

## Rise and Decline: Trying to see the big picture of states and world orders

David Last

Where are we today in geopolitics and history? “We” in Canada, “we” in the West, or we in our own ethnic and cultural camps? Are “we” rising or declining? Are we on a cresting wave of history that will crush opposition to bring peace and prosperity (at least for us), or are we in a last gasp of decline as we fade into history, to be replaced by new peoples and more successful institutions? Or perhaps we are all doomed to extinction on a planet that is becoming uninhabitable?

If you are thinking strategically at a national or international level on a timescale of decades and generations, you need theories about how the world of states evolves, and where we are in that evolution. You may be called upon to articulate your theories, or you may harbour naïve and unarticulated ideas and inchoate comparisons between empires past, present, and possible. What drives change?

At least since Gibbon’s (1776) blockbuster *Decline and Fall of the Roman Empire*, statesmen and soldiers have been fascinated with the big movements of history, politics, and world power, and their ideas have informed strategy. This case outlines ways of thinking about the rise and decline of major powers and global systems, combining perspectives on politics, economies and society. Which field we put in the foreground shapes the image we have of the progression of power and the international system over time. But we can also learn an important lesson about standards of research and evidence when we compare the “best sellers” like journalist Thomas Friedman with the more scholarly (and usually less popular) authors like Immanuel Wallerstein and Thomas Piketty. What distinguishes them?

I’ll begin in the White House as the Berlin Wall fell in 1989. President Clinton had smart folks in, and advising, his cabinet. Many of them were trying to make sense of the dramatic changes affecting American interests, and the triumph of market capitalism was prominent in their perspectives.

Philip Bobbitt (b. 1948) was one of Clinton’s national security advisors. An historian, international relations scholar and lawyer, he wrote *The Shield of Achilles: War, Peace and the Course of History* (2002), describing the impact of technology, epochal wars, and their rule-changing aftermaths on the changing character of the state in the international system. His scheme is attached as a table showing the historical evolution of the state since the Hapsburgs (1514). The “state” as an institution changes over time, and after what Bobbitt calls the “long war” of the 20<sup>th</sup> Century (WW1, WW2, and the Cold War), we entered an era of competing forms of market states, replacing the long-lived nation-state.

David Rothkopf (b. 1955), Clinton's trade secretary, and Robert Reich (b. 1946), Clinton's labour secretary, struggled with the strategic implications of the new "market states" in an era of increasingly intense global market competition. Reich's prescription was that the state should be a vehicle to empower its citizens (*The Work of Nations: Preparing Ourselves for 21<sup>st</sup> Century Capitalism*, 1992) while Rothkopf warned of rising competition between states and corporations (*Power Inc. The Epic Rivalry between big business and government and the reckoning that lies ahead*, 2012). The role of the state in generating wealth and preserving control of technology for national security in the new global economy was critical for America, and was explored by another Clinton advisor, Australian political economist Linda Weiss (b. 1952) who described the role the American state had played during the Cold War in laying the foundations for the new global market in information technology (*America, Inc? Innovation and Enterprise in the National Security State*, 2014).

Taken together, the alumni of the Clinton administration put political economy in the foreground, credited capitalism for the Cold War victory of the West over sclerotic central planning, and saw globalization as the next wave, under American hegemony. This is what we came to label the "post-Cold War" era, and what some called the (new) age of globalization. Liberal democracy and market capitalism did not triumph over fascism and communism by military might, but by political and economic means—through ideas.

Where do our ideas about capitalism and globalization come from? The French historian Fernand Braudel (1902-1985) was the first since Gibbon to tell a world-wide (though essentially euro-centric) story spanning centuries and encompassing levels of social and economic analysis from the individual to the international, in order to explain (Mediterranean) history since ancient times. The combination of geography, history, demographics, economics, and sociology in a coherent narrative about the rise of capitalism was enormously influential. American sociologist Immanuel Wallerstein (b. 1930) was influenced by Braudel but also by Karl Marx (1818-1883) and Vladimir Lenin (1870-1924). In his book, *World Systems Analysis* (1976) Wallerstein posited the mutually reinforcing impact of the state system (politics), capital accumulation (economics), and the core-periphery division of labour (the social system), resulting in the expansion and deepening of the world capitalist system over time. Although Wallerstein's most influential work was published during the Cold War, he was not surprised by the victory of capitalism and the subsequent rapid expansion of a neoliberal global capitalist order. The defeat of planned economies can be traced to the rise of free-market ideologies espoused by Austrian economist Friedrich Hayek (1988-1992) and American economist Milton Friedman (1912-2006) who influenced economic liberalization and market deregulation led by Thatcher and Reagan. Communism couldn't compete with global market capitalism. But capitalism brings its own problems, which generate resistance.

