America’s Education Empire:
The End of Neoliberal Globalization and the Rise of Regional Constellations of “Enlightened” Progress

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Abstract

America and the world are facing an economic and political crisis which has important implications for domestic and global politics of education. The paper identifies the root of the crisis in the financialization of global capitalism and the declining hegemony of the United States in geopolitics. It establishes the relationship between the history of America’s Education Empire and the imperial role of the US as a superpower in the dominance, hegemony and governance of other great and regional powers. The article concludes with a focus on the role of the global intelligentsia, professors, teachers and community workers and the important opportunities that may arise for a more progressive politics to replace current neoliberal rule and Anglo-American myopia and hubris.

Key Words: Empire, globalization, hegemony, education, neoliberalism, imperialism


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The End of Neoliberal Globalization

“Laissez-faire capitalism is dead”
Nicolas Sarkozy, President of France, October 2008

“The enterprise of western civilization finds its spearhead in American empire.”
George Grant (1969: 64), Canadian conservative philosopher

Introduction

Alan Greenspan was Chairman of the US Federal Reserve Board, America’s central bank, between 1987 and 2006 and was a key architect of economic hyper-expansion in the 1990s, overseer of speculative bubbles in the stock and housing markets in the 2000s, and contributor to the consequent financial market freeze in 2007. In October 2008 in testimony to the House of Representatives investigating the role of Federal Regulators he said, “….This modern risk management paradigm [pricing model] held sway for decades. The whole intellectual edifice, however, collapsed…” (House of Representatives, 2008). Committee Chairman, Henry Waxman asked Greenspan, the leading voice for deregulating the market: “Were you wrong?” Greenspan: “Partially, … I still do not fully understand what happened or why it happened … yes I found a flaw [in my ideology]. I don’t know how significant or permanent it is but I have been very distressed by that….“ Waxman: "In other words, you found that your view of the world, your ideology, was not right, it was not working." Greenspan: "Absolutely, precisely,… You know, that's precisely the reason I was shocked, because I have been going for 40 years or more with very considerable evidence that it was working exceptionally well" (Knowlton & Grynbaum, 2008).

The significance of Greenspan’s statement was not only that he admitted to potential flaws in his social model and entrenched belief system, but that his statement was about where the model was failing: at the very core of the neoliberal world – Wall Street USA. Since the end of the Cold War (1989-91) various promoters of neoclassical economics, such as George Soros (2008) (billionaire currency speculator and Open Society promoter for Eastern Europe), Joseph Stiglitz (2002) (former World Bank chief economist) and Jeffrey Sachs (2005) (economic shock therapist for post-USSR), had turned to criticism of the model after witnessing the Mexican Peso Crisis (1994), Russia’s Meltdown (1998), South East Asian Bubble (1998), and Argentina (2000). These events resulted from the orchestrated chaos of currency manipulations by state managers for global capitalism who intended to strengthen the Trilateral imperial project (US, EU and Japan), to let finance capital run the show, and for the world’s wealthiest investors, lenders and savers to get even richer.

The neoliberal crisis in 2008 marked a symbolic year that signaled a shift in the possibilities for global reforms in education, a potential for some kind of project for “enlightened” neomodernization. Three other related events mark the importance of 2008: the Beijing Olympics signaled China’s potential challenge for global hegemony; Russia invaded Abkashia and South Ossetia and reasserted its power to end the post-Cold War arrangement; and Barack Obama was elected to the American

1 Vucheva (2008).
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The presidency of the US and marked the symbolic triumph and cultural trappings of neoliberal cosmopolitanism (Gowan, 2010, pp. 3-18). The 2008 market meltdown and global recession raises specific challenges for the future of neoliberal education and opens up new possibilities for progressive education if clearly understood (Kachur, 2008).

The ideology and power of neoliberalism is one of the new economic spirits of neocapitalism and originates in the dominance of finance capital and deregulated exchange. Neoliberals disassociated themselves from classical and neoclassical liberalism and emphasized the stabilization of private property and an active state in freeing market forces (Ebenstein, 2001; Shenayev, 1981). Under neoliberalism, the rules for controlling finance capital have eroded and increased the possibility for global financial collapse and increasing economic insecurity in the world (Bank for International Settlements, 2010). State managers have been taking an increasing role around the world to deal with the dysfunctions of neoliberal globalization, and for the first time since neoliberalism went global, state managers of the US are sponsoring new “enlightened” state initiatives to fix the system, furthering the emergence of “neo-imperial globalization” (Panitch & Gindin, p. 57), pushing for the consolidation of a global American Empire and creating new opportunities for progressive politics as an unintended consequence.

Although the EU and Japan had suffered some of the turbulence of the Russian shock treatment and SE Asian Bubble in the 1990s, the Tech Bubble (2002) was the first foreshadowing of what finance capital could do to America as it did in the Market Meltdown (2008). The terrorist events of 9/11, 2001 overshadowed the Tech Bubble. In this instance, Greenspan floated a new bubble for “recovery” and reinforced the same model that created the crisis in the first place. From the neoliberal point of view Stephen Roach (cited in Liu, 2002), Morgan Stanley's chief economist, wrote in regard to the “popping” of the 2002 “dot.com” bubble and resulting recession:

In theory, globalization is all about a shared prosperity - bringing the less-advantaged developing world into the tent of the far wealthier industrial world. But, in reality, when there's less prosperity to share, these benefits start to ring hollow. As the world economy now tips into recession, the assault on globalization can only intensify. The intrinsic tensions of globalization: market-driven forces of cross-border economic integration are in-

2 Along with finance capital, the rise of neocapitalism facilitated neoliberal cosmopolitanism: a new industrial capitalist bourgeoisie dedicated to the commodification of science, technology and information and a new lifestyle based on consumption which is redefining a new spirit capitalism and highly influential on communication and education. President Barack Obama is an iconic representative of this new spirit in the geopolitics of neocapitalist culture. See Bourdieu (1984), Brooks (2000), and Boltanski & Chiapello (2005).

3 Catherine the Great’s rule in Tsarist Russia (1762-96) was called “enlightened” absolutism because she endorsed government reform and a spirit of criticism and the state managers were more reflexive about the nature of their rule and the instruments of power. Nevertheless, it was also a period of colonial expansion, a deepening of serfdom and Pugachev’s Cossack and peasant uprising. Neo-imperial globalization can be ironically read in the same way: global capitalism “with a human face.” Enlightenment is not self-evidently good or bad, can take many forms and attach itself to different projects in different ways. Would a self-reflexive American Empire make the world a better place to live?
increasingly at odds with the politics of fragmentation and nationalism. In the end, it probably boils down to jobs, voters and the social contracts that bind politicians to these key constituencies. Disparities in social contracts around the world underscore the inherent contradictions of globalization.

This sentiment was expressed during the 2002 Tech Bubble but the same US power-elites continued to believe that America’s global decline had been reversed through neoliberalism and currency manipulation. Meltdown 2008 momentarily shattered the illusion in the United States for Greenspan and a few others that neoliberalism was the best way to run the world. Again in the post-2008 recession the problems are even more evident. As the world economy tipped into recession, the attempt to restore global integration only intensified new economic fractures.

First, while the world experienced recession, China and India did not. The American government bailed out finance capital and under Obama capital markets transferred equity from the US to East and South Asia. For example, Pacific Century, a Hong Kong company owned by tycoon Richard Li and based in Singapore bought out the asset investment unit of American International Group for $500 million (Oliver, 2009). The EU, led by France and Germany, took more action against finance capital and restrictions on capital flows but could not persuade the Americans at G20 meetings to do the same. Nevertheless, through 2009 and 2010, Europeans increasingly took to the streets, especially in the countries most dedicated to neoliberalism (called PIGS: Portugal, Ireland, Greece, Spain). Anti-austerity protestors demonstrated across Europe from west to east, from France, the UK and Belgium to Slovenia and Lithuania (Casert, 2010).

In the 2010 US midterm elections, the libertarian Tea Party and spokespersons (e.g. Sarah Palin, Glenn Beck, Bill O’Reilly) have mobilized a deeply angry public against “too much government” (the so-called “communism” of Obama). In the center of Empire, there is a continuous decline in the power of finance capital to solve problems (e.g. unemployment, low growth, housing foreclosures). This dynamic will diminish the power of neoliberal initiatives and will continue to elicit various competing and shrill narratives about the causes and consequences of the ongoing crisis.

