

# Entering Global Anarchy

By Immanuel Wallerstein

The Bush administration has the wind in its sails with the conquest of Iraq. It thinks it can do what it wants and will probably act on this belief for the foreseeable future. It is understandable that Pentagon hawks, who have long preached that militarism would pay off, now feel they have clear proof for their thesis. It is equally natural that opponents of American imperialism should feel demoralized by the apparent US success. I will argue that both assessments miss the mark and fail to grasp what is really happening in the geopolitical arena. In what follows I will construct my analysis around three periods: the postwar apogee of US hegemony, from 1945 to 1967–73; the late summer glow, stretching from 1967–73 until 2001; and the stage that stretches ahead of us, from 2001 until 2025 or 2050: one of anarchy which the US cannot control. I shall distinguish three axes within each period: the internal competitive struggles of the major loci of accumulation of the capitalist world-economy; the ‘North–South’ struggle; and the battle to determine the future world-system, between two groups that I shall metaphorically label the camps of Davos and of Porto Alegre.

During the period from 1945 until 1967–73, the United States was unquestionably the hegemonic power in the world-system, possessing a combination of economic, military, political and cultural advantage over any and all other states. At the end of the Second World War, it was the only industrial power to have escaped

wartime destruction and had significantly increased its productive capacities beyond their considerable pre-war levels. American firms could produce goods so much more efficiently than their competitors that they could, at first, penetrate the others' home markets. Indeed, the situation was so uneven that the US had to engage in the economic reconstruction of Western Europe and Japan in order to have a reasonable world customer base.

This overwhelming economic advantage was combined with a military edge. After 1945 American public opinion did, admittedly, insist on an immediate downsizing of the armed forces, to 'get the boys home'. But the US possessed the atomic bomb and an air force capable of dropping it anywhere. The only other military force of any serious consequence was the Soviet Union which, by 1949, also had nuclear weapons. The US had no option but to make a deal. Though the Yalta accords were only a small part of much wider arrangements, the bargain struck between the great powers has been known by that name ever since. It contained three central clauses: retention of the status quo in Europe along the lines where the US and Soviet troops stood in 1945; the economic cloistering of the two world zones; and the freedom to use mutually denunciatory rhetoric.

These three points were more or less respected up to 1980, and even, to a large extent, up to the collapse of the Soviet Union. The status quo was tested by the Berlin Blockade in 1949, but it was reaffirmed by the outcome of the crisis. Subsequently, the US rigorously abstained from assisting any uprisings in the Soviet zone, other than rhetorically. The USSR had no troops stationed in either Yugoslavia or Albania, the two breakaways from its bloc. However,

rather than becoming part of the US sphere, these states were allowed to remain 'neutral' by both sides in the Cold War. Whether the Yalta agreement was meant to apply to Korea was initially unclear. The result of the Korean War—an armed truce at the line of departure—placed the peninsula squarely inside its framework. Economic cloistering also persisted through the first decades of the postwar period, though it began to unravel after 1973. It was only the strident rhetoric of the so-called Cold War that gave the impression that a serious struggle was under way. Of course, many do still believe this was the case; but viewed from a distance, it could equally well be seen as a choreographed conflict in which nothing ever really happened.

Politically, the Yalta arrangements allowed both sides to line up a series of faithful allies. It has been customary to refer to those of the Soviet Union as satellite countries; but us clients—in Europe, the NATO countries; in East Asia, Japan, South Korea and Taiwan—were hardly less subservient. New York became the world centre of high art and mass culture became increasingly 'Americanized'. Finally, in terms of ideological domination, the concept of the 'free world' did at least as well as the notion of the 'socialist camp'.

