**Slide 1**

**Crisis of the West, Opportunity for the Rest?**

By Walden Bello\*

**Slide 2**

# Whether we call it “polycrisis,” like Columbia University Professor Adam Tooze, or “the age of catastrophe,” like the distinguished Marxist Alex Callinicos, there is no doubt that we are living in a period where the very foundations of the contemporary world order are cracking. There is that enigmatic line Gramsci used to describe his era that is also appropriate for ours: “The old world is dying, and the new world struggles to be born: now is the time of monsters.”

This short presentation will focus on a key dimension of the polycrisis: the unravelling of the global hegemony of the United States.

The downspin of the US empire has had a number of causes, but key among them are military overextension, neoliberal globalization, and the the crisis of the liberal political and ideological order. Let us discuss each in turn.

**Overextension and Osama**

Overextension refers to the gap between the ambitions of a hegemon and its capacity to achieve those ambitions. It is almost synonymous with the concept of overreach as used by the historian Paul Kennedy, the slight difference being that overextension as I use it is principally a military phenomenon. The struggling empire the US is today is a far cry from the unipolar power it was a quarter of a century ago, in 2000. If we ask ourselves what led to this situation, we inevitably come across one individual: Osama bin Laden.

**Slide 3**

The aim of bin Laden’s attack on the Twin Towers on Sept 11, 2001 was precisely to provoke the overextension of the empire by forcing it to fight on several fronts in the Muslim world that would be inspired to revolt by his dramatic action. But instead of igniting revolt, Osama’s act ignited revulsion and disapproval among most Muslims. Sept 11 would have been a big failure had not George W. Bush seen it as an opportunity to use American power to reshape the world to reflect the Washington’s unipolar status. He took Osama’s bait and launched the US into two unwinnable wars in Afghanistan and Iraq. The results have been devastating for America’s power and prestige.

During the June 7, 2024, debate between Donald Trump and Joe Biden, Trump referred to the defeat in Afghanistan as the worst humiliation ever inflicted on the US. Now Trump, as we all know, is prone to exaggeration, but there was strong element of truth in his statement.

According to CIA analyst Nelly Lahoud, “Though the 9/11 attacks turned out to be a Pyrrhic victory for a-Qaeda, bin Laden still changed the world and continued to influence global politics of nearly a decade after.” If the US is the confused and groping global power it is today—one that has been, moreover, reduced to a dog being wagged by the Zionist tail—that is to a not insignificant degree due to bin Laden.

To acknowledge the significance of 9/11 is not, of course, to endorse it. Indeed, for most of us, the attack on civilians was morally repelling. But one must give the devil his due, as they say, that is, point out the objective, world-historic impact of the deed of an individual, be this person a saint or a villain.

**Slide 4**

**Trading Places**

Let us turn to the second major cause of the unravelling of the US’s hegemonic status: neoliberal globalization. Thirty years ago, US corporate capital, along with the Clinton administration, envisioned globalization, achieved through trade, investment, and financial liberalization, as the spearhead towards its greater domination of the global economy. Wall Street and Washington were wrong. It was China that was the biggest beneficiary of globalization and the US one of its main victims.

Investment liberalization meant billions of dollars worth of US corporate capital flowed to China to take advantage of labor that could be paid at fraction of the wages paid labor in the US in exchange for technology transfer, voluntary or forced, that helped China comprehensively develop its economy. Trade liberalization made China the manufacturer of the world supplying mainly the US market with cheap products. Both investment and trade liberalization contributed to the deindustrialization of the US and the loss of millions of manufacturing jobs, which declined from 17.3 million jobs in 2000 to around 13 million today. Compounding the deleterious effects of deindustrialization have been the financialization of the US economy, that is, making the super-profitable financial sector the leading edge of the economy, and regressive taxation, which led to an extremely inequitable distribution of income and wealth.