Kevin Phillips predicts a potential deeper meltdown and certainly a deflationary meltdown in slow motion with inflationary consequences (Trotta, 2009). Although the American strategy of “quantitative easing” (QE) intends to deflate American assets while inflating the rest of the world, most agree that American-led markets will function chaotically and have a polarizing effect on the world with a dollar sphere in which central banks in Europe, Japan and many OPEC and Third World countries hold their reserves [in] the form of U.S. Treasury debt of declining foreign-exchange value; and a BRIC-centered sphere, led by China, India, Brazil and Russia, reaching out to include Turkey and Iran, most of Asia, and major raw materials exporters that are running trade surpluses (Hudson, 2010).
In October 2010, however, under Federal Chairman Ben Bernanke’s initiative the Obama administration continued the same money policy as George W. Bush. Bernanke plans to inject another $1 trillion dollars on top of the already committed $2 trillion to help float another bubble to aid American recovery: “the upshot of the Fed trying to save the banks from negative equity is to flood the global economy with a glut of U.S. dollar credit, destabilizing the global financial system” (Hudson, 2010). In spite of the 2010 mid-term election debates and libertarian displeasure expressed about government involvement and support for finance capital, it seems that the technocratic state managers and not the anti-state populists have the US government’s support. The exact figures are not finalized but on November 3, 2010 Bernanke announced a $600 billion stimulus package over two years (Freeland, 2010a).

Nevertheless, American domestic policy to boost the American recovery undermines US hegemony in foreign policy. At the November G20 meeting in Seoul, South Korea, the emerging Asian and Latin American economies (e.g. India, Brazil) criticized America’s weak dollar policy for overheating their economies, dampening exports and leaving them open to dangerous inflows of capital. The strong capitalist workshops of the world (e.g. Germany, Japan) criticized the US for the inflating the Euro and overpricing manufactures, and China criticized the US for pressuring it to appreciate the Yuan to dampen growth and reduce the competitive advantage of exports (Torobin, 2010).

The midterm elections solidified a bipartisan American “blame China” story. American political elites assert that China’s economic model is an “authoritarian system which suppresses domestic demand and artificially lowers the cost of its exports” while China’s spokespersons assert that “there are serious defects in the United States development and management model,” and German leaders assert “the American growth model is … stuck in a deep crisis” (Freeland, 2010b). Outside of the most powerful players, the rest of the world does not welcome China’s weak currency and export-led economy or the US’s monetary expansion and weaker currency. According to Mohamed El-Erian (CEO of bond giant Pimco and former IMF economist), National responsibilities are conflicting with global responsibilities for both the US and China. That is the real problem for the global economy. [The clash] will lead to increasingly inward-looking social and political conditions … [however, that’s a problem because] our world is now wired to be outward-looking… [in the future] we will be writing about this period as a period of fundamental global realignment. (El-Erian cited in Freeland, 2010b).

If Americans weaken China, they weaken themselves; if they strengthen China they weaken their longstanding leadership in Europe, East Asia and the Americas. The Market Meltdown in the U.S homeland in 2008 provided not only a bit of reality therapy for neoliberals but foreshadows deeper shocks and riskier responses in the future (Gowan, 1999; Gowan, 2010, pp. 169-193).

What the above dynamic of neoliberalism describes is a specific kind of liberalism based on the fundamental primacy given to financial markets. It is
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important to specify the kind of globalization: supraterritorialization, Westernization, Americanization, or liberalization. It is also important to specify neoliberalization as financialization so that it is not confused with liberalization in general (economic, political and cultural liberalization) or specifically (only economic liberalization) or privatization, marketization, capitalization or commodification.

With a provocative announcement concerning “the end of neoliberalism,” I don’t mean the end of liberal capitalism (or even the end of the theory of liberal capitalism) but rather the end of one version of a theory about global capitalism, that which emphasizes financialization and strengthening of financial capitalists. And this “end” that I speak of is not its disappearance but rather a signalled subordination to a revised or “enlightened” version of welfare, Keynesian, or social democratic forms of market liberalism at the global level. As Bob Jessop (2010) points out “Even if neoliberalism is less pervasive overall, ecological dominance is not confined to success but also includes the impact of failure. Accordingly, it will prove hard to reverse the legacies of ‘roll-back’ through the flanking and supporting mechanisms adopted in roll-forward neoliberalism” (p. 185).

American Empire: From Neoliberal to Neo-Imperial Globalization

The future of neoliberalism (as financial liberalization) is an open question and whether allied powers can overcome it will still take prolonged struggle. However, my key point is that the seamless dominance of American Empire is not secure and that the most important fracture point has been signaled in a crisis not in the global South nor in one of the Great Powers but in the heartland of neoliberalism, the superpower, the United States of America. This structural crisis in credit-debt relations (or more specifically what Peter Gowan calls the Dollarwise Wall Street System) opens up new possibilities for competing liberalisms as well as going beyond liberalism to a post-liberal order for two reasons (Gowan, 2010, pp. 192-193). First, the Atlantic world has been traditionally able to use the IMF to police the global South (e.g. Latin America, Africa) and this control has been weakening and the crisis reinforces it. Second, the debtor relations between the US and the new East Asian growth centers may deepen and tighten, particularly with important creditors (e.g. China) who will be able to exercise real political leverage over Washington. To maintain support of the Atlantic world and the South, the US will have to soften predatory practices and this offers options for East Asia to start building new institutional arrangements for the world economy.

The state originates through the ethnogenesis of a community as the primal force of production in its occupation of a geo-ecological space, establishing both a mode of production and mode of foreign relations (Pijl, 2007, p. 19). The modes of sovereign occupation of space can be tribal whereby status in shared space includes ancestral claims, empire/nomadic whereby incorporation includes sedentary versus mobile occupation, equal sovereignty with exclusive territorial jurisdiction or global governance with functional multiplication of sovereign spheres (Pijl, 2007, p. 24). The mode of production establishes particular relations of production: labor, property
and distribution. At an advanced stage of development, foreign relations and relations of production configure class relations which constitute a particular form of the state. The role of the state is to insure the institutional infrastructure of property, markets and trade or what Charles Tilly identifies as the key functions of the state in relationship to its citizens: warmaking, extraction, statemaking and protection are the primary functions. Secondarily, the state must guarantee adjudication, production and distribution for citizens (Tilly, 1990, pp. 97-98).

David Harvey (2005) defines neoliberalism as “a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework by strong private property rights, free markets and free trade.” (p. 2). Thus, according to Harvey and others, the neoliberal capitalist state must ensure the quality and integrity of money; the military, political, and juridical structures. The neoliberal capitalist state can take a minimalist approach where market signals (prices) set the rules or a take a maximalist approach to create markets where they don’t exist (e.g. public education, environmental commons) or to contain or rollback the “distorting effects” of democratic impulses (e.g. so-called “special interests”) (Harvey, 2005, p. 2). Each of these actions requires an assertion of public domination and the use of coercive force by the state.

Furthermore, since the end of the Cold War, neoliberalism has gone global and the ensuing research and debates on the consequences of this neoliberal globalization (too extensive to review here) may accurately portray a new “neoliberal” world order. The neoliberal globalization debate generated both heat and light, but for the most part, the battle lines have been drawn and the protagonists (whether for or against it) assume a neoliberal world order and have moved on to other topics, such as “global citizenship” or “neomanagerial accountability” or “diversity and equity.” These researchers have registered a new list of important issues with which to occupy themselves. They continue to assume that the liberal order rules supreme (capitalism and democracy) and they recognize the need to adapt to its primacy while fighting against “capitalism” or “globalization.” The critics offer no positive program other than “more democracy” (i.e., a procedural dialectic of local pragmatic challenges and accommodations to local and global capitalisms). Meanwhile, national state managers provide researchers with funding opportunities, identified problems and targeted directives on how to keep the machinery running in the race to the top in the geopolitical order. Few have the time, energy or money to do anything other than recite simplified understandings of the big picture in order to get on with the business and busy-ness of research.

