

Afghanistan & the American Imperial Project

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Global Research, August 17, 2021

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Region: [USA](#)

Theme: [Global Economy](#), [Intelligence](#),
[Militarization and WMD](#)

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On August 16, 2021 President Biden addressed the nation to explain why the US military is pulling out of Afghanistan. To a lesser extent, he also tried to explain why the Afghan government and its 300,000 military forces imploded over the past weekend. With the Afghan State's quick disappearing act, in a puff of smoke up went as well the more than \$1 trillion spent by the US in Afghanistan since 2001.

Biden glossed over the real answer to the first point why the US is now pulling out. The second he never really answered.

The real answer to the first point is simple: the USA as global hegemon can no longer afford the financial cost of remaining in that country, so it is pulling out. New projected costs of maintaining US global empire in the decade ahead have risen dramatically since the Afghan war began in fall of 2001. US elites now realize they can no longer afford the new rising costs of Empire elsewhere, while simultaneously keep throwing money down the 20 year financial black hole called Afghanistan. The US is pulling out because, for the first time since 1945, it has decided to cut its costs in less strategic areas in order to be able to finance the growing costs of empire elsewhere.

The new areas are:

- the rapidly rising costs of investing in next generation technologies needed to compete with China, both militarily and economically;
- the costs of cybersecurity investments needed to deal with Russia, China, and with select lesser cyber challengers;
- and the investments needed to answer the threat to US security from the new emerging War with Nature (sometimes called Climate Change)

In all three new challenges, the USA is currently behind the curve. Nature's reaction to capitalist production in the form of climate warming means Nature is winning the early skirmishes and the US thus far has not even been able to mount a serious counter-response. Russia, China and other apparent state-less challengers are also winning the cybersecurity war. The US can't even protect its basic infrastructure and businesses from hacking and ransomware that has the potential of shutting down wide sectors of its economy. And so far

as next generation technologies, like Artificial Intelligence and 5G wireless, is concerned the fight with China—and a lesser extent with Russia over new tech weaponry—has only just begun.

All three areas represent costly strategic challenges to US global hegemony, requiring massive new capital investments by US government and the US State. US imperial interests increasingly realize they cannot continue to throw away trillions of dollars more in wars in Afghanistan, let alone the broader middle east—whether Iraq, Libya, Syria/Isis, Iran containment, or financing Arab states' war in Yemen.

An Empire Built on Fiscal Sand

How the US financed the wars in Afghanistan and elsewhere in the Middle East as it exercised its global hegemony since 2000 is another obstacle to meeting the new strategic challenges. That method of imperial finance—like the war in Afghanistan itself—is no longer sustainable.

The first two decades of the 21st century is the first time in the entire history of the USA that wars have been financed without raising taxes and, indeed, while the US has simultaneously implemented massive tax cuts.

Up to and including Vietnam, taxes have always been raised to pay for war costs at least in part. But not in the 21st century! Not for the wars for the Middle East. Since 2000 and the USA's Middle East war adventures, it has spent \$ trillions of dollars on wars while cutting taxes by even \$ trillions more. This had never happened before. It became a formula for eventual disaster—driven ultimately by US elites' greed combined with an historic hubris of mistaken military invincibility.

That tax cutting since 2000 has amounted to at least \$15 trillion! For the record:

George W. Bush cut taxes, largely on behalf of wealthy investors and businesses, by more than \$4 trillion over the first decade, 2001-10. Barack Obama added over a \$1 trillion more in his first two years in office 2009-2010—in the form of \$288 billion new tax cuts in 2009 and by continuing the Bush tax cuts another \$803 billion for two years, 2011-2012—after the Bush tax cuts had been set to expire in 2010. Obama then struck a deal with Republicans at the end of 2012 to extend the Bush tax cuts for another 8 years. That cost another \$5 trillion. Donald Trump in December 2017 then added yet another layer of tax cuts on the Bush-Obama prior \$10 trillion. Trump's contribution amounted to \$4.5 trillion for another decade, 2018 to 2028. Each tax cut layer provided even more of the total to investors, corporations and wealthy households. Trump's went almost exclusively to investors, wealthy households, and especially to multinational US corporations. In the latest addition, Congress cut taxes another \$650 billion in its 'Cares Act' passed in March 2020. That's more than \$15 trillion tax cuts in total!

Tax cutting since 2000 contributed in turn to massively annual budget deficits and the consequent explosion of the federal national debt.

