

13 Conclusion

Overall patterns of globalization and development

In this volume I have depicted a narrowing followed by a widening of the ideological spectrum, capitalist triumph and tribulations, the decline of interstate wars and their replacement by either peace or civil wars, the intensification of national citizenship, and the replacement of all empires save one by nation-states. All this was happening on an increasingly global scale – a series of globalizations, which sometimes reinforced, sometimes undercut, and always differed from each other. As a result, the world is more interconnected, though it is not harmonious, and it is nowhere near being a single global system. It is a process of universal but polymorphous globalization.

My second volume identified capitalism and nation-states as the two main power organizations of the long nineteenth century in the advanced countries. In Volume 3 and here I have

expanded my horizons to the globe and added empires. The entwined dynamics of capitalism, nation-states, and empires brought disastrous world wars and revolutions in the first half of the twentieth century. This was followed by a fairly sharp break after 1945 as power relations subsided into a short “golden age” of democratic capitalism, in which occurred the collapse of all but two empires, a degree of class compromise within capitalism, the institutionalization of both capitalism and state socialism, the emergence of mass social citizenship, and global economic and population growth. The principal military confrontation eased into a merely cold war, which eased further as the Soviet Union stagnated. This plus the advent of nuclear weapons brought a decline in usable military power and a rapid decline in interstate wars across the world. Reformed capitalism and American-led geopolitics between nation-states now jointly bestrode most of the world. In the North of the world a higher level of civilization, more prosperous, with more public caring, more literacy and greater human longevity was being developed, though the route to it had been circuitous and dangerous. But there was concern in this period that the South of the world was not sharing in much of this and indeed might be condemned to a limited and dependent development.

Then came a second break in the 1970s. This one affected the North and the South of the world quite differently. In the North what I called the Anglophone, Nordic and Euro varieties of social citizenship began to falter. Faltering was greatest among the Anglos but in general the power of center-left reformist

parties began to fade. Their main goals were no longer to advance but merely to defend what had already been achieved. Social democracy and liberalism had become overinstitutionalized, overbureaucratized ideologies having difficulty coping with novel structural changes. Their subsequent defense has been more successful in the Nordic, northerly Euro countries and Japan than in the Anglophone and Mediterranean countries. There democracy and citizenship were becoming subordinated to those who had power within markets, especially finance capital. At the same time Soviet-style communism collapsed, deservedly so since it had never been remotely democratic. An alliance of neoliberals, finance capital, and conservatives emerged. This was strongest in former Soviet-bloc and Anglophone countries, and strongest of all in the United States. A long postwar drift to the right had finally made the United States exceptional, a trope I had resisted in earlier periods – though Britain also moved less far in the same direction. Capitalism, especially American capitalism, now contains an asymmetric class structure in which the capitalist class faces little challenge from below.

Yet neoliberalism failed to deliver on its promises. It delivered not growth but stagnation, inequality and poverty, plus corporate encroachments on political democracy. It then brought on the Great Neoliberal Recession of 2008. But the lack of challenge from below brought no effective solution to this crisis. Neoliberalism survives because it commands distributive power, the power of some over others, mostly expressed transnationally, but it does not bring more collective power for all. Prospects for the Anglophone countries do not currently look very good, even for their capitalist classes since they are now rejecting the policies that boosted the aggregate consumer demand on which their prosperity had rested during the golden age. It is doubtful in the long-run that capitalism can do as well if it consigns the lowest fifth or fourth of the population to the scrap-heap.

But this is not the whole global story. The world is big and it remains varied. Middle East was distinctively turbulent, its regional problems worsened by a burst of aggressive American imperialism, which also brought terrorist blowback and encroachments on civil rights in the North. But during these recent decades of northern stagnation, large parts of the South have experienced substantial economic growth occurring amid relative peace. Neither dependency theory nor its offshoot, world systems theory, had expected this. Orthodox world systems theory had assigned countries rather fixed statuses in the world system, as core, semiperiphery or periphery, with the dynamism of the system being largely confined to struggles among countries of the core. It could not explain national or macroregional mobility, whereby countries rise from the periphery into the core. Thus some world systems theorists began to stress that capitalism was coping with a declining rate of profit in the North of the world by what they call a spatial fix, relocating to the cheaper supplies of the South,

a shift that will eventually also produce a shift in global hegemony toward a more multicentric form.

Upward mobility is not confined to China. It has been spearheaded by all four of the so-called BRIC countries (Brazil, Russia, India and China) but is now spreading to almost the whole of Southeast Asia, to much of Latin America, to Turkey, and even to scattered African countries like Algeria, Uganda, Ghana, Botswana, and South Africa. The BRIC countries and not the United States, Japan, or the European Union led the way out of the Great Neoliberal Recession of 2008 partly because they were less neoliberal. Instead their economies were export-subsidizing, somewhat protectionist, and state-coordinated. The most effective economies around the world contain more statism than neoliberal models allow, especially of course China. Whether they can continue their growth if the northern recession continues, thus reducing global demand, remains unclear. They also differ substantially from each other, none more so than the four BRIC countries. Thus the world retains great variety even while being globalized. Nation-states and macroregions retain their differences even when faced with intensification of transnational power processes.

So any crude distinction between North and South needs qualifying. First, some northern countries embraced much less neoliberalism and so emerged quicker out of the Great Recession – as did Switzerland, Sweden, and Germany. Second, many Southern countries, especially in Africa and Central Asia, remain desperately poor and under-developed. Third, many northern corporations had moved their manufacturing operations southward, creating an ambiguous national/transnational identity for themselves and their bosses. They make more of their profit from manufacturing within expanding southern markets and so are becoming less dependent on their home base in the North; yet they tend to repatriate their profits back home and they still tend to think of themselves as being American or German or Japanese. Their ambiguity is typified by that apparently quintessential American manufacturing corporation, General Electric, which now does more of its business in finance than in manufacturing and generates more of its profits abroad, yet whose CEO was appointed in January 2011 to head President Obama's American Economic Recovery Advisory Board. The capitalist class has a dual identity – it is not simply a global capitalist class, as some argue – while most other classes remain predominantly nationally segregated. All three qualifications blur any simple-North distinction. But they do not disguise the fact that the worm is turning: the balance of economic power is shifting away from the old West toward a more multilateral order that includes powerful southern countries, especially in East and South Asia. This shift is reinforced by a flailing American military imperialism, which after 2000 lost a realistic sense of its own limits, as well as by increasingly dysfunctional American and EU polities.

Though it remains unclear what the twenty-first century might have to offer as comparable sea-changes in power relations to those charted in this

volume, we already know that the triumph of capitalism, the nation-state, and mass consumption citizenship will continue to incubate toxic levels of climate change, unless nonpolluting, cheap alternative energy technologies are miraculously invented and diffused. Global warming and greater weather variability might result in either of two extremes: geopolitically negotiated reforms on a global scale to reduce emissions, or the collapse of much of modern civilization. Perhaps more likely is a muddling through sundry disasters toward an intermediate solution, favoring some classes, macroregions and nations more than others – the normal outcome of human social development. However, for survival's sake, there *should* be another swing away from market domination and neoliberalism back toward a more socially regulated democracy, though this time on a global geopolitical scale. There is, of course, no guarantee that this will happen. It will have to be struggled for. These alternatives might bring either a more integrated or a more disintegrated form of globalization. That choice could make it a more dramatic century even than the last one.

The role of the four power sources

I now move to conclusions at a more theoretical level, beginning with the development of each of the four power sources.

Ideological power

This played a highly variable role in the struggles of the  period, being especially prominent in its first half, then declining after mid-century before recovering somewhat at the advent of the twenty-first century. Racist ideology dominated the last century of imperial rule across the world, and contributed to its collapse, patriarchy maintained most of its power in both homelands and empires, while liberalism and social democracy came to dominate in the West, and Marxism empowered revolutionary transformations in Russia, China and elsewhere. Fascism did likewise in Germany and Italy and impacted considerably on Japan. The combination of these rival ideological struggles brought on World War II and the massive postwar transformations, which were due to that war. I emphasized that nationalist ideology had varied forms. Aggressive nationalism was a consequence more than a cause of World War I, but was generally short-lived, transmuting into a more populist and progressive longing for peace afterward. Pacific forms of national citizenship then dominated. However, one great exception, fascism, emerged to cause World War II. It is striking how similar problems of modernization – industrialization, mass mobilization warfare, and the political incorporation of the masses – brought such diverse ideological responses. Ideological diversity may also be the consequence of environmental crises in the twenty-first century. In my chapters dealing with the first half of the  I explained variability in terms of existing institutional differences between countries interacting with their varied

experience of the major unintended dislocations of the period, which were two world wars and the Great Depression, all three of them global phenomena. Here globalization was expanding more disintegration than integration.