Neoliberalism is not simply a rebranding of a market-based definition of American liberal capitalism or the multiplicity of derivative euphemisms in education research for all that is bad in the world or attributable to the US or capitalism. What, then, distinguishes neoliberal political economic theory from other liberal political and economic theories? The general characteristics of liberal political economic theory are core to the various Anglo-American liberalisms of Adam Smith (1961)
Neoliberalism originated in a liberalizing Germany and Austria in the 1920s-30s where, at the time, market mechanisms were not of much importance and economic theories extolled the important role of the state (German Neoliberals: Eucken, Böhm, Grossman-Doerth; Austrian Neoliberal: Hayek). However, neoliberalism in Germany and Austria was put on hold during the rise of Hitler, the Nazis and WWII and it didn’t find influence in the West Germany (FGR) until after the war. The German and Austrian neoliberals disassociated themselves from classical and neoclassical liberalism of the Anglo-Americans and emphasized the stabilization of private property and an active state in freeing market forces – especially finance capital. The “market” was embodied in society and neoliberals were attempting to use the state to “dis-embed” the market, that is, through coercive force to create distinctive private and public spheres as a first step in transferring power to the private sphere. To do so neoliberals had to abandon the classical and neoclassical liberal thesis found in Adam Smith and Milton Friedman - that the state should be neutral. They promoted a “Social Market Economy” which synthesized both a “free market economy” and a “centrally planned economy.” Sustained growth in West Germany could only be achieved through the growth of labor productivity and not with the intensification of neoliberal capitalism which caused declines in efficiency. This led to the analysis of the factors of growth and the introduction of a third factor: scientific and technological progress. However, neoliberal explanatory deficits plunged the model into crisis (Shenayev, 1981).

In the 1960s, neo-Keynesians used neoliberal principles of the “social market economy” to modernize FGR but added new principles, including “commensurate growth” and “global regulation.” They called it the “Enlightened Market Economy.” The transition from the social market to enlightened market in West Germany from 1950s to 1960s mirrors the shift from Euckenian/Hayekian neoliberalism to Neo-Keynesian modernization today. Neoliberalism was first resurrected in the West during the 1980s and then went global at the end of the Cold War. Meanwhile, Hayek had moved from Vienna to London then Chicago and became the high court intellectual for Margaret Thatcher and Ronald Reagan. However, contrary to popular

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4 Adam Smith’s neutrality was NOT as an advocate of “self-regulating” markets or of a minimalist state. Markets were an instrument of state-craft and political economy was to provide advice for legislators whose policy considerations were social and political rather than economic. The “invisible hand” was instrument for a desirable society (Winch, 1978).

5 Milton Friedman is sometimes included as a neoliberal because he agrees with Hayek on the “spontaneous order” that supposedly exemplifies free markets as self-regulating. However, Friedman is more libertarian and disagreed with Hayek on the role the state.
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discussion about “neoliberalism” in the late 1990s neoliberalism was already facing down and adapting to many challenges. Neoliberals introduced elements of neo-Keynesianism after the failures of Thatcher and Reagan. By 2008, the return of Third Way neoliberalism of Anthony Giddens and Tony Blair retraces the steps of what had gone wrong with the Social Market model in Germany during the 1950s-60s that ended the short era of neoliberalism and introduced a Hayek-Keynesian synthesis under the name “Enlightened Market Economy.” Today this modified neoliberal model is called Global Social Democracy (GSD).

In the neoliberal neoclassical current, the most important property, market or trade that trumps all other forms is “money.” Neoliberalism is defined by the rise and triumph of finance capital over merchant and industrial capital. The politics of neoliberalism emphasizes not only the price theory of value over all other values but the price theory of money over the price of all other economic values. So when I say the message sent by someone like Greenspan signals the end of neoliberalism, this is not to say that the other forms of liberalism are to disappear or even that the price theory of money will disappear. Rather, I am emphasizing that the valuation of money, the most abstract form of capital, is in the process of being subordinated to other forms of price evaluation and this marks an important shift for the possibility of other kinds of evaluation to re-emerge. At best this would include challenging the price theory of value in general (not just its neoliberal version) to create post-2008 alternative approaches to higher education, public schooling and community development such as valuing (1) scientific innovation and intellectual enlightenment, (2) reproduction of cultural traditions and new foundations for artistic innovation, (3) vocational-technical skill development, (4) political agency and social criticism, and (5) defense of meaningful existential identities (Sterr, 2004).

Second, I take issue with the way neoliberalism has become conflated with globalization in the derivative education discourses in the Anglo-American core. “Globalization” emerged in the social sciences in the 1990s as a way for critics of global capitalism to talk about it in the post-Cold War era when liberal capitalism appeared triumphant and only “Marxists” would use a word like “capitalist.” Furthermore, “postmodernists” in their critique of totalitarian “totalizations” (Marxism included) and their support for “contingency” and “locality” dominated the social science discourse of the 1980-90s in a tag team with neoliberal economists. In this instance, globalization talk also appealed to traditional social scientists who were non-Marxist, such as Weberians and Durkheimians, and who wanted to talk about social reality, the big picture and determinant systems affecting social action. They wanted to use such concepts as “global society” or “global civilization” in order to challenge the neoliberals who were talking about “global markets.” This unholy - and unacknowledged - alliance in the Anglo-American core between neoliberal economists and new postmodern intelligentsia defined the ground for debate until 9/11, 2001.

For a few committed critics of neoliberalism and postmodernism as the cultural Siamese twins of late capitalism, the ground for debate about capitalism
opened up a bit with talk of globalization and education (Harrison & Kachur, 1999; Rhoads & Torres, 2006; Robertson et al., 2007; Stromquist, 2002). Such currents were delayed almost a decade for those outside the Marxist countercurrent (e.g. liberals, neoliberals and postmodernists), in the derivative discourses (e.g. education researchers) or living in the Anglo-American core (e.g. US researchers) as “the last to know” about what the rest of the world had never forgotten: the Americans were in charge of an exceptional and expansionary imperial power, an Empire. Thus, the US response to September 11, 2001 (e.g. invasion of Afghanistan and Iraq) and the Tech Bubble (2002) put a damper on both postmodern and neoliberal assumptions. Aided by the coincidental publication of Michael Hardt and Antonio Negri’s (2000, 2004) Empire and Multitude, talk about a “decentered” globalization, and the US invasion of Afghanistan and Iraq shifted the discourse on global capitalism to the center of American Empire (Balakrishnan, 2003; Boron, 2005; Passavant & Dean, 2004).

Over the past two decades, globalization research provided a research paradigm to explore global economics, politics and culture from a multiplicity of methodological approaches (e.g. realist, historical materialist, idealist, humanist, constructivist, postmodernist) and social theoretical orientations (e.g. Marx, Weber, Durkheim, Mill, Mead etc.) expressed across and in specialized disciplines (e.g. International Relations: geopolitics, modes of production, world systems, state-centric).

Globalization research also challenged the myth that globalization as “global interaction” was not an original contemporary phenomenon. For example and still debatable in 2000, Göran Therborn (2000, pp. 151-179) identified six waves: (1) world religions and transcontinental civilizations (4th-7th century CE); (2) European naval and colonial conquests (15th century); (3) intra-European global wars for mercantile supremacy (1700-1815); (4) European classical imperialism (mid-19th century to 1918); (5) post-Second World War conflict between the US and the USSR and their allies and clients (1945-89); and (6) post-Cold War American supremacy emphasizing new financial [neoliberal] and cultural [postmodern] aspects as well as a global socio-economic, military and politico-juridical infrastructure.

Given the steady development of thinking about capitalism and empire sheltered under two decades of globalization studies, it was only a small step to claim there is one existing world; however, it is somewhat more debatable that the nature, structure and function of this one world is global capitalism and at its center of power is the United States as empire. Furthermore, it is more common to assume that the US is NOT an imperial empire in the sense of using state domination for territorial expansion and economic exploitation (e.g. Imperial Rome or the Ottoman Empire). However, to assume the US is not an imperial empire means ignoring the historical record of this “empire for liberty.” One of primary reasons for the American revolution was the British Empire limitation in The Royal Proclamation of 1783 restricting westward expansion and recognizing Indian Territory (Hall, 2003, 2010; White, 1991; Wright, 1995). The American state expanded as a real-estate venture and sanctioned the theft of territory with commercial fraud and military force north, west
and south. Similarly, starting with the US capturing Spanish territory in the southwest and British territory in the northwest in the 19th century it culminated with north-eastern capitalist interests annexing the American South in the Civil War. United again, the US ended the 19th century with the Spanish-American War and the territorial occupation of the Philippines. Hawaii, too, was annexed in 1900 and finally became the 50th state in 1959. Niall Ferguson, Harvard scholar and political Tory, describes how the US was certainly from the beginning an empire in the old-time sense of territorial expansion for economic benefit – but it was and is not a self-conscious empire (Ferguson, 2004). How has territorial expansion continued and how have the mechanisms of imperial power changed?

