

Book review

## The myth of the collapse of the American power\*

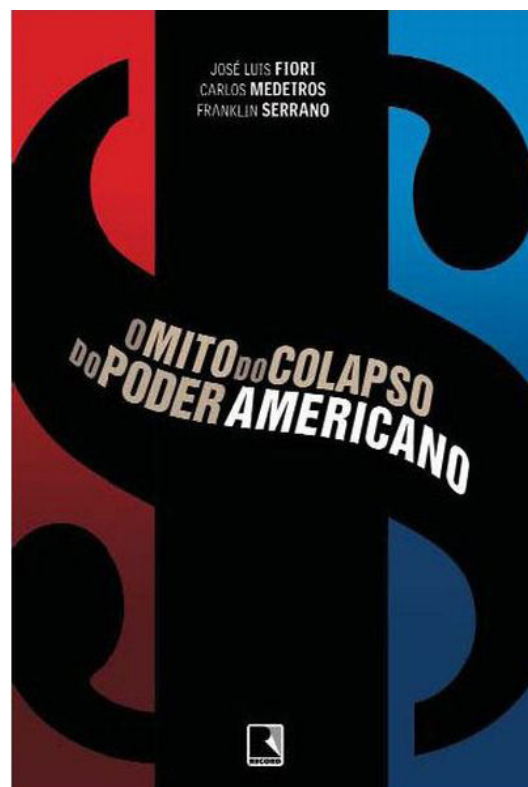
José Luís Fiori, Carlos Medeiros e Franklin Serrano  
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### The myth of a collapse

The recently released book, "The myth of the collapse of the American power" is the result of one and a half decades of critical discussions on the transformations suffered by the relationships between power and money, States and currencies, in contemporary capitalism.

The theory, shared by the three authors and made clear by the title of the book, is unambiguous and represents a clear warning for hasty analysts who, in periods of worldwide financial crisis, will oscillate between forecasting the defeat

of an empire and the end of capitalism, or the downfall of a hegemony followed by the onset of a more balanced and peaceful global order.

Contrary to those two types of analysis, the book as a whole seems to say: an analyst who advocates theories supporting the downfall of the American power must prove the decrease of the presence of the United States in major global conflicts, or the weakening of the representation of its interests as a nation (José Luís Fiori). Even more importantly, he or she must provide evidence of the internal decay of the

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U.S. economy, and especially of its currency (Franklin Serrano). Additionally, they must also prove that there is evidence of an external weakening of the American State, especially in the light of the economic emergence of China and of the military resurgence of Russia (Carlos Aguiar de Medeiros). Since none of such processes is occurring, the collapse of the American power can only be a myth.

## The American power

In line with the theories of imperialism and of hegemonic cycles, José Luís Fiori presents a diagnosis of global power and global economy that shapes the book: the author reminds us that since at least the 1970's there have been frequent attempts to forecast the end of the American power, and with it the collapse of capitalism itself. Nevertheless, it is clearer than ever that every sign that has been previously labeled as evidence of the American fall has become proof of its strengthening.

According to Franklin Serrano, this is how in the 1970's the destabilization of Bretton Woods' international monetary and financial system reiterated the key role of the dollar instead of challenging its importance, providing it with more flexibility. Likewise, in the 1980's the U.S. became the primary debtor and importer of the world; rather than causing macroeconomic imbalance, such characteristics became a driving force of global economy. In the 1990's, on the other hand, the dissemination of neoliberal policies acted as an instrument for a strategic international change of direction by the U.S. in order to coalesce its technological and military revolution capabilities. Lastly, during the current decade, the political defeat in Iraq was not enough to diminish the U.S. military and war power, and despite the global financial crisis there is no evidence that the importance of the American dollar or of its debt bonds will be reduced.

Similarly, Carlos Aguiar de Medeiros points out that the recent rise of countries such as Russia and China, albeit resulting from a national determinant, has suffered strong influence from the United States.

In Russia, the recentralization of the State as a result of a mixture of political and military panoramas solidified a new macroeconomic reality, characterized by the recovery of the industrial and military complex, by broader investments and greater consumption, by the consolidation of state-owned oil and gas companies, and by economic growth. This led Russia to an important position in the global system. This new reality, however, had almost always been conditioned by U.S. policies, from the collapse of the former USSR to the

years, attaining its climax with the expansion of the American power in Central Asia and Eastern Europe; the resurgence of Russia occurs as a manifestation of American interests.

