



Prospects of Decline and Hegemonic Shifts for the West

Andrea Komlosy

University of Vienna

andrea.komlosy@univie.ac.at

Abstract

*The decline of the “West” and the loss of U.S. global hegemony is accompanied by a three-sided debate. Some scholars have argued that emerging powers in the Global South will succeed the United States and assume a hegemonic role in the world-economy. They argue that China or an alliance of semi-peripheral states in the South will dominate capitalist or post-capitalist cycles of accumulation in the future. Other scholars rather think that China and other emerging states will find it difficult to catch up and assume a hegemonic role. This paper discusses the consequences of decline for the West and describes three possible western responses to its global economic and hegemonic decline: **Resisting Decline**—The West will seek to maintain its claim to lead by mobilizing defensive and aggressive military forces, searching for new alliances and partnerships, undermining old and new competitors; **Suffering (Semi-) Peripheralization**—The West will surrender control of global commodity chains, which will move to the new cores, a development that will contribute to social polarization and the precarization of labour-relations in the old core; **Accepting Re-regionalization/Provincialization**—The West will accept the loss of hegemony and become just another “province” of the world.*

Keywords: hegemonic competition; anti-systemic movements and alliances, South-South cooperation



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The decline of the “West” and the loss of U.S. global hegemony is the subject of a controversial debate. Some scholars argue that emerging powers in the Global South will succeed the United States and assume a hegemonic role in the world-economy. They argue that China or an alliance of semi-peripheral states—Brazil, Russia, India, China and South Africa (the BRICS)—will dominate capitalist or post-capitalist cycles of accumulation in the future (Arrighi; Frank 1998). Other scholars are skeptical and argue that the ability of China and other emerging states to catch up and assume this role is limited (Krasilshchikov 2014; Nye 2015).

This paper examines the consequences of U.S. and western decline for the West¹ and describes possible western responses to decline. Structurally, the West has responded in three different ways: resisting decline; suffering (semi-) peripheralization; and accepting a future as just another “province of the world.”

Symptoms of Decline

Hegemony is based on a state’s capacity to secure economic, military, political and cultural leadership and obtain the consent and cooperation of domestic opponents, international allies, and economic competitors. In practice, hegemonic decline rarely results in the loss of all these fields of power, at least not at the same time. The decline of industrial manufacturing in the core, which began during the 1970s, was compensated, for a time, by a rise in the control of global commodity chains and global finance.

During previous cycles of hegemony, a single state obtained a lead in all fields of power for only a brief period, at the peak of the cycle, while during the periods before and after the peak, other aspiring states competed for leadership in some fields. When hegemony declined, they typically tried to renew the foundations of their leadership by mobilizing partners, containing opposition groups, and fighting off rival powers.

The period 1945-1973, which coincided with the Kondratiev A wave post-war reconstruction cycle, can be regarded as the period of mature U.S. hegemony, although the Soviet Union used its military capacity to limit U.S. hegemony and integrate Soviet satellites and allies outside the U.S. sphere in an economic semi-periphery. After 1973, U.S. hegemony drew to a close. Decline first occurred on economic grounds, due to the end of the reconstruction cycle. In the subsequent period, industrial manufacturing shifted from the United States and Western Europe towards the “Newly Industrializing Countries” (NICs). A technological revolution and the decline of the welfare state in the old core states aimed at compensating falling profits. With the end of the Bretton Woods system, the U.S. Dollar lost its function as a global currency anchor. This

¹ The “West“ is a vague term for those states that combine capitalist market economy, liberal democracy, and a high level of socio-economic development, claiming universal significance of their model. Here, the term is focussing North America, in particular the United States, and Western Europe.

triggered a debate about the decline of U.S. hegemony. The collapse of the Soviet Union and the neoliberal transformation of the global economic order opened a new cycle of economic growth and contributed to scepticism about U.S. decline, but the onset of the Great Recession in 2008 renewed the debate about U.S. decline.

The debate has taken different forms. In the United States, Niall Ferguson (2013), Francis Fukuyama (2014) and others have argued that deep political cleavages in the United States and the inability of U.S. leaders to find a compromise between the Republican Right and the Democratic Left has contributed to decline. Joseph Stiglitz (2015) has argued that Ferguson and Fukuyama neglect the importance of social and racial cleavages, which have prevented an effective political compromise. Fukuyama thinks an “external shock” might help to re-forge national unity. Other scholars have blamed decline on the loss of U.S. manufacturing capacities, which deprived industry of its central role in the economy (Srkabec 2014).

The outsourcing of western manufacturing to cheaper production sites in the Global South contributed to the rise of “Newly Industrializing Countries.” Although outsourcing was designed to overcome the profit squeeze of the 1970s, it contributed to the decline of old industrial core regions, which were characterized by structural unemployment, population loss, and social despair. It undermined the (relative) social peace between capital and labor and led to the decline of the Fordist welfare state. The decline of industry in the West led to deep social and regional disparities and discouraged citizens from believing in the political system of liberal democracy.