World War II saw off fascism while state socialism lost the cold war, resulting in an ideological discourse narrowing into a centrist spectrum ranging from social democracy through Christian Democracy and liberalism (in the American sense) to moderate conservatism. Racism also lost much of its power with the fall of colonialism and American segregation, though both rabid anticommunism and patriarchy began to weaken slightly later. “The end of ideology” was proclaimed by many. Daniel Bell (1960) argued that a great transformation had occurred from the late seventeenth century onward as dominant ideologies shifted from being religious to secular, which then had become exhausted by the 1950s, discredited both by the atrocities they had brought to the world, and by the success of reformed capitalism and welfare states. The Soviet Union and the West, he said, were gradually converging onto a single model of modernization – a victory for less ideological, more pragmatic conceptions of reform. His argument was later revived by Francis Fukuyama just as the Soviet Union was collapsing. He took the collapse of fascism and state socialism as proof of “the triumph of the West,” and went on to boldly declare that “What we may be witnessing is not just the end of the cold war, or the passing of a particular period of postwar history, but the end of history as such: . . . that is, the end point of mankind’s ideological evolution and the universalization of Western liberal democracy as the final form of human government.” (1989: 4). While Fukuyama was correct to stress Western victory, for him to declare “the end of history” seemed ludicrous, explicable only in terms of the naïve triumphalism then sweeping the U.S. Every institutionalizes old ideologies but perennially throws up new ones through the interstices of social development.

And so the decline of ideology was interrupted toward the end of the twentieth century by new ideological contenders emerging from both inside and outside of the West – and especially from within America, the very heartland of the supposed new consensus. Here neo-imperial, neoliberal, and Christian fundamentalist ideologies all became more prominent, being responses to problems of American empire, capitalism, and the nation as a moral entity. While none claimed to oppose liberal democracy, one revived militarism, another stripped social protections for the masses, and the third showed intolerance toward alternative moralities and life-styles. All this threatened the liberal ideals that Bell and Fukuyama said were triumphant. In all prosperous countries globalization also brought more immigrants from other cultures, regenerating racial and religious divisions within them. Finally, environmentalists emerged with green, transcendent, and largely pacific ideologies.

Bell, Fukuyama and others were wrong in their assumption that liberalism/social democracy was the unassailable bedrock of Western civilization. Marxists and fascists had also thought that they could end history and look

what happened to them! In reality liberal and social democracy had been fought for every step of the way and had never fully achieved victory. If liberals and social democrats weakened and stopped fighting so vigorously, they would become vulnerable to rightist counterattack – and this is what happened. They grew tired, their core constituencies declined or shifted toward different identity politics, and the mass media came under increasingly corporate, conservative control. Feminist, gay and other identities made considerable gains, but conservative ideologies resurfaced to take command of the political center and reverse some citizenship gains, especially in the Anglophone countries. There can be no end of ideology, only new ideological swings. The next swing might be in the opposite direction, toward the new forms of collectivism I saw as necessary to combat climate change. But what is certain is that history does not end, and nor does the human need for ideology.

Contemporary ideological threats have also come from outside the West, from new Islamic, Hindu, and Zionist fundamentalists, adding yet greater ideological variability to the world. They are ideological responses to the issue of who is to constitute the nation, and in the Islamic case also to Western and Soviet imperialism. Within the West, whereas Europe is now largely pacific, America remains imperialist – Europe is suddenly become Venus and America Mars, the reverse having been true in previous periods. Native-born Europeans have continued secularizing, unlike Americans, and religion in Europe depends increasingly on immigrants for its congregations and ministers. Secularism also dominates most (though not all) formerly communist states. Yet purportedly purer and more aggressive versions of Islam, Judaism and Hinduism have intensified over the last decades, while African and Latin American Christianity are seeing mass conversions from main-line churches to Protestant sects. American Protestantism, American and Israeli Judaism, Islam, and the worldwide Anglican Church are all experiencing internal religious wars between conservatives and liberals. It seems we have reached not the end of ideology but a surfeit of ideologies, many of them intolerant, leading to a revival of ideological conflicts in the world. This is not surprising, since new ideologies are responses to new social problems, and social development will perennially bring new crises which existing ideologies and institutions seem incapable of solving. However, most of these new ideologies are not as violent and not as mobilizing as those prevalent in the early part of the century. Nonetheless, some of them are what I called “immanent,” strongly reinforcing an in-group identity and others are “transcendent,” committed to the wholesale transformation of social life by the mobilization of new, interstitial social forces.

These ideologies are seductive but potentially dangerous. They mobilize intense emotions, commitment to ultimate values, and a sense of mission that often display extreme intolerance of others. We can never abolish these strivings from human existence but they tend toward what Max Weber called value-rationality – commitment to ultimate values to the exclusion of careful

calculation of means-ends relationships (which he called instrumental rationality). Many people would prefer to call this irrationality, a quality, which has been very visible in this book. It was evident in the run-up to most of the major crises of the century, especially the two world wars and two Great Depressions/Recessions. Human beings were at their least impressive when sliding down slippery slopes into these crises, though the eventual settlement of crises brought some hope, indicating learning ability. Our ability to keep at bay the threat of nuclear war stands as the main hope that potentially disastrous crises might be avoidable altogether. On a lesser scale of irrationality, recent U.S. policies in the Middle East, powered by a resurgence of imperial ideology, were counterproductive, generating blowback in the form of increased international terrorism, nuclear proliferation, and clashes both within and between major world religions.

There is a second danger of transcendent ideology. It assumes one perfect way of organizing human society and so ignores the real diversity of human beings, their interests and their values. Revolutionary situations come the closest to revealing a near-consensus about desirable change among the people as a whole, but it is mainly a negative consensus, wishing to sweep away an existing regime now seen as deeply exploitative and incompetent rather than a consensus about what might succeed it. Successful positive revolutionary slogans tend to be simple and concrete: “Bread, Land and Peace” demanded the Bolsheviks, “Land to the Tiller” demanded peasant revolutionaries. But then what? How should postrevolutionary society be organized? On this, there was no consensus but conflict, and violence was the normal response by revolutionaries who nonetheless tried to impose their utopian blueprints on a recalcitrant population. Such was the life-course of Bolsheviks, Chinese communists, fascists, and Islamists, though neoliberals seek to control by less violent means.

It is therefore important for human societies to keep transcendent ideological power in its place, in a distinct sacred realm. We should separate Church from state, keep U.S. foreign policy focused on global pragmatism not global mission, and keep Chicago economists inside the University of Chicago. We should forever compromise our differences and gladly accept the kind of morally dubious political stratagems, which necessarily accompany backstairs compromise between politicians. We should allow other civilizations their own ideologies, however deviant and repugnant they might seem to us – and so should they allow us our choices. All this would largely prevent ideology from overwhelming the pragmatism and compromise, which more appropriately govern the economic, military and political realms of human societies.

Economic power

Capitalism proved its power and efficacy during this period. It triumphed partly because it could mobilize the bigger battalions in war, partly because the power of capitalists proved superior to the power of the working class and

other oppositional movements. Yet capitalism also out-performed state socialist and fascist alternatives while its own inherent tendencies to exploitation, volatility, and crisis were lessened by reformist pressure from below. State socialism was good at late economic development, when the future was known. It was especially good at late industrialization in which its despotic ability to redirect the agricultural surplus into industry was an advantage – though rarely for peasants. But state socialism also committed terrible atrocities, lessening its attraction across the globe. Capitalism in contrast exemplified what Schumpeter called creative destruction, the ability to destroy old industries while jumping up onto more advanced levels of technology and organization. Of course, my comparisons in this volume between the efficiency of capitalism and state socialism are in a sense too sophisticated. Most of the world understands something much simpler: capitalism works, communism didn't – though China's half-communist economic miracle is causing reconsideration across parts of the South of the world.

In Volumes 3 and 4 I have identified three phases of capitalist development in the North of the world. The first jump to a new phase occurred around the beginning of the twentieth century when the second industrial revolution generated a corporate economy of high productivity but low mass demand. This combination came to grief in the Great Depression, though it may have laid the base for a Phase 2, boosted by World War II, which came to fruition with the release of massive consumer demand after 1945. Now a corporate economy coordinated by multiple states managed to combine high productivity with high consumer demand during the thirty-year golden age. Both phases had at their core nationally caged economies, even though globalization was continuing. Phase two was plunged into crisis in the 1970s leading to a third, neoliberal, and more transnational phase. The neoliberal part of this was new but not creative in the sense that it was a return to old orthodoxies, and it resulted in slower growth and mass consumption fuelled increasingly by debt. More successful economies in the South of the world had a slower, more lagged development and are now beginning to move beyond phase one into mass consumerism, somewhat nationally caged (though export-oriented) and rather more statist than in the comparable northern phase, since that is a comparative advantage of late economic development. What is striking in all of this is the coexistence around the world of policies of national economic development combined with the global expansion of capitalism. These processes are deeply entwined. For example, while we laud the economic performance of China, and that is substantially due to the policies of the Chinese Communist Party, it also received a considerable boost from the very large investments made in the country by American, European, Japanese, and overseas Chinese corporations, who actually provide much of the hi-tech parts of the economy. National and transnational networks of interaction have not been in a zero-sum relationship with each other – they have intensified together.

The economic success of capitalism was not due to capitalists alone. Luckily for the mass of the population, Marx's analysis of class struggle within capitalism proved half-right. He was wrong to expect revolution from the working class, except in unusual conditions determined principally by political and military power relations, especially war. But he was half-right in that the popular classes could usually mount enough collective action to force reforms on capitalism. Revolutionaries failed, reformists partially succeeded. This led to mass consumption prosperity and it deepened democracy through different varieties of the civil-political-social citizenship chain pioneered by T. H. Marshall in the 1940s. In the 1950s consumption citizenship enmeshed everyday citizen pleasures within capitalism. Freedom of speech, of organization and assembly, free elections and progressive taxes, full employment policies, welfare programs, and more and more consumption goods spread through the North of the world, and then to some countries of the South too. That process will doubtless continue across the South, though the North has seen some recent regression along this chain of citizenship as working class movements declined while capital developed more transnational organization beyond the reach of individual nation-states.

