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Immanuel Wallerstein

## **An American Dilemma of the 21st Century?**

### **Abstracts**

*In 1941, Henry Luce proclaimed the twentieth century the American Century. And in 1944, Gunnar Myrdal wrote of the American dilemma, the discrepancy between its values and the actual treatment of Black Americans. In the post-1945 period, the need of a hegemonic United States to project a positive world image led to major improvements in the position of Black Americans – an improvement however primarily for educated elites and much less for the Black working-class strata.*

*In the period since 1970, U.S. power has been on the decline, which has caused increased internal tensions in the U.S. This intersects with the structural crisis of the world-system, manifesting itself as an increasingly chaotic world in which there is taking place a world political struggle between the forces of the spirit of Davos and the forces of the spirit of Porto Alegre over the nature of the new world-system that will be constructed.*

*One major question is how the U.S. will react to its decline, the new American dilemma, and how that will affect its ability to deal with the old (Myrdal) American dilemma.*

### **Un Dilema Americano para el Siglo XXI?**

*En 1941 Henry Luce proclamó al Siglo XX como el Siglo Americano. En 1944 Gunnar Myrdal escribió el Dilema*

*Americano, refiriéndose a la situación de los negros en Estados Unidos. En el periodo posterior a 1945, la necesidad de afirmar la hegemonía americana con una imagen positiva, llevo a mejorar la situación de los Negros pero básicamente de las elites y no de los trabajadores.*

*Desde 1970, los Estados Unidos empezaron a declinar, lo cual condujo a tensiones internas que se unen a la crisis estructural mundial, en una situación de caos en el que las fuerzas defensoras del espíritu de Davos se oponen a las de Porto Alegre en definir la el sistema mundial a construir.*

*Una cuestión importante es como Estados Unidos reaccionará a su propio declive, el nuevo Dilema Americano y como ello afectará a la forma de resolver el anterior, el de Gunnar Myrdal.*

### **Un dilemme américain du XXI<sup>e</sup> siècle?**

*En 1941, Henry Luce a proclamé le XX<sup>e</sup> siècle le siècle américain. Et en 1944, Gunnar Myrdal écrivait un livre sur le dilemme américain, c'est-à-dire, la divergence entre les valeurs américaines et le traitement réel des Noirs. Dans la période après 1945, les Etats-Unis, pouvoir hégémonique, s'est senti la nécessité de projeter un image mondial très positif, ce qui l'amenait à améliorer d'une façon sérieuse la position des Noirs. Cette amélioration pourtant eut un impact surtout sur la place des élites noirs et assez peu sur la position des strates ouvrières noires.*

*Depuis 1970, la puissance des Etats-Unis se trouve en déclin, ce qui aboutissait à un accroissement des tensions internes aux Etats-Unis. Ceci eut lieu en même temps qu'il se passe une crise structurelle du système-monde. Cette crise se manifeste par un monde toujours plus chaotique et en résulte une lutte politique mondiale entre les forces de l'esprit de Davos et les forces de l'esprit de Porto Alegre, une lutte autour de la conception du nouveau système-monde qui est en train de se construire.*

*Une question actuelle principale est comment les Etats-Unis vont réagir à son déclin, ce qui est le nouveau dilemme américain, et comment cela va avoir impact sur sa capacité de traiter le vieux dilemme (myrdalien) américain.*

### **An American Dilemma of the 21st Century?**

In 1941, Henry Luce proclaimed the twentieth century the American Century. He was certainly not wrong. It was the century in which the United States became the dominant force in world production and the hegemonic power of the world-system. In 1944, Gunnar Myrdal published *An American Dilemma*, in which he argued that the basic values of the Enlightenment proclaimed in the United States were in persistent conflict with the actual treatment accorded Black Americans (then called Negroes). The two realities (that of Luce and that of Myrdal) interwove in the second half of the twentieth century. The

geocultural constraints of being a hegemonic power – specifically, the need to project a world image as the standard-bearer of the “free world” – was a major factor in inducing the United States government to make some important changes in the position of Blacks in American society, notably President Truman’s executive order in 1948 desegregating the armed forces and the 1954 decision of the Supreme Court that declared segregation unconstitutional. These decisions were critical elements in the process that subsequently resulted in a breakdown of many social barriers for educated, middle-class Blacks.

