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Does Capitalism Have a Future? That Is the Research Question

In Response to Bruce Scott

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The criticisms of Bruce Scott (Scott 2015) may seem gentlemanly by the markedly ideological standard of economics reigning in recent decades. Prof. Scott does not engage with our specific arguments. Instead, he mainly questions our definition of capitalism and offers, at considerable length, his own understanding which turns out to be fairly conventional (it's all about markets and firms) and old-fashioned: capitalism does best with proper regulation. This argument is supported mainly by citing the exemplary economic performance of the United States and France during *les Trente Glorieuses*, the three glorious decades between 1945 and 1975 (Hobsbawm 1996). But our quintet of macrohistorical sociologists is not after the national varieties of capitalist regulation during a particularly successful period of post-war *conjoncture*. Yes, these were the good times. We even tend to agree that the world future would look more optimistic if the economic dynamism *cum* social compromises of post-war decades could be now reproduced at a truly global scale. But is this projection at all possible? Can capitalism become globally inclusive, socially responsible, of course, environmentally sustainable—and still profitable? Capitalism is not, after all, an international charity.

The question is indeed the same as openly stated on the cover of our book, now translated into seventeen languages (Wallerstein et al. 2013). Our individual responses to this question differ substantially. This book is not a prophetic manifesto proffered in one voice. It was rather intended to provoke a serious intellectual debate on a range of competing and potentially testable hypotheses regarding the future prospects of capitalism. We are certainly not of one opinion about the extent and shape of capitalism. To Immanuel Wallerstein, capitalism is the modern world-system; Randall Collins prefers to speak about a particular market dynamic observed in a variety of historical settings; Michael Mann would rather see a highly contingent succession of 'crystallizations' at the 'orthogonal' intersections of social power networks. During the internal discussions leading to the writing of our joint book, Craig Calhoun and I could not help remarking on the fascinating difference of perspective among our esteemed senior co-authors: telescopic (Wallerstein), microscopic (Collins), and kaleidoscopic (Mann). Yet all

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five of us agree on the key taxonomical feature of capitalism. Following the pioneering definition of Max Weber (2009), it is the endless accumulation of capital.

This is not a trivial matter of semantics. In contrast to biology, modern social science obtained its foundational evolutionary theory ahead of the systematic classification of social species (Collins and Makowsky 2009). To put it in personalities, Karl Marx, whose role in the emergence of social science was broadly analogous to that of Charles Darwin in biology, came a couple generations before Max Weber whose tremendous life-long enterprise is properly seen as analogous to that of Carl Linnaeus. Here is the source of lasting confusion in social science and modern ideologies regarding capitalism including in the work of Marx himself (who, incidentally, did not use the word ‘capitalism’ which became current only in the 1880s). Defining capitalism through external attributes such as wage labor or market institutions (including firms) is akin to the slippery definitions of animal classes in various religious canons before Linnaeus. Notoriously, the demand that all fish must live in water and have scales rendered eels and catfish taboo to Jews and Muslims. (Ayatollah Khomeini, once faced with the tasks of governing post-revolutionary Iran, famously had to make a special pronouncement regarding the commercially important Caspian sturgeon and its caviar (Chehabi, 2007). Of course, he saw the scales.) Defining capitalism as the endless accumulation of capital—put differently, the profit-oriented investment aiming at further profitable investment *ad infinitum*—elegantly excludes all pre-modern social logics which had their goals bounded by the physical limits of geography and ecology. A competitive commitment to killing every single animal would seem mad to hunter-gatherer societies. Thus capitalism is indeed (at least so far) a uniquely inventive and expansive kind of ‘metabolism’ occurring only very recently in the evolution of human societies. The Russian post-marxist-turned-liberal economist Vladimir Mau (2016) at the launch of our book in Moscow last January posited the main question in admirably straightforward terms: Capitalism is the mode of production associated with modern economic growth; but if the period of modern economic growth had its historical beginning, will it also have an end?

