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THE CURVE OF AMERICAN POWER

SINCE THE END of the Second World War, the geopolitics of the world-system has traversed three different phases. From 1945 till ca. 1970 the us hegemony exercised unquestioned hegemony in the world-system. The period from 1970 to 2001 was a time in which American hegemony began to decline, but the extent of its decline was limited by the strategy that the us evolved to delay and minimize the effects of its loss of ascendancy. In the period since 2001, the us has sought to recuperate its standing by more unilateralist policies, which have, however, boomeranged—indeed actually accelerating the speed and depth of its decline.

I. 1945–C.1970

If we look back to 1945, we can see that the end of the Second World War marked the conclusion of an 80-year struggle between the United States and Germany to determine which of the two rivals would be the successor to Great Britain—which had started to decline at least since 1873—as the hegemonic power in the world-system. The culminating phase of this struggle involved a thirty years' war from 1914-1945, which came to include all the major industrial powers of the world-system, and in its last phase (the so-called Second World War) inflicted enormous massive physical destruction on the populations of Europe and Asia and devastated most of their industrial equipment. The us won the war against Germany, obtaining its 'unconditional surrender', with the indispensable assistance of its main allies, the ussr and Great Britain, who sustained huge losses. In 1945, the us emerged from the war as the

only major industrial power that had preserved its industrial plant intact, indeed greatly strengthened by wartime expansion. This meant that, for 15-20 years thereafter, the us was able to produce all the key industrial products so much more efficiently than other industrial nations that it could outsell producers located in these other countries in their home markets. Moreover, in the immediate aftermath of the war, the physical destruction in Europe and Asia was so massive that many of these countries suffered from food shortages, unstable currencies, and acute balance of payment problems. They needed urgent economic assistance of multiple kinds, and they looked to the United States to supply it.

The us was easily able to transform its absolute economic dominance into political primacy. It also for the first time in its history became the central locus of the geoculture, New York replacing Paris as the capital of world art in all its forms. And the us university system suddenly came to dominate scholarship in virtually every field. The only domain in which the us remained nervous, with good reason, was the military arena. The internal politics of the United States had mandated the rapid reduction of its army, whose numbers had been sustained by a universal draft system. Washington thus now relied primarily on two military assets: its possession of nuclear weapons and a strategic air command capable of delivering these bombs anywhere in the world. There was one other serious military power in the world—the Soviet Union. Although it had suffered enormous bleeding during the war, the Soviet army was extremely large and not at all dismantled. Furthermore, within four years, the Soviet Union was able to acquire its own nuclear weapons and thereby break the us monopoly.

Yalta arrangements

The only rational solution to this military situation was some kind of political deal between what would later be called the two superpowers. Such a deal was made. We call it by the symbolic name of Yalta, but it was of course much more than the arrangements formally made at the Yalta conference. The deal consisted, in my view, of three parts. The first involved a division of the world into spheres of influence. The Second World War had ended on a certain line in Europe, roughly the Elbe river in Germany, and a hypothetical projection southward to the Mediterranean. Similarly, in East Asia, such a line existed along the 38th parallel dividing Korea in two halves. In effect, the agreement was that

each side would retain control (military and political) of its side of this line, pledging tacitly not to use military force to try to change the status quo. In effect, this awarded the Soviet Union control over the areas which had been occupied by the Red Army, about one-third of the world, and awarded the United States control over the rest.

Since the deal was never explicit, there were a number of occasions when it would be called into question in the years to come—in northern Iran, during the Greek civil war, the Berlin blockade, the Korean war, the Quemoy-Matsu imbroglio, the various uprisings in Eastern Europe (1953, 1956, 1968, and 1980-81), and above all the Cuban missile crisis. What is to be noticed about each of these mini-'crises' is that both sides always declined to use nuclear weapons (the so-called balance of terror) and each of these encounters/wars ended by a return to the status quo ante. The fact is that the mutual acceptance of each other's geopolitical boundaries lasted throughout the so-called Cold War, despite all kinds of internal pressures in each camp not to respect the terms of the tacit deal.

