foul footsteps’ pollution. No refuge could save the hireling and slave From the terror of flight or the gloom of the grave . . .”

According to Gerald Horne, the colonial bourgeoisie was most pre-occupied with the preservation of white supremacy. The Star Spangled Banner proves that there was deep contempt white racist contempt for African slaves that fought for the British Crown. The Crown was viewed by slave owners like George Washington as inciting a rebellion against the interests of the decadent institution of slavery. The principles of capitalism and racism that guided the fight for the independence of the slave owning class from the British are the roots of neo-liberalism. It is important to note that each change in US capitalist development that brought neo-liberalism into existence was precipitated by a crisis in the system.

After each crisis, US capitalism reformed itself to expand under new historical conditions.

When US monopoly capital rapidly consolidated after the Civil War, the US experienced an industrial boom and settler expansion both in the West and South of the US settler state. The doctrine of “Manifest Destiny” expanded US colonial-capitalism into Western North America and South America. Black life struggled victoriously to free itself from the chains of slavery but was re-enslaved by other means (Jim Crow, convict-leasing, sharecropping). Workers struggled to organize in the midst of periodic crisis and industrial exploitation. The system responded to the growing ferment in the post-slavery era with periodic reforms that attempted to channel resistance into acceptable means of change.

The 20th Century marked the last period of reform for US capitalism. The “New Deal” was instituted to save capitalism from the organized militancy of workers in the Depression era. World War II provided much of the funding for government programs. It also paved two paths of development. One was the fascist, imperialist road of Western exploitation and domination. The other was the socialist road led by the Soviet Union. The historic struggle for socialism took place everywhere, including the US. Black Americans played a critical role in the war against the old rule of monopoly capital and for socialist development, a war that continued even after the “New Deal” reeled large sections of the working class back into imperialism’s orbit.

Black Americans were excluded from most of the benefits of “New Deal” legislation. The continuation of the brutal system of state sanctioned white supremacy gave Black American freedom fighters like Paul Robeson and WEB Dubois every reason to forge relationships with nations and people fighting US imperialism at the time. Nations like the Soviet Union and Ghana represented alternatives to the racist, imperialist system of the US. The Black Panther Party and other revolutionary organizations in latter half of the 20th century built relationships of solidarity with socialist China, Korea, Vietnam and other national

liberation struggles worldwide. FDR's "New Deal" and LBJ's "Great society" should be seen in a context where global forces were in motion away from, not toward, the dominant capitalist order. Neither President was shy to explain that such reforms were meant to save capitalism and nothing else.

Imperial reforms and repression halted the development of the world socialist revolution, at least for the moment. Imperialism's fight-back created an uneven course of development throughout the world. The fall of the Soviet Union in 1991 greatly diminished the socialist camp and empowered the capitalist class to further concentrate capital into its greedy hands. In the 1970's, the capitalist system fell into crisis. Monopoly capital's crisis of overproduction could only be resolved through further monopolization and usurious speculation of commodities, like oil, which were already institutionally dominated by the West under the Bretton Woods Agreement. The ruling class imposed a permanent warfare state on the world and wasted no time to carry out a program of austerity, privatization, deindustrialization and repression. All of it was justified by the neo-liberal paradigm.

Neo-liberalism is repression, privatization, and empire

The neo-liberal paradigm is often called a "right wing backlash" or a divergence from the liberal welfare state. Such a simplification ignores the connection between monopoly capital, war, and domestic repression. Neo-liberalism is not just a return to classical capitalist values. It is the ideology of corporate domination and the plunder of finance capital. In simpler terms, neo-liberalism is a form of capitalist self-preservation. The values of individualism, profit, and private property are dominant aspects of the system as in prior periods. However, the application of these principles differs from prior periods because the challenges of maintaining the rule of the rich have changed.

The neo-liberal paradigm is best understood in the context of the conditions that birthed it. Below are illustrative examples in the realm of repression, austerity, and war.