Before addressing the social ontological debates about the nature of neo-imperial globalization today, I think it important to qualify a few points of disagreement I have about Therborn’s (2000) historical waves. First, Therborn misses the first socio-economic global formation of trade that resulted from Genghis Khan’s reorganization of the steppe pastoral nomads in the Mongol Empire in the 13th century.6 The Mongol Empire and its subsequent subdivisions linked seven other trading systems into the first functioning world system from East to West. It provided the essential knowledge for the 15th century European naval conquests; and its breakdown along with the Chinese withdrawal from the Indian Ocean to deal with its northern frontier was the key factor for the colonial successes of the Portuguese in the Indian Ocean and the Dutch in the Indonesian archipelago (Abu-Lughod, 1989).

Second, none of the world systems was truly global until the New World was integrated into it, and this world system was never truly geopolitically integrated until the classical imperialist period from the mid-19th century to 1918 when the British merchant marine ruled the world as the supreme naval great power and was able to discipline the other land-based great powers.7 Thus “globalization” in the modern sense takes only the last three forms of Therborn’s six waves: British Empire, Superpower Conflict and American Empire.

A third qualification about Therborn’s last phase creates a new problematic when “global interaction,” “American Empire” or “globalization” is treated as an equivalent conceptualization to “neoliberal globalization.” The “anti-globalization movement” is unfortunately confused by multiple connotations, promotes anything “local” as a self-evident good, and appears against everything global or statist. They over-simplify levels of analysis and introduce absurd renaming strategies as trivially true (e.g. “glocalization” = everything is simultaneously local and global – “think global, act local”). They need to draw clearer distinctions between political and intellectual labor, deepen and specify their analysis, and seek alternative globalizing

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6 Therborn does not actually miss this Mongol wave. He alludes to it in a short passing footnote.
7 Contrary to the Eurocentric perspectives, Western Europe did not create the world system, rather it joined the already existing Eurasian world system, and in so doing they introduced new characteristics (e.g. New World commodities) and new dynamics in successive stages that changed the nature of global trade (undermined bullionism, introduced mercantilism, invented the capitalist mode of production). For the strongest assertion of this thesis see Frank (1998). For a more nuanced defense see Chaudhuri (1985).
futures based on different levels and kinds of integration. “Globalization” needs the adjectival qualifier “neoliberal” and Empire needs “American” if these confusions are not to undermine the specific aspects of what is otherwise too complex to grasp and if the normative purpose of analysis is to understand how “big” things work so effective action can be taken on a wide range of other “little” agendas.

Furthermore, the global economy should not be confused with either the world economy or the planetary economy. Manuel Castells clarifies that a world economy is one where capital accumulation proceeds on a world scale, and has existed in the West since the 16th century (Therborn’s 2nd wave). The global economy is one with “the capacity to work as a unit in real time on a planetary scale” (Castells, 1996, p. 92). It has existed only in the latter half of the 20th century with the invention of new information and communication technologies and the integration of an international infrastructure to make just-in-time production possible. The planetary economy is the one that sustains the population of the planet and is not necessarily part of global capital accumulation or hardwired into global capitalist information and communication systems (Castells, 1996).

American Domination, Hegemony and Governance

What is American Empire? Empires spatially expand hierarchical rule (from a metropolitan center over a periphery) to establish order (Colás, 2007, pp. 5-11). According to Michael Doyle’s behavioral definition, empire is the “effective control, whether formal or informal, of a subordinated society by an imperial society” that may include territorial conquest and formal legal transfer of sovereignty or the informal rule of effective sovereignty (Doyle, 1986, p. 30). Imperialism is simply the process and product of what empire’s do. Furthermore, empires as a state formation dominate, lead and govern. As domination, I mean the fundamental political functioning of a state monopoly to use coercive violence and domination to extract value in the protection of others, that is, when the state becomes a protection racket, a form of organized theft (Tilly, 1985). American imperialism can be expressed as either domination or hegemony, in which case, the imperial state protects for the common advantage of both superordinate and subordinate. This hegemony or soft power - following Antonio Gramsci and Joseph Nye - is a form of self-protection that benefits those who pay the more powerful in some way for being protected and the functioning of compliance is based on the moral and political leadership of the imperial power. Imperial governance is the collaborative calculation of interests or the development of cooperative projects based on a sense of shared interest, identity or ideology and focuses on designing political regimes and intergovernmental organizations. In community or state conflicts to resist domination defines enemies, to challenge hegemony defines rivals or to differ over governance defines friends (Buzan, 2004).

The US-Canada “friend” relationship sits at the primary core of American dominance and hegemony in North America and the world. American capitalist and geopolitical hegemony is expressed through three regional complexes (Europe [e.g.
EU-US commissions], Japan-SE Asia [e.g. APEC], and US-Canada/Mexico/Latin America [e.g. NAFTA/OAS]) primarily through its monetary and military capacity as both a superpower national state that can act multilaterally, bilaterally or unilaterally and because of inequalities of power built into the system of international organizations which the US put in place after the Second World War to exercise American hegemony over Western Europe and Japan. With the collapse of the superpower USSR and the bi-polar world the US emerged as the lone superpower in the system of great power and regional power relations (Buzan, 2004). The US exerts its political power as both a state actor and originator of the postwar international system.

At the superpower level American Empire has five monopolies of domination: first and foremost the US controls (1) the money system (BIS, World Bank, IMF, private investment banks such as AIG) and secondly it has overwhelming dominance in (2) the military (e.g. NATO and nuclear weapons). It also monopolizes the institutional infrastructure of (3) the international regulatory, juridical and political institutions (e.g. UN Security Council, WTO, G8/20) and has overwhelming advantages in (4) high technology (e.g. information technology, pharmaceuticals, biogenetics) and (5) in communications/education (e.g. Microsoft, Intel, CISCO, IBM, Apple, Google) and world-leading universities (e.g. Harvard, Stanford, MIT), Madison Avenue fashion and Hollywood entertainment (Burman, 2007; Gowan, 2010).

In terms of the money system and the related institutional infrastructure of the international regulatory, juridical and political institutions, it is important to note that the power of neoliberal rhetoric and the equation of globalization discourse with the functioning of financial interests comes from the dominance of finance capital and its promotion of deregulated exchange in the presence of rising protectionist forces. In spite of new economies of time and space, after the 1970s the rate of trade acceleration was slowing and the US was in relative decline regarding production and trade. American financial capitalists, their state managers and international allies sought more economic and political interconnectivity and challenged restrictions on trade. They also wanted to restructure the interstate state system and world economy in their favor. In either case, it was the proponents of American Empire who were rhetorically asserting the importance of neoliberal globalization as an imperial interest (Waters, 2001).

The functioning of the global economy is not particularly global but rather regional. The global political economy is differentiated according to three major regions of influence: (1) North America (US-Canada centered with Mexico), (2) European Union (Franco-Germanic centered with British and Scandinavian networks found in both the EU and NA) and (3) Asia Pacific (centered in Japan with increasing weight to South Korea, Indonesia, Taiwan, Singapore and China). Speculator efforts for profit maximization arise from playing the circuits of capital in the interaction of three major currency formations: US Dollar, Euro, Yen/Yuan. Similarly, finance capital led the development of information and communication technologies and
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infrastructural integration on existing flows of money (Carroll & Sapinski, 2010; Castells, 1996; Harvey, 2003, p. 110).

Furthermore, most trade and profits flow east and west, primarily between the three rich centers with differentiated and unequal regional linkages to the peripheral South: US-Canada with Latin America, EU with Africa, and Japan with Asia. For example, developed countries accounted for 58%, 80% and 66% of the world’s foreign direct investment inflows in 1992-7, 2000 (peak) and 2006 respectively (Burman, 2007; Callinicos, 2009; Waters, 2001). So, while the G20 accounts for over 80% of world trade and GNP, the G20 are rich because of the high surplus extraction (exploitation) from G20 populations with high labor productivity based on the integration of advanced technology with higher levels of education and training (human capital). Outside the core economic powers and centers of capital accumulation exist the peripheral parts of the world and planetary economy which fall under the gaze and jurisdiction of geopolitical and capitalist power as objects of the IMF and WB which act like the government departments of finance and welfare for global governance.

Each new crisis elicits differentiated responses and the emergence of new alliances. The emergence of global social democratic (GSD) projects are implicated in US superpower and great power politics (EU, China, Russia and Japan – and potentially India) and through the regionalized trade patterns and the integrated production of global capitalism. Political developments are not independent of economic dynamics. Economic consolidations and conflicts are unevenly and unequally distributed depending on the positioning and power of finance capital in relationship to existing regulatory and state structures in each core country and existing center-periphery relations.