Economic progress had not come merely from market forces. Especially in the postwar period it has been boosted by coordination and regulation by nation-states. They are the main agencies of macroeconomic planning, and about 80 percent of trade in goods and services still lies within countries. Citizenship has been achieved within national cages. Big corporations have become more transnational (especially in financial services) and their supply chains span many countries, yet they remain dependent on states for assistance and regulation. Global capitalism remains a mixture of national, international and transnational networks, and its transnational organization has increased and has in some ways curtailed the economic powers of nation-states, but we are not yet near the transnational ruling class proclaimed by some (Sklair, 2001; Robinson & Harris, 2000). The organization of finance capital, armed with its speculative weapon, is the closest thing to that.

It is possible within the West to identify varieties of capitalism, with some considerable differences between relatively market-oriented Liberal Market economies and more corporatist Social Markets. Then we must add the distinctively corporatist economy of Japan. But the greatest deviations from these models can be found in the more statist economies of most of the South. In most times and places of late development across the last two centuries state-coordinated market economies have best provided economic growth, though policies vary according to local portfolios of resources and comparative advantages (Chang, 2003; Kohli, 2004). This was conditional upon economic and political elites being relatively cohesive and relatively uncorrupt, but the numerous success stories, especially in East and Southeast Asia, have provided a heartening rebuttal to dependency theory, which had suggested that

the advanced countries might be able to keep developing countries in a state of stagnant dependence on them.

Yet the most widespread type of economy in the world today is even more statist. Decolonization generally resulted in moderately effective states but almost no entrepreneurial class. Development was therefore undertaken under considerable state patronage. The period during which socialism was an attractive ideal in the South of the world saw much nationalization of industry. This often became corrupted and in the reaction against socialism that began in the 1970s or 1980s privatization began. It too often became corrupt. Former Soviet bloc countries had a distinctive version of this. As we saw in Chapter 8, their transition to capitalism began with the seizure of state economic resources by former apparatchiks, joined by entrepreneurs who managed to secure privileged access to licenses granted by the state. Initially this produced a Mafia-like capitalist class of some autonomy, headed by the Oligarchs, but Putin's gradual consolidation of power forced them to deal with him. They lost some of their Mafia tendencies but became closely enmeshed with the state. The question of who wears the pants in this marriage of convenience is much disputed, but this is a much more politicized form of capitalism than is found in the West. China offers a variant form of this transition. Politicized capitalism is also found in many countries of the South. Privatized state assets have been allocated to the friends and relatives of the political elite, with militaries and security police forces sharing in the spoils in some countries. This is intended by the regime to buy loyal supporters. The Shah's regime in Iran and Mubarak's in Egypt were notable examples of this, while the issue of who was to control the state-dependent enterprises of Rwanda was an important issue at stake in the run-up to the genocide there. Such politicized capitalism is of course somewhat politically vulnerable, for it focuses much of the economic discontent that is expressed onto the regime, adding to whatever political discontents are voiced. Yet the overthrow of a regime may not eliminate politicized capitalism, for the new regime may pursue the same clientelist policies – as happened in Iran after the 1979 revolution. So although capitalism dominates the world, it comes in varied forms and Western-style capitalism does not dominate the world.

The success of varied forms of capitalism and states is revealed by mortality trends.  We have some figures on improving mortality rates up to 1970 in the conclusion of Volume 3. The improvement has continued since then. Global average life expectancy in 1970 was fifty-nine years; in 2010 it was sixty-nine. Children have done even better. In 1970 the global child mortality rate (of children less than 5 per 1,000 children) was 141; by 2010 it had fallen by more than half, to 57. Though India and especially China contribute disproportionately to these improvements, and though most of sub-Saharan Africa and some post-Soviet countries have not seen improvement, the movement toward better human health has been near-global. Greater equality in life expectancy across the world is

already here, the product both of capitalism bringing more abundant and healthier diets and governments creating infrastructures of water, sewerage, and public health. These two processes, bringing riches to the North and adequate living standards to much of the South have been the great economic achievements of the period. We must regard this recent period of human history in a positive light – though the shadows of climate change and nuclear war hang over it.

Nonetheless, the difference between the richest and poorest individuals in the world remains large. Despite China's growth the absolute gap in welfare between the average American and the average Chinese is still widening (though this will probably not continue long). International inequality still dwarfs intranational. One global estimate is that 60 percent of a person's income is determined by national place of birth, compared to 20 percent by inherited class position within a nation (Milanovic, 2010). The luck of where you were born determines most of your fate. This is why so many from the global South risk their lives trying to sneak into Northern countries. Nonetheless, we are beginning to see at last the groundwork being laid for a shift toward a truly global economy embodying a more equal distribution of power across the world.

This economic contribution to a civilizing process in the North and the South is currently threatened in some countries and macroregions by a neoliberal surge embodying growing debt, inequality, greed, and financial criminality threatening the living standards of ordinary people and the social cohesion of nations. Once again, unfettered capitalism leads to exploitation. There is no necessary self-correcting, self-protecting mechanism as Polanyi seems to have believed. Instead, the lesson for each generation is that civilizing capitalism and saving it from itself is a never-ending struggle.

What are the future prospects of capitalism? Accurate prediction of long-term trends is not possible, for three main reasons. First, the earth is a big and very varied place. It is impossible to make generalizations about macrosocial structures today that apply to the whole world. Still less can we hazard them for the future. Second, my model of the sources of social power is nonsystemic – that is, the four sources do not add up to a single social system and nor are there determinate relations between them. As I will argue a little later, they are orthogonal to each other, somewhat autonomous but interacting, which makes the outcome of their interactions unpredictable – and which produces globalizations, not a single process of globalization. Third, macrostructures emerge from human action and humans themselves are volatile, emotional, and capable of both rationality and irrationality. Humans are unpredictable. In view of these problems I will eschew hard-and-fast predictions and instead try to specify alternative scenarios for the future of capitalism, hazarding some rough guess as to their relative probabilities.

In Chapter 11 I discussed the Great Neoliberal Recession of 2008. I noted that most of the Northern countries were worse affected than were the successfully developing countries of the South. I also doubted whether current

northern economic policies could cure the weaknesses and prevent the return of a recession some years down the road. This is a part of the shift in economic power away from the North toward the South, resulting most probably in a return to a more multicentric structure of capitalism, which I have just indicated might also be a capitalism of multiple forms. But I now want to go beyond this to ask what is the long-term future of global capitalism.

Marxists have confidently predicted the eventual doom of capitalism, although after the collapse of socialism some began to gloomily think that capitalism was eternal. Yet world systems theorists have recovered their nerve. Focusing on the sight of capitalists prolonging the life of capitalism by a “spatial fix,” moving northern manufacturing abroad to cheaper labor and other costs, Marxists have predicted that capitalism will eventually exhaust its markets. When China becomes too expensive, manufacturing plants are moved to cheaper countries, like Vietnam. When Vietnam becomes too expensive they will go elsewhere, perhaps to Africa – and so it will continue. The move out of China is already beginning to happen. Wallerstein (2012) estimates that it takes about thirty years for labor movements in developing countries to form unions and raise wages and conditions so that their country is no longer one of cheap labor. But once the last receiving region, probably Africa, upgrades its labor conditions, there will be no cheap labor markets left. Further spatial fixes are not possible, the rate of profit falls, workers are globally organized to resist attempts to cut labor costs, and capitalism meets its final crisis. He does not give any dates for this, but his model might lead us to assume that it might occur in about sixty years time.

This is highly speculative and of course (as Wallerstein accepts) no one can confidently predict outcomes over such a long time-frame. Yet I am skeptical of some aspects of this model. First, I do not doubt the sequence of spatial fixes but its end-result might be different. If there were no cheap labor left, capitalists could no longer reap super-profits from this source, but the higher productivity of labor and the increased consumer demand in newly developed countries might compensate for this and generate a prosperous and reformed global capitalism, with full citizenship rights for all human beings. This would not mean the end of capitalism but a much better capitalism. The main objection to this rather happy scenario is that increased labor productivity tends to lead to fewer jobs, in which case this scenario would also require shorter working hours and job-sharing so that all could participate in this form of capitalism.

My second main doubt over the spatial fix model is that markets need not be restricted by geography. New markets can also be created by cultivating new needs. Capitalism has grown adept at persuading us that we need two cars per household, bigger and better houses, and innumerable electronic devices that become obsolete and need to be upgraded every year. We cannot begin to envisage the consumer fads of our great-grandchildren, but we can be fairly sure there will be some. Markets are not fixed by territory. Planet Earth can be filled and yet new markets can be created.

However, whether this can be the permanent solution for capitalism's ills remains to be seen. It depends on a second fix, what is called the "technological fix," the ability to continuously develop new products and industries. This is the heart of Schumpeter's notion of "creative destruction": entrepreneurs invest in technological innovation, which results in the creation of new industries and the destruction of old ones – and the maintenance of profits and further investment. Creative destruction can be a bumpy ride. The Great Depression in the United States was partially caused by the stagnation of the major traditional industries, while the new emerging industries, though vibrant, were not yet big enough to absorb the surplus capital and labor of the period (I discussed this in Volume 3). That was only achieved in the aftermath of World War II when enormous consumer demand held back by wartime sacrifices was released.

