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After American Hegemony and Before Global Climate Change: The Future of States

Richard Lachman

Are states in decline? Will they be superseded by transnational corporations, international organizations like the IMF and WTO, or give way to anarchy under pressures from environmental disaster, economic collapse, overpopulation, or non-state armed forces? We can best answer these questions by first looking at how states responded to past wars, depressions and other crises. That will provide the basis for analyzing the ways in which current day threats will impact contemporary states.

A Short History of State Power

States collect revenues and use them to fight wars, create and maintain bureaucracies, build infrastructure, and support economic development and social programs. The development of state capacities never was gradual and unilinear. Instead, states made dramatic gains in their abilities as a consequence of revolutions and other political upheavals, wars, and economic crises. During the early modern era, states-in-formation negotiated and struggled mainly with elites (aristocracies, clergies, urban merchants) in an effort to extract revenues and to gain access to the peasants and laborers they controlled. Rulers were able to expand their control over the material and human resources contained within their putative polities only slowly and unevenly.

Rulers made dramatic gains in their capacities during some wars, and their former subordinates made even greater gains when they succeeded in overthrowing them in revolutions. Such increases in state power were the result of old and new rulers' ability and willingness to bypass elites and to negotiate directly with mass groups. Rulers and revolutionaries were, and are, rational and self-serving about amassing and maintaining power but they also are fearful of defeat. They share power with rivals and with masses only when they find it necessary for maintaining their positions. Wars and revolutions more than any other events are the moments of greatest danger. Rulers shared power with aristocrats in order to enlist them and their armed followers in struggles to preserve their territories from invasion and to amass new domains or to fend off challenges from rival elites or from below. Rulers also offered privileges to merchants and others with stores of cash in order to muster the financial resources necessary to hire mercenaries and to equip their armies and navies. Rulers who were unwilling or unable to strike such alliances found their territories and themselves swallowed by more aggressive and successful rivals.

The first modern revolutions tore apart the web of relationships among rulers and elites. New revolutionary governments bypassed merchants in securing funds and aristocrats in obtaining armed men and appealed directly to their mass supporters, above all by using conscription to create armies of unprecedented size and loyalty. Conscription upended the relationship between fiscal capacity and military outcomes. States, for the first time, were able to enlist armed men beyond their fiscal capacity to hire mercenaries and without appealing to local elites to make their armed retainers available for war. Such a radical innovation, which was so destabilizing of existing elite power and privilege, was first possible only in revolutionary polities, beginning with the United States and France, where old elites were fatally weakened and revolutionary leaders, who themselves were in mortal danger from counter-revolutionaries and foreign enemies, saw the draft as the most powerful way to elicit loyalty by giving the masses a stake in the state's survival, making them citizens with individual and uniform political rights as well as military obligations.

Subjects became citizens and identified themselves as full members of national states primarily through military service. The relationship between soldier and state was fundamentally transformed when and where states were able to impose conscription or convince citizens to volunteer. The transformation of subjects into citizens gave states access to armies of unprecedented size, endurance, and commitment, and made possible the bloodbaths of the nineteenth and twentieth centuries, from the Napoleonic Wars to the American Civil War, to the World Wars.

States bought the loyalty of their draftees, or were compelled by soldiers and their families to pay for it after wars, with the vote, social benefits and civil rights. States' revenues increased dramatically during wartime as officials pioneered new techniques for identifying and taxing their subjects' income, commerce, and wealth. While taxes always were reduced at the ends of wars, they almost never returned to their pre-war levels. The new revenues went partly to pay off debts incurred during wartime, but also for benefits that veterans and their families demanded during and after wartime. Old age pensions, health benefits, subsidized housing, and access to university education and civil service jobs all were granted to veterans and eventually other citizens in the aftermaths of wars. Such benefits were expensive and required sustaining taxes at high levels, while also giving states new capacities to gather information about and regulate the lives of their subjects.

States also had to offer political rights to veterans and other citizens who supported war efforts. Worldwide waves of democratization occurred at the end of both world wars. This encompassed the extension of civil liberties and voting rights to excluded classes and ethnic and racial groups, women, and youth, and expanded rights to those who already were full-fledged citizens. The world wars empowered women's and labor movements, which won the rights to vote and unionize in return for their commitment to munitions factory work and willingness to forgo strikes to ensure the delivery of critical supplies of weapons during the wars. Those practical deals were fortified as well by the claims women made to citizenship as mothers and wives of soldiers. Social benefits, such as pensions, health care and other forms of social insurance, in most states were given first to state employees who themselves had a special attachment to and leverage over the state, and then were expanded during and after wars often to veterans before becoming available to other segments of the population.