Furthermore, there are eight or so cultural complexes or regionalized nation-state constellations – roughly commensurate with idea of “civilizations.” These imagined communities share common cultural affinities and complex interactions of identity, ideology, and interest (Braudel, 1993; Habermas, 2001; Huntington, 1993; Magdoff et al., 1999). However, the power of civilizations must articulate with state systems (e.g. empires, national states) and related apparatuses of socialization and communication (e.g. mass media, schools, madrassas). According to Huntington (1993), loosely articulated national state constellations connect contemporary civilizations with state formations and global capitalism that give importance to cultural analysis: the West (American, European), Chinese, Japanese, Indian, Russian, Latin American, Sub-Saharan African, and Islam.

Huntington’s classification system strategically and inadequately lumps American and European civilizations together as the “West” while differentiating Latin American and Russian civilizations. Notable is the absence of Indigenous

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8 The EU countries and 19 others make up the G20 and are among the 32 top economies. There are rich countries not included in the G20 even though they are in the top 32 economies: Switzerland, Taiwan, Norway, Iran, and Venezuela.
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civilizations, a case in point that reveals an important weakness in the potential for indigenous people to think and act geopolitically. Indigenous identity has no core national state or former empire to re-territorialize as a “civilizational” project for 300 million people. Indigenous people lead the renaissance of global aboriginal cultures primarily from within the national states of the Anglo-American white settler colonies in conjunction with support from international organizations, primarily the United Nations, and are compelled to define and unite themselves defensively against civilization through liberal rights discourse and legal action (Coates, 2004).

Also noticeable in Huntington’s classification is his construct of “Islam” as a single civilization - yet he divides Christendom into three civilizations. Such an approach fails for many reasons but primarily because it discounts the major differences and great power history of Indonesia, Pakistan, Iran, Turkey and the Arab world. Somewhat like “The West,” “The Middle East” is not an appropriate designation either. It provides a name for one civilization or state formation where one did not exist except in the wishful thinking of imperialist cartographers. Researchers need to locate their classifications on the cultural, state and historical integrity of the former Ottoman, Mughal, Persian (Safavid) Empires and Malay States (circa 1500). So Turkey or Iran may center an emerging identity formation based on the reconstruction of the “invisible” remnants of the Ottoman or Persian Empires. However, the neo-Ottoman or neo-Persian strategists will have to account for the American occupation of Iraq. In the absence of a local great power and presence of competing rival great powers because of its uneasy relationship with Israel, the US has signaled that it wants to act temporarily as the regional power rather than as a superpower through regional surrogates and risking the rise of another great power (e.g. Turkey). So any enlightened project must also take into consideration these cultural constellations that function as specific identity formations with independent logics and different dynamics.

According to Buzan, given the current superpower, great power and regional power dynamics, the world order may be stable for a long time because there are many domestic considerations which will disincline great powers to bid for superpower status while at the same time following the US-led international order as legitimately resting on some shared values amongst global elites (e.g. liberal markets). Buzan suggests that attention should be paid more to the sedimented and stabilized international relationships and the swing-power strategies of the US. The US should be viewed as not only a superpower and great power but also as a regional power in its attempts to reposition itself in the Asia-Pacific, North Atlantic and Western Hemispheric regions. Furthermore, with its occupation of Iraq the US has tried to establish itself as a regional power in the Greater Middle East between Iran, Turkey and Saudi Arabia (Buzan, 2004, pp. 104-106). US competence to do so has yet to be demonstrated.

According to Buzan (2004), at this historical conjuncture and assuming a formula $1 + 4$ with one superpower (US) and with four great powers (Russia, EU,

9 At this time, the US has little interest in being a regional power in Sub-Saharan Africa or South Asia.
China, Japan - with India potentially ascending), there is no obvious enemy among the
global powers but the US and China exhibit potential antagonism. Within the EU and
between the EU and the US there is broad solidarity with a few stress points. There is
also some rivalry between Russia and Japan in relation to China, the EU and the US.
What are the potential fractures that could develop either within world geopolitics
and/or global capitalism that will provide the impetus for progressive educational
politics? To understand progressive educational politics in the expansion of American
Empire means grasping the importance of inter-civilizational politics and the
functioning of soft power (hegemony) in relationship to hard power (domination).

**America’ Education Empire**

It is the high technology, communications and education monopolies that best
expresses US hegemony as an Education Empire, or what Joseph Nye (2004, p. 124)
calls America’s soft power:

Soft power rests on the ability to set the political agenda in a way that shapes the prefer-
ences of others. At the personal level, wise parents know that if they have brought up
their children with the right beliefs and values, their power will be greater and will last
longer than if they have relied only on spankings, allowances, or taking away the car
keys. Similarly, political leaders and thinkers such as Antonio Gramsci have long under-
stood the power that comes form setting the agenda and determining the framework of a
debate. The ability to establish preferences tends to be associated with intangible power
resources such as an attractive culture, political values and institutions, and policies that
are seen as legitimate or having moral authority. If I can get you to want to do what I
want, then I do not have to force you to want what you do not want. If the United States
represents values that others want to follow, it will cost us less to lead.

Nye (2004), in his own way, is making a similar distinction between domination
and hegemony - as are Callinicos (2009, 2010), Harvey (2003, 2005), Gowan (1999, 2010),
Arrighi (1994, 2007) and others. American Empire marks the use of
domination. American Hegemony suggests that the US leads because of soft power.
American Governance suggests that the world functions through a sort of benign
global governance and collaborative calculation of interests, missing the point of
either American domination or hegemony. This debate about the uses and abuses of
hard and soft power is important and demonstrates what the American Empire shares
with old-time territorial expansion and connects what the British and American
“liberal” empires share with each other. Yet both differ from the rest. As Ferguson
(2004, p. 15) highlights: “the leading imperial power successfully underwrote
economic globalization by exporting not just its goods, its people and its capital but
also its social and political institutions.”

Hegemony or the use of soft power connects British soft-power (“the white
man’s burden”) to American soft-power imperialism (globalization as
Americanization). Both used an *Education Empire* to advance domination through an
avalanche of information delivered through the latest communication technologies.
While the Americans have Hollywood, Harvard, Madison Avenue and Google
delivered through cinema, online journals, television and computers, British jurists,
missionaries, school teachers and sportsmen in person motivated by their “civilizing mission” spread English language, law, Christianity, the work ethic, and “fair play and a tough upper lip.” However, British culture was also reinforced with the introduction of the latest technologies, books, newspapers, telegraph, and radio, including foreign language services. The American Education Empire also has personalized relationships constituted by an army of teachers, preachers, advertisers and aid workers spreading the importance of international law, human rights, liberal democracy and free markets. Nevertheless, American Empire reserves the right to use reactive or preventive military force when it perceives its interests are threatened (Ferguson, 2004, pp. 14-19).

It is still important to remember that the American Education Empire is still backed up with the most powerful military force the world has ever seen - even though the “Soviet threat” disappeared two decades ago. In 2006 there were half a million US military personnel overseas and 90 major military bases around the world. Even though the Second World War ended in 1945 and the Cold War in 1989 there are still 85,000 American troops in Europe and 35,000 in Japan. It is anticipated that 50,000 troops will remain in Iraq after Obama completes his “drawdown” of combat troops (Burman, 2007, pp. 70-71; Lake, 2010). When American Empire arrives it never really leaves. It is as territorial as the old empires but in different ways for different reasons.

The radical populist democratic left (e.g. Bello, Klein, Chomsky etc.) asserts the US is an “empire” in both its soft and hard forms. They also trade in the language and explanations of “monopoly capitalism”10 and “manufactured consent,” and inadequately theorize this imperialism as it existed in a previous age yet under-theorize how American Empire actually functions differently today from all the previous manifestations of Empire, including the British Empire.