The second part of the deal lay in the economic arena. The United States was determined to rebuild the economic infrastructure of its allies. The reason for this was partly political (to ensure their loyalty as political satellites) and partly economic (there is no point being the most efficient producer in the world if there are not enough customers for one's products). What it did not want to do was pour money into rebuilding the economic infrastructure of the Soviet Union and its bloc. Both sides took advantage of the Berlin blockade to create a sort of radical dike between the two economic zones. The US used the Berlin blockade as the political excuse to get the US Congress to pass the Marshall Plan. It later used the Korean War to justify similar kinds of economic assistance to Japan, Taiwan, and South Korea. The Soviet Union, for its part, constructed COMECON with its East-Central European satellites and extensive economic links with China and North Korea. The bottom line of this arrangement was that the Communist third of the world withdrew from significant economic interaction with the rest of the capitalist world-economy, into a sort of collective protectionism. The Soviet bloc and its allies used it to press ahead with considerable industrialization, achieving remarkable growth rates during this period. The United States used it to construct an interstate economic order in which the dollar was

the world reserve currency and American industrial and financial enterprises could flourish.

The third part of the deal was ideological. Each side was allowed, indeed encouraged, to engage in very loud denunciations of the other. American rhetoric divided the arena into the free world and the totalitarian states. Soviet rhetoric divided the arena into the bourgeois camp and the socialist camp. The names were different, but the lists were essentially the same. Neither side accepted the legitimacy of ‘neutrality’ in this ideological war. But ideology was never allowed to determine ongoing political and economic decisions. The real function of the rhetoric was to enable the leaders of each zone to rein in potential dissidents in their own camp, and prevent the emergence of groups that might call existing geopolitical arrangements into question. The result was a world public opinion divided into two camps, with each side having a substantial group of believers and supporters.

Flies in the ointment

With the Yalta arrangement in hand, the United States faced no serious obstacles to doing what hegemonic powers do: establish a global order suiting its interests, based on a kind of long-term world societal project. In the immediate geopolitical arena, the United States could count on getting 95 per cent of its way 95 per cent of the time. This was a time of very rapid economic expansion in the world-economy, in which standards of living were generally rising, education and health care were expanding, and the arts and sciences were flourishing. Despite many passing hysterias, confidence in the future was widespread. But the marvelous harmonies of this period—what the French would later call the *trente glorieuses*—were too good to last. And last they did not. There were two flies in the ointment. The first was the economic recovery of Western Europe and Japan (plus the so-called four dragons). These areas did so well, as a result of the policies put in place by the United States, that by the mid-1960s they began to approach economic parity with the United States. It ceased to be true that American producers could outsell German, French, or Japanese producers in their home markets. On the contrary, the us began to import industrial products from these countries. And they all came to be relatively competitive in third country markets. Once the economic gap between the us and its major allies was

drastically reduced, the automatic political and financial alignment of these countries with the us could be revisited, and it was.

The second fly in the ointment was the so-called Third World, or all those countries whose interests and even views lay outside the purview of the two superpowers. They sought to act autonomously and rambunctiously, wherever and whenever they could. The Chinese Communists ignored the advice of Stalin to make a deal with the Kuomintang, and marched into Shanghai instead, proclaiming the People's Republic of China. The Viet Minh did not feel bound by agreements made in Geneva between the us, France, and the Soviet Union. They proceeded to try to liberate their country in its entirety. The Algerians refused the idea that the French Communist Party should dictate their strategy and future, and launched a war of national liberation. And the Cubans in the Sierra Maestra led by Castro were quite oblivious to the presence of the Cuban Communist Party in the governments of Batista. They proceeded to come down from the hills, take over Havana first, and the Cuban Communist Party next.

In short, the ability of the Soviet Union to restrain popular forces in the Third World from trying to upset the Yalta appletart proved less than perfect, and the leaders of the superpowers had to come to terms with these movements, albeit reluctantly and belatedly. The result was that these movements never felt much warmth for either superpower. Both superpowers abandoned their 'no neutrals' policy and began to seek out nationalist leaders in these countries who might line up with them. In doing so, the United States inevitably irritated the old colonial powers, who considered this new American policy to be unwise and interfering. This shift in tacit superpower policy marked the triumph of Bandung—the 1955 meeting of twenty-nine countries of Asia and Africa that proclaimed the entry of the non-Western world into the decision-making process of the world-system, forcing both the United States and the Soviet Union to court this new force.

The combination of the economic rise of Western Europe and Japan, the economic drain on the United States of fighting (and eventually losing) the Vietnam War, and the spread of 'liberation' ideology not only in the Third World but within the United States and Western Europe itself sounded the death knell of the post-1945 geopolitical framework. Symbolically, its end was located in the world revolution of 1968.

II. C.1970–2000

The new period was framed by two great changes: the politico-cultural transformations wrought by the upheavals of 1968, and the economic transformations that followed from the end of the long expansion of the world-economy (a so-called Kondratieff A-phase) and the onset of what would prove to be a thirty-year long period of stagnation (a so-called Kondratieff B-phase). Each needs to be spelled out, if we are to understand how the geopolitical arena was fundamentally restructured.