Within the North, then, the US was able to impose its wishes both on its capitalist competitors and on its superpower rival with a 95 per cent success rate, 95 per cent of the time. This was surely hegemony. The only sand in the machinery was a certain resistance in the South to this American-defined world order. In theory, the US preached 'development' and the liberation of the South from colonial rule; the Soviet Union sang the same tune, in even shriller

tones. But in practice, neither was in any rush to further these objectives, and it was left to the peoples of the South to advance their own cause with varying degrees of political energy and militancy. There occurred some famous struggles and violent revolution—notably in China, Vietnam, Cuba and Algeria—quite outside the Yalta framework. The US did what it could to suppress such movements and had some significant successes—engineering the overthrow of Mossadegh in Iran, removing Arbenz in Guatemala in 1954, among a great many others. But the North also experienced a few very important failures—the Soviet Union in China; France in Algeria; the US in Cuba; and first France, then the US, in Vietnam. Both the West and the USSR were obliged to adjust to these ‘realities’—that is, to absorb the events into the ambit of their rhetoric and try to co-opt the new regimes, thereby limiting their impact on the geopolitical arena and the world- economy. The outcome of what might be called the world class struggle during this period seems to have been a draw. On the one hand, there was a sweep of antisystemic sentiment throughout the world, especially in the South, that had a self-fulfilling effect; triumphalism was the order of the day. On the other hand, this upsurge began to burn itself out as the North made just sufficient concessions to its demands.

### **Late Summer Glow**

The period of 1967–73 represents the moment at which the *trente glorieuses* came to an end, and the world-economy entered a long Kondratieff B-phase. Probably the biggest immediate cause of the downturn was the economic rise of Western Europe and Japan, which inevitably led to overproduction in the world’s former leading

industries. Politically and culturally, the revolutionary upsurge of 1968—actually 1966–70—represented a thorough-going challenge to the previous period. It was triggered by a combination of resistance to American hegemony and disillusionment with the traditional antisystemic movements. In the military arena, the Tet offensive of February 1968 sounded the death knell for us intervention in Vietnam. Though there were five more agonizing years of warfare before the final withdrawal in 1973, the fact remained that the US had actually lost a war against a small Third World nation. The combination of these three occurrences—the downturn in the world-economy, the upsurge of 1968 and us defeat in Vietnam—transformed the geopolitical scene, and marked the onset of the slow decline of American hegemony. The US would no longer be able to realize its objectives with that 95 per cent success rate, noted above—even in the North. But one does not lose hegemonic control overnight; there was a late summer glow.

The economics of this period are not that difficult to understand. A Kondratieff B-phase has certain standard characteristics :

- a decline in the profitability of productive enterprises—especially those that had previously been most profitable—and a consequent shift in focus by capitalists from the arena of production to that of speculative financial activity;
- a flight of industries whose profits are declining—because their monopolistic advantages have disappeared—from the core zones to semiperipheral ‘developing’ countries, where wages are lower even if transaction costs are higher;

· a significant rise in world unemployment levels, and therefore an effort by the major loci of accumulation to 'export' unemployment to each other, in large part to minimize political fallout.

All of these duly occurred. The spectacular events—though not the causes—of the downturn were the oil price rises of 1973 and 1979 and a series of devastating debt crises: that of the Third World and socialist bloc in the 1980s; of the US government and transnational corporations in the early 1990s; of US consumers in the late 1990s, along with the effects of the East Asian and other devaluations; and another round of excessive US government debt begun under the second Bush administration. As for the comparative well-being of the major loci of accumulation: Europe did best in the 1970s, Japan in the 1980s and the US in the (late) 1990s; all have been doing badly since 2000. In the rest of the world, the promise of 'development', so actively and optimistically pursued in the earlier period, was revealed as the mirage it had always been, at least for the great majority of states.