Today there are again new dynamic industries, like microelectronics and bio-technology. Creation is still flourishing but unfortunately these industries have not provided a satisfactory fix since they have not generated sufficient employment to offset the unemployment resulting from the transfer of manufacturing industry abroad. Innovations like computers, the Internet and mobile communication devices do not compare with railroads, electrification, and automobiles in their ability to generate employment growth, especially in low skilled occupations. Nor have they generated enough profit to boost the economy sufficiently. Overaccumulation of capital has resulted, with excess capital being invested in finance services, which has actually added to the recent woes of capitalism. More important perhaps is the expansion of the health and educational sectors, which are more labor intensive, especially for more intellectual and more middle class occupations. Their expansion is likely to continue, as the length of life, and especially the length of old age, plus educational credentialism both continue to increase. Randall Collins (2012) is skeptical of this and is already worried by recent tendencies for middle class intellectual labor jobs to be also transferred abroad. He sees no way for northern capitalism to generate sufficient employment to maintain the whole society. Yet another possible candidate for job creation in the future is the alternative fuels sector. At present this is not a significant job creator, but the future of this sector is as yet unknowable. As Collins notes, there is no necessary reason why the process of creative destruction should always save capitalism. Maybe capitalism was just exceptionally lucky in the postwar golden age.

There is a brighter side of current trends, however, for the expansion of capitalism in the South of the world has produced a big growth in global employment, greater even than the substantial rise in world population. Without this, the doubling and trebling of world population would have produced a major economic crisis of its own. Between 1950 and 2007 job growth was about 40 percent higher than population growth. In the OECD countries more people are working than ever before, although the absolute number of unemployed has also risen because the population is larger and a higher proportion of the

population seeks jobs, including far more women. The growth in the numbers of women entering the formal labor market has been the biggest problem for the level of employment in the North of the world. But the globe has not shared in the travails of the North. The global unemployment rate remained fairly stable between the 1970s and 2007, at around 6 percent. Even through the Great Recession ILO statistics reveal that global employment has continued to grow, though at only half the rate before the crisis. But it is unevenly distributed. It fell in 2009 in the developed economies, including the European Union (by -2.2 percent) and its neighbors, and in the ex-soviet Commonwealth of Independent States (by -0.9 percent), but it grew in all the other regions of the world. The employment-to-population ratio also fell back in the advanced countries, and in East Asia, but elsewhere by 2010 this ratio was back to the 2007 level. Growing unemployment is as yet a northern not a global problem. Yet it is possible that the future of labor markets in the North may be labor shortages not high unemployment, since the length of life is growing and the birth-rate has fallen below the level necessary to reproduce the population. Europe, Japan and North America will probably need substantial immigration to make up the gap. Since these demographic tendencies will then also appear in developing countries as they get richer, overall world population will probably begin falling in the second half of the twenty-first century. These are reasons why global unemployment may not increase substantially and why we might feel more optimistic about the future of capitalism.

But supposing we did accept Wallerstein's negative conclusion on capitalism's future. This might produce one of two alternative futures quite apart from capitalist collapse. In the first and the more pessimistic one of the two structural employment is envisaged as remaining high and a "2/3-1/3" society emerges (though any exact figures are arbitrary ones). In this society most workers are well-educated, high-skilled, and in regular employment, but 1/3rd of the population are excluded from such positions and are forced to live on the margins of society in casual, part-time or no employment. They might receive enough welfare and charity to keep them from revolting, or they might be repressed (which might generate an expanded version of the "workfare to prisonfare" model sketched out in Chapter 6). The excluded would be a minority, so their chances of successful revolt would be small. It might be that the included 2/3rd would not sympathize much with them, viewing them negatively as worthless drop-outs, scroungers, welfare queens etc. In some countries ethnic or religious minorities would be overrepresented among the poor, and negative ethnic/religious slurs would be added to these stereotypes. The excluded might become a hereditary lower class. Most of the included might vote to maintain this gulf, while many of the excluded would not vote. The extent of welfare might continue to differ among the various welfare regimes of the world, with countries like Sweden and Germany being willing to keep the poor within the mainstream society, while countries like the United States might not be. We

can recognize this pessimistic scenario, for it is already present in the United States, and sociologists have perceived its rise in Europe too. It would be the final demise of the working class – but not of capitalism. Economies have been moving unsteadily toward the first part of the model proposed by Marx and Engels, the triumph of capitalism, though the two great radicals would lament the lack of the second part, the prospect of a revolution overturning it. For capitalism has developed into an asymmetric mode of production, in which there is an organized and self-conscious capitalist class – if generally with a dual global-national identity – but little collective organization or consciousness and much greater national divides among the middle and lower classes. The class challenge to capitalism diminished in the second half of this present period. On its own that asymmetry would prolong the life of capitalism, though perhaps a sequence of spatial fixes will gradually strengthen the global working and middle classes. Moreover, nation-states, wars and ideologies remain perennially capable of disrupting and rechanneling capitalism.

Social institutions survive even when they do not perform very well, unless counterorganization emerges among the oppressed. In the North of the world this is at present hindered by the fact that never has the Left been so weak as today, though there has been a leftist upsurge in some countries of the global South.

The second alternative scenario is more optimistic. It agrees that capitalist markets will fill up the planet and that profit and growth rates will fall. But it suggests that this will stabilize into an enduringly low-growth capitalism. That would not be new, of course. Capitalism's great breakthrough came in eighteenth and nineteenth century Britain. Yet the British growth rate never exceeded 2 percent in any one year. The British success story was rather that an average growth of just above 1 percent per annum continued for a very long time. In the twentieth century, however, the pace quickened. Between the wars, the most successful developing countries (Japan, its colonies, and the Soviet Union) achieved historically unprecedented growth rates of around 4 percent. Then in the late twentieth century China and India (and now others) achieved growth rates of around 8 percent. Though those rates have endured for at least two decades, they will inevitably decline. Then Africa and Central Asia might do even better. But when capitalism fills the earth they might have all been reduced down to the 1 percent level of the historic British success story. Why should a growth rate of 1 percent produce a capitalist crisis? Japan has experienced that for over a decade yet remained remarkably stable. Capitalism might continue as a low growth global system, as it was for much of its history. The period 1945 to 1970 in the West and the end of the twentieth and beginning of the twenty-first century in the East would then be both viewed as having been utterly exceptional. This low-growth scenario would also reduce the role of speculation and downgrade the power of finance capital, with repeats of our present Great Recession (which are at present quite likely) becoming in the long-run less likely. Indeed, as labor conditions improve throughout the world,

that is very good news. Then all of humanity might live in an almost steady-state economy. The future of capitalism might not be exciting, but boring.

If forced to choose one scenario as the most likely to occur sometime around or after 2050 (provided nothing very major in the meantime interfered), I would plump for a global capitalism spreading lower levels of growth but more equality of condition across the world, except that it would carry a casually employed or unemployed lower class of somewhere between 10 percent and 20 percent of national populations – a mixture of the two scenarios depicted above – very much like the nineteenth century industrializing countries.

I would not predict crisis and revolution. The future of the Left is likely to be at most reformist social democracy or liberalism in the American sense. In the North of the world the pessimistic scenario presented previously might even finish them off too, but this is unlikely to be so under my optimistic scenario. This assumes that employers and workers would continue to struggle over the mundane injustices of capitalist employment (factory safety, wages, benefits, job security etc.), and their likely outcome would be compromise and reform. Developing countries will likely struggle for a reformed and more egalitarian capitalism just as Westerners did in the first half of the twentieth century. Some will be more successful than others, as was the case in the West. China faces severe problems. The benefits of its phenomenal growth are very unequally distributed, generating major protest movements. Revolutionary turbulence is certainly possible there, but if it succeeds, it would probably bring in more capitalism and perhaps an imperfect democracy, as happened in Russia. The United States also faces severe challenges since its economy is overloaded with military and health spending, its polity is corrupted and dysfunctional, and the ideology of its conservatives has turned against science and social science – all amid the inevitability of relative decline and some realization that American claims to a moral superiority over the rest of the world are hollow. This seems a recipe for further American decline.

Of course, all these scenarios are voided if climate change brings the disaster many predict. Then the human condition would be much worse than in a mere crisis of capitalism. The challenge in the twenty-first century is for electorates and political elites to devise policies to counter the tendency toward an included/excluded divide, to restrain mass consumerism, and to accept more global international coordination. The challenge for capitalism is to jump creatively again, especially onto a phase of a higher level of alternative energy-efficient technology. Yet these economic goals need to be struggled for and we cannot predict the outcome of such immense struggles.

Military power

Global empires and two world wars proved the culmination and ruination of a millennial European tradition of militarism, older than capitalism. Military power has its own logic of development, different from the economic logic

of capitalism and from the political logic of states. But in this period military development has drawn substantially on the growing economic powers of capitalism as appropriated by states. Military technology and tactics developed enormously throughout this period. I do not identify distinct phases here, just a continuous escalation in the ability to kill people. With the eventual advent of nuclear weapons war at the highest level became completely irrational, and indeed interstate wars diminished almost to vanishing point. Unfortunately, the United States then pioneered a new generation of smart conventional weapons in the so-called Revolution in Military Affairs of the 1990s. This intensified risk-transfer war, whereby the risks of war are transferred from one's own troops to enemy soldiers and civilians. The United States could go on killing people extremely efficiently without suffering much in consequence. Not all killing inventions have been hi-tech, however. Soviet Tank Sergeant Mikhail Kalashnikov achieved immortality by devising a semiautomatic weapon based on a few interchangeable parts, easy to manufacture at low cost, and suited to guerilla and paramilitary forces. Together with shoulder-held surface-to-air and antitank missiles plus improvised explosive devices (IEDs) these weapons of the weak have leveled the playing-field of low-intensity warfare across the world. Mighty states can be humbled by guerilla and terrorist bands.

