

Rejoinder to Crouch

Journal of Classical Sociology

2023, Vol. 23(3) 1–8

© The Author(s) 2023

Article reuse guidelines:

sagepub.com/journals-permissions

DOI: 10.1177/1468795X231187110

journals.sagepub.com/home/jcs

Reviewed by: Wolfgang Streeck , Max Planck Institute for the Study of Societies, Germany

I am grateful for the opportunity to respond to Colin Crouch’s essay. To avoid being too long, I will address only one of the issues raised, that of “globalization” and “de-globalization”—a quite central one of course. Beholding the reactions to my book, scholarly and otherwise, I was struck by how often readers, Crouch included, accused me of calling for “globalization” to be reversed, in favor of a “return” to isolated—in German: *abgeschottet*, best translated as “sealed off”—nations and national states.

How could that be? Probably I did not expect that reasonable interlocutors, even with polemical intent, would attribute such nonsense to the author of the book at issue, so I failed to hedge against it. When I still had students, I used to tell them that “globalization” has been around for a long time, as an irreversible stage of world history. Its beginning may be dated to October 14, 1492, when Columbus’ fleet landed on the island of Guanahani, later called San Salvador. This was the moment when the two wings of the human race, which had migrated from Africa to Eurasia some 60,000 years earlier, met again and reunited forever. One had moved west, where for many thousands of years, until they understood how to sail against the wind, they had to stop at the Atlantic. The other went east to the opposite coast where they ended up settling the two Americas. With the Spanish fleet’s landing, humankind was “globalized.” The political organization of the now earth-spanning human species changed continuously, from the empire of Charles V, in which the sun never set, through a variety of intermediate forms to the post-1990 U.S.-centric world capitalism, the New World Order of the elder Bush. What I discuss in my book is the merits and demerits, not of globalization as such—this would be utterly foolish—but of the economic and political form it has today taken, a form that—fortunately, I believe—is currently about to break down, after it has proved neither technically nor politically sustainable.

What exactly is it that we are talking about as we discuss the kind of “globalization” that existed at the turn of the 21st century? As a political-economic project it was associated with the post-communist “end of history” period of the early 1990s. Then already undergoing its neoliberal transformation, capitalism ruled supreme. On the part of the sole remaining superpower, it invited confident hopes for a “New American Century,” a borderless world of free markets under American law, unhampered by the petty politics of nation or class. It was no longer countries competing with countries that would make

Article by an MPIfG researcher

Wolfgang Streeck: Rejoinder to Crouch. In: Journal of Classical Sociology 23(3), 452-459 (2023). Sage Publications
The original publication is available at the publisher’s web site: <https://doi.org/10.1177/1468795X231187110>

history, as in the first wave of economic globalization and neoliberalization after the end of the postwar settlement in the late 1970s, but firms competing with firms, operating worldwide under a so-called Liberal International Order (LIO), supposedly “rule-based” and enforced by international institutions superseding the nation-states under their jurisdiction. To distinguish the new era from its predecessor, Dani Rodrik suggested the concept of “hyperglobalization” (discussed on pp. 242 ff. *Zwischen Globalismus und Demokratie*, from here on *ZGuD*), state-free and market-driven, maintained by global governance rather than democratic government, as anticipated in globalist utopianism. When I speak of globalization, I mean this particular version of it, which originated in the early 1990s and, as I argue, came to its end a little more than three decades later.

In what sense am I critical of globalization, or more precisely: hyperglobalization, and in this sense in favor of de-globalization? First, because it was not what it claimed to be, and second, because it was a failure even in terms of what it was. Whereas states were supposed to have vanished, to be replaced by universal rules under de-politicized, stateless “governance,” in fact one remained standing, and very much so: the United States, turned into a world-state-in-waiting, designating itself and acting as world government—the “indispensable nation” (Obama) as distinguished from the other, dispensable ones, in short: “the shining city on a hill” (from John Winthrop 1630 to Maya Angelou 2021). Rather than dissolving national statehood in a de-nationalized and de-statized, cosmopolitan global order, hyperglobalization turned the world into a consolidated extension of the zone of influence of one state only, set to become the sole and single proprietor of state sovereignty, at the center of yet another global empire, bigger than ever, in which the sun never set. But then, global one-state rule cloaked as global no-state rule didn’t ever come even close to providing the world with a stable order, neither technically nor politically. In fact, it began to fragment the moment it had seen the light of day, partly because its hegemon, as hegemons usually do, confused its own parochial urges and interests with the universal desires of humanity. Dressed up as global governance, American rule lacked any capacity to recognize and deal with the vast diversity of local interests and problems in its worldwide domain, like keeping intact the global lines of communication and arrangements for cooperation required for the hyperglobalized political economy of the new one-world empire. It is against this background that I in the book suggest that we embark on a search for a more decentralized global order—still global to be sure!—based on distributed rather than monopolized, equal rather than unequal political sovereignty, allowing for democracy governing markets rather than markets governing, and preempting, democracy.

