Inhaltsverzeichnis

4  Amy Austin-Holmes, Stefan Schmalz
   From Africa to Asia: The Intellectual Trajectory of Giovanni Arrighi

14  Samir Amin
   A Tribute to Giovanni Arrighi

25  Fortunata Piselli
   Reflections on Calabria: A Critique of the Concept of
   ‘Primitive Accumulation’

44  Çaglar Keyder, Zafer Yenal
   Agrarian Transformation, Labour Supplies, and Proletarianization
   Processes in Turkey: A Historical Overview

72  Thomas Ehrlich Reifer
   Global Inequalities, Alternative Regionalisms and the Future
   of Socialism

95  Walden Bello
   China and the Global Economy: The Persistence of Export-Led
   Growth

113  Rezension

116  Editors of the Special Issue and Authors

119  Impressum
THOMAS EHRLICH REIFER
Global Inequalities, Alternative Regionalisms and the Future of Socialism

1. Introduction: the ‘developmentalist illusion’

At the dawn of the 21st century, one of the most dramatic aspects of the present global system remains the sharp and seemingly ever-widening divide between regions of astonishing wealth and prosperity and regions of equally dramatic destitution and poverty (Sen 1999; Wright 2005). Moreover, there is also the growing polarization – especially along lines of race-ethnicity, class, gender and nation – within the wealthy states themselves, most especially the US (Tilly 1999; Reifer 2007, 2009–2010; Sen 1999). Along with this polarization of the global system, including within the wealthy states, it also needs to be noted that in many regions of intense poverty, the upper classes live in luxury lifestyles that compare favourably to those of their counterparts in the core regions of the capitalist world-economy (Arrighi 1990a).

In the late 20th and early 21st century, in a series of powerful articles and related books, Giovanni Arrighi (1990a, 1991), following the earlier work of Immanuel Wallerstein, argued that modernization or development was an illusion. Here, the key idea was that opportunities for development that present themselves to individual countries are not available to all. In explaining this, Arrighi (1991) drew on Roy Harrod’s (1958) famous distinction between oligarchic and democratic wealth, later elaborated at some length by Fred Hirsch (1976). Arrighi (1991: 58) noted that while democratic wealth could be generalized, oligarchic wealth could not, resting as it did “on relational processes of exploitation […] and exclusion that presuppose the continued relative deprivation of the majority of the world population.”
“In Harrod’s conceptualization, democratic and oligarchic wealth are separated by ‘an unbridgeable gulf’. Democratic wealth is the kind of command over resources that, in principle, is available to everyone in direct relation to the intensity and efficiency of his or her efforts. Oligarchic wealth, in contrast, bears no relation to the intensity and efficiency of the efforts of its recipients, and is never available to all no matter how intense and efficient their efforts are […] We cannot all command services and products that embody the time and effort of more than one person of average efficiency. It someone does, it means that somebody else is labouring for less than what he or she would command if all efforts of equal intensity and efficiency were rewarded equally. […] In addition […] some resources are scarce […] or are subject to congestion or crowding […] Their use or enjoyment, therefore, presupposes the exclusion of others” (Arrighi 1991: 59).

Arrighi’s arguments here directly critique the dominant social science modernization paradigm, namely the pro-capitalist promissory note of US hegemony. Modernization theory holds out the prospect that all states in the modern world can reach the standards of wealth – and patterns of high mass consumption – set by the rich states of the West, most especially the US after World War II. Arrighi demonstrated instead the ways by which looking at processes of modernization during shorter time frames encouraged the developmentalist illusion, by giving the appearance of catching up with the standards of wealth set by the West, appearances that, with the passage of time, were revealed to be illusory (Reifer 2006a, 2006b, 2006c).

In the 1990s and beyond, the ascent of Chinese-led East Asia, the world’s fastest growing country and region, held out the prospect of further catch-up with the standards of wealth set by the West and Japan. However, it is important to note that East Asia’s rise remains the exception that proves the rule (Arrighi/Zhang 2010: 5). For, as Arrighi (1990a, 1991: 59-65) notes, despite indications of catch-up in various regions with the standards of wealth set by the West in any given decade, looking at a longer time frame demonstrates instead that periods of catching up were short in duration and for most, but not all, regions usually followed by massive reversals.

During these reversals growing income inequalities and downward mobility in the hierarchy of wealth in the world-economy were revealed to be the norm rather than the exception. While the Japanese economic miracle and ascendance of East Asia showed that it was possible for some
geoeconomic regions to rise, the world-systems perspective forwarded by Arrighi and Wallerstein nevertheless argued that this was not possible for all states and regions in the global system, as the social foundations of the global system rest on oligarchic rather than democratic wealth, which, by definition, cannot be generalized.

