Northeast Asia and the World-System

Immanuel Wallerstein

Abstract

There is a significant difference between politics and geo-politics. Politics is about the existential present. Geopolitics is about the structural constraints that govern, over a medium run, the interplay of the longer-term political and economic interests of the major players in the world system.

Geopolitical trends are not found in the headlines. Indeed they are largely hidden from the view of the political actors. The geopolitics of the world system nonetheless shapes the short-term actions of political agents, quite often without them even being aware of it.

The single most important geopolitical change at the moment is the precipitate decline of the world-systemic power of the United States. The world-system has moved from a situation of creeping multipolarity to one of undisguised multipolarity.

If we are to imagine them as a singular locus of geopolitical power in the coming decades the first question that is posed is whether or not there will be some sort of reunification of the two Chinese and the two Korean entities. For if there is not, it is hard to see how there could be some sort of structure that would link meaningfully China, Korea, and Japan, at least to the level that exists in the European Union.

The modern world-system has reached its moment of structural crisis. Consequently, we are in a period of transition from the existing capitalist world-economy to something else. The way this happens is via systemic chaos and structural bifurcation.

Because this is a world in systemic crisis—that is, in chaos—the fluctuations we encounter are enormous. This is true in all the arenas of social action—economic, political, cultural, social, and military. We are living not only amidst the long-term uncertainties of transition but the short-term uncertainties of a world that is far more chaotic than the one that we have known for the past 500 years.
In 2007, there were two central foci of the world’s attention. One was Iraq and the other China. Iraq symbolized for most people in most parts of the world a fiasco in which the world’s strongest military power had demonstrated that it is unable to win a relatively small war. China, in contrast, was seen by many people as the incarnation of rising forces in the world-system.

This view that the media emphasized in 2007 was quite the opposite of how the media described the world just a few years earlier, say in 1989. In 1989, the historic rival of the United States, the Soviet Union, was in the process of disintegration. Consequently, the media saw the United States as the lone superpower, unchallenged and unchallengeable in its hegemonic position. In 1989, China was in great internal turmoil, made clear by the Tiananmen Square protests and their suppression. China was viewed as politically shaky, en route perhaps to falling apart.

How fast views change! But why do they change so fast? The media, the politicians, and alas the social scientists as well have a tendency to read the headlines day by day and strive to explain each small bump in every curve as something new and fundamentally different. We get thereby a much distorted view of what is happening and furthermore a constantly and rapidly changing view. Social science analysts need to be more sober than that.

Let us start with the observation that there is a significant difference between politics and geopolitics, and therefore between political and geopolitical explanations of world reality. Politics is about the existential present. It is the description of the interplay of multiple forces seeking to achieve and/or maximize their immediate interests. These political forces react regularly to every bump in every curve because each small change may alter in the short run the tactics of other players and therefore make possible constant small-scale realignments of political forces. Political skill is knowing how best to take advantage of these constant possible realignments.

Geopolitics is about something quite different. Geopolitics is about the structural constraints that govern, over a medium run, the interplay of the longer-term political and economic interests of the major players in the world-system. Geopolitical trends are not found in headlines. Indeed, they are largely hidden from the view of the political actors.
The geopolitics of the world-system nonetheless shapes the short-run actions of political agents, quite often without their being aware of it. Geopolitics takes place in the structural and cyclical TimeSpaces about which Braudel was so eloquent, and not in the episodic short-run events we call politics.¹

For example, in the spring of 2007, the U.S. Congress debated whether or not the appropriations bill for the military in Iraq should or should not include provisions about a date for U.S. withdrawal of troops. Politically, this was very important. It was expected to have a big impact on the 2008 elections, or so the actors seemed to think. But geopolitically, it was of no significance whatsoever. The United States had already been defeated in Iraq and this defeat could be expected to have an enormous impact on the world-system for the subsequent 25 years at least. Whether or not the 2007 U.S. appropriations bill carried an Iraq withdrawal clause would not change that one way or the other.