In China, the rise of the economy as a result of a combination of market initiatives and state-led strategies introduced new policies for the investment in hi-tech and infrastructural sectors, which has been creating deep changes in the country's production structure and in its social conditions. The persistence of an accelerated economic growth turns China into a decisive country in the definition of global prices for raw materials and energy, making it a major player at a global level. However, the symbiosis between the industrial production of China and the monetary circulation of the dollar is well-known, so that China should be regarded not as a substitute for the U.S., but rather as its most perfect complement in the contemporary global system.

As the authors remark, it is not a matter of neglecting the changes and challenges faced by the U.S. and global economies, but of highlighting that which seems to be the most important aspect: the fact that this is certainly not the end of the American power. What appears to be occurring, on the contrary, is a change towards a new global order, with more imperial than hegemonic characteristics.

## Structural causes

Interpreting this process, however, requires a new conceptualization of the very idea of power. In this sense, the theoretic effort of José Luís Fiori deserves attention, as it brings new elements into the composition of a new structural theory of the dynamics of the scenario. Here, the classical relations between State, capital and industrialization are replaced by connections between war, currency and mercantilization.

According to Fiori, the history of the capitalist interstate system can be understood in four stages: the embryo of the first European system of wars and exchanges (1150-1350); the birth of the European interstate system (1450-1650); and the creation of the capitalist interstate system itself (1790-1914), in addition to the fourth current stage, which began in the 1970's.

The onset of each of these four stages is purportedly caused by pressure of the competition among the States, which results in broader internal and external frontiers. Therefore, at the initial stage, Mongolian invasions and the expansionism of the Crusades resulted in the construction of sovereign and competitive territorial units. At the second stage, intra-European conflicts between Portugal and Spain, followed by the Netherlands, England and France resulted in the colonization of American states; whereas at the third

stage, the emergence of three powers - the U.S., Germany and Japan - resulted in the incorporation of the African and Asian continents.

Behind this sequence of pressures and explosions there is something the author calls the “insoluble and expanding association between the need to conquer and the need for the excess”. Such association manifests itself in a hobbesian scheme, where wars stimulate the creation of taxes to finance them, currencies emerge as a way of outlining the territorial scope of tax collection, and lastly, the circulation of a standardized monetary unit ends up giving birth to exchange and trade. Therefore, the priority of power over wealth is one of the theoretical principles to interpret capitalism. Thus, the empire or the imperial will, as well as war and preparation for war, are prerequisites for the existence of national States, and the hierarchy among them is defined by the capacity to stabilize and consolidate the value of their private currency and government bonds.

This framework makes it logically impossible for any State to be able or to manage to stabilize the naturally unstable global system. Additionally, the hegemonic power itself, which should be the stabilizing element, needs war and competition more than any other in order to go on accruing wealth and power. Moreover, in order to expand it oftentimes needs to go beyond and destroy the rules and institutions it built itself.

Fiori's main theory is that order and disorder, expansion and crisis, peace and war are inherent elements in our capitalist interstate system, and therefore wars and crises do not necessarily lead to the end or to the collapse of the States and economies involved. Thus, the wars and crises in course since the 1970's are part of a long term structural change that points towards an increase in the global competitive pressure, and to the beginning of a new imperialist race that will continue during the next decades and that will have the decisive participation of the American power.

### Conjunctural consequences

It is only in the light of these premises that one can make an assessment of the new international geopolitical scenario, highlighting the dynamics of state subsystems and regional hegemonies in order to emphasize how North American presence is active and can be decisive in each one of the sectors of the international conjuncture.

To Fiori, the international influence of the American power is a phenomenon that started right after the independence of the country and continued contiguously during the 19th and 20th centuries. However, it was only during the post-war period

that the U.S. revealed its hegemonic strategy, converted into an imperial strategy after the crisis of the 1970's. Additionally, the September 11, 2001 attacks seem to expose the fact that the disputes between the most powerful countries, typical of the cold-war, have not ended, not even after the fall of the Berlin wall, or after the dissolution of the USSR. It should be mentioned that in 1989 the George H. W. Bush (father) government formulated and proclaimed for the first time the North American strategic doctrine for the 221st century of a universal preventive repression against any type of competitor able to replicate the Soviet threat to the American power. In 2001, the George W. Bush (son) government converted that project into an openly warlike attitude, and thus interventions in Iraq, Afghanistan and the War Against Terror seem to point not towards a crisis in the North American power, but rather to the existence of contradictions within an attempt to expand. And, like the author mentions, despite its military and economic challenges the United States continue to be the only global player that is present in all decisive disputes around the world.