Social development was buffeted and rechanneled during the twentieth century by mass mobilization warfare. Without the two world wars, then probably no fascist or communist regimes (only failed revolutions); Tsarist Russia and Nationalist China would have survived, along with other semiauthoritarian capitalisms; there would have been no global American Empire, nor the dollar as the single reserve currency but rather a basket of currencies. Phase two of capitalism – high productivity/high demand might not have emerged, or would not have emerged so quickly. The United States would still have been the leading power, endowed with abundant natural resources, attracting and educating skilled workers, but it would be followed at only a moderate distance by Germany, and then by Britain and France – both keeping their empires for longer, which might have been better for the development of their colonies afterward. There would be no European Union, and we might have had a Japan-China standoff in Asia, with the balance of power eventually shifting away from Japan (as it has anyway). Perhaps there would have been different patterns of development of social citizenship in the liberal countries, perhaps lesser Social Democratic/Christian Democratic compromise in continental Europe; the American New Deal might have persisted longer and the United States might never have become exceptional. Perhaps there would have been no nuclear weapons or nuclear power, and who knows what other technologies might or might not have developed. These are all only possibilities, though the probability is that some of them would have transpired. The world would have been different.

Wars like the two world wars are unlikely to be repeated. Either another major war would cause the destruction of the planet, or there will be no more

major wars. I assume human beings will have enough rationality to choose the latter option, unless zero-sum issues concerning basic natural resources intervened. Yet the emergence of smaller “risk-transfer wars” mean that great powers can wage limited wars without having to buy mass popular consent, and so it becomes less likely that major legitimacy challenges coming from war will threaten regimes. That probably makes revolutions less likely since it would be harder to dislodge existing power elites. The Chinese Communist Party may be able to hold onto power for a long while, while rather corrupted forms of democracy found across the world, including the United States, may also be very durable. Democrats and Republicans can keep up their stalemating almost indefinitely, reinforcing gradual American decline but no catastrophe.

After the two great wars the two “marcher lord” empires on the edges of the old civilizational core of Europe, the United States and the Soviet Union (previously hesitant imperialists), dominated the world and managed to avoid a third war. Soviet rule was despotic but defensive, while the American Empire was more varied, in places very aggressive although its overall trajectory was toward lighter hegemony – an empire whose own self-interest was often bound up with a more general good. A zone of peace spread across most of the North of the world and across swathes of the South too. Apart from civil wars, peace was spreading.

Most social scientists have preferred a much simpler evolutionary story over this period of the growth of capitalism and democracy, with the nation-state succeeded by globalization. Yet they perform such theoretical feats by imposing pacific blinkers on the world. Of course, if we have succeeded in outlawing interstate wars (a big if), then for the first time in human history such pacific models of social development might explain more in the future. We can only hope so.

At the beginning of the new millennium this pacific drift was interrupted by a burst of American imperialism in the Middle East whose blow-back helped further spread what had been local Islamic terrorism. This mutually murderous escalation between the United States and *jihadi* Islamism is not currently lessening. Over poorer parts of the world a rising military threat came from civil wars, about half of which centered on ethnic or religious conflicts. The democratic ideal of rule by the people or nation was being perverted into murderous cleansing of other peoples, as I explained in my book, *The Dark Side of Democracy* (2005). Yet civil wars peaked in the 1990s and then declined slightly in the new century. Existing civil wars tended to drag on, but fewer new ones were starting – a sign of hope, which recent events in countries like Libya, Syria, and the Yemen might dash.

Some argue that the worst case of ethnic cleansing, the Holocaust of the Jews, was the transforming moment of the twentieth century, indeed sometimes of modernity itself. I do not share this view, though global recognition of the Holocaust has been good, since it led toward better appreciation of the more

general problem of genocide. This was not the first modern genocide – that unhappy honor rests with colonized natives in the Americas, followed by colonized Australians, and in the early twentieth century by Armenians. Nor was it the last. Like other genocides the Holocaust occurred amid interstate war, some of which also involved mass bombing of civilians, though this is not generally recognized as also being an atrocity. The Holocaust was part of the broader dark side of modern militarism. The political struggle against militarism continues. It was won after enormous cost and eventual war-weariness in Europe and after much lesser cost in Latin America. It remains to be won in countries like the United States and North Korea, and across swathes of the Middle East and Africa. American militarism may now be restrained over a period of time because of the failure of its recent adventures – as happened for thirty years after the Vietnam defeat. The global balance of probabilities is that war and military power will decline over the coming decades, though future climate crises might well terminate this relatively pacific era. But so far in the period covered by this volume, military power has greatly declined across most of the world.

Political power

Nation-states are now the hegemonic political form across the world. Only one empire is left, and its decline has just begun and will continue. Nation-states continue to structure capitalism. Liberal and social democratic versions of democracy have proved their durability, though their diffusion across the world has been slow and halting. They have not shown universal superiority over despotic regimes in terms of economic performance, while attempts to export democracy by force have failed, except in a few countries that had already experienced democracy in the past. Democracy is instead validated by its intrinsic political merits, for it creates more freedom, considerably more than state socialism or fascism, whose failure was also less economic than political. They degenerated into repressive despotisms because their all-conquering revolutionary elites did not devise any mechanism whereby they might either permit open intraparty debate or cede power to others. We saw that the major communist and fascist revolutions of the twentieth century were born in wars and they always bore the marks of violence. In contrast liberal and social democracies have extended citizen rights, at first down the class structure, then to ethnic minorities and the female majority, then to people with disabilities and unconventional sexual identities. This process is still ongoing and it has been a great political achievement of the period.

Liberal and social democracy require continuing pluralism in civil society. This involves the ability to mobilize countervailing interest-groups against dominant ones as well as the autonomy of politics from encroachments by dominant military and economic power actors. This is often not so in countries calling themselves democracies – including the United States where democracy is now faltering due to the corruption of its politicians and mass media by

capitalist corporations and the erosion of civil liberties by its national security state. Nonetheless, liberal and social democracy remain the least bad political systems we know. Since they are always imperfect, struggles to defend and improve them are also never-ending.

Though many believed that globalization would undermine the nation-state, in fact the nation-state has been globalized. The world is now filled with supposed nation-states. State functions have shifted but not declined overall. Curiously, since social scientists have long neglected military power relations, they have not much noticed the most important decline in state power – making war. Many nation-states no longer retain their traditional military backbone. Globalization enthusiasts have instead focused on the lesser decline whereby national economies have been somewhat undercut by a transnational capitalism given a dash of American economic imperialism. However, most states – especially the corporatist and developmental varieties discussed in earlier chapters – still remain in substantial control of their economies, while many other states never possessed such control. In all my chapters I have been at pains to differentiate between states, since they are all different. Even cousins, like Britain and the United States, or Japan and Korea, differ from each other. What transnational enthusiasts abuse as a nationalist methodology still has a significant place in social science, though of course nationalist blinkers should not prevent recognition of the continued importance of local, macroregional, transnational and international networks of interaction. And as if to offset major military and minor economic declines in state activities, northern states have acquired new legislative roles in areas of social life formerly considered private or taboo, like wife- or child-battering, life-style choices like smoking or junk food, consumer environmental pollution, sexual preference, and welfare rights. Thus the regulatory density of states has continued to increase, and new roles for states are still emerging while old ones like war making and protectionism are declining. New social movements continue to pressure politicians to create yet more spheres of government regulation.

The countries of the European Union are unique in having developed a two-level state, though the move of some political functions to Brussels and Strasbourg has not greatly weakened the governments of the member countries, the exception being in the expanding realm of competence of the European Court of Justice in Luxemburg. Though overall political roles have expanded in the EU, the expansion is divided between the individual nation-states and the EU. In terms of spending, most power lies with the individual states. Whereas the EU spends less than 1 percent of Europe's GDP, member governments spend between 30 percent and 50 percent of their GDPs. The EU remains more of a regulating than a redistributing state (though there is some redistribution toward agriculture and poorer regions). Nationally caged identities also remain more important than any common Euro identity, except for a few elites (including social scientists whose main paymaster for research has become the EU).

Social scientists are among the few groups who want to see more deepening of the Union. But the current momentum of the EU is not toward deepening. That was rejected in recent national referenda in which younger voters were especially opposed to further integration. Given this, the Union often moves at the speed of the slowest member, as it was fashioned to do. In particular, Euro currency troubles threaten to undermine the Union. It is unlikely that this two-level European model will inspire much imitation across the world. It is a unique case, the product of the continent's two great wars. It is to be hoped there will not be a third war, for it would be unlikely to generate comparable unexpected benefits afterward.

Yet many of the poorer countries of the world are nation-states only in terms of their elites' aspirations, not of realities on the ground. Real sovereignty and real national identity remain elusive. The creation of infrastructures genuinely integrating states' territories and the creation of the social cohesion necessary to form national identities remain projects for the future, requiring continuing struggle. Overall, power inequality among states is the most significant feature of political power relations in the world today, paralleling great global economic inequality. Whereas northern and a few southern states really can implement their policies across the whole of their territories, most southern states cannot.