Draftees in states that are not electoral democracies still have been able to demand social benefits, and states have given priority to meeting what conscripts and their families came to regard as their due. The Soviet Union significantly expanded benefits for World War II veterans in the 1960s. This was a deal that even the most reactionary and repressive states had to uphold. The Nazi regime delivered social benefits and income supports every bit as extensive as those offered by the socialist and liberal governments with which it was at war, though only to the racially pure it considered German citizens and on whom it relied for government employees and soldiers, and to their families.

Social benefits for veterans and their families are expensive, and when they become precedent for welfare programs that extend to the general population, they transform states' role in the total economy. Before World War I the total revenues of all European states was below 10% of Gross Domestic Product, except for brief spikes during wartime. After World War I the average settled around 15-20% and then after World War II climbed to over 25%. The percentage, in the thirty OECD countries, has increased gradually in recent decades from 25.6% in 1965 to 29.7% in 1975, 32.9% in 1985, and 35.1% in 1995, before flattening at the turn of the twenty-first century.

The point we can draw from our brief history of war, conscription, social benefits, and democratization is that emergencies and disasters, such as revolutions and wars, increase state powers and capacities. Similarly, economic recessions and financial collapses also lead to increases in state capacity, since governments, at least since the mercantile era in the West and centuries earlier in Asia, were held responsible by elites and growing portions of the population at large for ensuring adequate food supplies and at least economic stability. Therefore, during economic crises states were able to claim powers to restore economic growth. Such governmental economic interventions served to enhance rulers' abilities to extract revenues and services, and to compel behaviors, from the rest of the population, giving rise to the contemporary expectation that economies can and should grow every year.

Whether as a result of war, revolution or economic crisis, state capacity mainly grows because non-elites are brought into the state as citizens and come to define their interests in terms of citizenship. Citizens then demand, and through taxes, voting and other forms of interaction ensure, that what they come to see as their state is able to deliver the rights and services they seek to claim. The growth of state power, for the most part, is not applied to efforts to dominate subjects, but to mobilize resources for projects that contribute to a growing array of citizen rights and citizen expectations about their government's ability to protect them from foreign dangers, to ensure economic growth and technological progress, to deliver a growing array of social benefits. These goals are realized by elaborating a series of explicit or implicit deals with citizens to grant them political and civic participation in the state along with material benefits. State power in the modern world grows as much by granting citizens rights as by appropriating resources from civil society.

Contemporary Crises and the Future of States

The contemporary world is being destabilized by three major developments: the end of U.S. hegemony, global climate change, and the collapse of effective governance in some parts of the world. Are these crises fundamentally different from the wars and economic depressions that strengthened states in the past? Let us see how each of these three factors are affecting states.

i. U.S. decline

American decline appears inevitable. Political paralysis in the U.S. has limited the ability of the state to respond to geopolitical challenges or to make the sorts of investments in infrastructure, research and human capital necessary for the U.S. to dominate international economic competition. As the U.S. declines other states will attempt to assert leadership or at least to win autonomy from the dictates of the U.S. and the international agencies under its control. Such responses, and the inevitable if unsuccessful efforts by the U.S. to counter those challenges, will result in stronger states.

We need to remember that neoliberalism, which many see as a force that has weakened states, was spurred forward largely at the behest of the U.S. and by international agencies that it dominated. As

U.S. hegemony dissipates, weaker governments are able to challenge America's neoliberal demands. We already see signs of that in:

1. Countries' challenges to patents for drugs vital for treating AIDS and other diseases,
2. Successful protests against privatization in Latin America, Africa and elsewhere,
3. Regional alliances, such as Mercosur and the Shanghai Cooperation Organization, that provide for cross-subsides and regional financial links independent of the global neoliberal architecture created by the U.S.,
4. Efforts by governments to foster their own industries in sectors (such as aerospace and green energy) that the U.S. or EU are losing the ability to dominate as their neoliberal-induced budget crises sap state investment.

Governments justify, and win domestic support for, these types of efforts to challenge the U.S. and its allies' demands for neoliberalism with appeals to national interests. Similarly, states will gain strength and legitimacy if they challenge or escape American military domination.