The primary difference in the functioning of American Empire from previous empires is the strong division between public and private power that the American national state establishes, maintains, and expands through domination at the global, regional and local levels. It uses despotic public power to maintain the division between public and private life and to establish new systems of public power which will continue to do the same. This public power (the state) lets private power (capitalism) do its work in the most unrestricted way possible in order to extract surplus value directly from the producers. The secret of the capitalist state is one that connects domination within social structures of capitalist power to the domination of political systems via state power, but furthermore the capitalist state disallows the political system to do anything other than keep the social system running and expanding, that is, the political system is not allowed to enter into the extraction of

10 The significance of Lenin/Hilferding’s theory of monopoly capitalist imperialism was to identify the consolidation of industry and banking in financialized conglomerates; however, evidence of financial/industrial capitalist consolidations in Germany was even inadequate at that time because it ignored the nature and functioning of finance and industrial capital in both Britain and the United States and missed some exceptional elements in their rise to global power.
surplus value. To do so or to argue to do so, according to liberals, is considered a defense of political despotism, a theft of private property, a return to the rule of old empires before the freedom of contract. Such theft (e.g. taxation) may be justified to save the system (Adam Smith) or to make the system work more efficiently (J. S. Mill) or “more fairly” (John Rawls). Empire – according to liberals - is not what America is about even if that is what the post-liberal critics say (e.g. Arrighi, 1994, 2007; Arrighi & Silver, 1999; Callinicos, 2009; Colás, 2007; Rosenberg, 1994). Except for a few liberals, such as Michael Ignatieff (2003) calling for “Empire Lite,” liberals are simply deluded about America’s empire status or its history.

Justin Rosenberg (1994, p. 124) summarizes the special non-political command of American Empire to expand global capitalism:

In capitalist societies the direct producers are no longer in possession of their own means of subsistence, and what binds them to the processes of surplus extraction is no longer political command, but rather the requirement to sell their labour in order to gain this subsistence. This necessity supports the distinctive capitalist relations of surplus extraction themselves: a legally sanctioned contract of exchange between formal equals in which the labourer accepts authoritative subordination in the private realm of production and forgoes any rights over the product in exchange for an agreed wage payment.

The US state develops its global capacity with two purposes (which are not always complementary): to consolidate and expand global capitalism and to reinforce and support American capital. In the Cold War period, the spread and deepening of global capitalism required coordinating the liberal trading regime and a rule-based financial order in an east-west pattern to rebuild and subordinate Europe and Japan. The American model built on British strategies of market penetration.

For example, the Byzantine and Ottoman Empires granted “capitulations” to friendly foreign states (e.g. Venetian and Genoese - and later British merchants) who had special privileges for their trading communities; however, this became a way for alien interests to shape Ottoman decisions (Finkel, 2005, pp. 127, 469, 529). In the next phase the British mastered the capitulation model to control Latin American countries through “portfolio investment” rather than territorial domination (Naylor, 1987).

Following on the British model in Latin America, the Americans took their place in Latin America and supported a new “Open Door Policy” in China to gain access to trade where the Americans were shut out and the European powers were already established. Americans argued that what was open to one country should be open to all in free trade zones. Following the Second World War, the Americans imposed this model on the non-Communist world and with the end of the Cold War attempted to do so country-by-country in the whole world either through direct acts of territorial domination or consolidating global capitalism and the international system of states (Gowan, 1999; Juhasz, 2006; Pijl, 2006).

In Latin America in the contemporary period, open zones for foreign powers were called “maquiadora,” transforming trading sites to production zones. This model
was also applied in China and GATT/WTO initiatives attempted to generalize a

global regime of “free” production zones. So, this new American imperialism is based

on “direct investment” for surplus extraction and no longer requires extra-territorial

domination except to defend or expand the system as a whole or via military

occupation or reform of economic institutions. The Americans can act unilaterally,

bilaterally or multilaterally. What they require are friendly local capitalist elites

seeking “development” to invite in American entrepreneurs, scientists, technologists,

managers and technicians.

In analyzing the emergence in Europe of this kind of imperialism, Raymond

Aron (1974, pp. 168, 217) and Nicos Poulantzas (1975, pp. 39, 57) called the informal

process “Canadianization.” The Americans first pioneered the new imperialism in

Canada. The US allowed Canadians their formal political independence and

responded to Canadian calls for “development” at the price of economic dependence

on American multinational corporations (e.g. the Singer “sewing machine”
corporation). Subordinate states, thus, enter into bilateral arrangements with

Americans to organize centers for capital accumulation, emulate US technological and

managerial corporate practices, and buttress it with American foreign direct

investment (Laxer, 1989).

In the latest “globalization” wave, “Fordist” production models were replaced

with “Toyotaist” models of just-in-time production that emphasized an international

system controlling capital flows and the commodifying and commercializing of

scientific and technological innovation, communication and information systems,

ideological production, and management strategies. This latter shift to commodifying

and commercializing communication and education puts America’s Education Empire

at the center of its economic mode of imperial expansion – especially related to the

push for intellectual property rights over knowledge production and control of trade in

services, led by financial services but including information and education services.

This makes the competition for ownership, control, development and evaluation of the

world’s universities a key factor in world politics.

**Theorizing the New American Empire**

In addition to global capitalism shaping the development of education, neo-imperial
globalization is implicated in geopolitics at the superpower, great power and regional
power levels. Different perspectives vie with each other for understanding of world
politics: neorealist, neoliberal, constructivist, post-structuralist, Marxist, and Third
Way theorists (Buzan, 2004, pp. 77-80; Callinicos, 2009, pp. 14-21, 67-100; Held,

**Neo-realism:** Realists and neo-realists focus on polarity and sit at the center of
American geopolitical power. They emphasize that the goal of national states is
survival. They simplify complex polarities with measurements based on relative
capability and the pace, size and direction of relative gains. However, the neorealist
focus on the material capabilities pushes the analysis of education into the background
as a subset of military and industrial development, conceives polarities in terms of
“enemies and rivals” and ignores questions of identity, ideology and interests which
could define the influence of “friends” (Buzan, 2004, p. 77).

Neoliberalism: Those adherents to this second major perspective, together with neo-
realists (whose position is unacknowledged in education discourse), dominate
geopolitical debate. Neoliberalism’s anti-materialist (idealist) assumption finds strong
appeal in powerful global education circles (e.g. WB-IMF) and successfully erases
understanding biological and economic power politics from the world education
agenda. Neoliberals assume that the prevailing international social structure is the
result of rivalries between egoistic, self-interested and rational actors looking for
advantages from rational exchanges. Thus, neoliberals eschew the independent effect
of social structures, ignore the dynamics of domination and hegemony, and focus on
the specific designs of institutions (e.g. political regimes and intergovernmental
organizations) that allow for sound global governance (i.e. efficient problem solving
and rational choice cooperation) (Buzan, 2004, p. 78).

Constructivists: Unlike neoliberals, constructivists are not restricted to rational choice
calculations and institutions and look at shared practices and values of rivals and
friends who can be singular or plural — yet potentially open to changing norms and
open to the pursuit of shared projects. Constructivism, in the plural, can take
individualistic as well as solidaristic (communitarian) forms. Like neoliberals their
idealistic assumptions (e.g. Kantian ideal for perpetual peace) find increasing favor in
education discourse about interinstitutional factors and transnational relations
(especially the International NGO market). However, they systemically ignore
materialistic questions about competition for biological survival or minimalize the
importance of unequal economic preconditions (Buzan, 2004, p. 79).

A perspective that starts with neorealism must acknowledge the conflicts over
humanity’s common materiality, competing wills to survive, and territorial struggles
for meeting basic biological and economic needs. An analysis of global capitalism,
world politics, and educational development can draw on a neorealist perspective
about social structures and state systems which are polarized around military-political
concerns for survival and security between enemies and rivals. Neorealism can be
complemented with a neoliberal/pluralist perspective where motivations are more
mixed, focus is on the changing relations of rivals and emphasis is on issues of wealth
and status. Furthermore, analysis can then draw on solidaristic perspectives to look at
relations between rivals and friends and highlight normative concerns, domestic
convergence and jointly motivated projects (Buzan, 2004, p. 80).

There is a deep connection between American Empire and global capitalism
being played out on the world stage with a neoliberal and constructivist eye for the
functioning of international institutions and transnational solidarities (Scholte, 2005;
Waters 2001). We can see that the global political economy functions as it does
because the American state reinforces and expands private forms of domination at
both the local, national and global levels while at the same time denying the necessity for political domination unless there are strong challenges to the private/public split. According to Callinicos (2009, pp. 14-21), five perspectives\textsuperscript{11} offer a critical realist\textsuperscript{12} way out of the neorealist and neoliberalist/constructivist divide: Capitalist Domination, Capitalist Hegemony, World Systems, Third Way, and New Imperialism.