An analysis of geopolitics is therefore an analysis of middle-run structures and trends. At any given moment, it is about a future that is uncertain. We can lay out the trends that we perceive in the present. We can project ahead what kinds of options this offers to various major forces. We can suggest the probable consequences for one set of players if another set of players moves in one direction rather than another. But we cannot assume that what anyone will do is inevitable and determined. There are too many aleatory factors, too many small decisions to be taken. And we can never be sure what the actors will actually do. I shall discuss here the politics of geopolitics, which is the analysis of the probability that actors will go down one path rather than another, and an appreciation of how much difference this will make for everyone else.

The single most important geopolitical change at the moment is the precipitate decline of the world-systemic power of the United States.² I shall not discuss here the causes of this, but rather the consequences.

The world-system has moved from a situation of *creeping* multipolarity to one of *undisguised* multipolarity. The United States, far from being the “indispensable nation,” as Madeleine Albright proclaimed a mere decade ago, has become a country from which other countries are willing to take distance, openly. They are even ready to ignore the United States. This means that other loci of power—political, economic, and military—are beginning to consolidate themselves and assert themselves forcefully on the world scene.

Which are these other loci of power? There are many candidates for these positions. The list includes at the very least western Europe, Russia, China, Japan, India, Iran, and Brazil/South America. I propose to discuss one probable locus of power over the coming 25 years, which I denominate as Northeast Asia—meaning the combination of China, Korea, and Japan. Politically and juridically, Northeast Asia is composed today of five entities—the People’s Republic of China (PRC), Taiwan/the Republic of China, the Republic of Korea (ROK), the Democratic People’s Republic of Korea (DPRK), and Japan.

If we are to imagine them as a singular locus of geopolitical power in the coming decades, the first question that is posed is whether or not there will be some sort of reunification of the two Chinese and the two Korean entities. For if there is not, it is hard to see how there could be some sort of structure that would link meaningfully China, Korea, and Japan, at least to the level that exists in the European Union.

Korea’s de facto division into two states dates from 1945, and China’s division from 1949. The origins of the divisions basically derive from Cold War conflicts and ideologies. Resistance to unification (or should one say reunification?) has been very deep, and the antagonisms between the divided entities substantial. There has been no serious attempt to overcome these divisions up to now. Yet, on the other hand, both Chinese and Korean nationalism are very strong forces, and the sense that one day these two countries will be reunified is a potent element in the mentalities of the populations and their political leaders. To be sure, this has to be qualified in the case of Taiwan, where a Taiwanese nationalist and separatist movement has strong support, but only of part of the population.

One has to ask therefore what are the geopolitical pressures for these reunifications? The answer is somewhat different in the two
cases. The People’s Republic of China has been quite clear, and as far as one can tell unbudgeable, in its basic position. Its position is that Taiwan is an integral part of China, and must therefore be reintegrated within the legitimate authority of the central government. In the past, China made special provisions when it reincorporated Hong Kong and then Macao, and no doubt the PRC would be willing to consider similar kinds of provisions for Taiwan. But it insists on the abandonment of any pretension to independent sovereignty.

The reasons for China’s very strong stand on this issue are not hard to see. It takes the same basic position with regard to any area that fell within the borders of China following its expansion during the Qing Dynasty. This includes not only Taiwan, Hong Kong, and Macao, but also Tibet, Xinjiang, and Inner Mongolia. Part of the reason is long historical experience. What we call China has, over the past several thousand years, gone through cyclical phases of relative unity under a central authority and a breakdown of this central authority.

This sort of breakdown was manifest as recently as the 20th-century interwar period when the Kuomintang was in power in the center, but was faced with great difficulties in asserting effective authority in many parts of China. The coming to power of the Chinese Communist Party (CCP) involved, among other things, the reassertion of effective central authority. The CCP, however, sees this task as incomplete. It fears that, if it does not constantly pursue this objective with vigor, not only will Taiwan remain outside this central authority but there also could be a breakdown of central authority in general. And this brings us to the second reason. The CCP believes that any kind of internal breakdown of central authority within China would deal a devastating blow to China’s ability to strengthen its power and its role in the world-system as a whole. It is probably correct in this assessment.