This article first looks at the growing divide of the wealth of nations between rich and poor states in the global system, before going on to examine the bifurcation in the fortunes of the ‘Third World’ in the 1980s. Thereafter, the article turns to the examination of the development of alternative regionalisms and the struggle to challenge oligarchic and spread democratic wealth, most especially in Latin America. Finally, these developments are examined in terms of the future trajectory of the global system, particularly in regard to the prospects for the generalization of democratic wealth.

2. The wealth of nations and the growing divide between rich and poor

In his World Income Inequalities and the Future of Socialism, published on the heels of the collapse of the Soviet empire in Eastern Europe and the break-up of the USSR, Arrighi (1991) assessed decades of efforts by states all over the world to catch up with the standards of wealth set by the West. While Arrighi noted that numerous states had in fact successfully internalized many aspects of the social structure of the rich states of the West through modernization, including through industrialization, he went on to show that global income inequalities had in fact increased rather than decreased. Equally significantly, Arrighi argued that the collapse of communism in Eastern Europe and the USSR, rather than representing a validation of modernization theory, was instead part and parcel of the crisis of developmentalism, something also reflected in the global Islamic revival, as well as in the growth of liberation theology in Latin America and the Caribbean.

More specifically, Arrighi (1991: 48-51, 2002: 12-17) demonstrated in two different studies that, in the years 1938–1988 and 1960–1999, most world regions, despite their race to catch up with the standards of wealth set by the West and Japan, actually fell further behind. The worst perform-
ances came from South Asia and Southern and Central Africa, followed by Latin America. The 1980s were important here, as this period ushered in the economic collapse of much of the South and East, with the important exception of East Asia, whose wealth continued to rise steadily.

Of particular importance in this analysis was Arrighi’s assessment of the collapse of communism. Arrighi (1991: 52-57) argued that, despite the belief of the peoples of this region that it was communist rule that prevented them from catching up, “this feeling has neither a factual nor a logic foundation”, as such an assessment, Arrighi noted, disregarded the actual experience of downward mobility across most of the time and space of the capitalist world-economy, in contrast to the truly exceptional instances of upward mobility, most notably that, firstly, of Japan and now Chinese-led East Asia.

To be sure, Eastern and Central Europe did have higher social welfare per capita than states with similar levels of GNP before the implosion of state socialism and return to the capitalist fold. The reintegration into the global capitalist economy was associated with rising inequalities and lower social welfare, accompanied by the return of much of the region to its earlier peripheral role, as evidenced by the collapse in many states of industrial output and by 19 million people slipping into poverty in just the first few years of the transition (Milanović/Ersado 2010; Berend 1996, 2009: 74-78, 189; Haggard /Kaufman 2008; Gowan 1999). In Eastern Europe and Russia, the application of neoliberal shock therapy took its toll, as it had done throughout much of the global South in earlier decades (Reddaway/Glinksy 2001; Gowan 1990, 1999; Klein 2008). According to Joseph Borocz (2009: 98-99), Hungary, Georgia and Moldova experienced drops in world average GDP per capita of 11.4%, 93.8% and 82.8% respectively, while Russia and Ukraine saw drops of 60.9% and 67.1% of the world mean GDP per capita.

Arrighi’s contribution here was of great significance, as those states in transition from actually existing socialism to capitalism played a particularly important role in the 1990s at an ideological level, superficially appearing to confirm to many the tenets of the neoliberal Washington Consensus and leading to grand claims about the end of history (Anderson 1992). In actuality though, the divergent experiences of Eastern and Western Europe, as well as those of the white settler offshoots of the US, Canada, Australia, New Zealand, South Africa and Israel – those states that Alfred Crosby (2008) referred to as the neo-Europes – showed instead that those countries that
‘developed’ were exactly those states which violated the supposedly sacred tenets of the Washington Consensus (Chang 2002; Chomsky 1999; Reifer 2006a, 2006b, 2006c; Magubane 1996).

Indeed, as Immanuel Wallerstein (1974) and Ivan Berend (1996: x) demonstrated, Eastern Europe, along with the Americas, was the first Third World, unequally integrated into Western Europe in the form of peripheralized regions, with “the communist experiment […] part of a twentieth-century rebellion of the unsuccessful peripheries, which were humiliated by economic backwardness and the increasing gap which separated them from the advanced Western core […] The failure of nineteenth century industrialization and parliamentary democracies was rooted in earlier centuries and preceding failures” (see also Quijano/Wallerstein 1992). As Pope John Paul II noted in 1993, “[s]evere social and economic problems of Europe and the world are rooted in the aberrations of capitalism. Communism was a reaction to reckless capitalism. The change in the latter was due in part to the ideas of socialism” (quoted in Berend 1993).