Global Capitalist Domination: Michael Hardt and Antonio Negri (Deleuzian Post-Marxism) and William Robinson (Capitalist Globalization) identify that capitalism is transnationally organized, geopolitical conflicts among capitalist states are obsolete, and interstate systems are no longer necessary for capitalist relations of production to function optimally. Hardt and Negri focus on domination via biopower and productive apparatuses. Resistance emerges at points of contingency for self-defining and self-valuing singularities which challenge the normalized paths or contradictory logics of capitalist and geopolitical power.

Global Capitalist Hegemony: Leo Panitch and Sam Giddens (Global Concertation) and Ellen Wood (Political Marxism) focus on a kind of post-Kautskyan ultraimperialism and argue that since Second World War the US has been able to establish an “informal empire” which effectively subordinates the leading capitalist states to American hegemony in the management of the common global interests — even though the Iraq War under George W. Bush has somewhat undermined American hegemony.

World Systems: Andre Gunder Frank, Immanuel Wallerstein, and Giovanni Arrighi are considered neo-Smithian Marxists. They argue that a dialectical approach regarding geopolitics and modes of production is required and state systems have an important independent effect (against Hardt and Negri); however, US hegemony is slipping in power but not global capitalism in general. Chinese power is on the rise and will take over from American power. Americans face the choice of compensating for the loss of hegemony with financial and military domination to extend their rule or to realistically prepare for peaceful transition. They agree with Hardt and Negri that geopolitical rivalries are obsolete but that there could be conflicts in the American succession.

Third Way: Anthony Giddens, Michael Mann, W. G. Runciman, David Held and Theda Skocpol are neo-Weberian historical sociologists. Interstate competition is important and must be integrated with the analysis of global capitalism and class relations but one factor in an explanatory pluralism where the primary focus is on global governance within institutional reorganization of liberal democratic capitalism on a global scale (Callinicos, 2009, pp. 74-75; Held, 1995; Held & Koenig-Achibugi, 2004; Held & McGrew, 2002).

\textsuperscript{11} The title attached to each subgroup is my own.
\textsuperscript{12} See Callinicos (2006) on critical social theory and a critical realist ontology.
New Imperialism: According to Callinicos (2009) these theorists argue that potential rational crisis conditions exist for a major challenge to global liberal capitalism: Alex Callinicos, David Harvey, Walden Bello, Peter Gowan, Chris Harman, John Rees, and Claude Serfati. They affirm three premises:

1. Global capitalism has yet to exit from the era of economic crisis into which it entered in the late 1960s and early 1970s.

2. One important dimension of this crisis is the division of advanced capitalism between three competing centres of economic and political power, the so-called Triad of Western Europe, North America and East Asia.

3. Consequently, despite real asymmetries of power between the US and the other leading capitalist states, significant conflicts of interest exist among them (and indeed other states such as Russia and China) that are likely, in the continuing “long downturn,” to give rise to geopolitical struggles. (Callinicos, 2009, p.17)

Nuancing the New Imperialism. Neo-Smithian World Systems theorists, such as Arrighi (1994, 2007, 2007), argue that Chinese hegemony may displace American hegemony and lead to major crisis, chaos and wars akin to the wars of Spanish, Dutch, French and British succession. World Systems theorists are broadly consistent with the theorists of the new imperialism. Furthermore, the neo-Nietzschean Marxists, Hardt and Negri, propose that “irrational” capitalism produces anarchic possibilities. However, Hardt and Negri mobilize the assumptions of Deleuzian radical contingency which has merit for understanding the new imperialism if emergent self-defining and self-valuing singularities of biopower are treated as situated and implicated in modes of production and world systems in their emergence (Hallward, 2001, 2003, e.g. Alain Badiou on “the event”). Furthermore, the critical historical sociology of the neo-Weberians, such as Held, has much to offer regarding state-based theories as well as institutions of global governance when subordinated to similar World Systems approaches (e.g. Charles Tilly, 1990).

In grasping the potential crisis conditions of global capitalism in the new imperialism, we have to understand that neo-imperial globalization has entered into a third post-Fordist phase in the postwar period called neocapitalism (Boltanski & Chiapello, 2006). After 1980, neoliberalism re-emerged from its 50-year sleep and with its strong affinity to finance capital to become the leading ideology of the New Right (Harvey, 2005). If Karl Polanyi (1944) were alive today he might call the re-emergence of embedded capitalism within neo-imperial globalization an opportunity for a new left politics and rethinking a positive role for the state. Polanyi was a contemporary and critic of the leading neoliberal theorist, Friedrich Hayek, in the Red Vienna/Budapest of the 1920s and he criticized liberal thinking about money and markets as existing outside social relations (McRobbie & Polanyi-Levitt, 2006; 13Tilly retains the mode of production as part of his analysis. He accommodates Robert Brenner who argues that the independent effects of the relations of production should not be merely reduced to “production for the market.” Brenner was highly critical of neo-Smithian Marxism (see Brenner, 1977).
Polanyi-Levitt, 1990). As Eric Helleiner (2006, p. 13) writes about globalization and *haute finance* following Polanyi’s work: that “today’s globalized financial order is best seen as been actively ‘made’ by state decisions rather than having been the inevitable product of technological and market developments” and that these same political pressures were significant in creating the 19th century world market order. Also, and there is a need to focus more on the study of financial globalization and how it induces “counter-movements” and strengthens “embedded liberal” critiques of the ideology of unfettered markets.

The rise of the new bourgeoisie is tied to the rise of the new knowledge economy and “enlightened” approaches within neo-imperial globalization. With the rise of China eliciting unanticipated and unpredictable responses in the US, the new geopolitics in conjunction with post-Fordist neocapitalism suggests a new phase is upon us. This phase may challenge neoliberal globalization and offer the potential to re-subordinate finance capital to the international governing institutions and/or mark a shift in the functioning of hegemony and domination. It also raises important questions about the role of the intelligentsia as the crisis intensifies.

**The Intelligentsia and the “Enlightened” Market**

The rise of the enlightened market economy is one aspect of neo-imperial globalization. Demands from political elites around the world have increasingly called for reregulating finance capital and creating a “neocapitalism with a human face” which might be called an “enlightened” market global economy. To maintain efficiency and sustained growth requires not only the growth of labor productivity and the intensification of capital formation but also further development of scientific and technological innovations. Because neoliberalism cannot deliver the goods, this shift requires a break from neoliberal assumptions and the new state managers and regulators of labor productivity, capital formation and science and technological development. Neomanagers increasingly favor neo-Keynesianism and forms of modernization that are still commensurate with growth and global regulation. The appeal of neomodernization economic projects and Global Social Democracy (GSD) is another signal that something new is in the air.

Walden Bello (2009, pp. 59-60) identifies the key assumptions of those asserting a Third Way or GSD (e.g. British Prime Minister Gordon Brown, economist Jeffrey Sachs, financier George Soros, former UN Secretary Kofi Annan, Nobel laureate Joseph Stiglitz, multi-billionaire and tech tycoon William (Bill) Gates III and social theorists David Held and Anthony Giddens):

- [Neoliberal] Globalization is beneficial for the world; neoliberals have simply botched the job of managing it and selling it to the public.
- It is urgent to save [neoliberal] globalization from the neoliberals because it is reversible and may, in fact, already be in the process of being reversed.
- Growth must not be accompanied by increasing inequality.
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- Trade must be promoted but subjected to social and environmental conditions.
- Unilateralism must be avoided, while at the same time preserving – by fundamentally reforming – multilateral institutions and agreements.
- Global social integration, or reduced inequalities both within and across countries, must accompany global market integration.
- The global debt of developing countries must be canceled or radically reduced, so the resulting savings can be used to stimulate the local economy, thus contributing to global reflation.
- Poverty and environmental degradation is so severe that a massive aid program or “Marshall Plan” from the North to the South must be mounted, within the framework of the Millennium Development Goals.
- A “Second Green Revolution” must be set in motion, especially in Africa, through the widespread adoption of genetically engineered seeds.
- Huge investments must be devoted to push the global economy along more environmentally sustainable paths, with government taking the leading role (“Green Keynesianism” or “Green Capitalism”).

