

Five Linked Crises in the Contemporary World-System

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This essay uses the evolutionary world-systems perspective to address questions about the current crises in the global system. This approach analyzes the structure and changing institutional nature of the whole world-system over the past 500 years, with attention to comparisons with earlier regional world-systems (Chase-Dunn and Lerro 2013). The main idea is that the waves of global integration have been driven by system-wide class and national struggles in which the elites of core states contend with one another and the most successful are those that can effectively deal with the resistance from below. This has produced a spiral of capitalism and socialism that has been connected with the rise and fall of hegemons ([Boswell and Chase-Dunn 2000](#)).

The sequence of hegemonies (the Dutch in the 17th century, the British in the 19th century, and the U.S. in the 20th century) constitutes the most important structural feature of the evolution of global governance and political globalization. This is most obviously seen in the increasing size of each of the hegemons relative to the size of the system as a whole. This rise and fall and cyclical upward sequence occurred in the context of successive world revolutions (the Protestant Reformation, 1789, 1848, 1917, 1968, 1989, 2011) in which local rebellions have increasingly clustered in time and become more and more linked with one another. [Wallerstein's \(2004\)](#) discussion of world revolutions notes that the demands put forth in a world revolution do not usually become institutionalized until a consolidating revolt has occurred, or until the next world revolution. Thus, the revolutionaries appear to have lost in the failure of their most radical demands, but enlightened conservatives who are trying to manage hegemony end up incorporating the reforms that were earlier radical demands into the current world order in order to cool out resistance from below.

This theoretical perspective presumes that an important part of the current crisis is a crisis of U.S. hegemony. The United States is a declining hegemonic core power. Its economic hegemony has been declining in stair-steps since the height of its global power in 1945 (Chase-Dunn, Kwon, Lawrence, and Inoue 2011). Most observers now admit that the U.S. hegemony is in decline. Now the questions are about the rate of decline and what kind of system of authority will replace American hegemony. It also assumes the importance of successive world revolutions for as a driving force of the evolution of the world-system.

The world revolution of 2011 is proceeding apace. It is a messy affair, as all earlier world revolutions have been. It began in 1994 with the Zapatista revolt, warmed up with the global justice movement and the anti-war movement, and really got rolling with the Arab Spring and the anti-austerity movements. It is both similar to and different from earlier world revolutions. And the constellation of social movements that constitute the New Global Left need to be compared with earlier incarnations of the Global Left.

So there are five linked crises occurring simultaneously in the contemporary world-system:

1. A crisis of hegemony and global governance;
2. A crisis of inequality and democracy;
3. A crisis in the relationship between humans and the natural environment;
4. A crisis in the global capitalist system; and
5. A crisis in the New Global Left.

Global Governance

I have already mentioned the decline of U.S. hegemony. Hegemonic declines of the past have been followed by periods of rivalry and world war amongst contenders for regional and global power. But the U.S. economic size is so great, and its military power is so preponderant, that a pre-World War I situation of contending militarized challengers is not going to emerge very soon. This is a good thing. The long-term trend toward large-scale political integration and centralization will eventually result in the emergence of a world state, but this is an unlikely development for the next few decades. What is emerging is a multipolar interstate system in which the U.S. shares power with the existing core states and emerging powers from the semiperiphery (China, India, Brazil and Russia). This geopolitical structure will also involve multiple and overlapping sovereignties that include the United Nations, the International Financial Institutions (the World Bank, the International Monetary Fund, the World Trade Organization) as well as regional interstate entities and international NGOs. It is not likely that such a complicated world polity will be able to resolve conflicts within and between national societies peacefully, or to deal with global ecological and economic challenges. As the discussion below suggests, this emerging multicentric world polity has not been effective at resolving major conflicts, and in fact efforts to respond to crises in one area (e.g., finance) have exacerbated other crises (e.g., social and political). This is why I speak of a crisis of global governance.