Working on the book I was surprised to learn two things: how rich and sophisticated the anti- or de-globalization literature had been already before the first and still hopeful years of the New World Order (see *ZGuD*, pp. 398 ff.), and how crisis-prone that order was from the very outset. Much, but by far not all, of the criticism came from what is called the global south. The main point was that the prospects of “development” that hyperglobalization offered to countries and regions that were considered “underdeveloped” were not just vastly exaggerated but responded more to the needs of the rich developers and their also rich local allies than to those of the poor developpees, especially if one left China, a peculiar nationalist-communist variety of capitalism, out of the picture.

During the 1990s, the US-run World Bank rapidly ran out of legitimacy, as did the equally US-run International Monetary Fund, while the World Trade Organization got stuck after a brief international honeymoon, as did the various free trade agreements that were to fill its place. With time the New World Order revealed itself to be a playing field, indeed a hunting ground, for a posse of huge American firms, from the Silicon Valley in particular, propped up by American defense contracts and associated with the conversion of the financial system of the United States to the financial system of the world. Already early into the New World Order, opposition against a one-rule-fits-all international political economy began to grow among all sorts of un-American rednecks hiding in backward corners of the globe. Concurrently one economic crisis followed the other: the Russia crisis, the Asia crisis, the collapse of the Long-Term-Capital-Management hedge fund (nota bene: long-term!) in 1998, its business plan based on the latest achievements of mathematized economics, and then the almost-catastrophe of the global financial crisis of 2008. All of this accompanied by *forever war*, the United States not seeing a single day for three decades in which it was not at war somewhere in the world, with its arms spending growing, during the post-2001 “War on Terror,” to one-and-a-half times that at the high point of the Cold War.

My book, in a nutshell, attempts to encourage a discussion on an alternative to the unsustainable one-state imperial order of the post-communist neoliberal era. Rather than speculating on how to perfect that order through more and better centralization, de-politicization and unification, I suggest that we look in the opposite direction, toward decentralization, re-politicization and differentiation, in search of an *aliud* rather than a *plus*. (In doing so I take seriously the famous insight, attributed to none other than Albert Einstein, that “doing the same thing over and over again and expecting different results” amounts to “insanity.”) By arguing, as it were, for a change of direction of 180 degrees, I am not offering an out-of-thin-air patent recipe to be put into practice by the powers that be, as is the habit of all-too-many lonely thinkers in their lonely studies.¹ Instead I am trying to give definition to and draw practical conclusions from what I observe to be real tendencies in the real world, among them most prominently the broad and growing resistance to the ever more centralized and unified globalist version of globalization. A move toward more local autonomy, toward distributed rather than consolidated political sovereignty would, I argue, be at the same time a move away from technocracy, bureaucracy and what I call marketocracy. In practice this might offer a possibility for a reinvention of egalitarian popular democracy, perhaps even an opportunity to “take back control” over the advance of capitalism as a force of “creative destruction” (Schumpeter) under the economic imperative of “plus-making” (Karl Marx). In short, what I advocate in the book is nothing more, and nothing less, than that we turn our conversation on globalization and de-globalization into an exploration of the possibilities of a *non-globalist global order*, indeed a non-globalist constitution for a global society governing its global economy while respecting the diversity of its local economies and societies.

While not a few readers have found this program strange, if not outlandish—and I think I can include Crouch among them—to me it is simply the logical consequence of what we have all seen in the years of the New World Order—its profound international as well as national anomy due to a lack of government; its fundamental instability and crisis-proneness; its dependence on the whims of an imperial center constituted as a giant

nation-state armed to its teeth; and not least the bloody international conflicts that it kept producing throughout its lifetime, without settling any of them. Moreover, the change of direction I suggest may open a line to those among the new “populists,” left and right, who feel overwhelmed and disenfranchised by the power of global markets, firms and para-democratic governance, and who insist that the states whose citizens they are reclaim and exercise their responsibility for protecting their well-being. Rather than excluding them from public debate as congenitally unreasonable, unfit for democratic participation and undeserving of consideration in political debates on the collective good, I recommend that we take them and their grievances seriously. To me, they raise legitimate questions concerning the nature of statehood, national and international, in the globalized world of today—including questions, implicitly or explicitly, of how a state system must be constructed that, unlike that of hyperglobalization, might provide a base for something like a democratic socialism dedicated to dethroning capitalism as society’s master and turning it into its servant.