In this first decade of the twenty-first century, it seems clear that there will not be a second American century. We are living amidst the decline of American power. As for Myrdal’s American dilemma, it seems clear that, although there were notable improvements in the modes in which racism was played out in the United States since the time that Myrdal wrote, the basic discordance of American values and American realities remain unresolved. There is in addition a new American dilemma – how to cope with this decline. The social choices the U.S. makes in its response to the decline of American power will both be conditioned by and in turn affect dramatically the still enduring other American dilemma that Myrdal described.

The decline of the hegemony of the United States is not the result of some errors in the policies of successive U.S. governments. It is the normal consequence of the operations of the modern world-system, in which the moments of true hegemony are not, and cannot be, long-lasting. Hegemonic power self-destructs. Its roots are a transitory situation of extraordinary economic advantage that results in political, military, and cultural dominance in the world-system. But extraordinary economic advantage is like any monopoly. Its secrets can be learned and copied, and latecomers are able to undercut the leader which has various kinds of fixed charges it is paying down, and which latecomers need not assume. In addition, politico-military leadership is undercut by the costs of maintaining it. Peaks of hegemony tend to last 25–50 years at most. For the United States, the period of true hegemony was quite short. I date it as going from 1945 to circa 1970.

The period 1970–2001 was one in which successive U.S. presidents reacted to the decline that was beginning by seeking to slow down its pace with a series of specific and new policies: “partnership” for close allies; efforts to ensure non-proliferation of nuclear weapons; and substitution of the rhetoric and policies of “globalization” for the rhetoric and policies of

“developmentalism.” This set of policies was designed to maintain the maximum degree possible of the power and authority of the U.S., even if it were less than that of the previous period. The U.S. governments were in fact moderately successful in this objective.<sup>1</sup>

But, there were some Americans for whom the success was far too modest, and these policies were defined instead as a failure. They are those we now call neo-conservatives. This group considered the origins of the decline, which they admitted as a reality, to be not at all structural (and therefore inevitable) but merely the consequence of weaknesses displayed by the presidential leadership. In 2001, taking advantage of the attack of September 11, this group persuaded President George W. Bush to implement a quite different policy, one that one might call macho aggressive unilateralism. The logic of this alternative policy was that a show of unilateral and massive force – for example, by invading Iraq, destituting Saddam Hussein, and then maintaining with ease a U.S.-defined order in the “greater Middle East” – would have the geopolitical consequence of reversing totally the decline. It was believed that such initiatives, which they had not doubt would succeed totally, would intimidate the allies (particularly, western Europe) into abandoning all efforts to pursue an independent geopolitical strategy, frighten those middle powers which were thinking of obtaining nuclear weapons (particularly, North Korea and Iran) and inducing them to renounce such plans, and bamboozling all other countries (particularly in the Middle East) to align themselves unreservedly with the United States.

As has since become obvious to almost everyone, this new policy was a complete fiasco. Western Europe, far from being intimidated, took considerable public distance from the United States. North Korea and Iran did not abandon but speeded up their nuclear programs. And the Middle Eastern states, even those most dependent upon the U.S., became warier than ever of U.S. pressures. Furthermore, the U.S. has been undergoing what will be historically seen as an actual military defeat in Iraq. Despite all its military hardware and technical prowess, the U.S. proved to be quite incapable of wiping out the Iraqi resistance. And the governmental structure it installed in the place of that of Saddam Hussein has shown itself to be neither able to control the situation nor a likely long-term ally of U.S. interests.

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<sup>1</sup> I have spelled out what happened between 1945–1970 and then 1970–2001 in many places. See, for example, *Decline of American Power: The U.S. in a Chaotic World*, New York: New Press, 2004.