Scottish political economist Mark Blyth (b. 1967) described the orchestrated ascent of free-market ideas in his book *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century* (2002). The title is taken from an influential book by Austrian refugee, Karl Polanyi (1886-1964) whose book, *The Great Transformation: Political and Economic Origins of*

*our Time* (1944) argued that the depredations of laissez-faire capitalism created the conditions for the rise of communism and fascism. Both were collectivist ideologies seeking to constrain market forces that threatened livelihoods: when the state couldn't protect people from the consequences of markets, revolutions arose to seize the state and constrain markets. Thomas Piketty (b. 1971) is a French economic historian who has debunked the idea that free markets will redistribute wealth to the benefit of all. His book, *The Economics of Inequality* (1997) wasn't translated until his later book *Capital in the Twenty-First Century* (2013) became a best seller. Both books demonstrate that government intervention is required to prevent the inexorable concentration of wealth through the operation of free markets. The concentration of wealth and power leads eventually to rising opposition movements, or what Wallerstein called "anti-systemic movements".

There are other explanations of the changing fortunes of states. Historian Paul Kennedy (b. 1947) spins a historical narrative similar to Bobbitt's. *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (1987) argues that the resources available to great powers explain their rise, and the dissipation of these resources in imperial wars against rivals account for their decline. Power is only relevant in relation to other states, so this is a realpolitik interpretation of world politics, notwithstanding its economic flavour. "Notwithstanding," because economic explanations generally assume a rules-based order with mutual gains. Samuel Huntington (1927-2008) is associated with contributions to military sociology and development theory but his post-Cold War interpretation was *The Clash of Civilizations and the Remaking of World Order* (1996), in which he posited a return to older cultural and religious fault lines in the wake of collapsing 19<sup>th</sup> century political ideologies. In Huntington's view, cultural identity was the key factor unleashed by the failure of overarching secular ideologies. Political philosopher Francis Fukuyama (b. 1952) attributed the end of the Cold War to the universal triumph of liberalism as the only viable ideology. *The End of History and the Last Man* (1992) argues that individual freedoms and free markets are the inexorable end-point of political, social, and economic evolution; there is no better solution.

Each of these explanations—power (Kennedy), identity (Huntington), and the urge to freedom (Fukuyama)—encompasses other elements, but puts one major factor in the foreground as an explanation of change. In contrast, journalist Thomas Friedman (b. 1953) describes six dimensions from which he tries to combine information and then uses story-telling to illustrate connections. Friedman's best-seller, *The Lexus and the Olive Tree: Understanding Globalization* (1999) describes the six dimensions: politics, culture, technology, finance, national security, and ecology. The advantage is that Friedman's multiple lenses provide a more nuanced and layered picture of the connections between cause and effect, and his story-telling is eminently readable. The disadvantage is that both the logic and the evidence is impressionistic rather than authoritative. His research relies mainly on observation and asking informed people, and omits much serious research and data that would inform or test his conclusions.

Concluding, how might we describe the current age and its provenance? Most authors acknowledge the origins of globalization in the nineteenth century, under British leadership, the Royal Navy, and London's banks, spurred on by the age of steam, railways, telegraphs, and

newspapers—the high technology of its day. World War and depression disrupted the global economy. Fascism and communism were anti-market movements that failed to meet human needs and were eventually supplanted by renewed globalization under American leadership, American security guarantees, and international banks spurred on by the carbon economy, aerospace, and internet innovations—the high technology of our day. Wallerstein and the world systems analysis school describe five centuries of expansive cycles of free market growth under hegemonic states, interspersed with state rivalry, contraction and tighter control of peripheral markets.