Although states in Western Europe belonged to the core, they did not occupy a hegemonic position in it. For a time, some officials in Western Europe hoped that the decline of the United States might contribute to the rise of Western Europe, which might then share hegemony with the United States or eventually replace it with an expanded Western Europe. But close economic, military, and political ties did not allow Western Europe to break from U.S. supremacy or assert any real autonomous power

On a geopolitical level, the debate about U.S. decline is linked to a debate about the rise of China (Griffiths and Luciani 2011). Although scholars agree that China is catching up economically, some are skeptical about China's ability to challenge U.S. advantages in ownership, logistics, R&D, innovation and the mobilization of its soft power. Analysts like Martin Jacques (2012) and Niall Ferguson argue that China's economic rise will enable it to assume hegemonic functions in other fields. But scholars like Joseph Nye or Fareed Zacharia question China's ability to rise. They are convinced that China's hegemonic rise will either be undermined by its internal deficiencies or by the ability of U.S. leaders to turn China in a direction that does not undermine U.S. power. Joseph Nye (2015) posed the question: “Is the American Century over?” He argued that it was not: “The 21st Century will not be a “Post-American” World.” In his view, Americans should not be afraid of decline in economic, military, diplomatic or soft power terms. Chalmers

Johnson, who for years had advocated a strong U.S. position in the Pacific region, changed his views after the Cold War (Johnson 2000, 2004, 2007, 2010). In the “Blowback Trilogy,” Johnson criticized efforts to use military forces to enhance U.S. hegemony because they inevitably led to various forms of resistance or “blowbacks” that created a new form of global empire and promoted a shift from democracy to dictatorship. His argument supported critical voices on the political left, such as Bello (2005), Galtung (2014), and Harvey (2014).

While China has been regarded the most likely successor to U.S. hegemony, Russia and India are often neglected. Russia, India, and other Global South states are primarily examined in relation to the rise of China, to consider whether they might help China take a leading role in a multi-polar world. Since Russia’s national consolidation under President Putin, U.S. officials view Russia as a reemerging threat, reviving most of the enemy criteria, used during the Cold War. New evocations of Eurasian Heartland control, as defined by Halford Mackinder at the beginning of the 20th century, gain momentum in US security considerations (Mc Coy 2015), linking the containment of China with that of the post-Soviet world. From a European perspective, Russia can neither be reduced to an enemy nor to an Asian power. West and Central Europe share a long and common history, not only with the Russian Federation but also with the Eastern European states that rely equally on good relations with Russia and with Western European neighbors. Turning them from Soviet satellites into Western allies in containing Russia would eventually strengthen the restoration of US global hegemony, but at the expense of European stability.

Because hegemony is based on economic, military, political and cultural cooperation with core allies, as U.S. hegemony declines, other core states will face serious losses, as economic and political power shifts to states or alliances in the Global South. Conversely, hegemonic decline is restricted to the leading hegemon: the United States. Although non-hegemonic core states are concerned by the loss of U.S. hegemony, some might welcome it because it might give them more room to pursue their economic and political interests.

From a world-system perspective, hegemonic decline refers first to hegemonic shifts from one great power to another, while guaranteeing the political and military framework for the cross-border accumulation of capital. Second, it also refers to the rise and demise of the world-system as a system. The transfer of hegemonic power from the Netherlands to Great Britain and then to the United States took place within the system as a whole. By contrast, the transfer of power from the United States to a successor or a group of successors might change the character of the world-system as a system. Scholars now debate whether the current economic crisis and the decline of U.S. hegemonic power marked the end of the capitalist system’s capacity to overcome simultaneous economic and hegemonic crises. World-system scholars offer three possible answers about how the current double crisis (of the world-economy and of U.S. hegemony) will affect the world-system as a whole. Frank (1998) argues that crises will lead to continuity. Wallerstein

(2013) and Arrighi (2007) argued that it will result in a post-capitalist transformation. And Babones (2016) argues that it will result in the transformation of the world-system into an American world-empire.

To sum up, the decline of the West is a result of changing social and economic relations on a global scale, linked to the restructuring of global commodity chains, the rise of supranational institutions, and the end of welfare and social compromise—both as a reality and as a promise. The measures taken to restore capital accumulation in times of crisis have changed the foundations on which power relations were built. Governance moved to a transnational class that put pressure on national governments and overruled national bourgeois interests. Transnational institutions, which imposed their constitutions and agreements as guidelines for international conduct, replaced decision-making institutions at state and inter-state levels. In the West, the welfare state was dismantled by privatization and commodification, labor regulation replaced by flexibility. The Western welfare state can no longer serve as a goal that fuels the claims of labor activities in global peripheries. Conversely, precarity, heterogeneity and informality, which were typical for peripheral capitalism, became guidelines for the transformation of the former cores. Neoliberal efforts to restore economic growth contributed to social and political erosion.