The world revolution of 1968 (which actually lasted more or less from 1966 to 1970) was a tumultuous uprising against authority of every kind by university students, and in many cases by workers as well. These revolts flared up with great suddenness, and then typically fizzled out. At the time, they often like a category-5 hurricane to those caught up anywhere near them. We may call them a *world* revolution because it occurred virtually everywhere in the world, and cut across the tripartite division of the world-system of the time—the West, the Communist bloc, and the Third World. A truly comprehensive history of these events has yet to be written—most observers saw only of the most spectacular occurrences, covered by the media, remaining unaware of the enormous number of smaller upsurges, especially in quite authoritarian regimes.

The issues in each locale were always defined glocally, as we now like to say. There were of course local issues in each occurrence, and local rhetoric, but two global issues which were consistently voiced in some form in almost all occurrences. The first of these was a rejection of the Yalta arrangements. The form this usually took was a denunciation both of us imperialism (this was the time of the Vietnam war) and of Soviet ‘collusion’ with it—indeed, the description of the world as divided between two superpowers and everyone else—a conceptual innovation of Chinese Maoism—is a fruit of these years. The second global issue was a critique by the new revolutionaries of the ‘Old Left,’ that is, the three classic varieties of antisystemic movements—the Communist parties (in power in the so-called socialist bloc), the social-democratic parties (in alternating power in most Western countries), and the national liberation and populist movements (in power in most of the Third World). The basic charge level against the old Left by the new was that it had offered its followers a two-step programme—first come to state power, then transform the world—but once in power, had failed to change the

world. For it was true that the Old Left had indeed come to state power across a very large part of the globe in the period 1945-1968, but it was also quite clear that these movements had not at all transformed the world, which remained—internationally and nationally—hierarchical, undemocratic, and inegalitarian. In the view of the 1968 revolutionaries, the Old Left parties in power had become themselves a major obstacle to achieving the very change they had promised when they had been in their mobilizing phase.

This pair of perceptions—the collusion of the Soviet Union with us imperialism, and the political failure of the Old Left—fatally undermined the political strength of the Old Left movements, and eroded the facile long-term optimism that had buoyed popular sentiments for over a century or more. Radical strategies had to be rethought in the wake of a widespread disillusionment with the idea that the primary goal of popular movements should be to obtain state power, state by state. Political disillusionment was soon compounded by economic disillusionment. The period from 1945 to 1970 had been buoyed by the concept of ‘development’—the idea that somehow, by adopting the right state policy, every country could achieve the standard of living of the wealthiest countries. The United States, the Soviet Union, and the Third World countries no doubt different vocabularies about development, but their basic objectives were remarkably similar. The underlying proposal was that a combination of industrialization and urbanization, more efficient agriculture and better education, together with short-term protectionism (import-substitution) constituted the path to a promised land of prosperity.

From development to deregulation

In the 1960's, the United Nations, without objection from anyone, had proclaimed the 1970's to be the Decade of Development. This was one of the less perceptive predictions ever made. The 1970's proved to be the death of developmentalism as an idea and a policy. For the expanding world-economy had reached the limits of a multiplication of producers in leading industries (the result of the economic reconstruction of Western Europe and East Asia), triggering a sharp decline in profits in the most dynamic sectors of world production. This has been a recurring problem in the operation of the capitalist world-economy and led to familiar results: relocation of many of these industries to semi-peripheral countries where wage levels were lower (these countries deeming

this relocation to be 'development'); increased unemployment worldwide (most notably in the wealthiest countries), leading to declining real wages and levels of taxation in these countries; competition among the 'triad' of the us, western Europe, and Japan/East Asia to export unemployment to each other; shift of investment capital from productive enterprises to financial speculation; and a steep rise of governmental debt.

The 1970's saw two major hikes in oil prices, which hit most Third World countries hard. Both Third World and socialist bloc countries ran into balance of payments problems, as markets for their exports to the wealthy countries weakened and their imports became more expensive. The rents obtained by oil-producing countries were placed largely in us and German banks, whence this money was 'lent' to now desperate Third World and socialist bloc countries. This eased their situation for a few years, but debts have to be repaid. Before long most of them found the burden of interest charges and capital repayments too heavy for their treasuries, and the debt crisis of the 1980's exploded. The 'failure' of developmentalist ideology set the stage for the neo-liberal attack, led by the Thatcher and Reagan regimes, the International Monetary Fund, and the World Economic Forum at Davos.