**Slide 5**

China has traded places with the US in the global economy. China is now the center of global capital accumulation or, in the popular image, the ‘locomotive of the world economy.’ According to IMF calculations, China accounted for 28% of all growth worldwide in from 2013 to 2018, which is more than twice the share of the United States. What must be underlined is that while the US followed neoliberal policies of giving full play to market forces, China selectively liberalized, with the powerful Chinese state guiding the process, protecting strategic sectors from foreign control, and aggressively demanding advanced technology from western corporations in exchange for cheap labor.

Although in dollar terms, the US is still the biggest economy, by some other measures, like the World Bank’s Purchasing Power Parity (PPP), China is now the world’s largest. 11.5 per cent of people in the US now live in poverty, whereas, according to the World Bank, only 2 per cent of China’s population is poor.

Of course, China has faced challenges in its rise to the world’s economic summit, but development, as the economist Albert Hirschman point out, is a necessarily unbalanced process. China’s crises are crises of growth, compared to the US’s crises, which are crises of decline.

**From De Facto to Armed Civil War?**

Military overextension and the effects of neoliberal economics have contributed not simply to political disaffection but to political turmoil in the US, with one of the two major parties, the Republican Party, becoming the spearhead of far right or fascist politics fueled by racism, anti-immigrant sentiment, fear, and decline in economic status among white people. Politics has become severely polarized and some warn that there is now a state of de facto civil war. In short, the political and ideological regime of liberal democracy is now in grave danger, with many liberals and progressives warning that Trump’s Plan 2025 will amount to the establishment of a fascist dictatorship. They are not wrong.

**Slide 6**

Here is what Steve Bannon, the ideological chief of the US far right, says, “The historical left is in full meltdown. They always focus on noise, never on signal. They don’t understand that the MAGA movement, as it gets momentum and builds, is moving much farther to the right than President Trump… We’re not reasonable. We’re unreasonable because we’re fighting for a republic. And we’re never going to be reasonable until we get what we achieve. We’re not looking to compromise. We’re looking to win.”

A second Trump presidency is now a certainty, with the strong possibility that the de facto civil war could turn into an armed civil war. Indeed, the assassination attempt on Trump on July 13, whoever carried it out, may well be a major step towards the unrestrained violence depicted in Alex Garland’s “Civil War.”

**Crisis of the Liberal International Order**

Washington has been the guardian of the international order, and with the economic and political crisis of the US, that order has also entered into a deep crisis. What are the key aspects of what has been characterized as the liberal international order? First, of all, global leadership of the US and the West underpinned by US military power and military alliances, the principal one being NATO. Second, a multilateral order that serves as a political canopy for western capital, whose mainstays are the World Bank, the International Monetary Fund, and the World Trade Organization. Third, an ideology that promotes western-style democracy as the only legitimate political regime.

**Slide 7**

This order is what Biden extolled during his press conference on June 7, 2024. It is an anachronistic order, and Biden’s defense of NATO showed him to be an anachronism. Several times, he referred to America as the "indispensable nation," parroting Madeline Albright's arrogant line, and presented himself as the prime defender of the country's cold war alliances, NATO in Europe, the US-Japan-Korea military complex in Asia, and Israel. This role as global sheriff is precisely what a very significant section of the electorate is tired of playing owing to the high cost it has entailed, not only in terms of subsidizing those allies but even more, in terms of what many perceive as the way preserving the empire has come at the expense of the economy and the living standards of the people.

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**Slide 8**

Trump, on the other hand, understands that ordinary Americans have become weary of John F Kennedy's Cold War promise that Americans "shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty." He knows that this strong reluctance to continue bearing the burdens of empire extends from left to right and he has opportunistically played on it to advance his far-right agenda. That he distrusts and dislikes NATO is a point the Biden people have stressed.

**Slide 9**

This liberal order is now in trouble in two fronts: in the international front, it has lost legitimacy among the global South that sees the multilateral system as designed mainly meant to keep it down; internally, the liberal democracy that is its guiding ideology is under assault from the far right.