Inequality and Democracy

Huge inequalities between the global North and the global South emerged in the 19th century and have not increased or been reduced much since then (Bornschier 2010). Some national societies, including the United States, have experienced big increases in within-country inequality since the 1970s. As the world is increasingly integrated by communications technology, people in the global South have become aware of (and desirous of) the level of living attained by people in the global North. Also, the contested idea of democracy has spread to nearly all the peoples of the Earth. The result is a crisis of development in a context in which the biosphere is already heavily depleted by the huge consumption and pollution by the global North. Peter Taylor (1996) called this “Global Impasse.” If the people of the global South eat as many eggs and drive as many cars as the people of the global North the biosphere will fry. This is a problem.

Democracy is also a problem at several levels. There is little democracy at the global level (see, e.g., [Markoff 1999](#)). The commander-in-chief of the global military empire (782 U.S.

military bases all over the world) is elected solely by the voters of the United States. At the United Nations, the important decisions are made by the powers that won World War II (the Security Council). The President of the World Bank is always from the United States. The Managing Director of the International Monetary Fund is always from Europe. At the national level, the global South has seen a wave of regimes that have been elected by majorities of citizens. In some of these, especially in Latin America, reformist and even anti-systemic leaders have managed to occupy the national leadership. But in many of the countries of the global South democracy is just polyarchy in which elites manipulate elections in order to maintain their class power (Robinson 1996). The same may be said of many democracies in the core. The growing rule of money in politics in the United States has increasingly made the electoral process a direct extension of the power of the rich. Low quality democracy has provoked movements for direct democracy in which the voices of average citizens can be heard (Graeber 2013).

The Biosphere

Anthropogenic global warming and pollution are obvious looming crises that are exacerbated by the unwillingness of the powers that be to make serious efforts at reaching solutions. The engagement in more environmentally risky and costly extraction processes – including fracking as well as offshore drilling and tar sands in order to make money on rising energy prices – is making matters much worse. Nuclear power accidents have led to a German declaration of a nuclear-free future, but in Japan the political will behind this idea has declined. The historically high consumption, energy use, and pollution by the global North is an obstacle to reform in the global South, especially China and India, where prodigious levels of greenhouse gas emissions have been reached. This has produced a huge collective action problem with regard to global environmental policies (Roberts and Parks 2007; [Bond 2012](#)).

The Global Capitalist System

In comparison with the earlier modes of accumulation, capitalism is yet young. It has been around since the Bronze Age in the form of semiperipheral capitalist city-states that specialize in trade, but it has been predominate in a world-system only since the rise of Europe in the 16th century CE. The rise of tribute-taking based on institutionalized coercion occurred in the Early Bronze Age about 5000 years ago. The tributary mode of accumulation was the predominant mode until the rise of capitalism in Europe. Thus capitalism as a fully-developed and predominant logic of development has not been around very long.

But the rate of social change has speeded up. Capitalism itself speeds up social change because it provides stronger incentives to revolutionize technology. Rapid technological change speeds up change in all institutions and in culture, and people become adjusted to more rapid reconfigurations of culture and institutions. So it is plausible that, even though capitalism is young, its contradictions could lead it to reach its limits much faster than the kin-based and tributary modes did.

But is it capitalism (a logic of social reproduction based on profit-making) that is currently in crisis? Or is it the current developmental ideology that became predominant in the

1970s – neoliberalism? Or is it the systemic cycle of capitalist accumulation that was associated with the U.S. hegemony? Or is it finance capitalism, which rose to predominance in the core along with neoliberalism? Or is it all of the above?

Immanuel Wallerstein (2004) contends that capitalism itself is in crisis because it is reaching certain limits caused by its basic contradictions. The three long-term upward trends (which he calls asymptotes) that capitalism cannot manage are:

1. the long-term rise of real wages;
2. the long-term costs of material inputs; and
3. rising taxes.