This is indeed the main question, although none of the five authors would see analytical value in the rigidly abstract scheme of modes of production. Capitalism is not a stand-alone notion. Historically, the endless accumulation of capital required a lot of institutionalized force in order to break out and expand to the whole planet. This wonderfully expansive ‘irrational logic’ (again, Weber 2009) has always been embedded in an evolving political economy. Capitalism necessarily comes in a package with state power, politics and ideologies framing the struggles over state control and division of labor, the attendant hierarchies of classes and status-groups (today, identities and citizenship)—in short, all that

goes under the rubric of modernity. Immanuel Wallerstein, Randall Collins, Michael Mann, and Craig Calhoun made their professional reputations in academia studying the evolution of capitalism and its embedding institutions. It was my honor and, frankly, luck to bring together the contemporary classics of macrohistory in a debate about extending into the future their analyses of capitalism.

The next question, inescapably, is what might be happening after capitalism. But this is a rather different question. We are in agreement with Charles Tilly's (1992) comparative-historical approach to the study of revolutions that analytically separated revolutionary situations from revolutionary outcomes. In fact, we could also be in agreement with the theory of punctuated equilibrium advanced by the paleontologists Niles Eldredge and Stephen Jay Gould (1977). On his part, Immanuel Wallerstein makes explicit reference to the understanding of chaotic transitions pioneered and popularized by his friend, the Nobel laureate in chemistry Ilya Prigogine (Prigogine and Stengers 1997). It appears hardly coincidental that analogous theoretical breakthroughs simultaneously occurred in biology, chemistry, and social science all stressing the evolutionary dialectic of stability and discontinuity in complex systems. It would appear even less coincidental that these theoretical breakthroughs date back to the same period of post-war expansion and tremendous optimism culminating in the symbolic year of 1968.

This is a central insight in Randall Collins' (1999) network theory of intellectual change: breakthrough formulations tend to cluster in the same generations where material supports for creativity coincide with the high charges of emotional energy. During the twentieth century it was in the main the unprecedented expansion of research universities meshing with the tremendous ideological confrontations between the pro-capitalist and various anti-capitalist forces. Today we live in a period of generalized emotional and creative 'glaciation', the long downturn after the effervescence peaking in the late 1960s. Or is it, perhaps, already a 'post-glaciation' period, the tentative beginning of a new upturn in intellectual creativity driven this time less by romantic optimism and more by the sobering realization that, for better or possibly for worse, the status quo of the last three decades might be collapsing on us? Our book was intended in the main as a bridge between intellectual generations, an attempt to rekindle a big theoretically-grounded debate about the dynamics and prospects of our present social system. Let us not underestimate the odds. Conforming to the same theory of Randall Collins, the bright bursts of creativity are typically followed by the longer, duller epochs excelling in sanctioned orthodoxies, lesser concerns, and arcane formalism. Understandably, those in the positions defined by intellectual excellence (such as university researchers today) still are

compelled to produce despite the diminishing returns from working on the ever narrower, older 'veins'.

Such is the current situation in both the economic and humanistic mainstays of social research. The technical sophistication of rational choice models is an achievement usefully applied to the class of problems dealing with policy options, broadly construed. Yet, not unlike the erstwhile sophistication of astrology, at present all this algebra goes to measure the ideological abstractions of neo-liberalism where capitalism is the only rational game and, with due policy fixes, it continues indefinitely. This assumption is then supported by the common-sense observation that capitalism has somehow always overcome its crises. It is, however, a merely empirical generalization lacking compelling theoretical proof that history does really end here. In the meantime the humanities, despite their generally critical tendency, seem to converge on the curiously contradictory view: late capitalism is fluid, ironic, and motley; and thus it will be forever—until it ends. Arguably cultural critics and philosophers have discerned something important about 'post-modernity'. But it also appears that the intellectual toolkit and, one suspects, the post-1968 defensive professional ideology of university humanists prevent them from generalizing in bolder theoretical manner on the implications of that very 'oversaturation and fluidity' that they so sharply discerned in the latest metamorphoses of capitalism. It would be indeed superbly ironic if, after the long-standing modernistic expectation of capitalism's demise and its supersession by some grand utopia, after the latest decades of post-modernist disillusionments and the smug hegemony of neoclassical economics, some time in the middle of the twenty first century the endless accumulation of capital comes to an end.