If one looks then at what happened concerning the American dilemma described by Myrdal, we see that the period 1945–1970 was one of great internal struggle in the United States aimed both at dismantling the legal apparatuses that institutionalized racism and at undermining the societal legitimacy of racist rhetoric. On the legal-institutional front, the Supreme Court decision of 1954 was followed by the Civil Rights Act of 1967 as well as the initiation of programs of affirmative action, both by the U.S. government and by all manner of other institutions. And these changes did have the effect of delegitimizing the old openly racist rhetoric that was still pervasive and widely accepted at the end of the Second World War. This was the period of strong Black social movements (SCLC, SNCC, Black Power) and strong Black movement heroes (Martin Luther King, Malcolm X).

In the period 1970–2001, many Black politicians, professionals, and business persons were able to take advantage of these changes and become installed in high positions in major institutions (the armed forces, the three branches of government, the universities, the corporate structures). But, at the base, most Blacks remained excluded from employment, continued to lead de facto segregated lives, and were incarcerated disproportionately in prisons and consequently deprived of voting rights.

Since this was also a period that saw increased unemployment in general, and a decline in real income for the U.S. working classes, there also set in a serious social reaction against both what was described as “reverse discrimination” (that is, the effect of affirmative action on White workers) and also the influx of undocumented workers (who were principally Latin@s). In short, the gains in rhetoric were beginning to recede partially, and the legal rights were watered down in many ways.

One of the social expressions of this reaction was the politicization of many White Christian evangelicals, who formed movements that challenged the egalitarian and Enlightenment rhetoric that had underlain many of the legal-institutional and rhetorical gains of Blacks and other “minorities” as well as of women which these groups had won in the period of U.S. hegemony. The so-called Christian right used the political tactic of entering into the two-party structure of U.S. politics and became a major force within the Republican Party. This turned out to be extremely efficacious.

The changes in the relative power of the United States externally and the changes in the socio-political position of Blacks (and other “minorities”) internally need to be placed in a larger world context. The pan-European (or

White) strata had achieved a high point of world dominance in the nineteenth century. The entire twentieth century was one of reaction to this, involving increased political assertiveness by the non-European, non-White strata. By the last quarter of the twentieth century, the decline of the “West” and not merely that of the United States was becoming a visible phenomenon, and there is no reason to doubt that this trend will continue and accelerate in the twenty-first century.

There is to be sure resistance to this decline in the pan-European/White world. U.S. macho unilateral militarism and the Christian right backlash are two expressions of this resistance, as are similar movements in Europe such as those led by Jean-Marie LePen in France and Jörg Haider in Austria. What these movements attack, and indeed quite explicitly, are the Enlightenment “values” supposedly incarnated in the “American dream.” It is a switch from the social situation described by Myrdal. He described an America in which Enlightenment rhetoric was unquestioned but discrimination against Blacks nonetheless very high because their socio-political power was so low. Sixty years later, the rhetoric is no longer unchallenged, but the discrimination has diminished somewhat because the socio-political power of Blacks has increased. What Myrdal considered to be a great discrepancy between values and social reality – his American dilemma – has been reduced, as the rhetoric about the values and the social reality have moved closer to each other.

The political consequence of such a shift is very obvious. In the U.S. of 1944, internal political order was at a very high level. The “dilemma” induced Americans of the liberal center to push for legal shifts that would “ameliorate” the dilemma. When however the virtuous rhetoric became less widely accepted and the real political power of those who are getting the short end of the stick has increased, there is potentially less order, far less order. The liberal center has shrunk, almost disappeared, and there has come to be far less room for legal modes of addressing the issues. We are moving into an active conflict mode, which is what we can foresee as an increasing and fairly immediate likelihood over the coming decades within the United States, and indeed within western Europe as well (albeit perhaps less strongly than in the U.S.).

This prospective acute social conflict must be placed, too, within a larger world context. Three separate but interrelated processes are coming together as the framework within such social conflict will be occurring. One is the structural crisis of the capitalist world-system as an historical system. The second is the reaction in the collective social psychology of the U.S., a central

player in this historical system, to the collapse of the “American dream” in the global arena. The third is the struggle for a new world-system between the real social forces in contention in the first half of the twenty-first century.