But \$15 trillion in tax cutting was not the only cause of a deep decline in potential tax revenues, chronic budget deficits and rising national debt, however. A chronically weak US economy, especially after 2008 and continuing throughout the Obama years, has also sharply reduced potential federal tax revenues. The average annual US growth since 2007

has barely reached 1% a year. Tax revenues—from both cutting taxes and inadequate economic growth—account for at least 60% of deficits and thus for the national debt, according to many studies.

Concurrent with the unprecedented drumbeat of constant tax cuts for capitalists large, medium and small has been the equally unprecedented rise in defense/war spending to pay for the wars since 2000—abroad and at home (homeland security costs, war on immigrants costs, militarization of policing, etc.). The wars abroad since 2001 alone cost an estimated \$7 trillion.

\$15 trillion in tax cuts plus \$7 trillion in war spending since 2001 roughly equals the total US national debt by the end of the second decade of the 21st century. As a result of tax cutting and defense spending, the US national debt rose from roughly \$4 trillion in 2000 to \$9 trillion by end of 2008 (as Bush left office) to \$17 trillion by 2016 (as Obama left office) and thereafter to \$21 trillion when Trump left office by January 2020. The budget deficit this year, 2021, will rise another \$2.5 to \$3 trillion!

It is now projected to rise to at least \$28 trillion by end of the current decade! For added to the tax cuts and war spending excesses must be as well the costs of the 2008-09 great recession, the chronic slow economic growth that followed under Obama for years after, and most recently the costs of legislation and programs to contain the Covid related 2020-21 crash and second great recession now underway. Should chronic slow growth follow the current second great recession—as it did its predecessor in 2008-09—the \$28 trillion national debt estimate by end of decade will almost certainly be passed.

In this fiscal system built on sand, US imperial interests must somehow find the capital and resources to finance massive investments to wage its growing technological-economic war with China, its cybersecurity war with Russia and others, and its war with Nature.

Empires are seldom conquered from without. They always rot from the inside first. And the rot is well underway in the USA's.

US Costs of Empire Are Rising



The US economic empire is under increasing economic stress because the options to finance it going forward are in decline. Massive new costs loom on the horizon. Next generation technologies will determine both economic and military dominance by 2030. Artificial Intelligence, Cyber Security, and 5G wireless broadband are all necessary for the development of smart, hypersonic weapons, as well as for disrupting an opponent's domestic communications, power systems infrastructure, and even key production systems.

The USA knows this. China knows this. Russia knows this. (Europeans and Japanese know it too but simply cannot compete and are not even in the game anymore). The above triad of technologies are also key to the development of new industries and thus for economic growth as well in the decade ahead.

The US empire today faces a massive bill of investment over the next decade. In some ways it already lags behind China, as a result of US corporations moving offshore (to China), building R&D and production partnerships in China and elsewhere offshore, and allowing China to penetrate US R&D in the USA, at least until recently. In other ways it is also behind Russia technologically (especially in hypersonic missile and tactical missile defense technologies).

As the US global empire has weakened over the past decade, it has thrown more money into defense/war spending, cumulatively at least \$7 trillion. That spending—of which Afghanistan contributed \$1 trillion at minimum—US elites know will now have to be redirected to the new ‘wars’: the technology-economic war with China, the cybersecurity war with Russia, and the war with Nature itself in the form of investments directed to climate change mitigation.

Apart from the costs of these new wars of 2020-2030, it is more likely than not that more economic crises will arise. After two consecutive great recessions in roughly a decade (2008-09 and 2020-21) it is likely a third cannot be avoided either. Trillions of dollars more in emergency social program spending to contain the collapse of household consumption and small businesses once again is more likely than not.

It is therefore not at all surprising that Biden, and US empire elites in general, have concluded it’s best to cut losses in Afghanistan and get out now. Ditto for general costs of empire throughout the middle east. There’ll be no more traditional wars there for the USA. Such adventures are no longer affordable. Nor necessary, since the USA is now the largest producer of oil and gas in the world as result of new fracking technology at home, exceeding both Russia and Saudi Arabia. The main strategic reason for US wars in the middle east—i.e. oil—is no longer a consideration

In summary: the cost of wars in the middle east (Iraq, Afghanistan, Syria, Somalia, Iran containment, etc.) are being substituted for by the technology-economic war with China, the cybersecurity war with Russia, plus the need for expected additional commitments for the ‘war with nature’ (climate change costs).

The US empire can simply no longer afford the total bill for all the above. And that is the number one reason why the US is exiting Afghanistan altogether. That’s why Biden’s cutting US losses in Afghanistan and getting out. As he signaled in his TV address to the nation on August 16 that war is no longer in the US global interests. There are more important tasks. Tasks that will take even more funds. US interests have shifted. So must its expenditures of empire. That’s why it’s finally getting out of Afghanistan.