Henceforward a new definition of the path to the promised land—the so-called Washington consensus—inverted most of the dogmas of developmentalism. Import-substitution industrialization was now defined as corrupt cronyism, state-building as feeding a bloated bureaucracy, financial aid from the wealthy countries as money poured down a gutter, and parastatal structures as deadening barriers to fruitful entrepreneurial achievement. States were urged to defer expenditures on schools and health. Public enterprises, said to be by definition inefficient, were slated for privatization, as rapidly as possible. The 'market' rather than the welfare of the population now became the measure of all appropriate activity of the state. The IMF enforced this by making its loans dependent on 'structural adjustment,' which essentially meant following the prescriptions of the Washington consensus.

The geopolitics of the world-system changed radically. The Third World countries lost the self-confidence they had gained in the previous era, and the improvements in their standard of living disappeared as the economic consequences of global stagnation hit home. Many of their political regimes began to fall apart, with civil wars and other kinds of

internal turmoil compounding their economic distress. One by one, they ceded to the demands of the Washington Consensus. Nor was the Soviet bloc exempt from this deterioration. Its once impressive growth rates went down sharply, its authoritarian internal cohesion disintegrated, and the ability of Moscow to control now restless 'satellites' bit by bit disappeared. Finally, as we know, the Soviet Union itself entered on the path of political and economic 'reform' (*perestroika* plus *glasnost*) with Gorbachev. The remedy was in many ways a brilliant success; unfortunately, the patient died.

Managing us decline

So it seemed to many that the world-system had entered in this period into a golden era for the United States. Not at all; it was quite the contrary. First, the us had lost a major war against a small country. Nixon withdrew ignominiously from Saigon, and the United States became afflicted with a Vietnam syndrome—that is, a serious reluctance of the American population to commit its soldiers to potentially ruinous wars in the far-off parts of the world. Vietnam was compounded by the Watergate scandal, which forced Nixon to resign his presidency. Military defeat and domestic political crisis were, however, only a backdrop to the graver us geopolitical problem—the loss of any automatic economic superiority over its major allies, Western Europe and Japan. For, once the Triad had become more or less economic equals, the us could no longer count on Western Europe and Japan behaving like political satellites. us foreign policy had to change, and change it did. Beginning with Nixon, and continuing for the next thirty years (Nixon to Clinton and passing through Reagan), all us presidents concentrated on an unspoken objective—slowing down the decline of us hegemony.

The programme they evolved was threefold. The first plank of it was designed to maintain us political power. This was an offer to Western Europe and Japan of 'partnership.' Washington in effect said to its major allies that it would offer them a say in constructing a joint world geopolitical policy, in return for Western Europe and Japan refraining from unilateral policies of their own. Partnership was implemented by the creation of a series of institutions (the Trilateral Commission, the G-7 meetings, the World Economic Forum at Davos among others). One major argument the us used was the need to maintain a united front against the Soviet Union (which had begun to dilute its own implementa-

tion of the Yalta arrangements by, among other things intervention to support a Communist regime in Afghanistan). Partnership was only partially successful in constraining the major allies. Germany did decide to pursue a so-called *Ostpolitik* against the wishes of the us government. Western Europe (including Mrs. Thatcher's government) did agree to build a gas pipeline from the Soviet Union to the West against the wishes of the us government. And in the 1990's, South Korea did decide to launch a 'sunshine policy' towards North Korea against the wishes of the us government. But if only partially successful, it was at least partially successful. The allies of the us did not stray too far.

The second plank was designed to secure us military advantage. Now that Vietnam had indicated the limits of American ground forces, it was more important than ever to maintain its nuclear edge. The us had already lost an absolute monopoly in nuclear weapons, since by the mid-sixties Great Britain, the Soviet Union, France, and China all had developed them. But the us decided it was crucial that the spread stop there. The second plank was thus a drive to stop nuclear proliferation. The Treaty on the Non-Proliferation of Nuclear Weapons entered into force on March 5, 1970. The treaty offered a deal. The five nuclear powers would work to pursue negotiations for nuclear disarmament and permit, indeed help, other countries to develop the peaceful uses of nuclear energy in return for a renunciation by the rest of the world of pursuing nuclear weaponry. Three countries did refuse to sign the treaty—India, Pakistan, and Israel—and each has since obtained nuclear weaponry. But everyone else eventually signed. And many countries, who were thought to have started programs in the direction of developing nuclear weaponry, in fact closed down these programs. The list is not a formal one but probably includes at least Sweden, Germany, South Korea, Japan, South Africa, Brazil, and Argentina. And since the collapse of the Soviet Union, three now-independent republics—Ukraine, Belarus and Kazakhstan—have renounced the weapons that had been installed on their territory. There is of course a small group of countries whose real practices have long been in dispute: Iraq (whose Osirak nuclear facility was bombed by Israel in 1981), Libya (which dismantled its facilities in 2004), North Korea, and Iran in particular. The reason why this treaty is so crucial to the United States is that any country with even a few nuclear weapons possesses capacity to limit the strategic options of the us and the reach of its military strength. We can say that this second objective too was partially—but only partially—successful.