A) Repression

Neo-liberalism required mass scale repression to thrive in the midst of economic crisis and global resistance. Washington's murderous COINTELPRO surveillance of the Black Panther Party and the Black liberation movement created the technical capacity for the 21st century National Security State (See Black Against Empire's chapter "41st and Central"). As deregulation, deindustrialization, and austerity plundered the post-World War II economic base of Black and oppressed communities, the ruling class diverted resources into the militarization of police forces and the expansion of prisons. The Black Mass Incarceration State developed to stifle Black resistance and lock up the growing numbers of Black unemployed and poor Americans displaced by neo-liberal capitalism's end game.

In the 80's and 90's, the imperial state implemented the "tough on crime" War on Drugs policy to promote the growth of the National Security State. The Pentagon provided material support for local police departments to conduct militarized "drug raids" and mass surveillance of Black Americans. This was supported by Drug laws that targeted Black Americans with a disparate ratio between "crack" cocaine and power cocaine criminal sentences (which are now 18 to 1 as opposed to 100 to 1 up until a year ago). State by state "three strikes" laws were also instituted as a way to lock up Black Americans charged for felonies from drug offenses. The ruling class thus created a literal

“trap” that created a pipeline of occupation in working class Black communities starting from the streets of dispossessed neighborhoods and in to the rapidly growing prison state.

The “War on Drugs” eventually lost its popularity in the public eye. When the “War on Terror” was declared by Bush Jr. officially in 2001, companies like Blackwater and Lockheed Martin began raking in billions in government contracts to militarize the police and develop a mass surveillance system. Undocumented immigrants were terrorized by a more fiercely militarized border patrols. The NSA, CIA, FBI, and other related intelligence communities expanded exponentially to conduct surveillance on each and every American. Since Ed Snowden’s leaks of NSA surveillance, the National Security State has come under increased scrutiny for its massive size and perversion of privacy. Its ideological and material roots lie in the transformation of the covert repression of oppressed people into an open counterinsurgency war to protect the interests of the neo-liberal capitalist order.

The US Black Mass Incarceration State imprisons the most people in the world and spends more money on mass surveillance than any country on the planet. The goal is to ensure that the looting of all working class people, especially Black people, continues without the formation of a radical movement against it. The criminalization of Black Americans and the erosion of civil liberties under the dictates of the War on Terror period should be seen as necessary conditions of the neo-liberal paradigm. Each targets the oppressed as scapegoats and gives capital the needed political space to continue history’s largest wealth transfer (robbery) from the working class to the rich.

B) Austerity and Privatization

Privatization has been the primary means of achieving super-profits for the capitalist class in a period of permanent crisis. Neo-liberal policy has consistently recycled capitalist and racist ideology to justify shockwaves of increased exploitation. The attack on federal welfare recipients at the beginning of the neo-liberal period is case in point. Throughout the 1980’s and into the 1990’s, Black women were labeled “Welfare Queens” by the American corporate media and political class. The idea of the “Welfare Queen” created hostile racist conditions that allowed Washington to eliminate of AFDC welfare benefits in 1996.

President Clinton and the Democratic Party collaborated with Newt Gingrich’s Republican Party to eliminate AFDC. This collaboration represented a lasting partnership between the imperialist parties toward neo-liberal ends. Clinton passed the anti-union, anti-worker NAFTA policy two years earlier, which further gutted the industrial base of the working class. NAFTA culminated an intensified attack on workers and unions from corporate capital that officially began when Reagan busted the PATCO strike in the early 80’s. Clinton also instituted the HOPEIV program, which demolished thousands of public housing units to pave the way for privately contracted subsidized housing and the gentrification of Black working class cities. The Clinton era rollbacks of union organization and social programs are key examples of neo-liberalism at work.

Neo-liberal austerity in the US has created a new, more miserable normal for working class and oppressed. Public education is being privatized in Chicago and cities all over the country. Corporately sponsored charters like the KIPP School are replacing public schools. Teach for America scabs are replacing community-based teachers. The privatization of public education is most developed in New Orleans. Washington responded to Hurricane Katrina by using the impoverished Black Lower Ninth Ward as an experimentation zone to completely replace public education with “school-choice” vouchers and charter schools. This

was confirmed when Arne Duncan stated in 2010 that Hurricane Katrina “was the best thing that happened to the education system in New Orleans.”