The United States and the European Union have both experienced social and economic decline. The decline of U.S. political leadership has increased Western European efforts to assert their autonomy, with EU consolidation and enlargement serving as vehicles designed to promote the rise of the European Union. On a military level, U.S. hegemony remains unchallenged. Not even the Western European sea and atomic powers want to leave the NATO alliance, which casts a shadow over the process of EU Eastern Enlargement, as each EU accession is preceded by NATO membership.

While U.S. military power seems unchallenged, Western soft power, another pillar of joint western hegemony, is damaged by the loss of a social promise and by double standards, disappointing potential allies.

Prospects for the West: Three Alternative Options

When figuring out alternative scenarios, one must keep in mind that we speak of ongoing processes that depend on social, political and economic framing; they also represent different political projects responding to challenges of decline with regard to all dimensions of hegemonic power. And they take place simultaneously; they are subject to political competition, eventually provoking severe conflict, which in the case of accelerated crisis may develop into wars and civil wars. They can be observed in all Western states, although geopolitical position, size and distance to specific theatres and relevance of specific issues matter and explain diverging interests and different manifestations in individual states.

Resisting Decline

The most obvious way to avoid decline is to resist it and try to maintain a dominant core or hegemonic position. Resistance can depart from the acknowledging decline; it also can depart from denying decline, denial hence serving as a form of resistance. It is important to differentiate between economic and social resistance, and military resistance. On the economic and social side, the following reactions have been observed. During the global economic crisis of the 1970s, the New International Division of Labor upset the old relation between industrial cores and raw-material-producing peripheries. Some of the steps taken to counter the loss of global economic leadership turned out to accelerate decline rather than to slow it.

Monopolizing the market and concentrating production among a small number of big lead-firms was characteristic for almost every sector. The global companies in heavy industry, transport, energy systems and arms were located in the United States, United Kingdom, Germany, and France. They built up global production systems all over the world, which inadvertently helped emerging nations benefit from the shift in manufacturing to the Global South.

At first, outsourcing to low-wage countries was initiated by firms whose operations and industries had passed from high to low profitability during the course of the product-cycle. By selling off non-core businesses, they could concentrate investment on new lead-sectors, which allowed them to control the new product-cycle. Low-skill manufacturing jobs in the core were to be replaced by research and skilled labor, by “post-industrial” or knowledge-based jobs.

In the 1970s and 1980s, information technologies revolutionized manufacturing and communication industries in the core. Firms that failed to introduce new technological and organizational arrangements went bankrupt or were subordinated to the market-leading firms. In the 1990s, a new upswing took off, which built on the neoliberal reforms of the previous period and opened a new round of start-ups in computer applications referred to as the “New Economy.” New lead sectors were linked to genetic engineering in biotechnology, food-production, and medicine. At the beginning, product and process innovations seemed valid ways to overcome the challenge of losing manufacturing industries to the advancing semi-peripheries. Joachim Rennstich (2001) argued that the United States had been able to maintain its leading position despite a brief period of hegemonic decline. But the onset of the Great Recession demonstrated that the “New Economy” was a vulnerable and ephemeral development, which benefited only a small group of young enthusiastic entrepreneurs, but did little to create employment in considerable numbers.

Whether profits declined because of overproduction in the 1970s, because of a cyclical profit squeeze, because of multiplying inter-core competition, or because of semi-peripheral industrialization, monopolization was seen as a way to boost profits and acquire privileged access to markets. International treaties and trade agreements and trade zones supported this protectionist

aim. Efforts to consolidate the European Economic Community (EEC) and strengthen the European Union were designed to strengthen Western Europe vis-à-vis the United States. Transatlantic partnerships between United States, Canada, and the European Union, currently under negotiation, seek to overcome the protective elements of trade agreements. Transferring protectionism to a new, wider scale is a reaction by core states to the new challenges presented by states in the Global South. Although core states have adopted monopolization as a reaction to slipping profits, monopolization has provoked and encouraged anti-western cooperation among states in the South.

In a time of shifting power-relations, old cores have profited from their control of financial institutions that were built up in times of previous dominance. By disposing of a national currency that served as a global currency, the United States was able to attract foreign capital and create financial and monetary advantages beyond its actual productive capacities. The creation of western-dominated global institutions was a way to maintain global governance. When the General Agreement on Tariffs and Trade (GATT) gave way to the World Trade Organization (WTO) in 1994, the new institution established “freedom of competition” as the guiding principle for international trade. Although changing coalitions of developing countries have challenged it ever since, compliance with WTO rules has become the decisive criteria for emerging countries to take part in international trade. The United Nations Conference on Trade and Development (UNCTAD), which was established in 1964 to compensate the imbalances between industrial and developing nations, was silenced. The WTO accelerated the transfer of state-based decision making to chartered, technocratic governance, which allowed the imposition of supra-national financial interests over national parliaments.