**Slide 10**

If the far right comes to power in the US and in key states in Europe—and it may come to power soon in France and soon after that, in Germany--the international order they would favor would probably continue to assert western economic supremacy but adopt a much more unilateralist approach, more protectionist approach of securing it instead of using NATO and the IMF-World Bank-WTO complex. Certainly, the far right will abandon the hypocritical appeal to liberal democracy as a model for the rest of the world.

**Headed for War?**

China says it is not out to displace the US as global hegemon. To the US elite, however, China is a revisionist power that is determined to dislodge it as the global hegemon, and, especially over the Biden years, it has become more and more determined to use that dimension of hegemony where it enjoys absolute superiority over China, military power, to protect its status as No. 1.

This is why the danger of war between the US and China is not to be underestimated, and this is the reason the Western Pacific is such a powder keg, far more than Ukraine--since while in Ukraine, the US and China confront each other through proxies, Russia and NATO, in the Pacific they confront each other directly.

**SLIDE 11**

The US has scores of bases surrounding China from Japan to the Philippines, including the massive floating base that is the Seventh Fleet. The South China Sea is now filled with rival warships performing naval “exercises”; among the latest visitors are vessels from France and Germany, US allies that have been dragooned far from NATO’s traditional area of coverage to contain China. US and Chinese warships have been known to play games of chicken—heading at each other and then swerving at the last minute. A miscalculation of a few feet could result in a collision, with unpredictable consequences. Fears that the South China Sea will be the next site of armed conflict are not alarmist.

In the absence of any rules of conflict resolution, the only thing preventing conflict is the balance of power. But balance-of-power regimes are prone to breakdown, often with catastrophic results—as was the case in 1914, when the collapse of the European balance of power led to World War I. With Washington aggressively marshaling Japan, South Korea, the Philippines, five carrier task forces of the US Navy, NATO, and the newly created AUKUS (Australia, United Kingdom, United States) alliance into a confrontational stance against China, the chances of a rupture in the East Asian balance of power are becoming more and more likely—perhaps just a collision or away.

**Hegemonic Transition or Hegemonic Stalemate?**

So what does the future hold? Some say a hegemonic transition, whether peaceful or not is inevitable.

But let us pose another possibility. Perhaps, we should be looking not so much at a hegemonic transition but at the emergence of a hegemonic vacuum akin to but not exactly the same as that which followed the First World War in the 20th Century, when the weakened Western European states had ceased to have the capacity of restore their pre-war global hegemony while the US did not follow through on Woodrow Wilson’s push for Washington to assert hegemonic political and ideological leadership.

Within such a vacuum or stalemate, the US-China relationship would continue to be critical,  but with neither actor being able to decisively manage trends, such as extreme weather events, growing protectionism, the decay of the multilateral system that the United States put in place during its apogee, the resurgence of progressive movements in Latin America, the rise authoritarian states and the likely emergence of an alliance among them to displace a faltering liberal international order, and increasingly uncontrolled tensions between radical Islamist regimes in the Middle East and Israel.

Both conservative and liberal policymakers paint this scenario to underline why the world needs a hegemon, with the former advocating a unilateral Goliath who does not hesitate to use threat and force to enforce order and the latter preferring a liberal Goliath who, to slightly revise Teddy Roosevelt’s famous saying, speaks sweetly but carries a big stick.

**SLIDE 12**

There are, however, those, and I am one of them, who view the current crisis of US hegemony as offering not so much anarchy but opportunity.  While there are risks and great dangers involved, a hegemonic stalemate or a hegemonic vacuum, opens up the path to a world where power could more decentralized, where there could be greater freedom of political and economic maneuver for smaller, traditionally less privileged actors from the global South playing off the two superpowers against one another, where a truly multilateral order could be constructed through cooperation rather than be imposed through either unilateral or liberal hegemony.

**SLIDE 13**

Yes, the crisis of US hegemony may lead to an even deeper crisis, but it may also lead to opportunity for us. To use Gramsci’s image that I began this essay with, we may be entering an age of monsters, but like Ulysses, we cannot avoid going through the dangerous passage between Scylla and Charybdis if we are to get to the promised safe harbor.

**SLIDE 14**

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