I have previously argued in some detail why the modern world-system, which has been in existence for some 500 years, is now in the midst of a structural crisis, and therefore undergoing a transition to some other kind of historical system.<sup>2</sup> I shall therefore merely resume my argument here quite briefly. I start with a series of premises. The first is that all historical systems have lives. They have three different moments: (1) the periods of origin; (2) the long period of its ongoing processes whose cyclical rhythms and secular trends constantly bring the system back to a (moving) equilibrium and which can be described as the “normal” mode of operation of the historical system; and then (c) a structural crisis brought on by the fact that the contradictions of the system can no longer be contained by its standard mechanisms and the system, now far from equilibrium, bifurcates. There then ensue chaotic fluctuations which may be thought of as involving a struggle over which fork of the bifurcation will be taken and thereby result in a new, reasonably stable, historical system.

The second premise is one taken from the sciences of complexity.<sup>3</sup> The outcome of a bifurcation is inherently unpredictable. The only thing that is certain is that the existing system is no longer viable and must disappear. What will replace it can only be known once it happens. Nor is it certain that the spatial boundaries of the successor historical system be identical. There could result a multiplicity of separate historical systems. It is certainly impossible to assume, as has been widely done within our existing historical system, that the new system will represent progress, however defined, over the existing system. It might, but it might not. The premise is that of possible progress rather than inevitable progress.

The third premise is that during the long period of the “normal” functioning of an historical system, the ability of actors to affect the functioning of the system is quite limited. Because the structure, by definition, contains strong pressures to return all fluctuations to equilibrium, even enormous social

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<sup>2</sup> See in particular *Utopistics, or Historical Choices of the Twenty-first Century*, New York: New Press, 1998, esp. ch. 2.

<sup>3</sup> See Ilya Prigogine, *The End of Certainty: Time, Chaos, and the Laws of Nature*, New York: Free Press, 1997.



input (such as those we call political or social “revolutions”) turn out in fact to have small impact. On the other hand, when the historical system is in structural crisis, the pressures to return to equilibrium are steeply diminished, and the reach of the fluctuations is much greater. It follows that small inputs can therefore have great outputs. We might translate this into standard philosophical terminology as arguing that “free will” (or agency) triumphs over “determinism” (or structure) precisely *and only* in periods of structural crisis (or systemic transition).

Of course, one needs to explain why the contradictions of the system have reached a point such that they can no longer be contained and result in a structural crisis. Abstractly, it is because the outcome of each cyclical rhythm moves the system along some kind of secular trend or trends, all of which move towards asymptotes. Therefore when these trends approach the asymptotes, the system has moved far from equilibrium, becoming unstable (chaotic), and bifurcating. Let us put concrete flesh on this abstract description.

The capitalist world-economy, which is the form of our existing historical system, operates on the basic principle of rewarding all actions that permit and promote the endless accumulation of capital and punishing or limiting any actions that do not permit and promote this objective.<sup>4</sup> How does one accumulate capital in a capitalist system? The surest way is to produce commodities for sale on the market, with the lowest possible cost of production and the highest possible sales price.

The sales price is a function of competition and the size of effective demand. The amount of competition is determined by the degree to which producers can create quasi-monopolistic positions, which is a primarily political process. Monopolies are constantly achieved and then just as constantly self-destruct over time, a process that translates into the existence of a continually changing list of “leading products” in the modern world-system.

While the creation of new quasi-monopolies may pose few problems, as long as there are new products to commodify, keeping costs low is more difficult. There are three major types of costs of production: recompense for employees, the use of inputs for production, and payments to multiple state agencies (taxation) and state agents (corruption). Each of the three costs shows long-term secular rises (as proportion of the sales price). They seem each to

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<sup>4</sup> I elaborate this in *Historical Capitalism, with Capitalist Civilization*, London: Verso, 1995.

be coming sufficiently near to their asymptotes so as to lead to wild fluctuations.