The last of the empires survives. I have emphasized the great variety of the American Empire in the postwar period. In the West it was hegemonic, even legitimate. It was highly militaristic at first in East Asia, but then developed into hegemony also. While the United States has generally regarded Africa as of little strategic or economic interest, in Latin America and the Middle East it has intermittently deployed military force, overt and covert. In the Middle East American interventions escalated disastrously in the new millennium. Many take this as a result of American decline, but over the last few decades the American Empire seems to have been on a path of self-induced decline. In foreign policy it has been embroiled in pointless, unwinnable wars and obsessive backing of Israel, both of which only multiply its enemies. In domestic policy it has pursued a destructive neoliberal policy, weakening the state, failing to renew its basic infrastructures, and threatening the mass consumption economy that has brought Americans great prosperity. Many American political leaders ridicule the coming climate crisis as simply a hoax that stymies any constructive policy response. The development of major ideological divisions reinforce the traditional division of powers in the constitution to inhibit responses to most changes. All of this also reduces American political power in the world as foreigners gawp with appalled amazement at American politics.

But are these all separate follies, any of which could easily have gone otherwise and might still do so, or have they been conjoined even inevitable aspects of an Empire in decline? They might be viewed as the continued exercise of the traditional practices, which made America great in the first place, but in a changed environment to which they are unsuited – a fairly common feature of

empires in decline (I once analyzed the decline of the British Empire in such terms (Mann, 1988c). This is true of America's enduring practice of profligate energy-extraction, which makes it now unwilling to embrace emissions reductions. And in the eyes of neo-conservatives and neo-liberals, military interventions and free markets made America great and must be embraced again. But, as I have shown, these two beliefs are false, since in earlier periods administrations had been much more cautious in launching military interventions, specifically only attempting them where they had considerable local support; while America's emergence as the greatest economy in the world owed much to state activism concerning macroeconomics, infrastructures and regulation. In fact, it was through forgetting these American traditions that decline partially came. So decline was not a general process conjoining all the sources of social power. It centered in the realms of ideological and political power, yielding false and damaging beliefs, globally unpopular but mobilized by political actors able to block policies more suited to the realities of the twenty-first century. In contrast American economic and military power remain formidable: global hegemony focused on the dollar as the world's reserve currency, and military dominance over the world's states (though not over the world's guerillas). These ideological and political failures are reversible, but as present constituted they inflict damage, hastening on an American relative decline, which would occur anyway in the medium-term.

We can already glimpse the likely successor as the guarantor of world order. It is not another empire, for it is unlikely in the foreseeable future that any single power could replace America. Instead it is likely to be a consortium of powers, perhaps the United States, the European Union, China, Japan and India. The dollar would be replaced as the reserve currency by a basket of currencies, but the United States might retain its military lead longer. However, this peaceful scenario might be shattered by more problematic Chinese-American relations or by severe environmental conflicts.

The modern dynamic

Through all of this we see an inventive dynamism, originally European, then Western, then more global as it involved ripostes by other world civilizations. A second industrial revolution followed by a postindustrial revolution, in tandem with rising nation-states, lengthened the life span, brought mass prosperity, deepened citizenship, perfected the arts of killing people and destroying the planet, and expanded international collaborative institutions. I have deliberately mixed the benign and the malign in the previous sentence in order to emphasize the duality of human dynamism. Each success brings its dark side, each calamity its silver lining. Globalizations bring both on an ever-enlarging scale. Wealth, health and leisure in most of the North and parts of the South have continued to improve but the risk it might end in mushroom clouds or

melting glaciers has also grown. It is within human powers to choose to move down one of several paths.

On what does the dynamic ultimately rest? Max Weber argued that a spirit of rational restlessness underlay Western civilization, especially its religion, combining human reason with dissatisfaction with the present world, the combination generating a drive to improve the world by rational this-worldly action rather than merely accepting or retreating from the world (as he saw Confucianism, Hinduism and Buddhism doing). He traced this back to Calvinist sects of the sixteenth to eighteenth centuries. Today, his view seems distinctly Eurocentric, but on a more global scale rational restlessness might be a succinct characterization of modern civilization. It cannot simply result from human nature since some civilizations have been notably more dynamic than others, and ours is perhaps the most persistently dynamic of all. On what social structure does this rest?

When analyzing the origins of dynamism in medieval Europe in Volume 1, I emphasized that it was a multipower-actor civilization. That meant two main things. First medieval Europe comprised many power actors – multiple states, cities, bishoprics, monastic communities, guilds and local village-manor complexes – all enjoying some autonomy in competition with each other. Second, however, this competition lay within the common norms of a single Christian civilization. Its rivalries did not reach the depths of a war of all against all, for at a minimum level these actors were normatively regulated within a shared Christian ecumene. Fukuyama (2011) has recently argued that the core of medieval Christianity was the diffusion through society of notions of Natural or Common Law independent of any single state. But it also meant that the worst wars before the twentieth century came with religious schism. Perhaps Volume 1 overemphasized a little the religious element and under-estimated the class solidarity of armed lords backed by the Church. But the end-result was regulated competition, which as we also see in modern capitalism is probably the main recipe for productive dynamism.

Something comparable endured through later centuries, though much changed in forms. Dynamism has recently rested on capitalist competition entwined with competition between nation-states. Neither dominated the other's sphere, but both have been embedded in broader civilizational ideologies coming from distinct macroregions of the world and also from a broader ideological orientation conventionally termed Enlightenment values. The combination generated minimal but multiple institutions of regulation. We have seen the contributions of diplomacy, alliances and military deterrence, of cooperation over reserve currencies, the Gold Standard and Bretton Woods, of rapidly diffused scientific discoveries and technological applications, and of macroregional varieties of citizenship. They have been joined in the post-World War II period by international and transnational agencies like those of the UN, the EU and innumerable NGOs, often backed by internet-based organization, applying

a little pressure on states and capitalism alike. None of this has been enough to prevent intermittent disasters, but out of most disasters came some further attempt at improvement, in the Keynesian aftermath of the Great Depression, in the establishment of international institutions after World War II, including peace in Europe through the European Union, in arms reduction programs after the ending of the cold war, and in the beginning of moves during the Great Recession toward a more multicentric regulation of global capitalism, most specifically in the growing stature of the G-20 group of countries, which includes all four BRIC countries. Peace dividends after wars have always been less than hoped for, but have been real. We are nowhere near the world polity or world culture trumpeted by some sociologists, but we have a sketch of what might eventually become a global multistate civilization capable of achieving a little more overall regulation, riven though it still is by ideologies and conflict. Any future world polity would be a combination of transnational and international networks of interaction. We need much more of both if humanity is to solve the problems now arising from the boomerang environmental effects of our supposed mastery of Nature.

The question of primacy

What ultimately determines this rational restlessness? Indeed, what determines social change more generally? I have selected out and focused on four sources of social power that I consider more decisive than everything else. This has necessarily involved relegating other important features of human life to the back-burners. In this volume I have sought to explain the social development of the last hundred years in terms of the complex combinations of these four sources of social power. But can we go further and select one among them as being preeminent? Karl Marx and Friedrich Engels said yes, Max Weber said no. It is worth quoting them.

Engels in a letter of 1890 written after Marx's death tried to define historical materialism:

According to the materialist conception of history, the ultimately determining element in history is the production and reproduction of real life.... The economic situation is the basis, but the various elements of the superstructure: political forms of the class struggle and its results ... constitutions established by the victorious class after a successful battle, etc., juridical forms, and then even the reflexes of all these actual struggles in the brains of the participants, political, juristic, philosophical theories, religious views and their further development into systems of dogma, also exercise their influence upon the course of the historical struggles, and, in many cases, preponderate in determining their form. There is an interaction of all these elements in which ... the economic movement finally asserts itself as necessary ... the economic [conditions] are ultimately decisive. But the political ones, etc., and indeed even the traditions which haunt human minds also play a part, although not the decisive one. (Letter from Engels to Bloch, in Marx & Engels, 1978 edition: 761).

In this famous statement Engels allows political and ideological power (he does not mention military power) a significant role in human history but then he returns twice to economic factors, claiming both times that they were “ultimately decisive.” This is the kernel of his historical materialism. But how are they decisive? Marx was clearer:

The specific economic form, in which unpaid surplus-labour is pumped out of direct producers, determines the relationship of rulers and ruled ... It is always the direct relationship of the owners of the conditions of production to the direct producers ... which reveals the innermost secret, the hidden basis of the entire social structure and with it the political form of the relation of sovereignty and dependence, in short, the corresponding specific form of the state. (*Capital*, Vol III, p. 791)

Here Marx is saying that the *forms* of economic power, specifically the form of the relations between owners/controllers of the means of production and workers, determines the forms of other major power structures. He goes on to qualify this by saying that we must add in “innumerable different empirical circumstances, natural environment, racial relations, external historical influences etc.” Translated into my terms, Marx would assert that the form of the mode of economic production ultimately determines the forms of the other three power sources. He would allow for empirical and extraneous complications, but he does not allow for equivalent causality from ideological, military or political power relations onto economic power relations.

Max Weber flatly rejected this, for he believed it was impossible to prioritize any one of what he called “the structures of social action.” Indeed, he added,

Even the assertion that social structures and the economy are “functionally” related is a biased view ... For the forms of social action follow “laws of their own” ... and ... in a given case they may always be codetermined by other than economic causes. However, at some point economic conditions tend to become important, and often causally decisive for almost all social groups ... conversely, the economy is also usually influenced by the autonomous structure of social action within which it exists. No significant generalizations can be made as to when and how this will occur. (Weber, 1978 edition: II, 341).