Not surprisingly, then, in a world-system still dominated by capitalism, ruthless attempts at modernization via coercive industrialization in actually existing socialist states failed to overcome the inequalities of wealth and power between the East and the West (Arrighi 1990a, 1990b, 1991). While some states and regions – most notably East Asia – were able to benefit from changes in the global system in the 1980s, the upward rise in the wealth of this particular geoeconomic region was not generally applicable to all states and regions. Though controversial, Arrighi’s (2002) argument receives powerful confirmations in more recent efforts to map the polarization of wealth in the global system.

Here, arguably the most ambitious attempt after Arrighi’s landmark interventions in mapping global inequalities has been that of Branko Milanović (2005, 2008) in his Worlds Apart and subsequent writings. In these later works, based on new data collected by the IBRD/World Bank (2007), Milanović (2008) reported radically revised estimates of the GDP per capita of both India and China – some 40% lower than previous estimates – as well as in other Third World states, with downward revisions far outweighing the upward ones. Milanović’s (2005: 39-44) earlier work also reveals a stark rise in world income inequalities, driven first by declining incomes in Latin America in the 1980s, followed soon thereafter in the tran-
transition countries in the early 1990s. For example, from 1980–1990, per capita incomes in various Latin American states fell dramatically, dropping by 23%, 22%, and 10% in Argentina, Peru and Mexico respectively, with corresponding increases in poverty (Kapstein/ Milanović 2003: 41). In terms of GNP per capita relative to what Arrighi (1991: 48-52) calls the organic core of the capitalist world-economy (including the rich states of the West and select East Asian states such as Japan), between 1980 and 1988, Latin America’s fell by 46%, Western and Eastern Africa by 66%, Southeast Asia by 35% and the Middle East and North Africa by 27%.

Consistent with Arrighi’s (1991, 2002) earlier work, Milanović (2005) showed that virtually all the earlier contenders for catching up with the West, from 1960 to 2000, experienced downward instead of upward mobility – Latin America, Sub-Saharan Africa and Eastern Europe most prominently – with the important and notable exception of East Asia. Moreover, as Milanović (2005: 65-71) noted, by 2000, for the first time in hundreds of years, no country in Latin America or the Caribbean (fully two-thirds of the failed contenders for catch-up) had any state wealthier than their poorest Western European counterparts. Today, fully 20 of these 22 former contenders are in the Third or Fourth Worlds, along with almost all the other non-Western states as well, with the exception of East Asia, as noted above. (Third World states are defined as those states whose GDP is under one half of the poorest states in Western Europe, North America and Oceania (WENAO) with Fourth World countries referring to those states that come under one-third of the GDP per capita of the poorest Western state). From the 41 rich states which existed in 1960, 19 of them from the non-Western world, the number dwindled to 31 rich states in 2000, only nine of them non-Western, with the ratio of downwardly mobile states relative to upward mobile states standing at 12 to 3 in the first period (1960–1978) and 13 to 2 in the second period, 1978–2000 (Milanović 2005: 65-71).

Furthermore, those states belonging to the poorest category of states – with mean incomes less than that of Brazil – rose from 25 in 1960 to 71 in 2000, including virtually the whole of Africa, with four out of every five African states in the poorest category of the Fourth World, representing roughly 80% of all African states. In stark contrast, the West ‘reinforced’ its position as the ‘Club of the Rich’, while hopes of catching up for non-Western states basically vanished, excepting the East Asian region, which
has participated in an ascent more recently joined by China. Today, approximately 77% of all people – some 3.9 billion – live in the poor countries, defined as those states in which “survey-based mean income was less than that of Brazil. In other words, 93 percent of poor people live in poor countries, about 5 percent live in middle-income countries, and 2 percent of the world’s poor live in rich countries,” in what Milanović (2005: 132, 149) refers to as “plutocracy at the global level.”

Moreover, in terms of the future prospects for modernization, the outlook is no better. Here Milanović confirms Arrighi’s argument that the capitalist world-economy is divided into a rigid hierarchy of wealth that is amazingly stable. While Arrighi and Wallerstein have long argued that it is possible for some states and regions to become upwardly mobile in the capitalist world-economy, as the East Asian example so dramatically illustrates, they have always maintained that modernization theory, with its argument that all countries and regions can achieve the level of wealth set by the richest states, is an illusion.

“All of the poorest countries stayed in the bottom between 1960 and 1978, and 95 percent did the same during the later period […] Regarding Third World countries, almost two-thirds of them slipped into the Fourth World during the 1978–2000 period. […] Stability on the bottom, combined with downward mobility of the contenders and Third World countries, resulted in the remarkable fact that once a country became part of the poorest group, it found it almost impossible to escape from (relative) poverty. During the past forty years, only two countries […] escaped from the trap of the Fourth World. This fact bodes ill for the slew of countries from Eastern Europe and Latin America which in the past two decades have dropped into the Fourth World. Unless there is a remarkable discontinuity with the patterns of development that had lasted during the past half century (and possibly longer), the likelihood of escaping from the bottom rung is almost negligible” (Milanović 2005: 68-70).