The third element in this revised foreign policy was economic. When the Washington Consensus replaced developmentalism as the reigning world doctrine, the effect was to make American economic and particularly financial involvement in Third World countries much more extensive and profitable, and hence to compensate for some of the decline in the profitability of erstwhile leading industries of the United States. In many ways, this aspect of the revised foreign policy was the most successful of the three, until the late 1990's.

After the Cold War

But—as even earlier, in the 1945-1970 period—the very success, however partial, of American efforts to slow down hegemonic decline created difficulties for the us at the very moment when it was congratulating itself on its 'new' role as the 'sole superpower.' The first of these was caused by the collapse of the Soviet Union. The rhetoric of the United States had always been that the Soviet system should be ended. Ronald Reagan had called it the 'evil empire' and shouted to Mikhail Gorbachev, 'tear down that (Berlin) wall.' When Gorbachev did, in effect, for his own reasons, tear down the wall, and forced considerable mutual disarmament on the United States, the us was flabbergasted, largely unbelieving, and absolutely unsure how to handle this new development. In a relatively short period, the East and Central European states threw off their Communist regimes and ended their economic and military ties to the Soviet Union. This was followed by the dissolution of the Communist Party of the Soviet Union, the dismantling of the USSR into its sixteen constituent republics, and the parallel dismantling of the Federal Republic of Yugoslavia. What happened then?

The principal geopolitical consequences were two. The United States lost the last important argument it could employ as to why Western Europe should remain politically tied to the United States—the need to maintain a common front against the Soviet Union. It also lost the last important indirect constraint on the policies of Third World nations—the role of the Soviet Union as an enforcer of the rules of the Yalta arrangements, in countries hostile to the us. The latter effect became dramatically visible with the Iraqi invasion of Kuwait in 1990. We should not misread Saddam Hussein's motives in taking this decision. He had just completed an inconclusive and exhausting war with Iran, one fought with the active encouragement of the United States. He had contracted large

debts to Kuwait and Saudi Arabia as a result of the conflict, which he was having difficulty in repaying. He believed that Kuwait was draining oil from Iraqi fields using diagonal wells. And Iraq had argued for seventy years that Kuwait was part of Iraq and only created as a separate state by the British for their own reasons. So he thought he could solve all these problems with one stroke by marching into Kuwait, which was militarily no match for the Iraqi army.

He of course worried about world reaction to what was obviously, under international law, aggression. But because of the imminent collapse of the Soviet Union, he could afford to disregard Soviet views. He felt he could handle Saudi Arabia militarily, should he need to do so. His only obstacle was the United States. He probably reasoned thus. Either the us fails to react (as he was assured by the us Ambassador to Iraq two days before the invasion) or they do react. He gave it probably 50-50 odds. If the us does react, the worst they will probably do is to push Iraq out of Kuwait. So, all in all, it seemed a gamble well worth taking. And of course he turned out to be right. The us, after a momentary hesitation, mobilized a political and military campaign to expel from Kuwait, getting four countries (Germany, Japan, Saudi Arabia and Kuwait) to bear some 90 per cent of the cost of the American operation. The us and its allies did evict Iraq from Kuwait. But it stopped at the border for fear of the negative consequences for American interests of invading Iraq itself. The end result was the status quo ante. This was to be sure modified by UN sanctions and various constraints on Iraqi sovereignty. But Saddam remained in power.

TINA and its consequences

On the front of the world-economy, the 1990's was to be the moment of long-term institutionalization of the neo-liberal global order, whose chief instrument was to be the World Trade Organization (wto), charged with ensuring that the countries of the South open their frontiers to trade and financial flows from the North and guarantee their intellectual property. The basic message was the slogan launched by Mrs. Thatcher a decade earlier: There is No Alternative (TINA). One initial geopolitical achievement of the United States was the signature of the North American Free Trade Agreement (NAFTA), which was to come into force on January 1, 1994. The countries of the erstwhile socialist bloc, including Russia

itself, engaged in an orgy of privatization and deregulation. So did many other states in the South.