U.S. decline will be uneven and occur slowly. The area where decline is strongest is in the economic realm. It is not just that most manufacture has moved to lower cost countries, but that the critical mass of manufacturing capability is no longer present anywhere in the U.S. so it would be impossible, short of the sort of government sponsored and directed economic mobilizations that occurred during the Civil War, the world wars and the Cold War, to reconstitute American manufacturing capacity. Technological and scientific innovation still is strong in the U.S., although in significant fields Europe has taken first place, and a majority of graduate students in hard sciences in the U.S. come from abroad. The day when smart Asian graduate students decide to study at home, or in significant numbers return home with their PhDs, will be the day when American scientific leadership comes to an end.

The U.S. still is the financial center of the world, and the American state and firms benefit greatly from the dollar's continuing status as the global reserve currency. Hopes that the Euro would compete with the dollar were misplaced. China's huge foreign currency reserves and its ongoing effort to establish an Asian Infrastructure Investment Bank as a competitor with the World Bank indicate that even as the dollar retains supremacy, the U.S. government will become increasingly limited in its ability to manipulate the dollar's level at will and that the benefits from dollar seigniorage will shrink, further undercutting U.S. economic dominance.

The U.S. remains the world's military hegemon, with a technological and spending edge over rivals that is unprecedented in world history. No other nation is even attempting to develop military technology capable of competing with cutting edge American weapons. (The few other countries that make advanced weapons, most notably France, Germany and Israel, do so by building off of U.S. platforms and produce and sell those weapons only with American sufferance.) However, American technological prowess has not helped the U.S. to actually win recent wars. Thus, a growing number of countries—most notably Russia and Iran— are able to defy the U.S., at least in their 'near abroads' with impunity.

The consequences of U.S. military decline will affect regions of the world unevenly. In some parts of the world, a strong secondary power will be able to impose its will and maintain stability. Elsewhere, such as Latin America, the U.S. will maintain geopolitical control and prevent other countries from playing a military role, even as American economic and ideological dominance declines. However, in areas with weak or disintegrating states, the inability or (in the aftermath of expensive and unsuccessful wars in Afghanistan and Iraq) unwillingness of the U.S. to intervene will lead to anarchy. That seems to be what is happening in much of Africa, and it could become the case in more of the Middle East unless Iran (perhaps following a nuclear deal with the U.S.) becomes the leading regional power.

There is no indication that China has the ability or is taking the steps necessary to challenge the U.S. on a global scale. Instead, the world will become uneven, with a small set of secondary powers asserting control in limited regions, a few cases of wars between nation states that the U.S. no longer is able to discipline and restrain, and the breakdown of organized states in other parts of the globe. U.S. decline may increase global conflict, but except in regions of state breakdown it will be conflict between strengthened states.

ii. Global climate change

Global warming is likely to render significant portions of the planet uninhabitable. Coastal areas will flood and other regions will become deserts. It is unclear if the world as a whole will experience declining food production (northern Canada and Siberia may become prime farmlands), but certainly some regions that now are self-sufficient in food will experience drastic declines in agricultural productivity, creating famines in the absence of outside aid. The more severe shortage will be water, which in turn will result in further declines in food production. Global warming is causing glaciers that regions, such as the Andes, including the countries of Bolivia, Peru and Ecuador, depend on for most of their water, to disappear. At the same time, underground aquifers are being pumped dry.

Ecological changes brought on by global warming will create massive numbers of refugees. Those refugees are not being welcomed by other countries and anti-immigrant fervor certainly will intensify as the number of refugees increases. Anti-immigrant parties are gaining support in much of Europe, and anti-immigrant fervor animates much of the U.S. Republican Party, and was the main theme of Laurent Gbagbo's 2010 presidential campaign in Cote d'Ivoire. States will gain increasing legitimacy from their own citizens as they try and succeed in excluding immigrants. Politicians in democracies as well as those in non-democracies who still need to secure domestic legitimacy, will play on this issue and trumpet their ability to block refugees from entering their countries. Such campaigns, in turn, will heighten citizens' identification with their nation and fortify their belief that rights are derived from their citizenship in nation states that are capable of maintaining geographic borders and legal boundaries that exclude foreigners. As with wars, efforts to shield countries from refugees and other consequences of climate change, will spur demands for other citizen rights. We see that in the demands of otherwise reactionary anti-immigrant parties for new social welfare benefits and in their denunciations of global capitalism.