In many cases, the idea of outsourcing low-tech operations from the industrialized West to Newly Industrializing Countries (NICs) while keeping high-end functions in the cores ran into trouble. In 2015, the Economic Report of the U.S. President identified three phases of economic development: the “Age of Shared Growth” from 1948 to 1973, which was characterized by rising worker incomes; the “Age of Expanded Participation” from 1973 to 1995, which was characterized by increasing profits for the rich compensated by increased labor-force participation by women; and the “Age of Productivity Recovery” from 1995 to 2013, when productivity gains were not shared with workers (*NYT* February 20, 2015). Although the Report downplayed the crisis, it identified the problem of growing inequality. It recommended increasing government spending on education and infrastructure to restore industrial manufacturing and advancing new free-trade agreements (TIIP, TPP) to encourage exports (see also Stiglitz 2015). Willy Shih blamed the decline of the “industrial commons”—education, know-how, infrastructure, supply chains and customer relations—on the outsourcing of manufacturing to low-wage countries. Shih suggested that cheap energy supplies and cheap labor costs might arrest this development (Shih 2013). The

European Union developed a similar program designed to increase the proportion of manufacturing jobs from 15 percent in 2012 to 20 percent by 2020.

In fact all steps aiming at resistance represent protectionist measures to maintain a global core, or hegemonic, or imperial position, based on an unequal division of labor with peripheral or semi-peripheral regions that deliver raw materials or cheap labor because of their low end, dependent position along commodity chains and because of their dependency on the U.S. dollar to realize international trade, finance and savings. Even if they can successfully prolong Western hegemony, they cannot prevent the shift in economic dynamics from Former Industrial Countries (FICs) to Newly Industrializing Countries (NICs). What started as defensive measures risk turning into new factors supporting decline.

Resisting decline is also reflected in military mobilization. When hegemony is fading away and there is no single state to replace it, military competition among aspirants grows more intense. It is quite clear, however, that the decline of U.S. hegemony will not result in the rise of a world empire. An American empire or western alliance that could appease global conflicts is not in sight. The military cannot be used to arrest economic decline and restore hegemony. On the contrary: the military has contributed to the spread of chaos and conflict (Chossudovsky 2015, Bello 2005, 2013, Galtung 2014, and Johnson 2010).

Today's world is characterized by growing instability. Conflict between the "West" and emerging economic powers cores striving to achieve a hegemonic position has increased. NATO forces and their regional allies have tried to keep peripheral states open for western commodity extraction, export sales, industrial relocation, and waste disposal. Since the end of the Cold War, regional conflicts have multiplied, which has sometimes led to the break-up of states and contributed to the outbreak of civil and international wars.

Central Asia became a target of competing western, Russian, and Chinese interests. This rivalry has made regional integration nearly impossible. In West Asia and North Africa, regional powers were destabilized by Islamic and ethno-tribal movements and by military interventions, military occupations (e.g. Iraq, Afghanistan) or state collapse (e.g. Somalia, Libya, Syria, Iraq after U.S. withdrawal). In this situation of instability, civic unrest and social uprisings were misled into making coalitions with Western interests, further fuelling radical Islam as the only promise of hope and identity. In Latin America, the West did not organize military interventions against projects of regional integration, like MERCOSUR, which were initiated by local governments after the fall of military dictatorships. Instead, the U.S. officials promoted regional organizations like NAFTA (1994) and ALCA/FTAA (1999) to promote free trade and maintain political control. Still, steps toward regional integration gained momentum in different projects (Mercosur Parliament Parlasur, Banco del Sur, UNASUR, CAN, CELAC, ALBA etc.), which competed successfully with U.S.-led projects in Latin America and the Asia-Pacific Region. In Sub-Saharan Africa the European

Union and the United States pushed for Economic Partnership Agreements (EPA) that urged African states to open their markets for Western exports, while preventing production for domestic markets. Western EPAs have conflicted with regional integration projects in West Africa (ECOWAS) and South Africa (SADC). On the political-military level, the African Union has mobilized peace-keeping troops in regional conflicts, often in close alliance with the western powers.

While Eastern Europe made a generally peaceful transition to national restructuring, the disintegration of Yugoslavia demonstrated that western intervention, which encouraged secession, civil war, and ethnic expulsion, followed by direct military intervention, destroyed the economy in the region and created a number of unviable successor states. Ukraine, encouraged by western support for regime change, is following a similar scenario. In addition, the West is far from monolithic. NATO enlargements did not contribute to greater homogeneity, but instead created new conflicts between the “old” and the “new” Europe with regard to NATO enlargement and NATO operations on EU eastern borders, to border control and migration management.

Finally, the disintegrative effects of war open new regions to commodification and commodity extraction. They cause massive social disruptions and uprooting, make desperate people open to religious extremism and cruel forms of integration (e.g. ISIS), and push victims to seek salvation by migrating to the West.

Suffering (semi-) peripheralization

Although China and other semi-peripheral NICs have made efforts to overcome low-end contract manufacture, improve their technology, and develop new leading industries, they are still developing countries (Nolan 2012). Chinese development may slow down in coming years (Krasilshchikov 2014). Still, in a period of instability, if the crisis accelerates Western decline, the Former Industrial Countries (FICs) in Europe and North America might lose control of commodity chains and become dependent on emerging markets. A reversal of military power and the emergence of a new system of international relations might follow. Whether or not such a shift takes place within the current world-system, or if it opens up a post-capitalist period, is uncertain. There are several possible consequences of such a reversal.