Seen from the perspective of those living in Taiwan, views are much divided. Politically, the Kuomintang forces that came into Taiwan after 1945 and then massively retreated there in 1949, and who long controlled the regime politically, seem inclined in their latest version to work out some sort of arrangement with Beijing. But those one might call the Taiwanese nationalist forces were hostile to the Kuomintang forces from the beginning, having a major showdown with them in 1947, which they lost. Today, they are by and large very resis-
tant to any arrangement of any kind with the PRC, and are frequently threatening to declare Taiwan an independent, non-Chinese state.

This division within Taiwan is partly ethnic, partly generational. Ethnically, the pro-Taiwan independence group is drawn from those who are Fujian-speakers that have been located in Taiwan since the Qing Dynasty incorporated Taiwan in the 17th century. The group that was historically Kuomintang are drawn primarily from persons who arrived in Taiwan only after the Second World War.

The Kuomintang group was of course for a very long time extremely hostile to the Communist regime in power in Beijing. But times have changed. The United States–Soviet Union Cold War is no more. The regime in power in Beijing has modified its ideological line in significant ways and no longer seems so diametrically different in economic practices from those current in Taiwan. And there is a generational change. The group that actually came after 1945 has largely died out, and their children and grandchildren have been molded politically in later times.

The major pressures leading to a revision of Taiwanese views about reunification are economic. Taiwanese entrepreneurs have been massively investing in mainland China, and an increasing number see their own economic future tied to China’s continuing economic transformation. For this group, any move toward Taiwanese independence would represent the double negative of hurting their economic prospects and diminishing the legitimacy of their continued political and social role in Taiwan. In addition, even those who are Fujian-speakers, if they are also active entrepreneurs or employed within such structures, may see the economic logic of closer rather than looser ties with the PRC.

Of course, the continuing fear of persons in Taiwan is that they will find the political implications of reunification not at all to their taste. The political history of Hong Kong since its reintegration in 1997 has left an ambivalent message for this group. So they are proceeding with much caution. But one must not underestimate the effect of time. As time goes by, there may be further liberalizations of the Beijing regime. And early discomforts with the impact of reintegration in Hong Kong may fade. And therefore the example to Taiwan may begin to be analyzed differently in Taiwan. Above all, the growing world strength of China is a source of pride whose impact on persons in Taiwan may be...
to wish to be part of it, especially as the role and importance of the United States in the region continues to recede. Overall, it seems that the geopolitical pressures toward reunification are significantly greater than those against it.

The case of the two Koreas is rather different. They were divided promptly after the Second World War at the 38th Parallel, a line drawn by the Soviet and United States military forces as the limits of their occupation powers. In 1950, a war broke out, one that involved the active participation of the United States (and other Western powers) on one side and of the People’s Republic of China on the other. This war ended with an armistice in 1953, at the same line of demarcation as where it began. During the next 30 years, North and South Korea displayed tense and seemingly unremitting hostility to each other. Reunification seemed out of the question.

But once again, geopolitical realities changed. The Cold War came to a close. Nixon’s visit to China in 1972 launched a political warm-up process between the two countries, which could not fail to have an impact on Korea. The economy of the DPRK took a severe downward turn. And the dictatorial regimes that South Korea had known almost continuously were brought to an end in 1987. In 1998, President Kim Dae-jung announced his “sunshine policy,” which called for active cooperation with the DPRK without any attempt by South Korea to “absorb” North Korea. This was not a policy that pleased the United States but South Korea pursued it nonetheless. How successful it has been thus far in modifying North Korean policies remains a matter of great controversy. But it has effectuated a sea change in attitudes in South Korea, where the majority of the population seem now favorable to closer ties with North Korea.

One consideration that has weighed heavily on attitudes in South Korea was the experience of Germany when it achieved its reunification in 1990. Basically, in the German case, there was no merger of the two countries. Rather, the multiple states, so-called Länder, which made up the former German Democratic Republic were simply absorbed as individual states within the German Federal Republic. This was called “unity” (Einheit) and not “reunification” (Wiedervereinigung). This process, while politically advantageous to West Germany, turned out to be enormously expensive. The result has been a unified country that
has remained persistently divided, even polarized, economically.