Politically, the US-centred order began to disintegrate. Western Europe and Japan were no longer prepared to be satellites, demanding instead to be partners. The US tried to appease them with new structures—the Trilateral Commission and the G-7 meetings—and deployed two main arguments to hold its allies in line: the Soviet Union remained a threat to their interests; and a united position against a rising South was essential to maintain their collective advantages. These lines of reasoning were only partially successful. The Soviet zone, meanwhile, was also beginning to fragment after the spectacular rise of Solidarnosc in Poland and Gorbachev's reforms. Its dissolution was accelerated by the collapse

of developmentalism, parallel to its failures in the Third World—revealing that the states of the Eastern bloc had always remained peripheral or semiperipheral components of the capitalist world-economy. In the South, the weakened position of both the US and the USSR did seem to leave some space for the partial resolution of a number of long-standing conflicts in Central America, southern Africa and Southeast Asia, but all the outcomes represented political compromises.

The revolutionary upsurge of 1968 and the collapse of developmentalism in the Kondratieff B-phase severely undermined the moral legitimacy of the Old Left, the classical antisystemic movements, which now seemed to most of their erstwhile supporters to offer little beyond a defensive electoralism. Their successors—in particular, the multiple Maoisms and the so-called New Left, the Greens, feminists and the many different identity-based movements—had short, brilliant impacts in various countries, but failed to acquire the dramatic centrality, either nationally or internationally, that the Old Left movements had achieved during the earlier postwar period.

In terms of the world class struggle, the weakening of the antisystemic movements—old and new—allowed establishment forces to launch a counteroffensive of considerable magnitude. This initially took the form of the neoliberal regimes in Britain and the US; the rise of the ‘Washington Consensus’, which buried the ideal of developmentalism and replaced it with ‘globalization’; and the vigorous expansion of the role and activities of the IMF, World Bank and newly formed World Trade Organization, all of which sought to curtail the ability of peripheral states to interfere with the

free flow of goods and, above all, of capital. This worldwide offensive had three main objectives: to push back the level of wages; to restore the externalization of production costs by ending serious constraints on ecological abuses; and to reduce tax levels by dismantling welfare state provisions. At first, this programme seemed to have been magnificently successful, and Thatcher's slogan, 'There Is No Alternative', appeared to carry the day. By the late 1990s, however, this offensive had reached its political limits.

The currency devaluations of the late 1990s in East and Southeast Asia and Brazil brought to power a series of leaders—Roh in South Korea, Putin in Russia, Megawati in Indonesia, Lula in Brazil—whose electoral platforms or performance in office have not always followed Washington's prescriptions. The collapse of Yugoslavia and the Soviet Union led to a long series of national conflicts, resulting in widespread 'ethnic cleansing', large zones of instability and little political credit for either the US or Western Europe. Debt and civil wars crippled a number of states in Africa. The cultural and ideological dominance of the Davos 'camp' met an unexpected challenge in Seattle in 1999, when rather traditional, centrist American trade unionists combined with New Left groups to force the WTO into a standstill from which it has not yet fully managed to extricate itself. The momentum thereafter fell to a loosely organized world coalition of movements, which have held a series of successful meetings in Porto Alegre and established themselves as a counter-pole to that of Davos. When George W. Bush thrust his way to the US presidency, the outlook was not at all good for the sole remaining superpower. One of the themes of his campaign had been an attack on Clinton's foreign policy, though this had operated on the same basic premises as every president since Nixon:



attempts to patch the leaking balloon of US hegemony by repeated negotiations with its presumed allies, as well as with Russia and China, combined with sporadic and limited use of force in the Third World. American foreign policy since the 1970s has always had two primary objectives: preventing the emergence of a politically independent European entity and maintaining the US military edge by restricting the spread of nuclear weapons in the South. As of 2000, the balance-sheet for these two strategic goals was at best mixed and the future very uncertain.

### **Strategizing Endless War**

It was at this point that Bush entered office. His administration was divided between those who wished to continue the foreign policy of the 1973–2001 period and those who argued vociferously that this had failed, and was the cause—not merely the result—of the relative decline of US hegemony. Those adopting the latter stance have three principal bases: the neo-cons, such as Wolfowitz and Perle; the Christian right; and the ‘classical’ militarists, Cheney, Rumsfeld and others, whose views were seconded by McCain even though he was personally not on terms with Bush. The motives, priorities and political strengths of these three groups are quite different, but they have formed a tight political bloc based on certain shared assumptions.