Since the economic crisis of 2008, the city of Detroit has experienced the harshest form of neo-liberal plunder to date. The city has been stripped of its municipal political system and put under the state’s emergency management plan led by Jones Day Law Firm. Jones Day is notoriously known as a shill for Bank of America, Barclays, and Wall Street generally. Education, water, housing, and municipal pensions are being sold off as “assets” to pay the banks for the crisis they created. This model is being in Atlantic City and potentially for cities across the nation.

Detroit and Atlantic City’s majority Black metropolises have been sold off to the ruling class in the name of “revitalization” and “innovation.” These catchwords for reform are a critical element of neo-liberalism. They reek of anti-Blackness and anti-working class sentiment. The ideology of neo-liberalism cannot be disconnected from the material conditions that have been rendered by almost four decades of austerity and privatization. Half of US public school children are living in poverty. Black women are being evicted at the same rate of Black male imprisonment. White America has over ten times the wealth of Black America. These examples of intensified exploitation are the result of neo-liberal ideology and policy at work.

Neo-liberalism since the 1980’s, in sum, has meant the expansion of homelessness, poverty, union busting, and the privatization of all aspects of life so that monopoly capital can expand nationally and globally. The key characteristic of such expansion is that rather than changing form from one mode of development (industrial to finance, or agricultural to industrial), capitalism has been forced to squeeze and eat up everything it can lay its hands on. The other option for the rulers of capital is for the system to stagnate and die.

C) War

Austerity and privatization thrive off the dehumanization of the oppressed. Similarly, imperialist war is no different in the neo-liberal period. In the 1960’s and 70’s, US imperialism’s Vietnam debacle created an embarrassing blemish for US foreign policy interests. The war also helped precipitate the economic crisis of the 1970’s. The international devaluation of the dollar and the overproduction of oil and other assets sent shockwaves of reality to the capitalist system. To ward off future political and economic crisis, the ruling class gave the world’s people an ultimatum. The rulers of capital demanded subservience to US corporate interests or face economic and military war. However, the character of US sponsored imperialist warfare was forced to change as the capitalist system entered the neo-liberal period. Vietnam taught the ruling class that it could no longer draft (force) Americans to invade countries without political and economic consequence.

US capitalism’s transition into the neo-liberal period was not a peaceful one. The conditions of neo-liberalism necessitated a state of permanent imperial warfare, and World War II helped produce the military arsenal to get the job done. In a 1954 document entitled Notes on Foreign Economic Policy, the CIA targeted international trade regulations and the growing influence of socialism as the primary obstacles to US economic hegemony. US involvement in the affairs of other nations was encouraged. A special emphasis was placed on economic development led by US dominated global financial institutions like the IMF. Corporate expansion and the imposition of war were declared in the document matter of

“national security.”

In 1973, the CIA overthrew the democratically elected Chilean government of Salvador Allende. Thousands were killed and thousands more disappeared under the rule of the fascist dictatorship of Augusto Pinochet. Washington’s bloody coup was conducted under the dictates of the neo-liberal paradigm. Milton Freidman and graduates of the University Chicago helped plan the neo-liberal policy of shock and awe privatization that was implemented after the coup. The privatization of state resources and forced dependence on the IMF and Wall Street defined fascist Chile. Private investment indebted Chile to the West and threw the majority of people in Chile into poverty. Chile represented the desired model of imperialist plunder for the US and the neo-liberal ruling class.

Since 1945, the US has directly overthrown over fifty foreign governments and caused the death and impoverishment of millions of people. The US invaded Iraq in 2003 at the expense of almost two million Iraqi lives. In the Democratic Republic of Congo, over six million have been murdered by Ugandan and Rwandan-backed mercenaries since 1996 as they plunder the country’s natural resources. The African states waging war on the Democratic Republic of Congo are heavily supported by the US. Cuba, Venezuela, the DPRK, and Iran are currently under crippling US sanctions that have cost these nations billions in revenue and immeasurable suffering. The expansion of war in the interests of neo-liberalism has cost at least 20-30 million lives since the end of World War II.