South Korean politicians observed this and drew the conclusion that, even were they able to follow the German path (simple absorption of North Korea), this might be a very unwise choice. The economic bill might be much higher than that paid by West Germany, and the polarizing results even more serious. They decided to pursue a slower, more gradual route to further unification rather than hoping for a sudden transformation, as happened in the German case. And of course this fit the desires of the North Korean regime which has seemed to be fixated on remaining in power in the form in which they had been exercising it.

Here again however, time may make a difference. It is impossible to predict whether, within North Korea, there will be any gradual political or economic transformation comparable to either the Soviet or the Chinese experience. But it surely cannot be ruled out, again with the change of generations. And here the outside pressures, particularly from China, may exercise some influence on what happens within North Korea. As for South Korea, their immediate economic interests lead them to want closer ties, ultimately reunification, with North Korea. But perhaps even more, South Korea’s ability to stand tall in its relations with both China and Japan would be enormously strengthened by a successful reunification, augmenting its population size and its economic potential.

So, let us say that by 2025, both China and Korea were reunified. Then what? At that point, the big question at the forefront will be: to what degree, and under which terms, can there be greater geopolitical cohesion in Northeast Asia? It depends of course primarily on the middle-run interests of the three countries. And these middle-run interests are different.

Japan has, in a sense, the most to gain and the most to lose. And somewhat curiously, Japan seems to be politically the least flexible of the three countries. There are some reasons for this, which are reasonably obvious. Japan lost the Second World War. The political result was the military neutering of Japan and its continuing subordination to the United States, which has played the role of both its protector and its neocolonial superordinate. But in addition, there has been its anguished shame about what it seems to regard as its geopolitical failure in the
national project launched by the Meiji revolution. The Meiji project was not merely to modernize Japan economically and socially, but to make Japan a major political power in the world.

Since 1945, Japan compensated for its discomfort with its geopolitical status by concentrating on economic achievement, which has been in fact quite remarkable. In the early post–1945 period, Japan still functioned as a semiperipheral power with a moderate standard of living. But suddenly its economic productive forces surged forward in a combination of much increased economic efficiencies, organizational innovations, and aggressive marketing. It was in fact much aided in this surge by the United States, for reasons comparable to those which impelled the Marshall plan in western Europe. By the 1970s, Japan would come to be seen as a member of the so-called Triad (a term invented by a Japanese economist), which meant that it was regarded as the economic peer of western Europe and the United States. And by the 1980s, Japan was being touted by many U.S. analysts as an unbeatable economic colossus. Even when the overstated economic bubble seemed to suffer a severe setback in the 1990s, Japan never ceased to be an economic powerhouse with a very high standard of living.

And in Japan as elsewhere, the world moved on. The Cold War had ended. Relations between the United States and China had markedly improved. And the generations that came to power in Japan no longer wished to live in the shadow of Japanese defeat in 1945. Call it nationalism or simply pride, Japan wanted desperately to be accepted as a “normal” nation. This meant that it wanted to play a geopolitical role appropriate for a major state, aspiring for example to obtain a permanent seat on the UN Security Council. And, most of all, Japan (or at least its more conservative elements, who have consistently controlled the government) wished to end the mandatory non-military status that had been imposed on it by the U.S.-drafted postwar constitution. On May 3, 2007, Prime Minister Shinzo Abe, on the occasion of the 60th anniversary of the constitution, called for its revision to permit Japan to play a larger role in global security.

Japan’s relationship to the United States became ambiguous—or perhaps one should call it contradictory. On the one hand, the conservative forces fully sympathized with United States objectives and policies in the world-system. But on the other hand, the United States was
an economic rival, and a constraint both on Japan’s achieving its full military status and on its pursuit of its own political objectives in the world-system, particularly regionally in Asia. There was also the lingering irritant of U.S. use of Okinawa as a major military base.