A shift of control over commodity chains might contribute to a downgrade of western participation within commodity chains and shift the high-value ends to newly emerging powers. To compete with other NIC or FIC suppliers in a new division of labor, old core states would have to reduce taxes, wages and social benefits for the workers and adapt the labor and social regimes common to developing countries. Old working class privileges would give way to heterogenization, flexibilization, precarization and new class divisions. Conversely, emerging economic cores might develop their own financial instruments and institutions, strengthen their

currencies, adopt investment priorities that encourage capital inflows, and reduce indebtedness. If profits end up in new core states, investment and control of capital would shift and create new opportunities for emerging states to intervene in the FIC's companies, institutions, and governments.

Moreover, the demand for raw materials in the NICs would increase competition with the old core supply chains. Raw material producing regions would be ready to deliver into the emerging markets; the more so, as transport infrastructure and pipelines would restructure the flows and directions. The economic emergence of the NICs would create a new set of international relations and patterns of student exchanges and labor migrations, which would be re-centered to newly emerging core states and contribute to the semi-peripheralization of the old core states. Although the high standards of education, know-how, and cultural skills will prevent the FICs from becoming peripheral countries, they will have to accept new power relations. The semi-peripheralization of the FICs would undermine their military power and system of alliances.

It is difficult to imagine the dimension and the pace of such a change. The outcome depends on several of the factors discussed above, including the willingness of the FICs to accept new roles, how much they resist change, and whether they pursue common or separate paths as they adapt to new roles. Changing international relations will affect regional and class relations within states and stimulate the ambitions of willing partners to take over political leadership. The changing political landscape might give rise to secessionist movements and new state formation in the FICs.

These scenarios might sound like fiction. It is easier to think of them as serious options for the future, if we consider the extent to which they have already been implemented. For example, Swiss and German companies have been the leading producers of high-tech textile machines since the end of the nineteenth century. When the textile industry was relocated to the global periphery in the 1970s, they found new export markets. When, with their help, Chinese producers moved up the chain and entered the high-tech fabric segment, the relationship became a more balanced one. When Chinese owners acquired European companies—as when Jinsheng took over the Swiss Saurer Company in 2012 (NZZ 5.12.2012)—they took control of the commodity chain. When Chinese companies eventually relocate apparel manufacturing to contractors at European locations in order to profit from skills, tax incentives and consumer demand, we could speak of a complete reversal of production network control and benefit.

Outsourcing to the Global South to profit from wage and tax differentials was a widespread strategy of western multinational corporations during the global crisis of the 1970s. When state socialism collapsed in 1989 and worker-friendly regulations were abandoned, flexibility and flat taxes pushed western welfare states to become more competitive with low-wage, low-tax locations. Already today we witness the spread of labor leasing or self-employment replacing regular employment; in former European welfare states the nexus between employment and public

social security services was cut and social care is becoming commodified. Core states reduced income, company, property, and estate taxes but raised consumer taxes. States, supra-states and international trade and financial institutions adopted neoliberal legislation in individual states. They also introduced international treaties and agreements to enforce program participation and made financial relief dependent on implementing austerity measures.

The U.S. Dollar is still the global currency. The Chinese government has helped stabilize it by holding U.S. treasuries. But many states are trying to reduce their dependency on the dollar. The European Union introduced the Euro as an alternative to the Dollar. Oil-producing countries tried to replace the U.S. Dollar with the Euro, which provoked a fully-fledged Middle East War against some OPEC states' financial empowerment in 2003. When the BRICS introduced the New Development Bank and China opened the Asian Infrastructure Investment Bank in 2015, they challenged the monopoly of International Monetary Fund and the World Bank as global lenders. The emerging Global South has invested heavily in the FICs. Although the amount of FDI is still small, it represents a threat to strategic sectors and triggers a lot of resentment. Some deals were blocked by governments in the core, which suggests that the FICs are seriously worried about shifts in property relations.

The current Chinese project to build up a "New Silk Road" (NDRC 2015) between East Asia and Western Europe, which would consist of continental and maritime routes, signals their intention to control global connections. It is a kind of benevolent imperialism, much like British efforts to control global communications in the late nineteenth century. Once these networks are established, flows can be channelled and re-directed as the owners or organizers wish. Maritime ports are important inroads into new markets, therefore e.g. Gwadar (Pakistan) or Piraeus (Greece) are crucial transport hubs that might facilitate the organization of new cores and peripheries. Russia's attempts to strengthen post-Soviet economic cooperation by establishing a "Eurasian Union" fits well into Chinese plans. Chinese loans and investment in transport infrastructure, mining and pipelines are most welcome in Russia, in part because its position in the Ukraine has isolated Russia from the West (Dynkin and Ivanova 2012).