The amount of recompense employers pay their employees (from the lowest-paid to the higher cadres) is a function of the class struggle. The major mode that employees use to foster increased pay levels is some kind of syndical action. Successful syndical action is always difficult to organize but two things work in its long-term favor. On the one hand, whenever the world-economy as a whole is in an expansionary phase, employers are reluctant to suffer the production interruptions that hostile syndical action would entail and are therefore ready to make some concessions to maintain continuous production. On the other hand, successful syndical action usually reflects more sophisticated political insight by employees and acquisition of tactical knowledge. Both of these increase in any given locale with the passage of time, and therefore at some point such syndical action can bear its fruit. In addition, there are advantages to employers collectively, if not necessarily to the individual employer in his own firm, in the expansion of the effective demand for commodities. And increasing remuneration to employees increases effective demand in the overall world-economy.

Most employers, however, are primarily concerned with their own short-term profit levels. When various kinds of repressive techniques fail to stem employee demands, the employers can resort to physical displacement of the process of production, provided the reduced costs of production compensate the costs of change of locale. They can move the enterprise to areas where employees are ready to accept lower payments and manifest lesser political sophistication and tactical skill. This is often called the phenomenon of the "runaway factory." It has been a standard technique over the last 500 years. The zone to which production is displaced needs to have a pool of workers for whom the low remuneration offered is nonetheless higher than their local alternatives. For the lowest-paid workers, such zones are primarily rural areas with low involvement in the money economy. The workers in these zones can be drawn into nearby more urban areas to work in the displaced productive enterprises. This initially serves the employers well, but over time the new employees acquire more sophistication and knowledge and begin, in turn, to engage in syndical action. At this point (perhaps 50 years later), it may be time to move again. But this kind of repeated displacement presumes the existence of these pools of potential employees. And the steady deruralization of the world, itself the result of past displacements, represents the asymptotic limit to this process.

A similar difficulty is found in the effort to keep the cost of inputs low. There are three main mechanisms by which producers keep these costs low. They do not pay in large part for the costs of detoxification. They do not pay in large part for the costs of renewing the resources they use. And they do not pay in large part for the creation of the infrastructure they need both for obtaining their inputs and work force and for marketing their products. This failure to pay essential parts of the cost of inputs is called the “externalization” of the costs of production.

But as the deruralization of the world’s work force represents a limit on keeping the price of labor low, so the ecological damage to the biomass represents a limit on externalizing detoxification and resource replenishment. In addition, costs of infrastructure rise steadily because of the rising costs of the work force and lead inevitably to increased taxation. The ecological limits having become quite visible, green movements of various kinds have become politically important and have created pressures both for remedial action (which requires increased taxation) and internalization of these costs (which also means rising costs of inputs for the producers).

Finally, the costs of external payments (taxes + corruption) have also been rising steadily as a percentage of the sales price. Taxation has risen because of the basic democratization of the world politically. The rising political strength of ordinary people is a function of their collective organization and militancy, which has led in turn to the states seeking to reduce their militancy by some limited redistribution of the surplus-value (the “welfare state”). This had the double advantage of maintaining the political stability of the world-system (by appeasing discontent) and expanding effective demand. Still, the price for this, from the point of view of the individual producer, is a higher tax bill and therefore lower profits. In addition, the costs of corruption have been rising as well because here too political sophistication and tactical knowledge on the part of those extorting the benefits have risen steadily.

It is not that there have not been counter-movements on the part of the producers to reduce the costs of production. They occur continuously, and we have seen a large-scale movement of this kind recently. It has been called “neo-liberalism” (Thatcherism, Reaganism) and dominated the politics of a number of countries in the last few decades. However, although such counter-movements can achieve some reduction of costs, historically they have never managed to reduce the costs to the previous low point. It is a pattern of two steps forward, one step backwards, or what might be called a “ratchet” effect.