In the major effort of the United States to contain and reverse the acquisition by the DPRK of nuclear weapons, Japan was part of the six-power consortium created to confront the DPRK. And Japan was the only one of the other five to support more or less consistently the U.S. positions within this consortium—indeed to support a stronger position vis-à-vis the DPRK than even the United States. Nonetheless, one cannot help wondering whether Japan has not been privately savoring the possibility that North Korea’s defiance of the United States, if as seems likely it will continue unabated, would give Japan the excuse it needs to become itself a nuclear power. Pulling away from the United States would be much easier if and when Japan pulled closer politically to China and Korea.

However, Japan has another dilemma that interferes with closer political relations with China and Korea. Since Japan regards its defeat in the Second World War as a national humiliation, it has been extremely unwilling to accept responsibility for behavior that other countries—and most particularly China and Korea—consider reprehensible, to put it mildly.

One striking example is the continuing furor over the fact that Japan forced women of various nationalities to serve in brothels for the Japanese army. Japan has never been willing to accept moral responsibility for this policy. Indeed, in 2007, Prime Minister Shinzo Abe retreated even from the restrained apology of a former prime minister. Nor is this the only bone of contention. China and Korea were repeatedly and publicly upset with the annual visits of Prime Minister Junichiro Koizumi to the Yasukuni shrine in Tokyo. The shrine is for many conservative Japanese a symbol of Japanese nationalism. The same temple is for China and Korea a symbol of Japanese militarist aggression. Furthermore, there is an active movement of revisionism in Japan concerning widely-accepted accounts of the Nanjing massacre of 1937 in China. A society to revise textbooks to exclude accounts of this massacre, the Society for History Textbook Reform, counts among its members Prime Minister Shinzo Abe.
So, in the immediate politics of recent years, the Japanese have constantly engaged in actions that revived hostile reactions in China and Korea. But, seen from the Japanese point of view, these actions were part of Japan resuming its role as a “normal” nation. Why did Japan insist on doing this? Here again, a comparison with Germany might be helpful. Germany has, in the past 30 to 40 years, made many statements and taken many actions that involved assuming responsibility for the misdeeds of the Nazi era and trying to make some kind of compensatory atonement. This is exactly what the Japanese have refused to do.

Here again, a geopolitical assessment might help to explain this different reaction of the two defeated powers. In the case of Germany, the Cold War imposed the necessity on West Germany of coming to terms with its historic enemy, France, in order to establish a West European front against the Soviet Union. Part of the price Germany had to pay for the burying of the hatchet by France (and by other Western countries, and indeed by Israel as well) was for Germany to disavow its Nazi past and to seek atonement.

Japan had no France. China and North Korea were on the other side of the Cold War alignments. South Korea was at the time tightly controlled by the United States, and Japan had no need to create closer links, especially since South Korea was still very angry about the Japanese colonial period. In the 1960s and 1970s, there was thus no geopolitical need to imitate the German path. And by the 1990s, when the Cold War was over, Japan had arrived at the stage of nationalist reassertion. So had Germany of course, but it had already admitted its responsibilities, so its nationalist reassertion could take the form of even closer links with France, as in its opposition to the U.S. invasion of Iraq in 2003.

Japanese nationalism is regarded as both an irritant and a potential danger by both China and Korea. Nonetheless, in the economic arena, Japan’s relations with China and Korea are very important for its long-term economic well-being. Japan’s economic ties with China have been increasing steadily. In the 1990s, “the Japanese economy [shifted] from

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the ‘full-set’ structure of the past to a structure based on divisions of labor within East Asia.”⁴ As of 2002, Japan began to import more from China than from the United States. And Japanese investment in China has become oriented not merely to “reverse importing”—that is, as a production base for exporting to Japan—but also as a “production and sales base for local markets.”⁵

The trade has become complementary. It is still based on “divisions of labor between products at different levels of technology.”⁶ Undoubtedly, over time, production in China may rely less on the low wage-level of its workers. But, even so, there will be a large place for China to profit from advanced technology developed in Japan. And it will still be true for a long time that “the exodus of production from Japan to China has occurred in areas in which Japan has lost its comparative advantage.”⁷