While it might be difficult to deny that a GSD world might be preferable to the one we now live in, it is difficult to see how GSD would or could dislodge finance capital from its perch. As Bello points out, GSD shares the neoliberals’ bias for globalization (neoliberal financialization) – except they would do it better than the “neoliberals.” GSD promotes the neoliberal’s market but would have state action to address market failure and there is no mention of citizens and civil society participating in the decision-making process regarding key economic decisions. GSD is a technocratic project, and while GSD is critical of neoliberalism, it defends monopoly capitalism and continues the process of surplus extraction of value from labor, will retain the crisis tendencies toward overproduction and has little sense of environmental limits. GSD, according to the “democratic left” (which Bello shares with co-authors Naomi Klein, Noam Chomsky, Barbara Ehrenreich and others), is a renewed attempt to achieve F.D. Roosevelt’s New Deal model at the global level or a second shot at John Meynard Keynes’ unrealized Breton Woods project which was subjected to the New York and Washington accommodations (Bello, 2009, pp. 60-62; also see Gowan, 1999).

Yes, according to Callinicos (2001), Third Way social democracy assumes too many neoliberal assumptions. However, GSD has potential to break from neoliberal economic assumptions and could strengthen the development of a post-neoliberal social democracy. It could also broaden the base for more radical democratic turns. If the “democratic left,” as Bello suggests, wants social liberation, participatory democracy, post-capitalist systems, “deglobalization”\(^\text{14}\) and an ecological social organization of the planet, then GSD offers new opportunities which did not exist in

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\(^{14}\) I have already expressed my concern about this confused concept in the anti-globalization movement so I have put it in scare quotes.
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the conjunction between the two barbarisms over the past two decades: the Washington Consensus and Islamic Fundamentalism. As Bello writes, “our task will not only be to support the positive aspects of the GSD program that support social and environmental welfare, while opposing those that lead to monopoly capitalism; more important, it will be to differentiate our own enterprise and win people over to our strategic vision and program” (Bello, 2009, p. 62).

Nevertheless, Bello’s deeper fear resurrects older Stalinist debates about the nature of the social democratic left and the possibility that David Held’s GSD could turn into a Sarkozy-like GSF (Global Social Fascism), running against the neoliberals from the communitarian right. However, the rise of the Libertarian Right in the US could harbor a new kind of fascism, too, but unlike the French tradition a statist communitarian turn is not likely within the American tradition unless aligned with the neoconservatives in the Bush camp (e.g. Rumsfeld) who are deeply out of favor with the libertarian populists. The 2010 US Congressional elections merely demonstrate that Meltdown 2008 is not only having global effects but is also eliciting multiple and competing narratives amidst the chaos and new possibilities. Because of the global nature of the crisis, the analysis must also be concerned with the nuances that Great Power and Regional Power responses vary from place to place within the structure of American Empire.

What implication does this new dynamic register for the various national intelligentsia in the internationalizing imperial order? Neo-imperial globalization brings the state back in and the neomodernization of these “enlightened” market economies focuses on the advantages of increased importance of the state subordinating the market (e.g. as in China’s authoritarian capitalist model). The axial relationship of power in these neomodernizing formations is based on two ideal types of conflicting social formations: the capitalist mode of production and the state mode of production. King and Szelényi (2004) suggest that “[the state mode of production] can coexist with the capitalist mode of production without challenging private ownership, but in crucial respects it can overrule the logic of capitalist reproduction” (p. 208). The “enlightened” market economy contains within itself the articulation of these two and other historical modes of production.15

According to King and Szelényi (2004), under the state mode of production, the intelligentsia (especially its core intellectuals) work to qualitatively increase their power; “but as long as the state mode of production coexists with a dominant capitalist mode of production, they cannot become a new dominant class. The question of to what future the new state mode of production will lead contemporary capitalism is an open one: the answer will be given by class struggle” (p. 208). The axial relationship of power in these reaction formations is based on two ideal types of social formation: the capitalist mode of production (exemplified by American-

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15 On capitalist and non-capitalist modes of production and the preconditions for the Asiatic and State mode of production (e.g. tribute, kin-ordered) see King and Szelényi (2004), Pijl (2007), Wolf (1982), Curtis (2009), and Marx (1965). For a criticism of European thinking about non-European societies see Abdo (1996); for support see Kurasawa (2004).
centered capitalism) and the state mode of production (exemplified by Chinese-centered capitalism). King and Szelényi (2004) identify the emergence of state mode of production as signaled by the increasing state intervention in the West after WWII and cannot be meaningfully analyzed in terms of a capitalism-socialism contrast. “It can coexist with the capitalist mode of production without challenging private ownership, but in crucial respects it can overrule the logic of capitalist reproduction” (p. 208).

The global political economy was oriented to neoliberal globalization and organized through the price theory of value that promoted the theology of money and the necessity for social and cultural institutions to value profit-making at the expense of other kinds of values. The dominant political and economic actors have been working for three decades to universalize market exchange and deepen the price theory of value – especially in the public social sectors such as schooling where competing values based on utility, labor, life, and symbolic meaning have been increasingly marginalized or eliminated (G20, 2010). A major defense of educational values requires restraining, constraining and redirecting circuits of capital formation (Harvey, 2003, p. 110). The Market Meltdown 2008 seriously challenged the state managers of the US economy. People and their states outside the US have been facing the challenges from the American Empire and global capitalism for a lot longer. They have developed and retained ways to contain, constrain, enable and redirect capitalists, markets and the consequences for community development, public schooling and higher education. If the US is to play an important leadership role in the world, it will have to learn how to do this. However, the Americans have displayed a fatal combination of myopia, hubris, ignorance and mal-adaptation in the current crisis. The price theory of value has been seriously questioned and different responses around the globe demonstrate there are new ways of thinking and acting. The emergence of neo-imperial globalization and proposals for an “enlightened” market economy means that reregulation of finance capital in now on the political agenda. However, progress will be difficult without the active political engagement of critically-informed teachers, professors, the intelligentsia and intellectuals. In the post-2008 period new opportunities for alternative approaches to university reform, public schooling and community development are emerging based on the competing educational theories of substantive value that go beyond scientific innovation and vocational-technical skill development to include intellectual enlightenment, new foundations for artistic innovation, political agency, social criticism and expression of meaningful existential identities.

Conclusion: Ten Theses for Educators

**Thesis One.** The global intelligentsia must struggle for the substantive value of education in their specific locations within the differentiated modernization complexes and play an increasingly important role both through their political organizations and as community leaders as well as in their important defense of the primary site of their own social reproduction: the expanding university and postsecondary education systems.
Thesis Two. The global intelligentsia must reregulate and contain finance capital and promote the importance of industrial capital and labor – shifting emphasis from the Neoliberal Market Economy to the Enlightened Market Economy. The key political struggles must not only defend the new challenges of “enlightened” modernization but permanently push practice beyond neoliberal and neo-imperial globalization to strengthen and democratize the state-based mode of production with the ultimate intent of removing and eliminating the social-structural and state apparatuses of violence altogether.

Thesis Three. The global intelligentsia must subordinate the capitalist mode of production to the state mode of production wherever possible, that is, defend the public sector over the private sector with the ultimate intent to reconstitute public private relations.

Thesis Four. The global intelligentsia must politicize the state apparatus and create political space within state institutions regulated by neomanagers who govern through new administrative technologies of control and accountability built into regimes of finance, performance, and evaluation.

Thesis Five. The global intelligentsia must democratize, liberalize and pluralize the state and strengthen the proliferation of agents in the public sector and non-profit civil society.

Thesis Six. The global intelligentsia must promote a leading role for women and workers in decision-making processes and power-based positions to challenge exploitation and exclusionary practices.

Thesis Seven. The global intelligentsia must promote an ethic of care so that those lacking competency or those who have exceptional need have a meaningful and fulfilling place in society - and yet continue to reward technical competency.

Thesis Eight. The global intelligentsia must mobilize and promote the importance of teachers to act politically and to recognize that they are the largest fraction of the intelligentsia and the carriers of the strongest ethic of equality amongst professionals. They must also recognize their activities go beyond the door of their classrooms and walls of their schools into their local communities and society at large. They must continue to resist proletarianization of their professional labor and to work to become active intellectuals fully participant in taking advantage of the new political conjuncture and to push the “enlightened” market model beyond the logic of private capital accumulation to create a place, a space where each of us can act as subjects to truth.

Thesis Nine. The global intelligentsia must recognize the historical variability of subjective responses in the differentially emerging and alternative complexes of
modernity and to democratically deliberate on the appropriate actions at the local, national and global level.

**Thesis Ten.** The global intelligentsia must realistically recognize the ultimate impossibility of global citizenship yet continue to strive for and in regionalized constellations of progress where collectively we recognize that there are different ways to live a good life other than our own yet there are universally bad ways to live that we can join together to fight against.

**References**


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