THE DECLINE OF AMERICAN POWER

The U.S. in a Chaotic World

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Chapter One

Decline of the U.S.:
The Eagle Has Crash Landed

The United States in decline? Few people today would believe this assertion. The only ones who do are the U.S. hawks, who argue vociferously for policies to reverse the decline. This belief that the end of U.S. hegemony has already begun does not follow from the vulnerability that became apparent to all on September 11, 2001. In fact, the United States has been fading as a global power since the 1970s, and the U.S. response to the terrorist attacks has merely accelerated this decline. To understand why the so-called Pax Americana is on the wane requires examining the geopolitics of the twentieth century, particularly of the century’s final three decades. This exercise uncovers a simple and inescapable conclusion: The economic, political, and military factors that contributed to U.S. hegemony are the same factors that will inexorably produce the coming U.S. decline.

The rise of the United States to global hegemony was a long process that began in earnest with the world recession of 1873. At that time, the United States and Germany began to acquire an increasing share of global markets, mainly at the expense of the
steadily receding British economy. Both nations had recently acquired a stable political base—the United States by successfully terminating the Civil War and Germany by achieving unification and defeating France in the Franco-Prussian War. From 1873 to 1914, the United States and Germany became the principal producers in certain leading sectors: steel and later automobiles for the United States and industrial chemicals for Germany.

The history books record that World War I broke out in 1914 and ended in 1918 and that World War II lasted from 1939 to 1945. However, it makes more sense to consider the two as a single, continuous “thirty years’ war” between the United States and Germany, with truces and local conflicts scattered in between. The competition for hegemonic succession took an ideological turn in 1933, when the Nazis came to power in Germany and began their quest to transcend the global system altogether, seeking not hegemony within the current system but rather a form of global empire. Recall the Nazi slogan “ein tausendjähriges Reich” (a thousand-year empire). In turn, the United States assumed the role of advocate of centrist world liberalism—recall former U.S. President Franklin D. Roosevelt’s “four freedoms” (freedom of speech, of worship, from want, and from fear)—and entered into a strategic alliance with the Soviet Union, making possible the defeat of Germany and its allies.

World War II resulted in enormous destruction of infrastructure and populations throughout Eurasia, from the Atlantic to the Pacific oceans, with almost no country left unscathed. The only major industrial power in the world to emerge intact—and even greatly strengthened, from an economic perspective—was the United States, which moved swiftly to consolidate its position.

But the aspiring hegemon faced some practical political obstacles. During the war, the Allied powers had agreed on the es-
The establishment of the United Nations, composed primarily of countries that had been in the coalition against the Axis powers. The organization’s critical feature was the Security Council, the only structure that could authorize the use of force. The U.N. Charter gave the right of veto on the Security Council to five powers, including the United States and the Soviet Union, and this rendered the council largely toothless in practice. So it was not the founding of the United Nations in April 1945 that determined the geopolitical constraints of the second half of the twentieth century but rather the Yalta meeting between Roosevelt, Great Britain’s Prime Minister Winston Churchill, and the Soviet leader, Joseph Stalin, two months earlier.

The formal accords at Yalta were less important than the informal, unspoken agreements, which one can only assess by observing the behavior of the United States and the Soviet Union in the years that followed. When the war ended in Europe on May 8, 1945, Soviet and Western (that is, U.S., British, and French) troops were located in particular places—essentially, along a north–south line in the center of Europe, the Elbe river, Germany’s historic dividing line. Aside from a few minor adjustments, they stayed there. In hindsight, Yalta signified the agreement of both sides that they could stay there and that neither side would use force to push the other out. This tacit accord applied to Asia as well, as evinced by U.S. occupation of Japan and the division of Korea. Politically, therefore, Yalta was an agreement on the status quo in which the Soviet Union controlled about one-third of the world and the United States the rest.

Washington also faced more serious military challenges. The Soviet Union had the world’s largest land forces, while the U.S. government was under domestic pressure to downsize its army, particularly by ending the draft. The United States therefore decided to assert its military strength not via land forces but through a monopoly of nuclear weapons (plus an air force capa-
ble of deploying them). This monopoly soon disappeared: by 1949 the Soviet Union had developed nuclear weapons as well. Ever since, the United States has been reduced to trying to prevent the acquisition of nuclear weapons (and chemical and biological weapons) by additional powers, an effort that, by the twenty-first century, does not seem to have been terribly successful.