There is as well a geopolitical element in Japan’s increasing economic links with China. It has to do with its slow, but real, delinking from the United States. Saori Katada traces the rise of East Asian “regionalism” to the impact of the so-called Asian financial crisis of 1997.⁸ Katada notes that Japan’s immediate reaction to the crisis was to seek to reinforce regional financial cooperation. This effort was strongly opposed by the United States. Katada cites three bases for Japan’s efforts: material interests, power politics, and ideological differences. It is the last that is the most striking. Katada speaks of Japan’s opposition to the Washington Consensus, which had led to the explanations that were given in Western countries for the financial crisis. For Western analysts, the crisis was the fault of the economic structures of Asian countries. Japanese experts, on the contrary, argued that it was a liquidity crisis deriving from the flaws in international financial structures. Very different policy conclusions derive from the contrasting analyses.

The situation in Northeast Asia looks, of course, somewhat differ-

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⁵ Ibid., p. 45.
⁶ Ibid., p. 27.
⁷ Ibid., p. 46.
ent from China’s point of view. For one thing, China was historically the dominant force in this pair. It only lost that advantage in the nineteenth century, and most emphatically in the 1970s. China does not intend to allow this momentary shift in Japan’s favor to mark a permanent realignment of the two. In the 21st century, China is already ahead militarily and intends to keep ahead, although of course Japan has not been implementing its military potential. As of the first decades, China was still behind in terms of its economic structures but the gap was beginning to narrow. And China began, once again, to be taken more seriously on the world scene than Japan, whether its political stances were seen by others as something to applaud or something to fear.

Still, the Chinese leadership has been demonstrating a very sophisticated appreciation of geopolitics. And they know that including Japan in a Northeast Asia arrangement has more pluses than minuses for them. It would temper Japanese militarism, which many Japanese themselves still fear. It would markedly reduce the capacity of the United States to be a major player in the region. It would serve to reassure western Europe, Australia, and possibly even India, since all of them might see Japan as a moderating political force on China.

China surely does not want to have Japan as a hostile power. Some concessions are possibly worth it. So while China has continued to protest vigorously Japan’s unwillingness to atone for what the Chinese see as its manifest sins, it has not followed that China has allowed this to poison their relations. Rather, the Chinese have seemed to be trying to transform the political situation by further engagement rather than by distancing themselves politically.

It is however in the economic arena that China has most to gain from closer links with Japan. China is constantly increasing considerably its productive output and its profit levels on the world scene. But, as of 2007, it still has some ways to go. It still needs extensive foreign investment. It still needs to borrow or otherwise obtain much technology. Although its research capacities are ever better, China is still behind Japan. And it still needs access to markets as well as access to raw materials. It especially needs to be able to market goods of higher technological input, and to do this amidst continuing world economic turbulence.

The question for China is not whether or not it needs to continue to
expand its world economic links, but with whom. It is all very well to say that it should spread its connections, and of course it has been doing that. But in terms of markets for its own production, the obvious large markets are the United States, western Europe, and Japan. The United States economy is and will continue to be shaky, and western Europe has had too few cultural ties to modify too much its import patterns so as to increase the Chinese part. It seems obvious that Japan is the place to concentrate China’s efforts. Whatever the current political analysis, a geopolitical analysis points to increased ties.

Of course, there remains the question of the long-standing and quite acute rivalry of China and Japan to pre-eminence in their mutual relationship. This is where Korea comes in. Korea, as a competitor in the world-economy, while it has been improving its position markedly, is still not quite up to the Japanese level. And Korea seems a small country when one compares it to China.

Still, Korea has a quite significant population size (which would of course be much increased after reunification). And, by global standards, Korea has become quite a strong player in the world-economy.