Let me briefly recapitulate our different positions regarding the possibilities for capitalist breakdown and then try to fit our predictions into a larger evolutionary problem. Immanuel Wallerstein puzzles us with a paradox suggesting that the ultimate gravediggers of capitalism could be the capitalists themselves. Historically, the reasonably stable and handsome profits from capitalist enterprise were ensured by the externalization of three major costs, i.e. paying relatively little or nothing at all for the maintenance of states, the reproduction of labor, and the natural environment treated as 'resources'. But all three costs over the recent 500 years tended to escalate irreversibly. Modern states grew in complexity and sheer numbers demanding from the capitalists more in official taxes and unofficial corruption which, from the standpoint of the investor, is the cost of doing business. The labor militancy went through many ups and downs which Wallerstein associates mainly with the Kondratieff cycles. Still, the net result of labor demands was the ratchet effect on the overall level of wages (including the compensations of skilled specialists and various executives). Environment obviously became the third source of the rapidly rising costs of

doing business. Globalization, to Wallerstein, is nothing new. It has been a preferred capitalist escape from the beginning of the modern era. What else were the waves of Western imperialism? The difference now is, however, in the changing balance of strength between the West and the rest. If ten thousand Chinese corporations or a hundred million Indian professionals enter the global markets, would this not heighten capitalist competition and overall depress elite remunerations? Faced with the rising costs of doing business, what would the capitalists do? In Wallerstein's prediction, the capitalists will be tempted to abandon capitalism and change the world-system in inegalitarian ways that lock-in their advantages. In effect, still dominant but no longer capitalist. But Wallerstein gives this prospect only a 50/50 chance. Since the transition will be chaotic and full of messy multi-sided struggles, another possible outcome would be a more egalitarian world. Although Wallerstein clearly favors the more egalitarian route, he abstains in principle from predicting how could one or another outcome succeed in the future systemic transition. His theory is strictly about the breakdown of capitalism.

Randall Collins surprises the reader. Known primarily as the polymath sociologist who advanced the different theories of Max Weber, Emile Durkheim, and Erving Goffman, here Collins chooses to revive a much older theory of another pioneering classic, Karl Marx. More so, Collins takes up the prediction that Marx long abandoned in embarrassment by the Marxists themselves. From the mid-nineteenth century Marx glimpsed the looming demise of capitalism in its tendency to displace labor with cost-effective machinery. The agrarian peasant labor and many manual tasks in industrial organization had been in fact displaced over the last century and half, at least in the West, but this did not cause the massive dispossession predicted by Marx. In fact, the children of former peasants and workers went to colleges and became the comfortable new middle class of skilled specialists and managers. This looked like the triumph of capitalism until very recently when computers began rapidly displacing the mental varieties of labor and thus middle-class livelihoods. Randall Collins admits that capitalism would be offering again at least five escapes: more subsidized education, entirely new jobs in the ever higher technology sectors, government intervention, globalization of markets, or a still 'deeper' capitalism where a majority of the population become financial traders. But none of these escapes appears to Collins broad enough for the displaced masses of college-educated specialists aspiring to the middle-class lifestyles of their parents. Collins then extends his theory into the future much farther than any of us, predicting socialism by the 2050s and next the possibility of a revived capitalism once socialism's own insufficiencies become apparent and cause discontent.