The American way of life is still an unchallenged ideal model. However, there are new icons of soft power, represented by Chinese culture, that have entered the market in the fields of medicine, health care, cooking and life-art, attracting young people all over the world. Confucius institutes and student exchange programs promote expanding Chinese culture. It is difficult to describe the security architecture of a new hegemonic power or power alliance. China's economic rise and global expansion goes hand in hand with the build up of its military. But it still cannot compete with the old, great-power states. Still, new alliances might change power relations. Is such a change possible without a military conflict between old and new cores? Some scholars argue that

the coming period will be characterized by wars of different intensity (Chase-Dunn and Lawrence 2011; Oreskes and Conway 2014; Rufin 2004; Wagar 1989/1999).

Accepting Re-Localization/Re-Regionalization or: Becoming Just a “Province of the World”

Western resistance to decline has produced growing economic, social, and military conflict all over the world. Chaos and instability are likely to follow. Fights over hegemonic succession may take a long time. The transition to a multi-centered world-order is moving forward despite western attempts to defend U.S. hegemony. Whether this transition can occur without global military confrontation is an open question.

In the West, proponents of a new, more balanced, post-hegemonic order are on the political margins. People who support global solidarity are active in radical left, ecology, feminist, civil rights, labor, anti-imperialist, and solidarity movements. Their ideas have been supported by western academics. Since the protests against neoliberal globalization became widespread, social movements have gathered at international conferences and political events to oppose the policies of institutions like the G77, G-8, WTO, and offer alternatives at World Social Forums.

There is no coordinating centre for anti-systemic forces. They often do not have members, and it is difficult to specify their numbers or degrees of affiliation. They form networks, meet to demonstrate, and discuss alternatives. Internal conflicts about goals, strategies and cooperation partners are common. Some observers blame anti-systemic movements for being too single-issue oriented, too radical, too naïve, too ready to compromise with the system and becoming too easily co-opted (Amin et.al. 1990). The surrender of the Greek Left Coalition SYRIZA to the conditions of the Western monetary institutions in 2015 demonstrated the constraints of taking over government responsibilities. A sociology of social movements requires in-depth analyses of concern, mobilisation, cooperation, strategies, and programs. (Chase-Dunn and Lio 2010). Although they try to build transnational networks, they have troubles to get broader popular support and participation and it is unlikely that their activities will lead to global change. Therefore it is useful to explore the potentials and constellations for establishing alliances and partnerships for anti-systemic change in the Global South.

In the Global South, various powers oppose Western hegemony and demand more multipolarity of international relations. Governments that represent former liberation movements, indigenous people or leftist programmes (Cuba, Nicaragua, Venezuela, Ecuador) have cooperated closely with western and global social movements. Leftist ideology does not easily translate into international influence. Conversely, bigger and stronger semi-peripheral states may be better prepared to work with anti-systemic movements to promote change and create a global institutional framework that reflects their growing economic strength. The most prominent representatives of a rising semi-peripheral powers are China, India, Russia. They invited Brazil and South Africa to

join them in the BRICS. Social activists and scholars debate whether these states should be regarded as anti-systemic forces.

There are big differences among the BRICS members. They have different strategies to control trade (Kappel 2010). They have all opened their domestic economies to privatization, western FDI, and global production networks and promoted economic transformation. But this has caused social unrest, social protest and political opposition.

Governments have frequently suppressed internal opposition and have not adopted western standards of democracy. By advancing multi-polarity in international relations, they have tried to strengthen their national position, not only vis-a-vis Western powers, but also in relation to other semi-peripheral aspirants. At the same time, they have come under pressure from local opposition movements that have demanded protection from exploitation and a redistribution of wealth. The ascent of semi-peripheral states might result in hegemonic change instead of multi-centric balance, which would serve the interests of small governing elites and oligarchs.

On the one hand, some elites have joined, though they often been rejected by their western counterparts, who are divided over handling international relations with them (Robinson 2015). Elites that are willing to promote Western interests are accepted as partners, but elites that pursue their national interests risk being excluded.

Global social movements have debated whether to cooperate with governments to promote change. Social Forums organizers, for example, have excluded government officials and political party delegates. Many social movements prefer to cooperate with opposition forces rather than with officials. But they sometimes risk supporting groups and parties that support the West rather than strengthening self-reliant development.

Whatever their political and economic character, states in the BRICS oppose western hegemony (Chase-Dunn and Boswell 2009). Even if their regimes do not adhere to grassroots ideas of social justice and democracy, their opposition to western expansionism has made the world a more diversified and more multi-polar place and created spaces for western anti-systemic movements. South-South cooperation, which has been promoted by the BRICS and other regional alliances, has the potential to advance political, economic, and financial independence from western-dominated institutions. They also make it less likely that a single power will secure hegemony in the world-system.