US imperialism has promoted wars of austerity and pillage as projects of “democracy” “counter-terrorism.” The war on Libya and Syria were called “humanitarian interventions.” These racist and paternalistic justifications for murderous plunder and robbery are critical to the defense of neo-liberalism. The world’s people must be seen as “terrorists” or unable to govern themselves without “help” from the benevolent West. Colonialism’s racist paradigm of the innate “inferiority” of the colonized remains a staple of the neo-liberal period.

Neo-liberalism is a major reason why the US is a permanent warfare state. Permanent war is a result of permanent neo-liberal economic crisis. By 2016, the top 1 percent of the globe will have more wealth than the rest of humanity combined. As capital has concentrated in the hands of the capitalists, the capitalists have unleashed their military apparatus to ensure the spread and safety of its profits. Militarism stands as the most significant weapon in imperialism’s arsenal to halt its demise.

This explains why the US supports terrorism around the globe to overthrow independent nations yet acts as if its foreign policy objective is a “War on Terror.” The necessity of war also explains why Russia and China are being militarily surrounded by US installations despite having a large stake in the US capitalist economy. The desperation of neo-liberalism lies in the fact that the US was once half of the global capitalist economy after World War II. Six decades later, the US is only 17 percent of the global capitalist economy. What the US lost in economic power has been compensated through military expansion. Terrorism, “humanitarian intervention,” and economic sabotage are the primary means of maintaining US hegemony of the neo-liberal variety.

However, the US militarism is failing to institute “shock and awe” neo-liberal economics as it did in prior decades. In Syria, Ukraine, and Libya, US intervention has created conditions of chaos and internal war, which have disallowed a smooth transition to neo-colonialism. So while the world remains in a lopsided struggle against IMF debt, Wall Street dominance, and US overt and covert military war, there are positive signs that the imperialist neo-liberal

system is losing ground. China's rise to global economic supremacy and Russia's growing influence on world affairs guarantee that the US neo-liberal ruling class will continue to wage war on the planet until the imperialist system is overthrown entirely.

Conclusion

The primary lesson of neo-liberalism is the need for a revolutionary transformation here and around the world. The socialist process has already begun, but neo-liberalism has forced its retreat. Corporate and finance capital's neo-liberal model has been the dominant model of development in the world since the economic crisis of the 1970's. The ideological foundation of neo-liberalism is fascist, free-market fundamentalism and white supremacy. In the quest to impose corporate domination and restore the capitalist system, the imperialist ruling class has waged economic wars of privatization, military wars of destabilization, and domestic wars of repression against oppressed people and nations all over the world.

This article examined neo-liberalism within the context of the development, history, and current conditions of the imperialist system. Neo-liberalism's impact on oppressed people is vast and extensive. Readers of this article are encouraged to study Black Agenda Report's analysis of the Black Misleadership Class and color-blind racism. The parallel rise of the Black Misleadership Class and the ideology of "color-blindness" have a close relationship to the ideology and conditions of neo-liberalism. So too does the rise of the non-profit industrial complex. These developments were in large part born from the need for new political buffers between the oppressed and the ruling class during the catastrophic transition into neo-liberalism.

Imperialism will continue to push the neo-liberal agenda in an attempt to recover what it has lost in economic dominance. The left must forward a revolutionary analysis of neo-liberalism into the day-to-day work of liberation struggle. Neo-liberalism's policy of destabilization is arguably a new, more improved fascism in every realm of life. Unlike the war between fascism and imperialism in the early to mid 20th century, monopoly capital cannot grow and expand itself out of crisis or reform itself to appease broad sections of the class structure. Neo-liberalism has no choice but to plunder or die. That is, until the resistance of the oppressed bring about the system's immediate end. How much more can we take?

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