Michael Mann and Craig Calhoun are the two doubters in our quintet. Calhoun elegantly enumerates and elucidates the commonly perceived

disruptions to capitalism: lopsided financialization and a lack of adequate government regulation, disruptive mass migrations, the vulnerabilities emerging from the very complexity and interdependence of present-day global capitalism, irrepressible rebellions, insurgencies, warfare at different levels, and environmental catastrophes or new epidemic disease. Calhoun also makes an important addition to the range of predictions. Capitalism may survive as several fragmented world-systems finding their local bases of resilience. This questions the very widespread assumption that globalization has been a prevalent and irreversible trend of modernity.

Michael Mann's stance is radically agnostic. He doubts the ability of social science to predict the world's future because it is shaped by too many moving parts. Scholars have considerable difficulty explaining even the past major crises like the Great Depression. It was produced and made so threatening by a very peculiar concatenation of geopolitics, economy, technological change, ideology, social movements—different dynamics “orthogonal” to each other. Mann refuses to believe that all this adds up to a coherent system with its laws of motion and internal cycles. Nothing therefore suggests that capitalism is about to collapse. It might come up with a surprising solution or solutions to its present contradictions. Yet Mann also identifies two predictable threats that can well destroy humanity: nuclear war and climate change. Neither one, however, is related to capitalism. War and military geopolitics long predate capitalism and, according to Mann, have their own logic. The only thing novel about war is nuclear weapons which threatens the world with wholesale extermination directly or by fallout. The threat is heightened today by the growing number of states and non-state actors with nuclear capabilities pursuing their own agendas. This multi-actor situation, however, makes the sequence of events potentially leading to atomic holocaust too complex and unpredictable. Such a war may or may never happen. What Mann considers perfectly predictable is climate change because it has already arrived on us. At present, three distinctly modern and powerful forces prevent concerted action to mitigate global warming: capitalist competition, the legitimacy of nation states based on their promise of prosperity, and individual citizen rights perceived as the right to consume. Mann still permits for a modest optimism. With proper regulation (perhaps like the post-1945 European social democracy) through a global alliance of states, capitalists could find profits in ‘greener’ businesses, citizens could be persuaded to conscientiously change their lifestyles, and states would obtain renewed legitimacy in their traditional function of providing protection, this time against climate change rather than other enemy states.

My chapter, by contrast, is more retrospective. It seeks to explain what actually was the twentieth-century communism in its origins, practice, and extinction after 1989. But, mind you, not necessarily collapse—China and also

Vietnam stand as big reminders that far from all communist states ended in revolution and that a directed 'convergence' with capitalism was still a possibility, at least for some. The main reason in contributing this chapter was, however, to revisit the old predictions of Immanuel Wallerstein (1974) and Randall Collins (1978) regarding the future of the Soviet Union. Back in the 1970s, both have predicted the end of communism although their predictions differed very substantially. Collins was building on the Weberian theory of geopolitics. Similar to his more recent 'stripped-down' theory of capitalist collapse focusing on just a single social mechanism, the displacement of labor by new technology, Collins' previous prediction of Soviet collapse single-headedly derived from the recurrent dynamics of geopolitical competition. The Russian empire and the USSR as its latest iteration had been long involved in the European geopolitics of multiple great powers. The attrition through a series of coalition wars led to the emergence of just two superpowers while reducing all previous belligerents to their allies and satellites. Historically, a showdown between two superpowers typically led to the disappearance of the weaker imperial contender either in a war of exceptional ferocity or in implosion caused by the cascading rebellions and defections of provincial prefects and disillusioned generals. Wallerstein, to the contrary, doubted that the USSR would collapse in war or internal rebellions because a stable formidable superpower would be the best platform to negotiate an honorable inclusion into the Western club of prosperous capitalist states. Communist ideology, in any case a pale shadow of its former self, would then become symbolic sacrifice marking the incorporation of Soviet nomenklatura elite into the transnational capitalist elite of corporate executives.