Until 1991, the United States and the Soviet Union coexisted in the “balance of terror” of the Cold War. This status quo was tested seriously only three times: the Berlin blockade of 1948–49, the Korean War, from 1950 to 1953, and the Cuban missile crisis of 1962. The result in each case was restoration of the status quo. Moreover, note how each time the Soviet Union faced a political crisis among its satellite regimes—East Germany in 1953, Hungary in 1956, Czechoslovakia in 1968, and Poland in 1981—the United States engaged in little more than propaganda exercises, allowing the Soviet Union to proceed largely as it deemed fit.

Of course, this passivity did not extend to the economic arena. The United States capitalized on the Cold War ambiance to launch massive economic reconstruction efforts, first in western Europe and then in Japan, as well as in South Korea and Taiwan. The rationale was obvious: What was the point of having such overwhelming productive superiority if the rest of the world could not muster effective demand? Furthermore, economic reconstruction helped create clientelistic obligations on the part of the nations receiving U.S. aid; this sense of obligation fostered willingness to enter into military alliances and, even more important, into political subservience.

Finally, one should not underestimate the ideological and cultural component of U.S. hegemony. The immediate post-1945 period may have been the historical high point for the popularity of Communist ideology. We easily forget today the large votes for Communist parties in free elections in countries such as Bel-
gium, France, Italy, Czechoslovakia, and Finland, not to mention the support Communist parties gathered in Asia—in Vietnam, India, and Japan—and throughout Latin America. And that still leaves out areas such as China, Greece, and Iran, where free elections remained absent or constrained but where Communist parties enjoyed widespread appeal. In response, the United States sustained a massive anti-Communist ideological offensive. In retrospect, this initiative appears largely successful: Washington brandished its role as the leader of the “free world” at least as effectively as the Soviet Union brandished its position as the leader of the “progressive” and “anti-imperialist” camp.

The United States’ success as a hegemonic power in the post-war period created the conditions of the nation’s hegemonic demise. This process is captured in four symbols: the war in Vietnam, the revolutions of 1968, the fall of the Berlin Wall in 1989, and the terrorist attacks of September 2001. Each symbol built upon the prior one, culminating in the situation in which the United States currently finds itself—a lone superpower that lacks true power, a world leader nobody follows and few respect, and a nation drifting dangerously amidst a global chaos it cannot control.

What was the Vietnam War? First and foremost, it was the effort of the Vietnamese people to end colonial rule and establish their own state. The Vietnamese fought the French, the Japanese, and the Americans, and in the end the Vietnamese won—quite an achievement, actually. Geopolitically, however, the war represented a rejection of the Yalta status quo by populations then labeled Third World. Vietnam became such a powerful symbol because Washington was foolish enough to invest its full military might in the struggle, but the United States still lost. True, the United States didn’t deploy nuclear weapons (a decision certain myopic groups on the right have long reproached), but such use would have shattered the Yalta accords and might
have produced a nuclear holocaust—an outcome the United States simply could not risk.

But Vietnam was not merely a military defeat or a blight on U.S. prestige. The war dealt a major blow to the United States’ ability to remain the world’s dominant economic power. The conflict was extremely expensive and more or less used up the U.S. gold reserves that had been so plentiful since 1945. Moreover, the United States incurred these costs just as western Europe and Japan experienced major economic upswings. These conditions ended U.S. preeminence in the global economy. Since the late 1960s, members of this triad have been nearly economic equals, each doing better than the others for certain periods but none moving far ahead. When the revolutions of 1968 broke out around the world, support for the Vietnamese became a major rhetorical component. "One, two, many Vietnams" and "Ho, Ho, Ho Chi Minh" were chanted in many a street, not least in the United States. But the 1968ers did not merely condemn U.S. hegemony. They condemned Soviet collusion with the United States, they condemned Yalta, and they used or adapted the language of the Chinese cultural revolutionaries, who divided the world into two camps—the two superpowers and the rest of the world.

The denunciation of Soviet collusion led logically to the denunciation of those national forces closely allied with the Soviet Union, which meant in most cases the traditional Communist parties. But the 1968 revolutionaries also lashed out against other components of the Old Left—national liberation movements in the Third World, social democratic movements in western Europe, and New Deal Democrats in the United States—accusing them, too, of collusion with what the revolutionaries generically termed “U.S. imperialism.”