The bottom line is that the curve of the *overall and worldwide* costs of production has been steadily rising. This is the fundamental factor that has produced the structural crisis of the capitalist world-economy in which we find ourselves today.<sup>5</sup>

In the midst of this structural crisis, as though by bad timing, occurred the decline, now rapidly accelerating, of the hegemonic position of the United States in the existing world-system. It is of course normal for hegemonic powers to decline. And if the modern world-system were not in structural crisis, we could limit ourselves to analyzing which are the possible successor states working to create a new hegemony. But we are indeed in such a structural crisis, and there is not likely to be any successor hegemonic power before the system disappears.

Nonetheless, the process of the transition will be affected in important ways by how the United States reacts to this loss of hegemonic status, a decline that is only now beginning to dawn on American public opinion. The national culture of the United States has been founded for almost two centuries on a strong belief that the United States was “the greatest country in the world” – a motif that American presidents have repeated endlessly and earnestly. What is this supposed to mean? Three things really: that the U.S. is the land *par excellence* of liberty, and therefore is more “democratic” than any other country; that the U.S. is more modern, more technologically advanced, and therefore wealthier than any other country; and (since 1945) that the U.S. has the strongest military in the world. This trio of features is supposed to be so obvious and so beneficial to U.S. citizens that very large numbers of persons elsewhere in the world are anxious to migrate to the U.S. in order to share in these benefits.

If this description of the U.S. by its leaders and intellectuals could be considered to be at least plausible in the years 1945–1970, it is becoming increasingly difficult to defend its plausibility as the twenty-first century goes on, not least of all to the American people themselves. But the consequence of this shift in plausibility is very great. It has never been easy for any group

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<sup>5</sup> There is a further, non-economic, element in the process – the apparent success and then the real failure of the world’s antisystemic movements, which was crystallized in the world revolution of 1968, has weakened critically the ability of the states to constrain the strength and volatility of the political action of the popular classes. See my analysis in *After Liberalism*, New York: New Press, 1995, Part IV.

to accept a dramatic deflation of their self-image, and it is not at all easy now for people in the U.S. to do so. They react to this kind of “bad news” in the usual way people do: with denial, with dismay, with depression, with anger (even fury). Calm appraisal and rational adjustment are in short supply.

But this brings us back to Myrdal’s American dilemma. If one is not ready to accept an explanation of decline in terms of objective structural factors, then the only alternative is to blame someone. And there are only two real possibilities for this someone: oneself or some “others.” Scapegoats are the standard product of a situation of social loss. In the case of the United States, any search for a scapegoat will surely feed into the historic American dilemma, perhaps leading to pressures to remove even those post-1945 ameliorations of the position of the Blacks. The rising loud agitation about illegal migration, aimed primarily at Latin@s coming from the Western Hemisphere, indicates that this group too will be included such a process of irrational blame.

What is different, however, in the pre-1945 American dilemma and the post-2000 American dilemma is two things mainly: The first is demography. The U.S. is no longer dealing with a numerical minority. People of color in the United States are approaching the 50% mark. And the second is the *rapport de forces*. The “people of color” are far better educated, far more politically sophisticated, far more powerful than they were in the pre-1945 era. And they are reinforced significantly by the fact that the same demographic shift is occurring at the world level. So, to the degree that the reaction to decline results in major social scapegoating, which of course can take many forms, the most obvious result will not be simple repression but a variety of civil disorder that will be painful, continuing, and extremely difficult to limit.

Of course, one can imagine alternative scenarios, and the surviving liberal center does imagine them, constantly – scenarios that involve rational discussion and social compromises. But the strength of the liberal center has been enormously diminished by the fact that the world-system is in structural crisis and the United States in decline. So, the liberal center may imagine these alternatives, but it is far from obvious that they could find the political strength to implement them.

I have thus painted a picture of a terminal and chaotic crisis of the historical world-system in which we live, and the likelihood of acute disorder not merely in the less wealthy zones of this world-system but in the zone that remains the strongest and wealthiest part of the overall system, the United States. This brings me to an assessment of the overall world struggle in the coming 20–50 years.