However different, the old predictions of Collins and Wallerstein in retrospect provide an analytically powerful combination to explain why did Mikhail Gorbachev dare to unleash from above the dismantling of his own communist state, where his perestroika reforms were potentially headed, and what had derailed the Soviet Union's integration into a pan-European capitalist bloc. Moreover, an important robustness test of this synthetic theory is in its ability to provide at least the beginnings for a broader and perhaps more sober explanation of China's geopolitical and internal stability (including the conservation of official communist ideology and ritual) assuring its successful transition to the regime of export-oriented capitalist industrialism. The old theoretical predictions of Wallerstein and Collins regarding the future of communist states did not come to pass in every empirical detail. On the one hand, the USSR failed to join the capitalist core countries. Instead, its fragmentary 'successor states' in the 1990s mostly wasted their Soviet-era geopolitical and industrial-technological advantages and subsequently recoiled to the world-system's periphery. On the other hand, an all-out war of last recourse was, luckily, avoided. But the process might not be over. The current ambition of Moscow to

rebuild its imperial and domestic position seems fraught with the unpredictable dangers of run-away warfare. Conversely, if the dangers can be navigated with the classical geopolitical combination of force, skill, and luck, then the likely more liberal successors to Vladimir Putin might yet prove able of offering to Europe a renewed bargain which the Western partners would be tempted to accept for then sake of building a much bigger and autonomous military and economic alliance. The heuristic value of theory in this case is not in guessing the succession of historical outcomes; a good theory rather predicts the range of possible outcomes and the social mechanisms leading to these outcomes. On this count, the old theories of Wallerstein and Collins regarding the future of communism have splendidly survived the test of time. More reason then to treat seriously their newer theoretical predictions of capitalist breakdown.

In conclusion, let me try to frame the predictions of our small book in a larger evolutionary perspective. (I must also disclose that the responsibility for doing this is solely mine, while some of my co-authors overtly question the notion of social evolution.) First of all, our whole quintet came out united in doubting the common wisdom of our age that assumes contemporary capitalism essentially exempt from an evolutionary dynamic and in effect eternal in its endless self-transformations. Nothing historically emergent has ever achieved eternal existence and there is a term to all complex systems (to use the expression favored by Immanuel Wallerstein and Ilya Prigogine), especially so modern capitalism whose dynamic, in Michael Mann's view, is far better called revolutionary than evolutionary. As Randall Collins observes, the postulate of capitalism's infinite ability to survive is widely accepted by our contemporaries, including many academics, without any serious theory explaining why this might be so. Indeed this is a remarkable demonstration of the power of ideology. Furthermore, Collins effectively discounts popular futuristic projections prophesying a future populated by robots and cyborgs. Maybe so, but does this end the social organization of human or even post-human society? Who owns the robots in the future?

Between the five authors, our predictions cover the whole spectrum of evolutionary possibilities: extinction (nuclear war or climate change, in Mann's chapter); involution (Calhoun's envisioning several world-systems finding their own sources of resilience); and transformation (Collins optimistically predicting socialism, or the less sanguine Wallerstein giving it a 50/50 chance). My own prediction tends to be more optimistic. In the twentieth century the Old Left movements—social democracy, communists, anti-colonial nationalists—achieved state power in the wake of world wars and in practicing power they heavily relied on the wartime techniques of mass mobilization. (Incidentally, the same was true of fascists, too.) The twenty-first century struggles to transform social relations might be less related to military geopolitics and, if Randall Collins is right, closer

to the nineteenth-century class struggles that more often led to reform than revolution. If violence could be avoided in a future evolutionary transition, the prospects could indeed look more optimistic. But we should probably also agree with Immanuel Wallerstein's agnosticism regarding the future. The evolutionary anthropologist Timothy Earle once quipped at a conference that our ancestral foragers could not have imagined life in agricultural villages, and villagers could hardly have imagined globalization. (Also, see Johnson and Earle 2000.) It might be futile to script the future, but it is surely a great intellectual enterprise and also our social obligation as the professionals of scientific knowledge to envision the range of possibilities and the roads leading from past to future. Consider this an invitation to serious debate.

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