- US decline is a reality, caused by the unwise timidity of successive US governments; but it could be rapidly reversed by frank, open and speedy pre-emptive military actions in one zone after another;
- whatever the initial reluctance, even opposition, of the US establishment, domestic opinion and allies in Western Europe and

East Asia, successful demonstrations of America's armed might would make them fall into line;

· the way to handle recalcitrant regimes in the South is by intimidation and, if that fails, by conquest.

There was another reading of history on which the hawks agreed: they had never been able to get any US administration to adopt their reasoning and follow their prescriptions to the extent that they desired. They were a frustrated group, and when Bush came into office, they were not at all sure they had the President on their side. Rather, they feared that he would be a replica of his father or—though they were careful never to say so—of Reagan, who had committed the unforgivable sin of trying to strike a deal with Gorbachev. September 11 was an incredible bonanza for this contingent. It catapulted Bush into their camp, if only because being a war president waging an endless campaign against 'terrorism' seemed to guarantee his political future. It legitimated the use of military force against an ultra-weak opponent, the Taliban, in an operation that commanded about as much worldwide legitimacy as any such action could ever acquire. After this, the hawks felt they could go for broke—Iraq. They knew that this would be more difficult politically, but they also knew that it was now or never—not only for the conquest of Baghdad, but for their entire geopolitical programme.

They ran into far more difficulty than they had anticipated. First, veterans of the Bush Senior administration—probably with the connivance of their former employer—persuaded the president to adopt a 'multilateralist' approach. At this stage, the prophecies of the hawks seemed to materialize. France announced it would veto a

second UNSC resolution authorizing the use of force, and was able to get Germany and Russia to join it—leading in March 2003 to humiliation for the US which, despite exerting all the pressure it could muster, was unable to secure a simple majority in the Security Council, and had to withdraw its resolution. Meanwhile, on 15 February 2003, the forces of what I have called the Porto Alegre camp mobilized a global antiwar protest, unmatched in previous world history. Finally, even faithful Turkey failed the US, despite the enormous bribe it was offered. The invasion of Iraq, of course, went ahead and the Saddam Hussein regime collapsed. Rumsfeld and Powell are now issuing further threats to the Middle East, Northeast Asia and even Latin America. They are convinced their gambit has succeeded and that us hegemony has been restored. They talk openly, and without shame, of America's imperial role. But have they intimidated everyone else? I do not think so. Here we move into the uncertain immediate future, and in moments of systemic anarchy such as the present, almost anything can happen. Nevertheless, there seem to be certain tendencies:

- the present US government is committed to a unilateralist and rather aggressive foreign policy;
- European integration will proceed—no doubt with difficulty, but unceasingly—and Europe will distance itself further from the US;
- China, Korea and Japan will begin to move closer together—a project laden with many more complications than that of European integration, but of greater geopolitical consequence;
- nuclear proliferation in the South will continue and probably expand;

- assuming the imperial mantle will further erode US claims to moral legitimacy in the world-system;
- the camp of Porto Alegre will grow more solid and probably more militant;
- the camp of Davos may well be increasingly split between those who will seek to join, come to terms with or co-opt the Porto Alegre camp, and those determined to destroy it;
- the US may soon start regretting the whirlwind it has unleashed by its action in Iraq.

**We have entered an anarchic transition** — from the existing world-system to a different one.

As in any such period, no one controls the situation to any significant degree, least of all a declining hegemonic power like the US. Though the proponents of a US imperium may think they have the wind in their sails there are strong gales blowing from all directions and the real problem—for all our boats—will be to avoid capsizing. Whether the ultimate outcome will be a less or more **egalitarian** and **democratic** order is totally uncertain.

But the world that emerges will be a consequence of how we act, collectively and concretely, in the decades to come.