Arrighi and Milanović’s sobering statistics should dampen the more hopeful estimates of the prospects for catch-up and lead to great caution when predicting future success stories, especially for whole regions, such as East and Central Europe (Berend 2009). Arrighi and Milanović’s arguments are confirmed by more recent data collected in the UN’s study on The World Distribution of Household Wealth (Davies et al. 2006), which reports
that the richest 1% of the world’s population owned 40% of global assets in 2000, with the richest 10% accounting for 85% of the world total wealth, in sharp contrast to the world’s bottom half, which owned “barely 1% of global wealth.” Moreover, this wealth, as Arrighi and Milanović’s data also reveal, is largely concentrated in North America, Europe and the Asia-Pacific (most especially in the East Asian region), where the respective populations own nearly 90% of the total world wealth.

One should be reminded too that core states have traditionally assisted client regimes and their oligarchic upper classes with the military means to protect this wealth, as US intervention across the globe over the last century or so has repeatedly demonstrated, with East Asia again being an exception to this general rule (Arrighi 1990: 27, 2006, 2010; Chomsky 1991). Additionally, it is equally important to note the pronounced disparities of wealth and income in the core, clearly differentiated as they are by race and class, most notably in the US (Reifer 2007, 2009–2010; Magubane 1996). A particularly shocking example is that, despite much higher income levels, African American males in many US cities, such as New York, one of the wealthiest cities in the world, have lower life expectancies than men in Bangladesh (Sen 1999: 23).

3. Global polarization, oligarchic wealth, and the bifurcation of the global system

Among the more important aspects of the widening income inequalities and instances of downward and upward mobility across the globe is the fate of various geoeconomic regions. Arrighi’s work here, particularly on sub-Saharan Africa, Eastern Europe and the USSR, as well as on East Asia, underscored the bifurcation of the global system in the 1980s. Indeed, equally as dramatic as East Asia’s ascent in the hierarchy of wealth in the world-economy was the downward mobility of Eastern Europe, Sub-Saharan Africa, Latin America and other world regions. As Arrighi (2002) underscored, this bifurcation – with some states rapidly rising in income and other states declining – began with the US neoliberal counter-revolution in development policy, starting with the US rise in interest rates in 1979 and the concomitant entry of the US into the competition for capital on the
global capital market. These reversals indicate the extent to which the world-system rests, in reality, on oligarchic wealth, which cannot be generalized.

In fact, these developments signal the autumn of the US systemic cycle of accumulation and the larger hegemonic cycle of which it is an integral part (Arrighi 2010). The flip side of the counter-revolution in development policy that accompanied the belle époque of US hegemony and its systemic cycle of accumulation was the global debt crisis in the South and East and the subsequent collapse of communism, accompanied by decreases in life expectancy and increases in poverty during the subsequent transition back to capitalism (Kapstein/Milanović 2003; Milanović/Ersado 2010). These developments were of course intimately related to the dismantling of the Bretton Woods regime of fixed exchange rates in 1973, as well as the subsequent elimination of capital controls and rise of speculative capital and other forms of globalization, in particular the spread of multinational firms (Arrighi 2010; Mahon Jr. 1996; Eatwell/Taylor 2000; Reifer 2008a).

Significant here, in Latin America, Eastern Europe, the USSR and Sub-Saharan Africa, was the ballooning debt crisis of the 1980s and the growing gap between those states and regions, such as East Asia, which benefitted from the revolution in information technology – technologies which grew out of the US’s particular form of militarized state-corporate capitalism – and those regions that missed out on these new innovations and their monopoly rents (Arrighi/Drangel 1986). Additionally, as Arrighi (1991, 2002) argued, in an analysis that converges with the views of regional experts in Latin America, Eastern Europe and Sub-Saharan Africa, most notably articulated in the work of Fernando Fajnzylber (1990a, 1990b), Ivan Berend (1996, 2009) and William Martin (2008a, 2008b), the declining regional performance of much of the Second and Third World showed, to varying extents, the consequences of pronounced regional inequalities and/or the limits of import substitution industrialization, along with high levels of foreign debt, as hundreds of billions of dollars flowed back from the South and East to the North/West.