The world struggle is a struggle over the nature of the new historical system that will replace the present one, which is in structural crisis. There are two possible kinds of new systems that could emerge. One is a system that is, like the present one, based on privilege, exploitation, and polarization. It would not be a capitalist system. It would have different structures, and different motors, but it would share these social parameters. The alternative system would be one that would be relatively democratic and relatively egalitarian. I shall call the two groups in contention the “spirit of Davos” and the “spirit of Porto Alegre” – with reference to two existing mobilizing structures, the World Economic Forum that has been meeting in Davos since 1970 and the World Social Forum whose annual meetings commenced at Porto Alegre in 2001 as a forum designed specifically to provide an alternative to that of Davos.

Why should we call them “spirits” and not “forces”? This is because they reflect movements which are worldwide and powerful but which are neither bureaucratically organized nor internally tightly unified. Furthermore, these movements are not at all clear either about their strategy during the transition or their vision of the structures they wish to erect as the pillars of the successor system. They are part of the systemic chaos, and are themselves turbulent and chaotic.

The problem for the forces of Davos is that they are deeply divided between those who are primarily concerned with their short-term situation (probably the majority) and those who are concerned with the long-term emergence of a new viable world-system that will retain the essential of the existing system but not at all its form and structure. Concern with the short-term and concern with the long-term lead to very different strategies. And, in addition, to the extent that the concern with the short-term dominates, the actions taken in this regard strongly risk compromising the possibilities of success in the long-term strategy. The debate about the U.S. invasion of Iraq is a good instance of this conflict concerning strategy, and the risk that short-term strategies undermine long-term strategies. The short-term strategy embodied in what has been called casino capitalism is another good instance of the risk this poses for long-term strategies.

The problem for those embodying the spirit of Porto Alegre is nonetheless greater still. Overall, it can be said that they command less disposable money and less military strength, and are therefore at a tactical disadvantage in any struggle, at least at the beginning. They also have a heavy legacy of the 150-year historic struggle of the “classical” antisystemic movements, the socialist

internationals, the national liberation movements – which seemed to be successful, and in their “success” failed in their fundamental objective of transforming the system. Furthermore, in the process of failing, the failure was assessed negatively by the bulk of their own militants and supporters, who have been trying, ever since the world revolution of 1968, to find an alternative strategy to the state-oriented strategy used by the “Old Left.”<sup>6</sup>

Indeed the creation of the World Social Forum (WSF) was itself the most recent attempt to formulate an alternative strategy. It has based itself on a “horizontalist” approach as opposed to the “verticalist” approach of the Old Left – an open forum as opposed to a hierarchical, bureaucratic structure, one that is inclusive rather than based on specific analyses and sets of policies (what hostile commentators call their dogmas). What we see today is that the inclusive structure that is the WSF has been open to the inclusion of the verticalists, who are contesting from within the horizontalist approach.

Nor is this issue of organizational structure the only thing that divides the forces of Porto Alegre. For behind this facade lie two bigger questions: One is the degree to which the strategy is short-term (and therefore inevitably means various compromises with “centrist” or “reformist” forces) – the same problem that the forces of Davos face in inverted form – or long-term. But being oriented to the long-term still leaves open the kind of world-system into which one wants to emerge. And here there is virtually no consensus at all. In particular, there is no consensus on how “universalist” is the vision of the future as opposed to “multicultural.” Nor is that a minor issue that can be indefinitely postponed.

One can therefore understand quite clearly why there is no way to predict the outcome of the bifurcation, of the global struggle between those representing the spirit of Davos and those representing the spirit of Porto Alegre. But it also makes clear how crucial is the struggle, and therefore how crucial is the *internal* debate (and struggle) in each camp. The world is now, over the coming 30–50 years, deciding the contours of social life on the earth over the next millennium. Caveat emptor.

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<sup>6</sup> See my analysis of the multiple post-1968 forms of new strategy in “New Revolts Against the System, *New Left Review*, 2nd ser., No. 18, Nov./Dec. 2002, 11–29. <http://scholarlycommons.law.case.edu/swb/vol1/iss1/1>

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