The immediate result in a large number of countries was not improved but greatly worsened economic conditions, with the disappearance of social safety nets, increasing rates of unemployment, and declining currencies—all occurring side by side with the sudden spectacular rise of new wealthy strata. The picture was one of greatly increased internal inequalities in the less developed countries of the world. When the one area of the South which had been doing rather well economically—East and Southeast Asia—suffered a severe financial crisis in 1997, followed by similar setbacks in Russia and Brazil, the neoliberal option lost its sheen as a solution to the world's economic problems. There had already been political resistance to it of various kinds. One was the return to power in a number of countries of erstwhile Communist parties, now refashioned as social-democratic organizations prepared to maintain at least some welfare provisions. Another was the eruption of the Zapatistas in Chiapas in Mexico, who launched their uprising symbolically on the day NAFTA came into effect. They spoke in the name of indigenous populations calling for some control over their own lives, and a refusal of neoliberal options for themselves and for the whole world.

When the WTO met in Seattle in 1999 to draw up definitive rules for a neoliberal world economic order, it was met by popular demonstrations (largely of US social movements) that effectively derailed the proceedings. Similar protests followed at various other international meetings over the next few years, leading to the creation of the World Social Forum, which met for the first time in Porto Alegre in January, 2001—designed as a popular riposte to the World Economic Forum of Davos, the official meeting-ground of global neoliberalism. The US geopolitical programme to slow down the decline in American hegemony seemed to be grinding to a halt. It was time to rethink it.

III. 2001–25

When George W. Bush was inaugurated president of the United States in 2001, he brought into very high positions in his government a group of people who may well be called 'neo-conservatives', who had constituted themselves as a public presence in the 1990's in an organization

called the Program for a New American Century. They had made several written declarations of their geopolitical views in the period 1997–2000, so their outlook was no secret. While George W. Bush was not himself a member of this organization, among its members had been his Vice-President, his Secretary and Deputy Secretary of Defense, his brother, and a number of senior officials or advisors in his government. This group was extremely critical of Clinton's foreign policy, but not only Clinton's. In effect, they rejected the whole thrust of us foreign policy in the period 1970–2000, from Nixon to Clinton foreign policy, which had tried to slow down the decline of us hegemony. They believed the glass of us power was not half full, but half empty—American decline was all too real. They did not attribute this to structural changes in the world-system (for example, the end of us economic superiority vis-a-vis Western Europe and Japan), but rather to the political blunders and lack of tough resolve of successive us presidents. They did not exempt Ronald Reagan from this critique, although they did not say so too loudly.

This lobby called for a radical revision of us foreign policy. They wished to replace the soft multilateralism that was the basis of the partnership the us had offered its principal allies between 1970–2000 with unilateral decisions, to be offered its allies on a take-it-or-leave-it basis. They wanted to insist on immediate adherence to nuclear non-proliferation by those countries that seemed to be resisting it, and at the same time to free the United States from the restraints it had accepted on the expansion and updating of its own nuclear arsenal. They wanted to block American participation in new international treaties that would in any way limit us national decisions (Kyoto Protocol, Law of the Sea, etc.). Above all, they were set on ousting Saddam Hussein, who in their eyes had humiliated the United States by remaining in power in Iraq, by force. Implicitly, they blamed the first President Bush for not having marched on Baghdad in 1991.

It is important to note that many, if not most, of these individuals had held high positions in the governments of Ronald Reagan and George H. W. Bush, but had never been able to get either of these administrations to buy this programme. They had been stymied by a large group of persons who adhered to the Nixon-to-Clinton strategy, and regarded their proposals as dangerous folly. So they were frustrated not only by Saddam Hussein, but by what might be thought of as the us foreign policy establishment. And for the first eight months of the second Bush presidency,

they continued to be frustrated. Then came Osama bin Laden's assault on the Twin Towers and the Pentagon. Almost immediately they were able to get George W. Bush to buy their entire approach to geopolitics. What probably persuaded him and his immediate political advisors was the fact that assuming the mantle of a 'war president' seemed to be the surest road to re-election as well as to realization of his most cherished domestic objectives.

The logic of the neo-conservative position was very simple. Bringing down Saddam Hussein by force, preferably by largely unilateral force, would not only restore us honour, but also intimidate three groups whose policies seemed to constitute a major threat to us hegemony: Western Europe with its pretensions to geopolitical autonomy; the potential nuclear proliferators (especially North Korea and Iran); and the rulers of the Arab states who were dragging their feet over a 'lasting' settlement of the Israeli-Palestinian conflict largely on Israel's terms. The neo-conservatives reasoned that, if they could achieve these three objectives rapidly and conclusively, all serious opposition to us hegemony would disintegrate and the world would indeed enter a 'new American century.'