Fernando Fajnzylber’s (1990a, 1990b) important work on Latin America compliments that of Arrighi, by underscoring the social structure of the region and the US – what he calls showcase modernity, driven by high levels of debt and mass consumption. The US and Latin American models contrast sharply with those of Japan and East Asia, which, for all their faults,
have generally combined rapid growth with greater equity. China’s joining the East Asian ascent has further propelled this region along its trajectory of increased power and wealth, despite the growth of massive inequalities in China and other states (Reifer 2010; Arrighi 2002, 2006, 2010; Hung 2009).

However, just as dramatic as East Asia’s ascent was Sub-Saharan Africa’s descent, with the region’s GNP per capita dropping from 17.6% of world per capita GNP in 1975 to just 10.5% in 1999, the worst performance of any world region (Arrighi 2002: 5, 14-16). Nevertheless, as indicated earlier, this was part and parcel of a larger downward trend among the Second and Third Worlds more generally, including the USSR and Eastern Europe, Latin America, the Middle East and North Africa, a collapse that earned this period the title of the ‘lost decade of the South’.

There is also widespread agreement in much of the literature with Arrighi’s argument about the importance of the US switch in development policy in 1979–1980 and thereafter and the importance of the 1980s in terms of the bifurcation in the fortunes of the Second and Third Worlds, with East Asia rising and many other regions declining. This bifurcation, as noted, was intimately associated with the entry of the US, in the context of rising interest rates, into competition for mobile capital on the global capital markets (Milanović 2005: 78-79). For example, Milanović (2005: 79-81) approvingly cites Arrighi’s insight about the importance of the geoeconomic heritage of particular world regions in being positioned to respond favourably to the intensified demand for commodities from the West on the international market, here noting the regional advantages of East Asia, today joined by China, in the competition for commodities (Sen 1999; Dreze/Sen 2002).

In East Asia, the combination of land reform, strong developmental states, limits on the accumulation of debt as well as of foreign direct investment, along with strong entrepreneurial talent and large supplies of labour, all had the effect of increasing the competitiveness of this region in the global marketplace, leading to rises in wealth, in sharp contrast with sub-Saharan Africa, Latin America and Eastern Europe (Woo-Cumings 1999; Berend 1996).
4. Alternative regionalisms, democratic wealth, and the future of socialism

Another key aspect of Arrighi’s (2002, 2006, 2010) analysis was his focus, not only on different geoeconomic regions but on the development of alternative regionalisms that posed a challenge to US hegemony and domination. Of particular concern for Arrighi was the entwinement of the ongoing demise of US hegemony and the rise of Chinese-led East Asia, in an analysis later expanded to contrast the latter region’s fortunes with the misfortunes of Sub-Saharan Africa. Here, Arrighi (2006) increasingly held out the hope that the rise of Chinese-led East Asia in the world-economy might more effectively challenge the current distribution of world wealth and power than that of the Bandung generation, which heralded the arrival of Third World radicalism on the world scene, with its emphasis on the wretched of the earth, as in Fanon’s clarion call.

Indeed, the growing role of Chinese demand in the rise of commodity prices in Latin America and across the globe holds out the prospect for the potential subversion of the current oligarchic structure of wealth in the world-system. To be sure, the subversion of the oligarchic wealth on which the present system rests will ultimately call for a new development model that differs substantially from China’s export-oriented industrialization model, based as it is on relatively low wages (Hung 2009; Arrighi 2006). Nevertheless, the rise of East Asia reflects the growth too, of another alternative regionalism, which, though embedded in the US structure of world power, may yet herald both a more independent regionalism and a more equal global system, though much remains to be overcome in this regard. Due to the limits of space, the forming of East Asia’s alternative regionalism, from the making of its regional economy to its ongoing financial integration, which has been documented extensively elsewhere, cannot be explored here (Katzenstein 2005; Sohn 2005, 2007; Reifer 2010). Nevertheless, through a focus on the example of Latin America, and keeping other regional experiences, such as that of Chinese-led East Asia, in mind, the argument put forward here is that if various world regions work together, it is possible that democratic wealth can begin to be generalized and the oligarchic wealth on which the current world-system rests can start to be challenged.
In fact, even East Asia’s setbacks have propelled the search for alternatives to the Washington Consensus, since it is exactly the policies recommended by the Washington Consensus and what Jagdish Bhagwati (2002: 3-11) calls the “Wall Street-Treasury nexus” that have resulted in recurrent financial crises, from the debt crisis of the early 1980s to the 1997 Asian economic crisis. The culmination of these financial crises, fuelled by rising inequalities, US based speculative capital, hedge funds and related bubbles, was of course the global financial crisis that began in 2008 and which continues today (Milanović 2005: 79-80; Gowan 1999; Brouwer 2001; Reifer 2006a, 2009–2010). However, as Arrighi (2006) and others underscored, in contrast to many other authors who saw the Asian financial crisis as leading to the downfall of the region, the impact of the 1997 crisis was to block additional movement towards East Asian regional integration, in ways that eventually increased the autonomy and wealth of the region, thus pointing toward its growing role in reshaping the global system as a whole. Here, the growing integration of East Asian financial markets has been pursued so as to make the region less vulnerable to hot capital flows from the North (Sohn 2005, 2007; Reifer 2010).

