

A modest proposal for colonialism

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A few years ago an op-ed piece proposing the reinstatement of direct colonial domination of resource-rich countries by the world's major capitalist powers would probably have been rejected on the grounds that it was too far-fetched and that imperialism was well and truly in the past.

It's a sure sign of the times that this sort of proposal has been made in a comment published in the *Financial Times* last Friday.

Written by Deepak Lal, the James Coleman professor of international development studies at UCLA, it proposes the formation of an International Natural Resources Fund to organise the exploitation of the abundant natural resources of so-called "failed states".

To call Lal an apologist for imperialism would be a major misstatement. He is an enthusiastic advocate.

As preparations for the attack on Iraq were building up last year, Lal delivered a lecture in October for the right-wing American Enterprise Institute, entitled "In Defense of Empires". It called for the establishment of a global Pax Americana, with one of its central objectives being to create a new order in the Middle East.

"It is accusingly said by many that any such rearrangement of the status quo would be an act of imperialism and would largely be motivated by the desire to control Middle Eastern oil," he declared. "But far from being objectionable, imperialism is precisely what is needed to restore order in the Middle East." [See *The Imperial Tense*, Andrew J. Bacevich ed., p. 43.]

In his FT comment, entitled "A force to lift the curse of natural resources", Lal widens his horizons. The "abundant natural resources" possessed by many of the "potential failed states", he writes, have proved to be a "precious bane" rather than a blessing.

"The main reason for this is the strong temptation for anyone controlling the state to appropriate the rents

from natural resources for their own purposes. The various civil wars in Africa, including the ongoing ones in Liberia and the Congo, are fuelled by the desire to control these rents. It was the rents from their oil that permitted Middle Eastern autocrats such as Libya's Colonel Muammar Gaddafi, Iraq's Saddam Hussein, Iran's mullahs and the Saudi monarchs to pursue aims as diverse as funding global terrorism, the development of weapons of mass destruction and the export of Wahabism."

Lal insists that these natural resource rents must be "depoliticised". One way would be to distribute these revenues to the citizenry by writing cheques through the tax system. But that is not possible because these countries have no functioning state. Another possible measure would be to set up an extension of the Iraq oil-for-food program. But that is not possible because of "America's understandable lack of confidence" in the UN.

Happily there is a solution at hand. Lal proposes that having served their original purposes, the International Monetary Fund and World Bank could be amalgamated and given a new role.

"They can call on the expertise of an international technocratic bureaucracy and, unlike the UN, are not subject to populist international pressure (though there may be doubts on this score about the present-day World Bank). And given their weighted voting systems, they are likely to be acceptable to the US. A conjoining of their staff to form an International Natural Resources Fund (INRF) would be thus desirable."

The task of the INRF would be to "obtain the rents from the natural resources of the failed or failing states." It would then place these funds in escrow accounts for use on social and economic infrastructure development projects in the countries in which they were generated.

As with all previous imperialist ventures, the proposal

is presented as benefiting the inhabitants of the resource rich country. But it is clear where the real benefits would flow.

The projects financed by the INRF would be undertaken by major transnational companies, a large proportion of them US-based, which would receive contracts through an international bidding process. By such means “natural resources rents” would be de-politicised, diverted out of the hands of the various “failed states” and channelled by the INRF into the coffers of the world’s dominant companies.

For Lal, only one problem remains. What to do about “predators” attacking the mines and wells generating the rents?

“Here the military prowess of an imperial power or a coalition of such powers is crucial. Such a power could follow the example of China during the interwar period by leasing foreign companies territory that they could protect with their own police forces, in return for royalties to the INRF. But even this privatised solution would require the imperial power to maintain ‘gunboats and Gurkhas’ at the ready, in case some local predator decided to mount a challenge to the private controllers of the mines.”

Lal is by no means a lone voice in advocating new arrangements for the exploitation of the world’s natural resources. In a comment entitled “The curse of an oil economy” and published in the *Baltimore Sun* on October 1, David Quayat warns that in planning the future of Iraq, US administrators must look at other oil rich countries such as Venezuela where the “corrupt use of government resources created the climate that not only tolerated but encouraged the rise of Hugo Chavez, among the least democratic of Latin America’s leaders.”

The goal for the US-run Coalition Provisional Authority (CPA) in Iraq, he writes, must be “to prevent Iraq’s vast oil revenues from falling under the control of an elite cadre of leaders who can turn the country into a corrupt network of cronies.”

One way of preventing this would be to continue depositing oil revenues in a trust account to be administered by the United Nations and the CPA “until an Iraqi government proves capable of effectively and fairly managing such resources for the good of all Iraqis.”

It goes without saying that the final arbiter in

deciding whether such a government had been created would be the US. And among the chief criteria in determining its “effectiveness” would be whether it had set in place “free market” mechanisms which ensured that the massive Iraqi oil rents started to flow to global, and above all, American corporations.

Throughout his writings, and especially in *Capital*, Karl Marx explained that the appearance-forms generated by capitalist society, uncritically accepted by bourgeois social science and used as the basis for its theories, stand reality on its head. Thus exploitation of human labour is carried out under the banner of freedom, while machines and land, not labour, appear as the basis of profit.

In the case at hand, we find a graphic expression of this “inversion” principle. Proposals for the reinstatement of direct imperialist domination of large sections of the world’s population—particularly those countries with valuable resources—are presented as relieving them of a “curse” and measures aimed at the enrichment of major transnational corporations are depicted as providing for the welfare of the inhabitants of “failed states.”



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