Miscalculations

In doing so, they made several major errors of judgment. They assumed that the military conquest of Iraq would be relatively simple, and cost little in either personnel or money. It is now clear they were wrong about this. While us troops entered Baghdad rapidly enough, they were unable to establish order in the country. The Baathist forces slipped away to form the basis of a guerrilla resistance, whose scope and efficacy has steadily grown. Washington was manifestly unprepared to handle the complexity of Iraqi internal politics, and found itself caught in not only a military but a political quagmire, from which it turned out to be very difficult to extricate itself. Indeed, as time went on, the us found it had less and less room for manoeuvre, coming to resemble a Gulliver tied down by the tiny Lilliputians.

Moreover the politics of intimidation backfired entirely. Far from ceding to us pressure, Western Europe (France and Germany in particular) began to exhibit a degree of political independence unknown since 1945. In 2003, the us had to withdraw the resolution in the UN Security Coun-

cil to endorse the us invasion when it became clear it would receive only 4 out of 15 votes, a lack of support the us had rarely experienced in the United Nations. Far from returning Western Europe from the status of 'partners' to that of 'satellites,' the new unilateralist policy made it unlikely that West Europe would ever again accept the status of a mere 'partner', as opposed to an autonomous actor on the world political arena that might or might not ally itself with the United States on particular issues.

Nor did intimidation work any better with potential nuclear proliferators. Both North Korea and Iran drew the conclusion from the American invasion of Iraq that the us could attack Iraq not because it had nuclear weapons, but because it did not have nuclear weapons. It seemed obvious to both governments that the surest defense of the existing regimes was to speed up the acquisition of a nuclear arsenal. For tactical reasons, Iran denied this, as North Korea did not. The us asserted that both countries were in fact pursuing such programmes. But the us found itself weakened both militarily and politically by the occupation of Iraq. Militarily, it became clear that the us would not be capable of a successful land invasion of another such country. It might of course preemptively launch nuclear missiles, but the consequences doing so seemed daunting. Politically, indeed, it was now in less of a position to rally either Western Europe to East Asia to any effort to force the two countries to cease their programmes. The us was consequently in a weaker position to stop nuclear proliferation after the invasion of Iraq than before it, the opposite of neo-conservative projections. As for the Arab regimes, the conclusion they drew from the invasion of Iraq was that the ambiguous policies they had pursued for decades were the only plausible ones for their own survival. They were in general aghast at the political consequences of the invasion of Iraq—both for Iraq and for their own countries. They certainly were not induced to fall further into line with us projects in the Middle East.

Finally, on the front of neoliberalism, the Washington Consensus no longer binding seemed so binding on the countries of the South, precisely because of the weakening of the us geopolitical position as a result of its invasion of Iraq. Both negotiations within the wro, which the Bush regime sought to revive, and Washington's bid to create a Free Trade Area of the Americas (FTAA), ran into a roadblock set up by the Brazilian and other governments of the South. At the Cancun meeting of the wro

in 2003, Brazil joined forces with South Africa, India, and China to form the G20 bloc of countries to negotiate with the US and Western Europe. The basic position of the G20 was that, if the South was to open its frontiers further to trade and financial flows from the North and protect the intellectual property rights of firms of the North, the North had in turn to open its frontiers further to trade flows from the South in such branches as textiles and agricultural products. For domestic political reasons the US and Western Europe found it impossible to accede to these demands, to any significant degree. The G20 replied that in that case, they could not accede to the demands of the North. The result has been a deadlock, effectively ending the ability of the WTO to press forward to any degree in implementing its neoliberal objectives. Much the same has happened with the FTAA. Brazil and Argentina, strongly supported by Venezuela, pressed other South American countries to strengthen their ties with Mercosur rather than sign up to the FTAA. As a result, the FTAA project never made much progress, and the US has retreated to trying to establish bilateral trade pacts with smaller countries, a tactic that in fact reduces world free trade rather than expands it.

The net result of the entire Bush foreign policy has thus been to accelerate the decline of US hegemony rather than reverse it, as intended. The world has entered into a relatively unstructured, multilateral division of geopolitical power, with a number of regional centres of varying strength manoeuvring for advantage—the US, the UK, Western Europe, Russia, China, Japan, India, Iran, Brazil at the very least. There is no overwhelming superiority—economic, political, military, or ideological-cultural—in any one of these centres. And there is no strong set of alliances for the moment, although one is likely to emerge.