But the pattern of growth, globalization, resistance, and resurgent markets needs another lens. The last 200 years has depended upon unprecedented energy consumption, which has consequences. “Anyone who thinks that you can have infinite growth in a finite environment is either a madman or an economist.” (David Attenborough). The Intergovernmental Panel on Climate Change (IPCC) has repeatedly sounded dire warnings about the tipping point to irreparable environmental damage and rising global temperatures. Environmentalist Bill McKibben (b. 1960) and journalist David Wallace-Wells have taken this up in two recent books intended to break through our complacency about climate change. McKibben’s book, *Falter: Has the Human Game Begun to Play Itself Out?* (2019) and Wallace-Wells’ book, *Uninhabitable Earth: Life after warming* (2019) paint grim pictures of declining humanity and struggle for survival in stark contrast joyful odes to capitalist achievement.

Making sense of the big picture and drawing conclusions about the implications for national strategy and policy will be one of your most important tasks as a security leader. Reading widely and with discernment is only the starting point.

*Historical Evolution of The State<sup>1</sup>*

	Princely state	Kingly state	Territorial state	State-nation	Nation-State	Market state
Constitutional Orders...	1494- Charles VIII invades Italy 1572 – St Bartholemew's Day Massacre	1567 – Dutch revolt 1651 – Fronde	1649 – Charles I beheaded 1789 – French Revolution	1776 – American Revolution 1870 – German Unification	1861 – US Civil War 1991 – Yugoslavia collapse	1989 – Russian Revolution
are affected by Epochal wars	1515-1555 Habsburg-Valois wars	1618-1648 Thirty Years' War	1667-1713 Wars of Louis XIV	1792-1815 Wars of the French Revolution	1914-1990 the Long War	[yet to emerge... • Peer competition • Or slow erosion?]
International orders	Peace of Augsburg 1555	Peace of Westphalia 1648	Treaty of Utrecht, 1713	Congress of Vienna, 1815	Treaty of Versailles 1919	Peace of Paris, 1990
Basis for legitimacy	State confers legitimacy on the dynasty	Dynasty confers legitimacy on the state	State will manage the country efficiently	State will forge the identity of the nation	State will improve the welfare of the nation	State will maximise the opportunity of its citizens
Innovations	Consistent finance, permanent government	Absolutism, secularism	Trade control Aristocratic leadership	Nationalism, imperialism	Nationalism, ideology	Three alternate forms (pp 670-674) <sup>2</sup> • Entrepreneurial • Mercantile • Managerial Success to be determined...
Resting on...	Condottiere, mobile artillery, trace italienne	Gunpowder revolution, lengthy sieges, standing armies	Professional armies, cabinet wars	Mass conscription, decisive battles	Nuclear weapons, rapid computation, international communication	...plus maximum opportunity [and minimum responsibility?] for individuals
Legitimacy of the state rests on the promise to provide... (p. 215)	External security, freedom from domination by foreign powers	...plus internal stability	...plus expanding material wealth	...plus civil and political rights of popular sovereignty	...plus economic security and public goods for the people	...plus maximum opportunity [and minimum responsibility?] for individuals

- There is a mutual relationship between strategy and constitutional law: strategic challenges demand constitutional adaptation, and constitutional adaptation creates new strategic possibilities and challenges to legitimacy of states and the state system
- There have been six distinct constitutional orders of the state since it first emerged during the renaissance
- Each epochal war brought a particular constitutional order to primacy
- The peace treaties that end epochal wars ratify a particular constitutional order for the society of states
- Each constitutional order asserts a unique basis for legitimacy
- A constitutional order achieves dominance by best exploiting the strategic and constitutional innovations of its era

<sup>1</sup> Philip Bobbitt, *The Shield of Achilles: War, Peace, and the Course of History*. New York: Anchor Books, 2002, 346-347.

<sup>2</sup> A mercantile market-state attempts to improve its position relative to others using competitive means. An entrepreneurial market-state attempts to improve its absolute position while mitigating competitive markets through cooperation. A managerial market-state tries to maximise both absolute and relative position by regional, formal means (e.g. trading blocks).