Competition over resources is another area where nationalist fervor is going to increase. Much of the discussion focuses on efforts by the U.S. and other rich nations to secure energy supplies in the Middle East and other distant lands, or by China to lock up food and minerals in Latin America and Africa. However, the most powerful struggles are likely to be over water and to be fought out nearer to home. Global warming will create droughts. Population increase, and the desires of growing middle classes to eat meat, which is far more water intensive than grains and vegetables, already is leading farmers to draw down aquifers and dam rivers. Fracking also is highly water intensive.

Strong states are able to take water from weak neighboring countries. The U.S. has repeatedly violated its treaty obligations to share water from the Colorado River with Mexico, creating desert conditions in parts of northern Mexico. China is carrying forward plans to dam rivers that flow into Southeast Asian nations, ignoring those countries' pleas and warnings that the diversion of water will create environmental havoc. Israel is pumping dry aquifers under the West Bank. All these measures are popular in the aggressor countries.

The competition for water and other resources illustrates the principal reality of relations among states in the contemporary world: Some states have high capacities to protect their interests and others have increasingly little capacity. The entire planet, save Antarctica, is divided into nation states with clear, internationally recognized borders. However, in a growing portion of the world, those states are increasingly incapable of protecting their citizens' interests. Weak states do not foster national identities or politics organized around citizenship and citizen rights. To state the obvious: such weak states are unable to mobilize their inhabitants for collective projects, whether military defense or the protection of domestic resources from foreign appropriation.

The difficulty and increasing unlikelihood of preventing catastrophic global warming will turn discussions to efforts at mitigation. The world will be divided into places with strong states able to afford and implement such measures and the portions of the globe with weak and non-existent states that will be utterly unable to protect their citizens. Rich regions with strong states will engage in vast and expensive mitigation projects that will amount to environmental Keynesianism. Like military Keynesianism, such state investments stimulate the economy and create constituencies of private firms and privileged workers with long-term interests in sustaining such state projects and upholding the ideologies that justify them. Just as defense contractors and weapons plant workers were bulwarks of the liberal U.S. state (and their Soviet counterparts of state socialism), so will those engaged in and profiting from mitigation projects revive their commitment to strong states.

Regions of strong and weak states will interact mainly in terms of exclusion and appropriation: strong states will block refugees and will seize resources in shortage for their own citizens. Strong states will enjoy a virtuous cycle in that their ability to shield their citizens, at least in part, from the ravages of global warming, will foster deeper senses of nationalism and commitment to the interests of those they regard as their fellow citizens. I do not refer to virtue in a moral sense; rather, I mean virtue in an organizational sense: that strong institutions foster identities that create commitments to those institutions that make it easier for them to command the resources and loyalties needed to fulfill their missions. The rest of the world will be increasingly stateless, with people lacking protection from or identification and commitment to their hapless governments. Local identities may protect them from foreign invasion, but will be largely worthless in addressing environmental harms.

iii. State breakdowns

Places with weak or absent states, whether caused by environmental pressures, overpopulation, or invasion by the U.S. or other great powers, give rise to armed militias, mafia-like local rulers, and rapid declines in health and life expectancy. It is not that militias and mafias undermine states. Rather, states are undone by forces beyond their borders. That, in turn, creates spaces for violent non-state actors to prey on local populations, just as in medieval Europe local nobles used armed retainers to extort resources from peasants and urban factions fielded private armed forces that controlled sections of towns.

We are witnessing the emergence of a bifurcated world of strong and weak states. In much of the world, states are able to use the breakdown of American hegemony and resource and refugee crises to enhance their power and deliver protections to their citizens that strengthen nationalist sentiments and win legitimacy for state officials and their policies. In the rest of the world, states are becoming absent and will be replaced by localized armed actors who can enrich themselves but will not be able to address the collective needs of the local populations they dominate.

States are returning to their position as the prime molders of the social world. The question for the future is not whether states are in decline and will be replaced or overshadowed by alternate social actors. Rather, the question is whether states can sustain themselves in regions that suffer from the greatest demographic and environmental pressures or from foreign invasion. In those areas, anarchy and local thugs are replacing states. Elsewhere in the world, power is flowing from international agencies, the United States, and transnational capitalist firms back to states with the capacity to shield their citizens from external migration and from foreign political and military pressures, and to mitigate the effects of global financial turmoil and climate change. Strong states will have the support of their populations as they seek to create bulwarks against turbulence that comes from abroad.

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About the author:

Richard Lachmann, Professor of Sociology Department, University at Albany.