The attack on Soviet collusion with Washington plus the attack on the Old Left further weakened the legitimacy of the
Yalta arrangements on which the United States had fashioned the world order. It also undermined the position of centrist liberalism as the lone, legitimate global ideology. The direct political consequences of the world revolutions of 1968 were minimal, but the geopolitical and intellectual repercussions were enormous and irrevocable. Centrist liberalism tumbled from the throne that it had occupied since the European revolutions of 1848 and that had enabled it to co-opt conservatives and radicals alike. These ideologies returned and once again represented a real gamut of choices. Conservatives would again become conservatives, and radicals, radicals. The centrist liberals did not disappear, but they were cut down to size. And in the process, the official U.S. ideological position—antifascist, anticommunist, anticolonialist—came to seem thin and unconvincing to a growing portion of the world’s populations.

The onset of international economic stagnation in the 1970s had two important consequences for U.S. power. First, stagnation resulted in the collapse of “developmentalism”—the notion that every nation could catch up economically if the state took appropriate action—which was the principal ideological claim of the Old Left movements then in power. One after another, these regimes faced internal disorder, declining standards of living, increasing debt dependency on international financial institutions, and eroding credibility. What had seemed in the 1960s to be the successful navigation of Third World decolonization by the United States—minimizing disruption and maximizing the smooth transfer of power to regimes that were developmentalist but scarcely revolutionary—gave way to disintegrating order, simmering discontents, and unchanneled radical temperaments. When the United States tried to intervene, it failed. In 1983, U.S. President Ronald Reagan sent troops to Lebanon to restore order. The troops were in effect forced out. He compensated by invading Grenada, a country without troops. President George
H.W. Bush invaded Panama, another country without troops. But after he intervened in Somalia to restore order, the United States was in effect forced out, somewhat ignominiously. Since there was little the U.S. government could actually do to reverse the trend of declining hegemony, it chose simply to ignore this trend—a policy that prevailed from the withdrawal from Vietnam until September 11, 2001.

Meanwhile, true conservatives began to assume control of key states and interstate institutions. The neoliberal offensive of the 1980s was marked by the Thatcher and Reagan regimes and the emergence of the International Monetary Fund (IMF) as a key actor on the world scene. Where once (for more than a century) conservative forces had attempted to portray themselves as wiser liberals, now centrist liberals were compelled to argue that they were more effective conservatives. The conservative programs were clear. Domestically, conservatives tried to enact policies that would reduce the cost of labor, minimize environmental constraints on producers, and cut back on state welfare benefits. Actual successes were modest, so conservatives then moved vigorously into the international arena. The gatherings of the World Economic Forum in Davos provided a meeting ground for elites and the media. The IMF provided a club for finance ministers and central bankers. And the United States pushed for the creation of the World Trade Organization to enforce free commercial flows across the world’s frontiers.

While the United States wasn’t watching, the Soviet Union was collapsing. Yes, Ronald Reagan had dubbed the Soviet Union an “evil empire” and had used the rhetorical bombast of calling for the destruction of the Berlin Wall, but the United States didn’t really mean it and certainly was not responsible for the Soviet Union’s downfall. In truth, the Soviet Union and its Eastern European imperial zone collapsed because of popular disillusionment with the Old Left in combination with Soviet
leader Mikhail Gorbachev’s efforts to save his regime by liquidi-

dating Yalta and instituting internal liberalization (perestroika 

plus glasnost). Gorbachev succeeded in liquidating Yalta but not 
in saving the Soviet Union (although he almost did, be it said).

The United States was stunned and puzzled by the sudden 
collapse, uncertain how to handle the consequences. The col-
lapse of Communism in effect signified the collapse of liberalism 
by removing the only ideological justification behind U.S. hege-
mony, a justification tacitly supported by liberalism’s ostensible 
ideological opponent. This loss of legitimacy led directly to the 
Iraqi invasion of Kuwait, which Iraqi leader Saddam Hussein 
would never have dared had the Yalta arrangements remained 
in place. In retrospect, U.S. efforts in the Gulf War accomplished 
a truce at basically the same line of departure. But can a hege-
monic power be satisfied with a tie in a war with a middling re-
gional power? Saddam demonstrated that one could pick a fight 
with the United States and get away with it. Even more than the 
defeat in Vietnam, Saddam’s brash challenge has eaten at the in-
nards of the U.S. right, in particular those known as the hawks, 
which explains the fervor of their current desire to invade Iraq 
and destroy its regime.