In face of the aspects discussed above, it is worth looking into the main conjunctural consequences resulting from the structural analysis presented by the authors of the book.

According to José Luís Fiori, the Middle East assumes a central role in the geopolitical scenario of nations at the beginning of the 21st century, due to the sizzling combination between territorial disputes, religious conflicts and abundance of energy resources. Therefore, the strengthening of Iran and the radicalism of Israel tend to trigger regional hostility, with repercussions in countries such as the U.S., China, and Russia, which have a strategic and growing interest in the region's potential in terms of oil and gas. Even more importantly, an alliance between the Middle East and Central Asia would involve all the powers that are in any way involved in the dispute for Eurasian hegemony.

Europe, on the other hand, is faced with a dilemma: the pacifist and internationalist utopia of the European Union, and the pragmatic and nationalist reality of its three major partners: France, Great Britain and Germany. While the French go on dismantling the political and historical conquests of the old continent and the British praise the Americanism of the new continent, both fear the growth of the German, who are already at the lead of the macroeconomic policy of the region and show a strong possibility of leading the external policy of the continent as well, by means of a closer relation with Russia.

Trying to unveil the role played by Russia in this new scenario, by the way, is nothing short of challenging. The

fragmentation imposed on the Russian territory after the end of the Soviet Union, the systematic support given by the U.S. and by the European Union to the autonomy of the countries formerly within the soviet influence zone, as well as the North American attempt to expand its bellical borders through Eastern Europe, cannot be seen as an advance over a defeated, allied or neutral area. The reconstruction of the Russian State and economy by means of investments in its military and industrial complex and by means of the nationalization of its energy resources cannot go unnoticed, as Carlos Aguiar de Medeiros points out.

As for Asia, in addition to its having become one of the main hubs of capitalist accumulation and of the development of global economy, a dispute for the hegemony of the region involves powers such as Japan, China, and Korea. While China works on a strategic alliance with Russia, Japan has the permanent support of the United States. The situation becomes even more complex when India is taken into consideration, given that its intense growth, along with China's, put them side by side in the competition, ever more intense, for energy resources and food.

Africa, on the other hand, which spent the past decades away from commercial and financial globalization, is now the main front for primary accumulation and for the political and economic expansion of Asian capitalism. Currently there are, especially in Black Africa, hundreds of Chinese and Indian investment project companies, not to mention several other countries that attempt to consolidate their energetic safety in the African territory. There is clear evidence that Africa is becoming a privileged region for a new imperialist race.

Lastly, in South America, the emergence of nationalist, developmentist or even socialist political powers was made possible by the cycle of growth of the global economy, and ultimately by the decisive importance of Asian demand and pressure. China, particularly, has been a major importer of ore, energy and grains, thus triggering an increase in the price of commodities, invigorating the creation of strong currency reserves and the fiscal capacity of States, which has been decreasing external fragility and improving the internal negotiation capacities of these countries.

Brazil, specifically, is in a privileged position due to its

extensive capacity to produce oil and food, in addition to its control over most of the Amazonian territory. It should be mentioned that the somewhat naive and friendly intervention of South America and Brazil are coming to an end. In the medium term, an ever more intense competition between Brazil and the U.S. for supremacy over the region is likely to be seen.

### The global system in the 21st century

The scenario outlined above shows evidence of the growing importance of the eastern region and the constant presence of North American power. Special importance should be given to the economic association between the U.S. and China (Franklin Serrano); to the closer relationship between China and Russia (Carlos Aguiar de Medeiros); and to an eventual political alliance between Germany and Russia (José Luís Fiori). It is important to highlight that the emergence of China and the resurrection of Russia are key aspects for anyone who intends to analyze the current international conjuncture. Moreover, the mere labels of emerging countries or of powers that combine market economy and state planning are insufficient for one to grasp the true meaning of this process.

Furthermore, for the first time in the history of the global system, relationships among non-developed countries take on significant dynamism and density, but before adopting easy formulas, such as that under which the countries of the so called BRIC are arranged. Fiori highlights some "asymptotic convergences" among four major national States that stand out in the redefinition of international relations, albeit with different roles. So, the author analyzes intended regional hegemony in China and India, and the lack of a clear national project in Brazil and South Africa.

In other words, the geoeconomic transformations and geopolitical restructuring at the beginning of 21st century make the nature of capitalist power in general very clear, but they do not attest the defeat of American power specifically.

Lastly, it should be pointed out that, as José Luís Fiori states, if in this new scenario Latin America starts to move into adulthood, the critical thought produced by these three authors is nothing short of the first expression of such maturity.