From a Korean point of view, what would Chinese-Japanese rapprochement look like? If Korea was outside the arrangement, it would look quite threatening. They have unsettled political grievances with Japan, and fears of being regarded in China as a client state on the periphery of the Middle Kingdom. But, if Korea was inside, it would clearly benefit from the overall advantages a Northeast Asia consortium has to offer.

In terms of the politics of such a consortium, Korea could act as a mediator in the China-Japan rivalry. It would probably do this by insisting on a sort of equality among all three members, and this might work. In terms of the economics of such an arrangement, not only would Korean goods have easy access to a very large and flourishing market and be able to import what they needed on optimal terms, but also Korea could position itself to “function as a distribution hub for the rapidly expanding flows of goods between China and the world.”9 Actually, Korea has already started along this path, with the growth of

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the transit role of the Inchon airport and the construction of the Kaesong export zone. Strengthening this role would permit Korea to end its dependence on U.S. military guarantees and thereby permit it to pursue its own interests geopolitically much more freely.

Let us assume that over the next twenty years or so such a consortium in Northeast Asia becomes firmly established. What would its impact on the overall geopolitical scene be, and in particular who might be the losers in such an arrangement? We would have to begin with the two other members of the Triad—the United States and western Europe.

The United States would have to make a fundamental geopolitical decision—to fight them or to join them. Given the overall decline of the United States position in all arenas, and given my presumption that a Northeast Asia consortium would rapidly emerge as the member of the Triad that would be strongest in the world market, the United States would find that it would have to join with somebody—with either the Northeast Asia consortium or with the European Union. The United States might find that the Northeast Asia group would welcome U.S. adhesion, provided it was as a much honored junior partner, whereas the Europeans would be much more reluctant to include the United States in their arrangements, despite existing rhetoric and long-standing historic links.

It is indeed precisely because of these historic links that Europe would demonstrate reluctance. Right up to the Second World War, Europe considered the United States as its geopolitical and cultural offshoot, and therefore its subordinate. The war and the unquestioned assumption of hegemony by the United States after 1945 transformed the relationship, and in a sense humiliated Europe, especially western Europe. Quite aside from any other consideration, Europe can never culturally assert itself again unless it breaks its political ties with the United States. And geopolitically, this seems to me inevitable, despite the fact that so many of the current political elites seem nostalgic for what now seems to be the halcyon days of the Cold War. These elites will die out, and their children will not retain these memories.

The situation in Northeast Asia is exactly the opposite. Their memories are of Western, not merely American, domination, which was institutionalized in the nineteenth century and has lasted up to now.
Their cultural needs are precisely to assert their centrality in the world-system. And nothing would serve this better than to have the United States as a much honored junior partner. So once China, Japan, and Korea overcome their own difficult relations and establish a common front, they will almost surely work to respond to the United States’ need for linkage.

If there becomes clear linkage between Northeast Asia and the United States, Europe may be freed culturally but they will be in trouble economically and militarily. This will force the European Union to come to terms with Russia in an effort to balance the new geopolitical mammoth of Northeast Asia plus the United States. The fierce opposition of the political elites in those parts of eastern Europe that had been part of the U.S.S.R. or had been Soviet satellites in the post–1945 era will crumble before the very strong insistence on the part of the rest of the European Union to strengthen its geopolitical power by linking with Russia. This will be especially reinforced by what will be by then visible decline of United States geopolitical power.

If we turn our attention to other parts of the world-system, and especially to Asia, it seems clear that there could be different responses by Southeast Asia, by India, and by southwest Asia. Southeast Asia would not have too much choice. Faced with a united Northeast Asia, Southeast Asia would probably not have the political, economic, or military energy to fight the role of being a sphere of interest of Northeast Asia. They might not like it, but geopolitics is not about Utopian desires but about relative strengths.

India is a different case. Given its size, and its potential strengths, India would not be ready to play the role of a subordinate semiperipheral sphere of interest for Northeast Asia. Nonetheless, India would probably need some assistance to resist and to be able to pursue its own economic ascent. If the geopolitical lines were shaping up as Northeast Asia plus the United States versus the European Union plus Russia, India might well find more reason to join itself in some way to the Euro-Russian pole. And undoubtedly, its adhesion would be very welcomed, and therefore India might be able to command very good terms in the arrangements.