Is US Empire in Rapid Decline?

US elites realize that they can’t have their cake and eat it any longer. They can’t have unprecedented tax cutting, jump into civil wars everywhere around the globe, precipitate excuses for military intervention for domestic political purposes, and deal with the increasingly frequent deep recessions while financing the new ‘wars’ on the horizon with China, Russia, and nature itself. That’s what the US exit from Afghanistan fundamentally represents. It is an early indicator of the future decline of the US global hegemony.

However, that decline is still in its very early stages and should not be overestimated.

The US empire and global hegemony rests on its economic power in the global economy. The US empire is not like that of the former British or the older European colonial empires. It wields political power indirectly over indigenous economic elites. It does not directly run the political systems of its client countries. Or at least rarely resorts to that. It wields political power through its economic power. And that economic power resides in its dominance of its global currency, the US dollar; in its control of the (SWIFT) international payments system; in the influence of its central bank, the Federal Reserve, over other countries' central banks; in the dominance of its banks and financial institutions worldwide; and its ultimate control of global economic institutions like the International Monetary Fund and World Bank.



Until the US dollar is seriously challenged as the world's reserve and trading currency, until its control of the global payments system is supplanted by an alternative, until the dominance of its banks and financial institutions is broken, and until dual institutions challenging the IMF and World Bank are an effective alternative—the US global economic empire will continue and exercise hegemony.

Afghanistan represents not the end and defeat of the US imperial project. At most, it is a marker for the USA having peaked perhaps as global hegemon. Instead, it represents a fundamental shift at best and the start of a new phase in the history of the US empire.

As noted previously, global empires are rarely conquered from without militarily. Military failures or successes are not evidence of imperial virility. All empires rot internally before decline. And they begin a period of decline only when they cannot any longer afford to finance themselves.

Rome's collapse in its west after 400 C.E. began when Germanic invaders seized Rome's agricultural grain surplus base in Spain, Sicily and North Africa as the eastern Roman empire also cut off its grain surplus in Egypt. That agriculture base was the source of its taxation and in turn the funding of its military legions.

The British empire began its decades-long decline when its colonies began to disappear in the 20th century as result of economic war costs after 1918 and 1945. Basically bankrupted by wars, after World War II it no longer had the finances to hold onto its colonies. Some, like India, simply went independent. Others were ceded to the USA de facto as a condition of loans from America to Britain during and immediately after the second World War. Britain's colonial empire could not be economically sustained any longer.

The Soviet Union's de facto empire collapsed only after a decade of economic stagnation in the 1980s and after Gorbachov signaled to opportunist Communist Party leaders in charge

of the economy it was ok to convert to capitalists as they continued their management of the economy. The apparatchiks virtually overnight became oligarchs, threw out Gorbachov, and brought in US capitalists as partners in exploitation and capitalist restoration. A decade of severe economic depression followed throughout the 1990s. The Soviet Union empire spun apart politically thereafter—first in east Europe, then the Baltics, then the Caucasus, then Belarus-Ukraine. And that was that.

The USA is in the very early stages of something similar. It has not yet lost control of its foreign resources and markets, as did ancient Rome. It has not yet bankrupted itself with wars, as did Britain in the 20th century. Its elites have not yet turned on the system itself, although the splits between the Trump forces and traditional US capitalists has been clearly intensifying. So too are divisions rapidly growing between its populace, at state and local levels. Wide sections of the populace no longer believe in the system, its traditional values and ideology, nor its fundamental institutions. That has all occurred rapidly in just a couple decades. That scenario clearly signals something similar to past imperial systems' decline is underway within the USA. However, the US political elites and dominant capitalists behind them still wield significant resources, economic and political.

Afghanistan does not represent the beginning of the end but rather, along with US domestic trends, the end of the phase of the shift to Neoliberal empire created in the late 1970s-early 1980s, in response to the economic crises and stagnation of the 1970s. The US is now at another juncture. Neoliberal economic policies no longer suffice to sustain the empire and US global hegemony. What comes next this decade is yet to be determined.

But whatever the current decade portends, it is clear that after 20 years of wasting nearly \$30 trillion on wars, tax cuts, and dealing with two great recessions and their economic aftermath, US elites realize they cannot pay for middle east wars and confront the costs of the new challenges to maintain the empire. The focus henceforth will be on the Great Technology War with China, cybersecurity conflicts with Russia, while attempting to up investment as well to deal with the other war the US is now clearly losing: Climate Change. These are the key strategic interests of the American Empire in this decade and beyond—not Afghanistan.

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