Between the Gulf War and September 11, 2001, the two 
major arenas of world conflict were the Balkans and the Middle 
East. The United States has played a major diplomatic role in 
both regions. Looking back, how different would the results 
have been had the United States assumed a completely isolationist position? In the Balkans, an economically successful multinationa state, Yugoslavia, broke down, essentially into its component parts. Over ten years, most of the resulting states have engaged in a process of ethnification, experiencing fairly brutal violence, widespread human rights violations, and outright wars. Outside intervention—in which the United States figured most prominently—brought about a truce and ended
the most egregious violence, but this intervention in no way reversed the ethnification, which is now consolidated and somewhat legitimated. Would these conflicts have ended differently without U.S. involvement? The violence might have continued longer, but the basic results would probably not have been too different. The picture is even grimmer in the Middle East, where, if anything, U.S. engagement has been deeper and its failures more spectacular. In the Balkans and the Middle East alike, the United States has failed to exert its hegemonic clout effectively, not for want of will or effort but for want of real power.

Then came September 11—the shock and the reaction. Under fire from U.S. legislators, the Central Intelligence Agency (CIA) now claims it had warned the Bush administration of possible threats. But despite the CIA’s focus on Al Qaeda and the agency’s intelligence expertise, it could not foresee (and therefore prevent) the execution of the terrorist strikes. Or so CIA Director George Tenet argued. This testimony can hardly comfort the U.S. government or the American people. Whatever else historians may decide, the attacks of September 11, 2001, posed a major challenge to U.S. power. The persons responsible did not represent a major military power. They were members of a nonstate force, with a high degree of determination, some money, a band of dedicated followers, and a strong base in one weak state. In short, militarily, they were nothing. Yet they succeeded in a bold attack on U.S. soil.

George W. Bush came to power very critical of the Clinton administration’s handling of world affairs. Bush and his advisers did not admit—but were undoubtedly aware—that Clinton’s path had been the path of every U.S. president since Gerald Ford, including that of Ronald Reagan and George H.W. Bush. It had even been the path of the current Bush administration before September 11. One only needs to look at how Bush handled
the downing of a U.S. plane off China in April 2001 to see that prudence had been the name of the game.

Following the terrorist attacks, Bush changed course, declaring war on terrorism, assuring the American people that “the outcome is certain,” and informing the world that “you are either with us or against us.” Long frustrated by even the most conservative U.S. administrations, the hawks finally came to dominate American policy. Their position is clear: The United States wields overwhelming military power, and even though countless foreign leaders consider it unwise for Washington to flex its military muscles, these same leaders cannot and will not do anything if the United States simply imposes its will on the rest. The hawks believe the United States should act as an imperial power for two reasons: First, the United States can get away with it. And second, if Washington doesn’t exert its force, the United States will become increasingly marginalized.

Today, this hawkish position has three expressions: the military assault in Afghanistan, the de facto support for the Israeli attempt to liquidate the Palestinian Authority, and the invasion of Iraq. One year after the September 2001 terrorist attacks, it is perhaps too early to assess what such strategies will accomplish. Thus far, these schemes have led to the overthrow of the Taliban in Afghanistan (without the complete dismantling of Al Qaeda or the capture of its top leadership); enormous destruction in Palestine (without rendering Palestinian leader Yasir Arafat “irrelevant,” as Israeli Prime Minister Ariel Sharon said he is); and heavy opposition from U.S. allies in Europe and the Middle East to plans for an invasion of Iraq.

The hawks’ reading of recent events emphasizes that opposition to U.S. actions, while serious, has remained largely verbal. Neither Western Europe nor Russia nor China nor Saudi Arabia has seemed ready to break ties in serious ways with the United
States. In other words, hawks believe, Washington has indeed gotten away with it. The hawks assume a similar outcome will occur when the U.S. military actually invades Iraq and after that, when the United States exercises its authority elsewhere in the world, be it in Iran, North Korea, Colombia, or perhaps Indonesia. Ironically, the hawk reading has largely become the reading of the international left, which has been screaming about U.S. policies—mainly because they fear that the chances of U.S. success are high.

But hawk interpretations are wrong and will only contribute to the United States’ decline, transforming a gradual descent into a much more rapid and turbulent fall. Specifically, hawk approaches will fail for military, economic, and ideological reasons.

Undoubtedly, the military remains the United States’ strongest card; in fact, it is the only card. Today, the United States wields the most formidable military apparatus in the world. And if claims of new, unmatched military technologies are to be believed, the U.S. military edge over the rest of the world is considerably greater today than it was just a decade ago. But does that mean, then, that the United States can invade Iraq, conquer it rapidly, and install a friendly and stable regime? Unlikely. Bear in mind that of the three serious wars the U.S. military has fought since 1945 (Korea, Vietnam, and the Gulf War), one ended in defeat and two in draws—not exactly a glorious record.