At one point here Weber appears to be stressing economic causes, but then he backtracks and says we cannot even have “significant generalizations” about the relations between what he calls “the forms of social action.” He appears to be condemning ventures like my own, which clearly does involve significant generalizations about the structures of social action. He is also clear that there cannot be an ultimately decisive cause.

I have generally tried to steer between the Marxian and Weberian positions, attempting significant generalizations while backing away from ultimate primacy. Let me first recall some of my generalizations in Volume 1. I found in ancient history two persistent though not invariant dialectical power processes. First, there was an internal dialectic between state and society, between the centralized and the decentralized, and between state elites and social classes in civil society, so that techniques and organizations developed by the one

were then seized by the other and used to increase its power. The second dialectic was one expressed geopolitically over a broader macroregional scale between domination by centralized empires versus multipower actor civilizations – in the ancient Mediterranean world, for example, between the Assyrian or Roman empires and Greek or Phoenician city-states. Multiple city-states appeared in river valleys and along coast-lines, though with agrarian hinterlands, all set amid broader production-trade networks and culture. On the other hand, marcher lords adjacent to those civilizations, combining agriculture and pastoralism, intermittently conquered these city-state complexes, establishing empires in the process. These involved what early twentieth century theorists called superstratification: the imposition of the conquerors as a ruling class over the conquered. But when empires faded, multipower actor civilizations tended to reemerge. This might be about to happen again, with the fading of the American Empire. Yet there were also stabler periods in which modes of economic production seemed to develop more autonomously, and then came what Eisenstadt (1982) called the Axial Age in which the world religions and the power of clerical ideologists expanded over areas much greater than any single economic, political, or military network.

Thus no single power source was persistently more important than the others, and no clear, repeated principle of succession seemed to characterize the transitions between such different regimes. Ibn Khaldun, the great fourteenth century north African sociologist, developed a cyclical theory of Islam, which Ernest Gellner more recently expanded to include modern times. It is one of alternation between the city and the desert whereby warrior desert nomads sweep in on the decadent cities, conquering and ruling on the basis of a more austere, purer religious faith. But then they in turn become lax and decadent, and a new conquest sweeps in from the desert. Osama bin Laden obviously liked this theory, seeing himself as a new desert caliph. He is now dead and there is unlikely to be a replacement. Nor does the model apply very well to any other of the world's religions or civilizations – though the marcher lords might be seen as a variant form. Each civilization tends to have its own logics of development.

A further difficulty is that when we seek to explain any of these major civilizations, we must generally bring in all the sources of power. Take, for example, marcher lord conquests. They conquered because their military formations were usually more mobile and their morale was more solidaristic than that of their more sedentary opponents. This was an immediate military causality. But in turn there were economic and political causes of their military forms. Horse archers (their most effective troops) emerged among herding and hunting nomads and so were in a sense a product of their mode of production. Their particular tribal formations also seemed to have generated greater solidarism – which was mainly a political cause. Economic and political forces helped generate military superiority in a particular context. Yet nomadism or

tribalism were not superior forms of economic or political power to those of the agriculturalists. They were in fact economically and politically backward. Their superiority only lay in the impact of their economies and politics on military power. In fact most of the nomads gladly embraced the superior mode of production and civilization of the sedentary elites after they conquered them. It was only through warfare that this particular transition occurred yet it presupposed all the sources of social power. Conversely, when the great religions swept in, there may well have been economic or political crises that made the converts embrace the new religion but it was through Christianity or Islam that the transition to a new form of society actually occurred. The result of all this was that I could not embrace statements of ultimate primacy in earlier times – though I felt I could make generalizations like those given previously concerning quite broad reaches of time and space and power source interactions.

In Volume 1 and in this volume I have detected partially comparable dialectics in the modern period. Early modern and modern Europe was an example of a multipower actor civilization, successfully resisting attempts by any single empire to seize control of the continent. Yet as European states diminished in numbers and increased in power and scope, Europe became a rather unique synthesis of the two. Though a single empire never dominated Europe itself, its states established rival segmental empires across the world. Polanyi discerned a version of the centralization-decentralization cycle occurring over the nineteenth and twentieth centuries in the form of what he called a double movement in the advanced countries between capitalist markets and state regulation. I first used and then criticized this model (at the end of Chapter 11) as being too functionalist and too rationalistic. In the twentieth century we can contrast empires versus nation-states and state socialism/fascism versus democratic capitalism – all relatively centralized versus relatively decentralized societies. But the solution to their conflict was quite complex. Fascism was overthrown by a greater and more centralized military power wielded by an alliance between communism and democratic capitalism. Communism then faced an uphill battle not only against capitalism's superior decentralized ability to innovate, but also against the superior centralized power of its core, the American Empire. Here the model breaks down, as all models eventually do when confronted by the complexity of human societies. Democratic capitalism also triumphed because limited state regulation and de-commodification made it more acceptable to citizens in general. This in effect provided a synthesis to the dialectic, though in some parts of the world it is now under threat from a neoliberalism claiming to be entirely decentralized.

In the modern period I detected some continuity from the period discussed in my second volume: on the one hand, the unfolding of capitalism and its social classes; and on the other hand, the development of nation-states from an initially imperial world. The twentieth century has seen the victory of a reformed, socialized, and often politicized capitalism as the solvent of class

struggle, and of major wars solved by an international order imposed by an imperial United States, though in tension with geopolitical relations between states, the combination avoiding further interimperial wars. Through the vicissitudes and disruptions of military and ideological power in the twentieth century, we can perceive continuity, increasingly global, of the economic predominance of capitalism, and a dual political predominance of the nation-state and (American) Empire. These have been responsible for all the major wars and most of the ideologies of the period. Contra Weber, I have therefore attempted significant generalizations but, contra Marx, without any assertion of ultimate primacy.

This also involves a view of globalization different to that of most commentators. They have seen it as a singular process whereby essentially *transnational* relations are undermining nation-states. I agree that transnational processes are underway, especially in the capitalist economy, above all in finance capital, but the main political principle of globalization has been *international*, regulation by and competition between states – geopolitical more than transnational relations. When capitalists and their opponents seek subsidies or regulation, they still turn to states, while most global issues are negotiated between states, especially the more powerful ones, and above all (though just beginning to decline) the American Empire. Ideological conflict and diversity have also revived again. But because of the increasing devastation and irrationality of war, soft geopolitics are chosen more often than hard geopolitics. It is hopefully through soft geopolitics that climate change, probably the major crisis of the twenty-first century, will be confronted. This is a polymorphous process of globalization, driven by several different logics of development, more complex than just a dual dialectical process.

What will follow? Since the process of globalization has now virtually filled the world, this introduces changes. After the American Empire there is no longer the space available at the margins for the marcher lords to develop independently. In certain respects globalizations have filled up the world. So though Chinese power is growing, it is already enmeshed amidst global capitalism, geopolitics and ideologies – and American debt! The normal historical dialectic though which the successor appears first on the periphery of the previously dominant one wielding quite distinctive powers, may be at an end. The likeliest successors to American Empire are actually old civilizations reasserting themselves, but within an emerging global framework. It also seems, as I argued in the last chapter, that the next bout of regulation and centralization might not be at the level of the individual state but at the level of global geopolitics, though egged on by transnational actors. History does not repeat itself. This is to bow toward Weber's agnosticism and to back away from a Marxian level of theoretical ambition. Determinism, even only ultimate determinism, is not a defensible position in sociological theory because societies are too complex and human beings too creative, emotional and irrational to permit it.

A further characteristic of my power sources complicates causal arguments. The four sources generate nonequivalent powers – their relations are, as it were, orthogonal to each other. As I noted at the beginning of this volume, each has unique qualities. Ideological power is not in its origins autonomous, for ideologies are overwhelmingly a response to crises presented by the other power sources. Ideologies emerge as plausible solutions to the unexpected outcomes of the others' interactions but they then exercise emergent powers of their own. Ideologies are also unique in having no necessary geographical boundaries. They can penetrate human consciousness wherever people communicate. In this century ideologies have been repeatedly communicated across much of the globe. Ideologies may also explode quite suddenly, changing mass behavior relatively quickly before settling down into more institutionalized forms. Ideological leaders are also more likely to be seen as charismatic by their followers than are other power-holders. Founders of new religions are striking examples of this, but I also noted in Volume 3, chapter 8 that three of the main six fascist leaders in Europe were viewed by their followers as being highly charismatic (Hitler, Mussolini and Codreanu). Religious leaders claim a close relationship to the divine and this is believed by their followers, and fascists believe that leadership is the essential precondition of social development. In both cases the followers have a need to believe the leader is charismatic, given the content of their own ideology.

Economic power is very different from ideological power for it is distinctively stable yet cumulative, enduringly embedded in everyday life, generating mass behavior of a relatively steady, cumulative form. It does know boundaries, but only those of the logistics of production and trade, which are often very extensive, especially today. Economic power relations today, and probably in most societies, form the deepest- and broadest-rooted power structures, inducing gradual but major change, in modern times adding economic growth over long periods of time.