All three upward trends cause the average rate of profit to fall. Capitalists devise strategies for combating these trends (automation, capital flight, job blackmail, attacks on the welfare state and unions, financialization), but they cannot really stop them in the long run. Deindustrialization in one place leads to industrialization and the emergence of labor movements somewhere else (Silver 2003). The falling rate of profit means that capitalism as a logic of accumulation will face an irreconcilable structural crisis during the next 50 years, and some other system will emerge. Wallerstein calls the next five decades “The Age of Transition.”

Giovanni Arrighi’s (1994; 2006) evolutionary account of “systemic cycles of accumulation” is explicitly evolutionary, but rather than positing “stages of capitalism” and looking for each country to go through them (as most of the older Marxists did), he posits somewhat overlapping global cycles of accumulation in which the logic of capitalism widens and deepens, and finance capital and state power controlled by capital take on new forms and increasingly penetrate the whole system (See symposium contributions by [Panitch](#) and [Sassen](#)).

Arrighi (2006) analyzes both the similarities and the differences between the current period of U.S. hegemonic decline and the decades at the end of the 19th century and the early 20th century when British hegemony was declining. Taking a cue from Andre Gunder Frank (1998), Arrighi saw the rise of China as portending a new systemic cycle of accumulation in which “market society” will eventually come to replace rapacious finance capital as the leading institutional form in the next phase of world history. Arrighi did not discuss the end of capitalism and the emergence of another basic logic of social reproduction and accumulation ([Arrighi 2012](#)).

As Arrighi has pointed out, the ascendance of finance capital is driven by the decline of the profit rate in trade and production as those with centrality in the world economy try to devise new ways to squeeze profit out of the system. The financial crisis of 2008 was not really a total collapse, and the balloon of financial “securities” has been reflat. Also the global capitalist class has resisted calls for a green global new deal to save capitalism ([Salleh 2012](#)) and has “doubled-down” on austerity, thereby increasing the pressures that lead to rebellion. Neoliberalism may be in crisis, but its proponents, and its militarized version, neoconservatism, are still kicking. The banks are trying to take over education in the North and the South in order to expand profit-making opportunities in privatized schools and student loans. At the global level Dick Cheney is still ascendant, and George Soros and the green new deal are still in the wings.

Crisis of the New Global Left

The New Global Left is getting very strong but it is still in formation despite the intensification of the World Revolution of 2011. Big divides remain between the old and new social movements over goals, strategy and tactics. The horizontalists are still in the ascendance, and normal electoral politics and taking state power are proscribed by a growing segment of progressive and left activists. A global united front that combines labor with horizontalists is possible, but may not happen until global Robocop and 21st-century fascism get stronger (See symposium contribution by [Robinson](#); Mason 2013).

These five crises are obviously linked to one another as both causes and effects, and so those who see them as a single inter-related bundle are not wrong.

Both a new stage of capitalism and a qualitative systemic transformation are possible within the next three decades, but a new stage of capitalism is more likely. This could take the form of “market society,” as implied by Arrighi – a kinder, gentler form of capitalism in which the rule of finance capital and the military industrial complex are countered by technocrats and civil society, or a related green global Keynesianism that takes responsibility for employing workers who then have the means to purchase the commodities that capital produces. These kinder, gentler forms of capitalism are not rocket science, though they would need to be scaled up to work at the global level. Symbolically this would be a shift from Dick Cheney to George Soros, the enlightened conservative.

If U.S. hegemonic decline is slow, as it has been up to the present, and if financial and ecological crises are spread out in time and conflicts among ethnic groups and nations are also spread out in time and space, then the enlightened conservatives will have their chance to build a new world order that is still capitalist but meets the current challenges, at least partially. Making this happen would still require a revolutionary shove from a united front of antisystemic movements and the progressive regimes of the global South. But if the perfect storm of calamities should all come together in the same period the transnational social movements and progressive national regimes in the global South may have the chance to radically change the mode of accumulation to a form of global socialism.

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