Although Western social movements have little political weight, they carry a heavy responsibility in choosing their international allies. The experience of decline, as well as disappointment, distrust and resistance to capitalist growth gives western social movements a leading role in preventing governments and social movements in rising new cores from believing in the promise of growth. It must not be denied that social movements were also misused to join the forces of Western defence. Non-Governmental Organizations (NGOs) have often—wittingly

or not—served as agents for powerful states or political parties, intervened in social conflicts in the Global South, and transformed these conflicts into an inroad for regime change according to western interests. The “Color Revolutions” were a prominent example of how western governments and their NGO allies used social protests to destabilize semi-peripheral governments and prevent the formation of an anti-systemic Global South (Hofbauer 2012).

On the economic level, western industrial strength has diminished. The semi-peripheral South has grown economically, though it remains trapped in a dependent relationship with western institutions that have adopted new forms of control. International organizations have not recognized this shift, which is why they face growing demands to be more representative. As a result, states in the South have tried to circumvent the western-dominated institutions and create new South-South ones.

On the military level, the United States is still hegemonic, using its capacities to maintain supremacy. With the exception of Russia, which took over the Soviet military apparatus, no Global South nation can compete with U.S. and NATO military forces. China’s economic ascent has contributed to the built-up of its military capacities, but, like Russia, it lags far behind the United States and NATO. Dipesh Chakrabarty (2008) argued that the West should abandon its claims of superiority and become “just a province of the world.”

Multi-Polarity from Above and from Below

Although the world is becoming multi-polar, it is unclear whether it will be introduced “from above” by new core powers or emerge “from below,” as a product of social movements. States that aspire to global hegemonic succession have promoted a multi-polar world that they can introduce “from above.” Even if officials in some semi-peripheral states want to secure a global, hegemonic role, it is highly unlikely that any single hegemon will succeed the United States. It is more likely than an alliance of states, which share a vision of balanced relationships, equity and diversity, will work to create multi-polar institutions and persuade the former hegemons to accept and participate in a multi-polarity world. It also depends on the activities of social and political movements in the old cores to campaign for such a transition that could avoid violence.

A multi-centric world might also arise from below. The current multiplication of regional armed interventions is a clear signal that any empowerment that rejects the neoliberal consensus has to face suppression. Military interventions by the core may lead to a period of low-intensive warfare (Chossudovsky 2015). Think of drone attacks against unwanted persons or armed support for forces, which oppose an unwanted government. Once Western allies and assistant troops develop their own agenda, they can easily turn into the next insurgent, against whom the “international alliance” of United States and NATO is going to operate. Arab integration projects that were on the agenda in the 1970s thus were undermined, delivering a region to hope for

alternative ideas of rescue and identity, based on Islamic fundamentalism — from Bin Laden to ISIS. As soon as these ideas challenged US hegemony, both old state establishments and new Islamic movements came under attack. This has led to the complete destruction of some regions in West Asia and Northern Africa and made it difficult to restabilize governments and allow the inhabitants to participate in a multi-polar world.²

In other regions, in Latin America and South Africa, indigenous people, social movements or anti-systemic parties have gained power and fostered political participation, economic development and social justice. As Immanuel Wallerstein (2013) puts it, intense conflict during the transition period might give rise to authoritarian regimes (as Babones 2016 suggests) or give rise to a new, post-hegemonic and post-capitalist system (as Bello 2013, Galtung 2014, or Harvey 2014 have suggested).

Debates about the future are always speculative (Chase-Dunn/Lawrence 2011). In the 1970s, dystopian literature reacted to natural science predictions about population growth, as expressed by the Club of Rome. The East German philosopher Wolfgang Harich (1975) pleaded for “Communism Without Growth.” He argued that central planning and state socialism would provide an opportunity to move towards a homeostatic egalitarian society, which might serve as a model for the West. Although Harich was convinced that only a strong state authority would be able to govern the ecological turn, the Austrian philosopher Leopold Kohr and the German-British economist Ernst Friedrich Schumacher (1973) argued for a more decentralized vision. Their argument that “Small is Beautiful” inspired many green and alternative movements in the West.

Most contemporary debates about catastrophic crises focus on ecological collapse and climate change. But while these warnings are relevant, the focus here is on systemic contradictions that result from the socio-political conditions of global capitalism. Articles by Glen Kuecker and Thomas Hall suggest ways to integrate ecological collapse into a world-systems analysis (Kuecker 2007; Kuecker/Hall 2011).

Most recently, Naomi Oreskes and Erik Conway, historians of science at Harvard, presented a view about the coming “collapse of Western civilization” (2014). In previous work, they explored the reasons for the epistemic neglect of ecological concern by representatives of the scientific community (Oreskes and Conway 2010). In the “Collapse of Western Civilization” they described an ecological crisis that would lead to the “Great Collapse and Mass Migration” in 2073-2093. This book transcends conventional analysis and enters the realm of dystopian literature. They argue that the Second People’s Republic of China would survive the catastrophe and then restore

² When this article was written in September 2015, thousands of Syrians and other West Asians were on the way to Europe after having lost belief in a possible conflict resolution at home.

a stable world order as hegemon. They join people who believe in a solution “from above,” and they contribute to the debate about who will follow the United States as a hegemon.