Military power is different again. It is easily the most suddenly destructive force, killing people, ruining their habitat, bringing political realms crashing down, even capable of destroying the higher levels of whole civilizations. But it can only do this according to the logistics of military striking-ranges, which in historical societies were often quite limited – though not today. It is also the most contingent power source, for many battlefield outcomes could have gone otherwise, as I have emphasized. Military power also has a close relationship with and dependence on economies and states. The better-organized states and the bigger, more materially resourced battalions usually triumph on the battle-field, though overall war outcomes may differ, since guerilla tactics and morale may wear down great powers, while weapons of mass destruction today also threaten to level the playing-field. Military power is also the only one of the four that could, in principle, be abolished. All human groups need economic production, ideologies and political and judicial regulation. They do

not need war, nor even defense if no one else mounts offense. For many states (though not all) that outcome is at present nearing, though a failure to respond to climate change may bring crises that might revive militarism.

Political power is also distinctive in being the institutionalization of other power relations over given territories, very clearly bounded, capable of more extensive organization only through geopolitical relations with other states. It offers a national cage, trapping its subjects or citizens. Its character depends heavily on the natural and social configuration of its territories, and so states are extraordinarily varied.

Given such noncongruence of powers, it becomes difficult, if not impossible, to claim that one is ultimately decisive, though in specific periods we may rank the power of one or more sources above the others. The power sources are different rather than contradictory and all have been (so far) necessary to civilized human societies. In any case there are plausible competing views on ultimate primacy. If nuclear war broke out and destroyed most of the earth as a human habitat, military power would have been decisive, though few would be around to do the necessary rewriting of Marx and Weber. Conversely, if weapons of mass destruction continue to act as a powerful deterrent against war, military power might continue to decline across the world. Given the very varied degrees of rationality shown in this volume by social actors confronted by the possibility of major war, I would not bet on one of these eventualities over the other. Similarly, the economy would have been ultimately decisive if capitalism destroyed the environment of the earth, though again who would be around to debate it? On the other hand, religious and other fanatics privilege the ultimate power in the sense of the ultimate truth of their own ideology, and will never be convinced otherwise. If there is a God, religious ideology might loom larger than if there is not. Note that these alternative scenarios all concern extreme ends, the death of societies or of ourselves. It is difficult to imagine ultimacy in any other context, since human interaction chains are otherwise never-ending. All this offers more support to Weber than Marx on the question of ultimate primacy. It probably does not exist over the whole of human history and it is certainly beyond our ken. But Marx was right to try to explore it, and Weber was wrong to so flatly deny the possibility of major historical generalizations.

In the specific period discussed in this volume, two of the sources of social power have been more significant than the others: economic and political. Although capitalism is not quite singular across the globe, it tends in that direction. There is one capitalism. In contrast, there are many ideologies, claiming fundamentally different truths, all endorsed by only a minority of humanity. There is great military variability: one superpower, a handful of other nuclear powers, a few highly armed militaries in flashpoint regions, states beset by civil wars and nonstate paramilitaries, and the now-ubiquitous terrorists. While there is a hierarchy in principle in military power among states, in reality

nuclear states cannot bring their full powers into action, and none of them can easily squash guerillas or terrorists. There are also many states, embodying enormous differences of size, power, constitutions and policies. Some cannot implement decisions beyond their capital cities, others are in control of all their territories. Some are quite advanced representative democracies, some are phony democracies, others are brutally or benignly despotic. These power networks coexist within a more limited range of varieties of capitalism, which may seem to confer greater global power on capitalism.

Yet it is not that simple. Two types of political power continue to constrain capitalism. First, the main variation within capitalism is between relatively market and relatively statist versions, that is in terms of the relative importance of economic vis-à-vis political power relations. In ascending order of statism, the main types distinguished in this book are liberal market, social market, developmental, and politicized economies, with China the most extreme statist case remaining – although state socialism was in its time the most extreme case of statism. Whereas the first three types enshrine the overall dominance of capitalism over states, it is difficult to say this in the case of politicized capitalism, which we have seen to be very common across the world. Here property rights are essentially acquired through access to the state. With time, this may develop into relative secure and autonomous property rights, or it may remain vulnerable to reappropriation by the state if the nature of the regime changes, as it did in Iran, and might do so in Egypt today. In state socialism the state obviously controlled the mode of economic production. This degree of statism was not capitalism at all. Amid this range only in some cases does the state severely constrain capitalism. Of course, it is possible to envisage a future in which politicized capitalism disappears and the range of variation diminishes considerably, but that is not the reality that confronts us.

There are also lesser and more idiosyncratic varieties of capitalism like the Islamic type, which bans the taking of interest. Islamic banks provide finance without interest through a contract in which both parties share both profit and risk, amid a distinctive rhetoric of justice. But since the giant Hong Kong and Shanghai Bank (better known as HSBC) has launched an Islamic Amanah Bank, and Citibank and Merrill Lynch have followed with Sharia-compliant products also, Islamic finance is evidently compatible with Western banking practices and it lacks significantly different rights of ownership. The same can be said for the difference between Japanese and American capitalism, the latter more dependent upon lawyers to enforce contracts, the former relying more on normative trust between the parties. These varieties do not significantly shift the balance of power between markets and states.

The decline of state socialism and of social democracy did tilt the balance of global power toward market-oriented capitalism. Yet I have emphasized that the supposed limits, which neo-classical economists and pessimistic Marxists say constrain states, most concretely through forcing them to defer

to business confidence, are not fixed. Pressure from various interest-groups can force business to bend. As both Keynes and FDR realized, and the recent Great Recession also exemplifies, capitalists sometimes need rescuing from themselves. In these contexts the rescuers, political actors, have the potential power to exact a price from capitalism and bend its supposed limits. Whether this power will now be exercised again in the aftermath of the Great Recession remains to be seen.

Political power relations exercise a second and more universal constraint on capitalism, for they continue to fracture it into national capitalisms. In my volumes I have referred to this as the caging of the population into nation-state cages. Here conceptions of national interest dominate the global economy alongside private capitalist interest, and in modern times there has always been some tension between them. Although the varieties of capitalism are limited, the number of nationally caged capitalisms is large. Although capitalism's transnational organization is now stronger than in the recent past, most economic activity remains within nation-state boundaries and most economic regulation and macroeconomic planning, and virtually all economic statistics gathering, is by the state. As I have noted, many powerful corporations now have a dual identity, national and transnational. Moreover, economic activity beyond state boundaries is international as well as transnational, being partially negotiated between nation-states. This may increase significantly if climate change continues, cutting back the autonomy of both capitalism and the individual state. The more pessimistic scenario would be that international cooperation did not increase, which would raise the bars of the national cages once again.

In these two ways political power relations significantly structure economic power relations, just as the reverse is also true. That capitalism is the economy of the world confers on it a degree of routine, institutionalized, global power – and it gives capitalists a degree of collective consciousness – which is only rivaled by nation-states and national identities. When concluding in Volume 2 that capitalism and nation-states dominated the world, I neglected empires. Now with only one empire left and its decline in sight, my generalization is even truer. Marx was only half-right. As early as 1848 (when he and Engels issued *The Communist Manifesto*) he had realized that capitalism would grow to become truly global, but he did not realize that nation-states would also grow to fill the globe.

Capitalism has seen two high-points in the North of the world. The first was the Second Industrial Revolution (discussed in Volume 3, chapter 3) when new corporations pioneered a plethora of new technologies generating much higher productivity. The second was the period after World War II (discussed in Chapters 2 and 6), when reformed capitalism generated mass demand and prosperity for its citizenry. Neither of these golden ages was a purely capitalist development. The first one owed much to the development of science and technology, the second one might not have even occurred without World War

II. Much of the South of the world caught up with the first phase from the 1950s, and some of it is now entering the second phase. But in the North, and especially in the Anglophone countries, a crisis-point has been reached, in which the short-sighted greed of the capitalist class, the crassness of contemporary conservatism and neoliberalism, and the decline of the labor movement combine to put in question the ability of capitalism to continue maintaining a mass demand-based economy benefiting all its citizens, or to create the regulatory reform needed to solve its current finance-centered crises. The high-point of capitalism may have passed in the North. It seems healthier at the moment across large swathes of the South, though in more statist guises. So while it may seem plausible to choose the development of capitalism as the key structural process of the long twentieth century, this has not been a process autonomous from the other sources of social power, especially political power, and it might not reproduce itself forever.

Looking back on the period covered by this book should induce some contentment. By and large it has been a good period for the human race. Though I have often criticized American foreign policy, lamented the rise of neoliberalism, worried about the future of democracy, and commiserated with Russian sorrows, these difficulties are far outweighed by the really good news of the decline of war and the diffusion of better health and wealth to most of the people of the world. Westerners and Americans may lament the beginnings of their relative decline, but they continue to live well, while the rise of the Rest and the emergence of a more multicentric global capitalism and geopolitics are also surely good news.

No one can accurately predict the future of large-scale power structures. The most one can do is to give alternative scenarios of what might happen given different conditions, and in some cases to arrange them in order of probability, as I did in the cases of climate change and the future of capitalism. There are possible dark clouds on the horizon. All good cheer might be overwhelmed by the two great looming threats to contemporary society: nuclear war and climate change. It remains unknowable how humans will react to these planet-threatening crises. Assuming some rationality by political leaders, which they have indeed shown so far, nuclear war might be avoided. Climate change is more problematic. On the one hand pressure from new social movements might lead to an international collectivism restraining states, capitalists, and consumers from destroying the planet. If not, and climate change became insupportable, civilization might be overwhelmed by wars, massive refugee flows, chaos, and new extremist ideologies. There is no end of history, no ultimate primacy, no necessary continued progress, for the unintended consequences of human action constantly create new interstitial problems, plural outcomes are always possible, and human beings have the capacity to choose well or badly, for good or ill, as we have seen repeatedly in this volume.