Saddam Hussein’s army is not that of the Taliban, and his internal military control is far more coherent. A U.S. invasion would necessarily involve a serious land force, one that would have to fight its way to Baghdad and would likely suffer significant casualties. Such a force would also need staging grounds, and Saudi Arabia has made clear that it does not wish to serve in this capacity. Would Kuwait or Turkey help out? Perhaps, if Washington calls in all its chips. Meanwhile, Saddam can be expected to deploy all weapons at his disposal, and it is precisely the
U.S. government that keeps fretting over how nasty those weapons might be. The United States may twist the arms of regimes in the region, but popular sentiment there clearly views the whole affair as reflecting a deep anti-Arab bias in the United States. Can such a conflict be won? The British general staff has apparently already informed Prime Minister Tony Blair that it does not believe so.

And there is always the matter of “second fronts.” Following the Gulf War, U.S. armed forces sought to prepare for the possibility of fighting two simultaneous regional wars. After a while, the Pentagon quietly abandoned the idea as impractical and costly. But who can be sure that no potential U.S. enemies would strike when the United States appears to be bogged down in Iraq? Consider, too, the question of U.S. popular tolerance of nonvictories. Americans hover between a patriotic fervor that lends support to all wartime presidents and a deep isolationist urge. Since 1945, patriotism has hit a wall whenever the death toll has risen. Why should today’s reaction differ? And even if the hawks (who are almost all civilians) feel impervious to public opinion, U.S. Army generals, burned by Vietnam, do not.

And what about the economic front? In the 1980s, countless American analysts became hysterical over the Japanese economic miracle. They calmed down in the 1990s, given Japan’s well-publicized financial difficulties. Yet after overstating how quickly Japan was moving forward in the 1980s, U.S. authorities now seem to be complacent, confident that Japan lags far behind. These days, Washington seems more inclined to lecture Japanese policymakers about what they are doing wrong.

Such triumphalism hardly appears warranted. Consider the following April 20, 2002, New York Times report: “A Japanese laboratory has built the world’s fastest computer, a machine so powerful that it matches the raw processing power of the 20 fastest American computers combined and far outstrips the pre-
vious leader, an I.B.M.-built machine. The achievement . . . is
evidence that a technology race that most American engineers
thought they were winning handily is far from over.” The analy-
sis goes on to note that there are “contrasting scientific and tech-
nological priorities” in the two countries. The Japanese machine
is built to analyze climatic change, but U.S. machines are de-
signed to simulate weapons. This contrast embodies the oldest
story in the history of hegemonic powers. The dominant power
concentrates (to its detriment) on the military; the candidate for
successor concentrates on the economy. The latter has always
paid off, handsomely. It did for the United States. Why should it
not pay off for Japan as well, perhaps in alliance with China?

Finally, there is the ideological sphere. Right now, the U.S.
economy seems relatively weak, even more so considering the
exorbitant military expenses associated with hawk strategies.
Moreover, Washington remains politically isolated; virtually no
one (save Israel) thinks the hawk position makes sense or is
worth encouraging. Other nations are afraid or unwilling to
stand up to Washington directly, but even their foot dragging is
hurting the United States. Yet the U.S. response amounts to little
more than arrogant arm twisting. Arrogance has its own nega-
tives. Calling in chips means leaving fewer chips for next time,
and surly acquiescence breeds increasing resentment. Over the
two hundred years, the United States acquired a considerable
amount of ideological credit. But these days, the United States is
running through this credit even faster than it ran through its
gold surplus in the 1960s.

The United States faces two possibilities during the next ten
years: it can follow the hawks’ path, with negative consequences
for all, but especially for itself, or it can realize that the negatives
are too great. Simon Tisdall of The Guardian recently argued
that even disregarding international public opinion, “The U.S. is
not able to fight a successful Iraqi war by itself without incurring
immense damage, not least in terms of its economic interests and its energy supply. Mr. Bush is reduced to talking tough and looking ineffectual.” And if the United States still invades Iraq and is then forced to withdraw, it will look even more ineffectual.

President Bush’s options appear extremely limited, and there is little doubt that the United States will continue to decline as a decisive force in world affairs over the next decade. The real question is not whether U.S. hegemony is waning but whether the United States can devise a way to descend gracefully, with minimum damage to the world, and to itself.