In 1989, when the Soviet Union still existed, Warren Wagar presented a similar scenario in the “History of the Future” (1989). The first part of his book analyzed the limits to recover from cyclical downturn and hegemonic erosion in the capitalist system, which lead to economic decline and military defeat and left a reformed Soviet Union as the agent that built a more egalitarian world state. By depicting the end of historical capitalism, Wagar roughly followed the ideas of Immanuel Wallerstein, who wrote the preface to the book. But Wagar was not satisfied with a solution from above. He did not end with a socialist global super-state, but argued that ethnic and religious rivalries between different regions would lead to the break up of that state. Finally, he depicted a world order based on decentralized self-governance, which relied on social responsibility “from below” rather than central planning “from above.” Wagar favored a solution from below. At the same time, he described the pros and cons of both scenarios. Wagar also demonstrated the risk of doing research on the future. The first edition of his book did not predict that the Soviet Union would soon dissolve, and he had to adapt his story in a second edition (1999).

Jean-Christoph Rufin, a French political scientist, diplomat, and founder of Médecins sans Frontières, wrote the dystopian novel “Globalia” (2004). Rufin describes a perfect world-state that governs strictly according to ecological principles and political correctness. After a while, readers learn that “Globalia” does not include the whole world but only parts of it—the privileged regions of the planet that won a great world war. Other parts of the world are excluded and left in a chaotic state. Futurist fiction describes possible outcomes of the current crisis, and offers both “top-down” and “bottom-up” scenarios. What is likely to unfold is a combination of the two strategies. I conclude with an overview of one possible scenario, which I describe here as economic subsidiarity.

Conclusion: Economic Subsidiarity & Hegemonic Transformation

Economic subsidiarity is a key concept for grassroots, anti-systemic social movements that want to create participatory global integration (Hofbauer and Komlosy 1998). Proponents of political subsidiarity demand the transfer of decision-making from central (federal) bodies to regional and local ones as a way to keep democracy in the people’s hands, while excluding business from the political sphere. Economic subsidiarity extends this idea to economic processes, that is, how to create a bottom-up democratic process so that the people can answer economic questions: How do we want to live? What do we need? How and under what conditions should goods be produced? Who can afford them?

Economic subsidiarity means giving priority to household and subsistence production over market production; to local over regional, and to regional over national-level production and

exchange; and to national over international markets. Economic subsidiarity assigns to large production and distribution units only those processes that cannot be achieved on smaller scales. Giving priority requires a broad set of legal and financial measurements that support the smaller against the bigger scale of economic activity, privileging or strengthening it vis-à-vis competition from bigger or more distant competition respectively.

The concept of economic subsidiarity is a de-growth strategy for developed countries and a modest catching-up strategy for underdeveloped regions. But it does not ignore comparative advantages and block inter-regional division of labor. By giving priority to the smaller units over the bigger units of economic activity and political decision making, economic subsidiarity supports the idea that peripheries and indigenous areas are better prepared to survive global crises, or collapse, as argued by Kuecker and Hall (2007, 2011). Wagar's (1999) future description of a decentralized world made up of smaller political units corresponds well with the concept. But it also goes beyond a mere "Small is Beautiful" ideology. Economic subsidiarity is a concept that combines a bottom-up strategy of regionalization with a top-down framework that makes regionalization feasible. Economic subsidiarity can only work if it is supported by international institutions that favor multi-polarity, and if it has the consent and cooperation of national governments and international institutions.

What can western social movements contribute to create economic subsidiarity on a global scale? They can promote the idea that the West will become "just a province" of the world, a development that would transform the "West" from a bloc into multiple regions on different scales. They can demonstrate modesty and accept that the decisive contribution to global change will originate from the Global South. They can shape public opinion in the West and organize solidarity with movements from the South in order to overcome authoritarian reaction against anti-systemic struggles for multi-polarity. They can develop networks of mutualism, work to loosen the grip of consumerism, promote de-growth, and provide ecological and ethical arguments to support these developments. They can demonstrate the advantage of "Less is More" in their personal lives. Finally, anti-systemic movements in the West can work with governments and social movements in the emerging cores to ensure that they do not pursue growth at any social or ecological cost.

"Provincializing" the West means abandoning its claim to being the standard-bearer of universal values, preventing the term "province" from being identified as a "backward" place and giving it a new meaning as a respected unit of the world, and accepting diversity, multi-polarity, and sovereignty in a world of mutual recognition and solidarity, not a world dominated by a single core or hegemon.

About the Author

Andrea Komlosy is professor at the Institute for Economic and Social History, University of Vienna, Austria, where she is coordinator of the Global History and Global Studies programs. She has published on labor, migration, borders and uneven development on a regional, a European and a global scale.

Disclosure Statement

Any conflicts of interest are reported in the acknowledgments section of the article's text. Otherwise, authors have indicated that they have no conflict of interests upon submission of their article to the journal.

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