Finally, Southwest Asia is in a different position still. Politically and militarily, they remain on a world scale rather weak. They are increas-
ingly unhappy with the United States politically. This is true not only of Iran but also of the Arab states as a whole. The Israeli thorn in their side may not cease to be one for some time. However, neither do they have fond memories of their relations with Europe and Russia.

Their major geopolitical card remains energy. And in the first decade of the 21st century, they were slowly but surely shifting in the direction of linkage with East Asia. In 2007, for the first time, Saudi oil exports to Asia were greater than their exports to Europe. There are two clear reasons, at least, for such a shift. The United States has become less reliable. Its military power is on the defensive, and the dollar’s role as the sole world currency seems about to crumble entirely. On the other hand, Northeast Asia, indeed all of Asia, has been steadily expanding as a consumer of oil and gas. Given long-term demographic trends, not to speak of economic trends, this should become a stronger reality as the decades move on. Once again, we have a situation in which the shift may be slow for the moment, but the pace is increasing, and at one point the shift might become quite dramatic.

There is one last question we have to treat in this survey of the geopolitical future we face. Geopolitics is more long-term than politics. But systemic realities are still more long-term and powerful. We have to place this entire analysis within the framework of the structural crisis of the capitalist world-economy as an historical system. I have a long-standing position that the modern world-system has reached its moment of structural crisis. Consequently, we are in a period of transition from the existing capitalist world-economy to something else. The way this happens is via systemic chaos and structural bifurcation. There are and will be two alternative paths of replacing the existing system, modes of transformation that are in direct conflict one to the other.

I have given arguments as to why this is happening elsewhere, and I shall not repeat them here. I have called this the struggle between the spirit of Davos and the spirit of Porto Alegre. I have said that this may continue another 25–50 years before one fork or other of the bifurcation is definitively chosen and that it is intrinsically impossible to

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predict the outcome. The only thing that is sure is that the existing historical system has become unviable in its own terms, and therefore will disappear.

I shall simply assume this argument for the moment, and ask what impact this systemic struggle will have on the geopolitical analyses of the prospective future that I have been making. It means one thing above all. All the trends that I have been outlining will proceed. But none of them will have the normal end point that similar reshufflings of the world’s geopolitical relations have had throughout the history of the capitalist world-economy.

The normal outcome one could expect from the patterns I have claimed to discern would be that by 2050 the East Asia consortium would assume the shape of an emerging new hegemonic center of the modern world-system. One might even anticipate that, in the fierce struggle between the East Asian consortium, to which the United States would be allied, and the European Union, to which Russia would be allied might even result in another “thirty years’ war” before East Asia would win out clearly.

But will this happen? I doubt it. This is not because this pattern of relocation of hegemonic centrality would not reassert itself but because this pattern of hegemonic shifts is dependent on a functioning capitalist world-economy. If we move into another kind of system, all bets are off. We do not know what this other system would look like. We do not know if geographic differentiation will continue to play in the future world-system the kind of role it plays in the present one. We do not know if the new system will be more egalitarian than the present one or even more polarized.

The conclusion I draw from this is that politically the struggle between the spirit of Davos and the spirit of Porto Alegre is far more important than the struggle among the Triad for supremacy as well as the struggle between the North and the South for allocations of surplus value. But analytically, I draw the conclusion that we should be far more prudent than most analysts have been about generalizing from relatively short-term shifts what it is that is most important to discern. Because this is a world in systemic crisis—that is, in chaos—the fluctuations we encounter are enormous. This is true in all the arenas of social action—economic, political, cultural, social, and military. We are living
not only amidst the long-term uncertainties of transition but the short-term uncertainties of a world that is far more chaotic than the one that we have known for the past 500 years.

This makes our daily lives very difficult. And while we are all required to navigate the dangers of daily life, if we intend to be intellectually and politically useful, we must keep our eye on the ball of systemic transition—something rather difficult to do. Let us hope that we do it well.