More recently, this trend towards alternative forms of regional integration, a trend that Arrighi focused so much attention on, has been joined by Latin America and the Caribbean, one of the world’s most unequal regions. Indeed, here, in the 21st century, there exist a series of vibrant movements, some of which are inspired by a vision of democratic socialism to counter neoliberalism, albeit one informed by the struggle for the rights of indigenous peoples, from the Zapatistas to Bolivia’s Movimiento al Socialismo. The election by the latter party of Evo Morales as President in 2005, part of a series of victories by progressive forces in the region, dramatically changed its political landscape (Silva 2009; Pearce 2011). What is being developed here are progressive electoral coalitions, in which democratically elected governments and social movements both promote efforts to democratize wealth and to undo the legacies of centuries of oligarchic wealth on which the power of Latin American elites and that of their foreign allies have traditionally rested.

As Noam Chomsky (2010: 114) has argued, increasingly today the peoples of the region are taking their destiny into their own hands, albeit not without resistance, as could be seen in the 2009 coup in Honduras and the 2010 attempted coup in Ecuador. This growing strength of progres-
sive forces in the region is of great significance, as for many years, especially before the application of neoliberal shock therapy in Eastern Europe and the USSR, Latin America had been at the center of the neoliberal counter-revolution (Gowan 1999; Dezalay/Garth 2002; Klein 2008). A particularly notable example here was the US-supported overthrow of the democratically elected socialist government of Salvador Allende in Chile and the coming to power of the dictator General Augusto Pinochet, supported by the ‘Chicago boys’, the economists at the University of Chicago, notably Milton Friedman (Reifer 2008b; Dezalay/Garth 2002).

What is astonishing is that the current momentum of progressive movements throughout much of Latin America comes in the wake of the failure of what many saw as the inevitable victory of US supported neoliberalism, which in the early 21st century found its expression in the Free Trade Area of the Americas (FTAA). The FTAA built on the earlier victory in 1994 of the North American Free Trade Agreement (NAFTA), which has failed in its promise to lift Mexico out of underdevelopment and cut down on migration to the US (Malkin 2009; Cypher/Wise 2010). As readers are no doubt aware, though, even the imposition of NAFTA was not uncontested, as the emergence of the Zapatistas and Subcomandante Marcos in the Chiapas region of southern Mexico in January 1994 so powerfully indicated.

Nevertheless, in December of that year, during the first Summit of the Americas, some 34 heads of state decided to push forward the implementation of the FTAA by 2005. In the interim period, however, the dramatic emergence of the Zapatistas in 1994 was soon followed by the massive Battle of Seattle, as protestors from both North and South contested the World Trade Organization in 1999 (Silver/Arrighi 2000). Then, just two years later, tens of thousands came out in Quebec City, Canada, to protest at the Summit of the Americas, where it was widely expected that the FTAA would be pushed through. Instead, however, the FTAA fell apart; indeed, in the wake of the FTAA’s demise have come powerful initiatives for regional integration of the Americas along anti-neoliberal lines.

Among the most significant proposals for a new alternative regionalism in the Americas has been the Union of South American Nations (UNASUR), which emerged from the earlier meeting of the South American Community of Nations (CSN), where representatives from some twelve Latin American states, including eight heads of state, met in December 2006. This followed
an earlier meeting in December 2004. The 2006 Cochabamba Declaration of South American leaders wrote of looking forward to a future union, with a South American parliament centered in Cochabamba modelled on that of the European Union (EU). The name of the declaration was significant too, coming from a region heretofore unknown before jumping onto the world stage in 2000 with its dramatic resistance to water privatization. Parallel to the summit was the Second Social Forum for the Integration of the Peoples, with some 4,000 delegates.

The UNASUR initiative, led by Brazil, one of the world’s rising powers, is complimented by the Bolivarian Alternative for Latin America and the Caribbean (ALBA) headed by Venezuela, under President Hugo Chavez. Both initiatives envision new forms of regional integration and outreach to other rising global powers – notably China, already the leading trading partner for many states in the region such as Brazil – that could diversify Latin America’s trade and allow for increasing independence from the US. UNASUR brings together a land area four times that of the EU and only just smaller than NAFTA – with some 380 million people (only 110 and 60 million less than the EU and NAFTA respectively), with a GDP of some $3 trillion, and, as noted, holds out the promise of creating a Latin American equivalent of the EU. At the CSN summit in Buenos Aires in 2004, leaders posited a 20 point ‘Buenos Aires Consensus’ as an alternative to the failed policies of the Washington Consensus (Serra/Stiglitz 2008).