Impending scenarios?

Looking ahead over the next two decades, what kind of trends are probable? The first is a complete breakdown of nuclear non-proliferation, with the rise of one to two dozen small nuclear powers in addition to those already in existence. The severe decline of US power plus the competing interests of the multiple power centres virtually guarantee that those countries which ended such programmes in the period 1970–2000 will resume them, no doubt joined by others. This will at one and the same time put a crimp in the launching of military actions in many

zones of the world and make the consequence of such actions much more dangerous.

In the arena of world finance, the dominance of the us dollar is likely to disappear, giving way to a multi-currency system. It is obvious that the euro and the yen will become more widely used as mediums of financial accumulation and commodity exchange. The question is whether other currencies will also join the list, and the degree to which the expansion of the number of currencies in real world economic use will unbalance the system, or at least render it extremely volatile. In any case, the decline of the central role of the dollar will create major economic dilemmas for the United States in dealing with its existing national debt, and probably result in a reduction of the standard of living within the United States.

Three regions warrant special scrutiny because they are all currently in considerable turmoil, the outcome of which is likely to change in important ways the geopolitical picture: Europe, East Asia, and South America. The European story is the best known. In the five years between 2001 and 2005, two major developments occurred in this region. The first was the direct outcome of Bush's unilateralist revision of us foreign policy. Both France and Germany publicly opposed the us invasion of Iraq and obtained support in a number of other European countries. At the same time, they strengthened political links with Russia, starting to create a Paris-Berlin-Moscow axis. In response, the us aided by Great Britain created a counter-movement, drawing most of the East-Central European states—what Rumsfeld called 'new' as opposed to 'old' Europe—into their camp. The motivations of the East-Central European states derived primarily from their continuing fear of Russia and hence felt need for strong ties to the United States.

The second development was the defeat of a proposed European constitution in the referenda in France and the Netherlands. Here the lines were quite different from those over the invasion of Iraq. Some 'no' votes came from popular opposition to neoliberalism and fears that the new European constitution would entrench it; others from apprehension at a further expansion of Europe eastward, and especially the possible entry of Turkey into the EU. In both cases, those who voted no wanted voters a more autonomous Europe, capable of taking a greater distance from the United States. But the combination of the two developments—the split over the invasion of Iraq and the defeat of the new constitution—

has momentarily halted the thrust towards a stronger, more unified and independent Europe. The question is whether over the next decade this project can be relaunched on a firmer institutional and popular footing. It is still also an open issue whether such a revived European project, if it took off, would arrive at a political arrangement with Russia, such that we could speak of a European-Russian geopolitical pole.

If we turn to the East Asian region, the scenario is rather different. For one thing, this zone comprises only three countries, all large ones: China, Korea, and Japan. Two of these are presently divided in ways that are unlikely to continue. Neither reunification (of North and South Korea, the PRC and Taiwan) will be easy to achieve, but both are plainly possible between now and 2025. But there is a second issue quite distinct from those at the other end of Eurasia. In Europe, the historic enmity between France and Germany is largely healed, whereas the cleavages between Japan and both China and Korea are not at all healed. Passions are still strong on all sides. On the other hand, the economic advantages to all three of closer ties are very great, and may serve to still historic angers. There is a knotty issue to resolve: which of China or Japan would play the 'leading' role in a prospective East Asian union of some sort? This is a problem, involving military, monetary, and politico-cultural issues, that is not unsolvable, but it would require a good deal of visionary political leadership in all three countries. If however the obstacles can be overcome, the East Asian union might emerge as the strongest member of the still existing Triad of the North—North America, Europe, and East Asia. In that event, it would probably draw the United States into its camp as a sort of combined elder statesman/junior partner. This is not exactly the role the United States envisages for itself under George W. Bush, but in 2025 it could seem an attractive deal for both the leadership and the populace in the United States.

Finally, South America has the potential to emerge as a significant autonomous actor, released from dependence on the United States and combining in some form of economic unity. If it were able to attract Mexico into its camp, it might then be able to make giant economic and political steps forward—to the detriment, to be sure, of the us. Where other potential forces—especially, but not only, India, Iran, Indonesia, and South Africa—would fit into such an overall geopolitical realignment is the least clear question of the coming period. And lurking behind all possible reconfiguration of world politics would be questions

of access to energy and to water, in a world beset by ecological dilemmas and potentially producing vastly more than existing capacities of capitalist accumulation. Here could be the most explosive issues of all, for which no geopolitical manoeuvring or reshuffling offers any solution.