This proposal directly presents itself not so much as an alternative to the US-driven FTAA, but, as Noam Chomsky (2010) rightly remarked, as an independent regional initiative, with the goals of truly independent development and regional integration, based on principles of human solidarity. In addition, there is also the important proposal, initially developed by Venezuela, of the Banco del Sur, the Bank of the South, an independent bank for the region free from the clutches of the IMF and World Bank. Similarly, Venezuela’s President Hugo Chavez, referring to the signing of pipeline agreements between Venezuela, Argentina and Brazil, remarked that the agreements represent “the end of the Washington consensus […] [and] the beginning of the South American consensus” (quoted in Kellogg 2007: 208). Among the notable features of cooperation is that between Venezuela and Cuba, with the former offering discounted oil to the latter in exchange for Cuba’s help with medical care and literacy programs in Venezuela.
As for ALBA, a grouping which includes, among others, Cuba, Venezuela, Bolivia, Nicaragua, Ecuador and select Caribbean islands, it too looks towards alternative forms of regional integration that would allow for true independent development and cooperation along anti-neoliberal lines. The idea here is to develop new forms of economic cooperation, for instance through bilateral and regional trade agreements based on human needs, along with growing collaboration on improving social needs, such as health care, as well as basic literacy and education programmes. More recently, in 2010, there was the World People’s Conference on Climate Change and the Rights of Mother Earth, hosted in Cochabamba, Bolivia, by the Bolivian government. This landmark meeting attracted 35,000 delegates from 140 countries (from all over the world) and came in the wake of, and as an alternative to, the failure of the Copenhagen Summit on Climate Change, which excluded Bolivia and some 160 countries during the final negotiations (Buxton 2010). What was registered here, and by a host of recent environmental disasters, is just how important responding to human-induced climate change will be for moving the global system in more democratic, peaceful, equitable and environmentally sustainable directions (Davis 2010; Roberts/Parks 2007).

5. Conclusion: global capitalism and the future of socialism

World-systems analysts have long argued that the modernization, which has recently returned in the clash of civilizations debate surrounding Islam, is an illusion (Reifer 2006a, 2006b, 2006c). To be sure, as Arrighi and Wallerstein have themselves argued, the rise of Japan and now Chinese-led East Asia is a dramatic example of a regional ascent that indicates it is possible for particular geoeconomic regions to grow in wealth and power, something indicated by the bifurcation of the 1980s, when East Asia rose while other regions, such as Latin America, Sub-Saharan Africa and Eastern Europe and the USSR, declined. Yet, while the ascent of some regions was possible, the rise of all regions to the levels of oligarchic wealth set by the West, Japan and other particular East Asian states was not.

In terms of contemporary inequalities between the rich and the poor, according to various UN Human Development Reports, the wealthiest 20%
of the world’s population accounts for some 86% of private consumption expenditure, while global inequality between the poor and rich states of the world increased from 3:1 in 1820 to 70:1 in the period from 1950 to 1992. Today, some half a billion people or more live in life-threatening poverty, with some 50,000 people dying daily because of poverty; this adds up to some 18 million premature deaths, or three ‘final solutions’ from poverty-related causes every year (Pogge 2008: 3-5, 31). As Thomas Pogge (2008: 204) notes, if we were to build the equivalent of the Vietnam War memorial to commemorate those who died from poverty related causes since the end of the Cold War superpower competition to the present, it would have to be 540 miles long.

The official line of the world’s states is that they are doing what they can to address the question of global poverty. In reality, however, state and private corporate elites are largely responsible for the continued disparities of wealth and power in the global system. Arrighi (1991: 63), citing Wallestein, noted that developmentalism was merely a global version of what R.H. Tawney (1961), in his landmark book Equality, called the tadpole philosophy. In the tadpole philosophy, tadpoles reconcile themselves to their fate with the notion that some will be lucky enough to scramble to shore and become frogs, though most will die as tadpoles. As Tawney noted, “[t]his conception of society may be described, perhaps, as the Tadpole Philosophy, since the consolation which it offers for social evils consists in the statement that exceptional individuals can succeed in evading them…And what a view of human life such an attitude implies! …As though the noblest use of exceptional powers were to scramble to shore, undeterred by the thought of drowning companions” (quoted in Arrighi 1991: 63-64).

The identification with this philosophy in the modernization paradigm, as Arrighi (1991: 63) and Wallerstein argue, “constitutes a major departure from the ideals of human solidarity and equality that constitute the essence of the socialist creed.” In the light of this reality of the futility of attempts at modernization for the world’s vast majority, Arrighi (1991: 65) attempted to envision the future, predicting that, as the global system grows increasingly chaotic and violent, growing numbers of people would come to realize that “the pursuit of oligarchic wealth will begin to appear to many as what it has always been: a highly destructive endeavour that shifts the costs of the prosperity and security of a minority (no more, and probably less, than one-
sixth of the human race) onto the majority and onto the future generations of the minority itself. [...] At that point, the addresses croaked by Western ‘frogs’ to the ‘tadpoles’ of the former East and South will sound anachronistic to the ‘frogs’ themselves, or at least to a growing number of them. Western socialists will then face their own moment of truth. Either they will join forces with Eastern and Southern associates and come up with an intellectual project and a political programme capable of transforming systemic chaos into a more equal and solidary world order, or their appeals to human progress and social justice will lost all residual credibility.”

Some two decades after first making such a prediction, there is, for the first time, in the wake of entwined financial and environmental crises across the globe, an open discussion, even in the Western mass media, about the very sustainability of today’s model of environmentally destructive, unstable and speculatively driven financial and carbon-based capitalism, resting as it does on oligarchic rather than democratic wealth. Arguably, more people than ever before, as Arrighi predicted, have come to understand that today’s actually existing capitalism is a highly destructive system, in which the world’s vast majorities are sacrificed at the altar of materialism and the notion of progress without limits. It is indeed now time for those of us, in the West/North and South/East to develop a political and intellectual project based on the belief which brought together the World Social Forum and its regional offshoots; namely, that another world is possible, based on the generalization of democratic wealth and equality at the global level. While it is important not to be overly optimistic, given the challenges these movements face, there is certainly room for Gramsci’s pessimism of the intellect and optimism of the will, as progressive movements seek to overturn centuries of durable inequalities (Tilly 1999).

Most exciting here are the social and economic foundations on which the prospects for a new Bandung rest. With the great expansion of South-South trade, led by China, India, Brazil and South Africa (CIBS), countries representing some 40% of the world’s population, growing cooperation may subvert the existing hierarchy of oligarchic wealth on which the present world-system rests and provide for the generalization of democratic wealth instead. As Arrighi and Zhang (2010: 34) note, not only do the CBIS states compete favorably with the North by providing other Southern states with better terms of investment, trade and finance, “they also intensify competi-
tive pressures on Northern countries to provide Southern countries with better terms than they otherwise would.” This is a reality which brings openings not only in Latin America, but also in Africa (Martin 2008a, 2008b). These developments provide real hope for the remaking of the global system on new and enlarged social foundations, a system in which the world’s majority is for the first time included rather than exploited and excluded. A particularly critical question here is that of the possible future cooperation of the historic rivals, China and India, which themselves represent over one-third of the total world’s population.

In his magisterial essay *The Ends of History*, Perry Anderson (1992) surveyed the various possibilities for the future of capitalism and socialism after the collapse, with a look back towards past movements. Anderson commented on the possibility that global poverty and exploitation in the global South, along with polarization in the rich states themselves, might eventually force a new international agenda for social reconstruction back onto the scene, as it appears to be in fact doing today. Anderson (1992: 375) went on to note that “[w]ere it able to respond effectively to them, socialism would not so much be succeeded by another movement, as redeemed in its own right as a program for a more livable world.”

There could be no better tribute to the quest of Arrighi and his colleagues, friends and admirers for a more humane global system, than for scholars and activists to build on the growing cooperation between countries of the South in the global system so as to discuss realistic possibilities for a more just and sustainable world order, in the framework of mutual solidarity and respect, as we work towards making these alternative visions a reality. And this we must do, for if a movement capable of transforming the world to the benefit of the vast majority is ever to be successful, it will be by combining the best of actually existing democracy and human solidarity, based on respect for nature and other human beings, guided by principles of inclusion and the realistic prospects for genuine equality, through generalizing democratic instead of oligarchic wealth (Arrighi 2009; Reifer 2009; Tilly 2007). Let us begin.
References


Abstracts

This paper examines global inequalities and the future of capitalism and socialism through an investigation of the oligarchic wealth on which the current global order is based and also looks at growing challenges to these social foundations of the present global system. The bifurcation of the world-system in the 1980s – with the ascent of Chinese-led East Asia and fall of Latin America, Sub-Saharan Africa, Eastern Europe (and other regions) is explored, as is the prospect for alternative regionalisms – from Latin America to East Asia – which may challenge the oligarchic wealth on which the current global system is based, through the generalization of democratic wealth across the global system.


Thomas Ehrlich Reifer
University of San Diego, Sociology
5998 Alcala Park
San Diego, CA 92110
reifer@sandiego.edu