While as mentioned de-globalization, or re-fragmentation, of the global economy had already started before the financial crisis of 2008 (see pp. 261 ff. *ZGuD*), a strong further impetus came from the experience of the Covid-19 pandemic. As production of goods for export came to a halt in countries that had found it advisable to lock down factories and seaports, far-flung global so-called value chains were interrupted. As a consequence, essential goods became lacking in countries where firms, to take advantage of lower costs in other parts of the global world, had ceased to produce them. Shortages, especially but not only of pharmaceutical products, revealed to a wider public a critical dearth of governability and reliability in privately organized global economic relations, and generally a congenital insufficiency of global governance as a social order for a complex global economy. As I show in the book, this was followed by efforts of both governments and firms—soon referred to as re-shoring—to shorten supply chains for vital products or product components, so as to make them more reliable and manageable. Concerns regarding the security of vital supplies reinforced already ongoing endeavors to gradually withdraw from what was increasingly considered excessive forms of internationalization. Retrenchment was motivated by a variety of other reasons as well, like new technological opportunities and constraints, a desire among firms to produce closer to their markets, so as to be better able to respond to changing customer tastes, environmental concerns over the CO footprint of the global transportation system and growing consumer preferences for “regional” products.

What I could not foresee was that the Ukrainian war would vastly accelerate de-globalization and decentralization, now with an additional, geopolitical-military rationale, through a combination of “friend-shoring,” as a new version of re-shoring, and enemy-sanctioning. The war that began in 2022 was the culmination of the long good-bye to the New World Order and marked its final demise. In an intriguing way it brought to fruition a self-destructive logic inherent in the paradoxical construction of a state-free one-state global political economy. Benefiting from their inclusion in the borderless one-world economy of the post-communist era, Russia and China, the one nurtured by Europe, the other by American Walmart customers, gradually built up sufficient economic and military strength to afford rediscovering their national interests in not being governed by the United States and its “rule-based” global governance regime—one-time wards that had

grown up to want to stand on their own feet. (In some way this replicated the situation in the preceding stage of globalization in the 1980s when Germany and Japan, both beneficiaries of liberalized international trade, had turned from protectorates of the United States into competitors.)

By the 2010s at the latest, China and Russia were no longer satisfied with economic progress in the shadow and under the guardianship of the US-American global super-state, feeling strong enough, or in fact compelled, to demand equal instead of bogus sovereignty. By refusing to allow the United States to determine where their countries and their zones of influence ended, just as the United States did not allow them a say on its own zone of influence—if only because in the American view that zone now included Russia and China under something like a globalized Monroe Doctrine—they began to challenge the rules on which the hyperglobalized empire of Bush II, Obama, and Biden was based. At this moment the New World Order came to its end, and the global state system was ready for a deep reorganization in recognition of the fact that, where nation-statism had been claimed to have been overcome, the one-and-only state that had seen itself governing the world for an indefinite future now had to live with other, rivaling states.

Another way in which de-globalization and the re-fragmentation of the global political economy had grown out of the internal asymmetries of the New World Order was that the latter had vastly increased the possibility for some states and blocs of states to fight other states by imposing on them economic sanctions. Neoliberal ideology had celebrated the integration of national economies into one global economy as liberation of economies and societies from oppressive state and class politics. What it left out was that economic integration can be a source of power for countries controlling resources that other countries lack but cannot do without. In such cases, economic *interdependence*, as cultivated by free international trade, may turn into economic *dependence* where a country has greater need for the resources of another than the other country has for its resources. To the extent that there are still states in what pretends to be a borderless market under a rule-based, that is, de-politicized international regime, economic dependence on large and resource-rich, potentially autarkic countries can be strategically turned by the latter into political dependence, by subjecting less well-endowed countries to economic sanctions with respect to both imports and exports. The principal case that comes to mind is, of course, the United States which, as global economic integration increased in the neoliberal era, soon learned to use its low economic vulnerability as a political tool to enhance its “national security.” That autarky can be an effective source of political power precisely in a globalized economy is demonstrated, among other things, by the far-reaching consequences of the achievement by the United States under Obama of energy self-sufficiency through the new technology of fracking. As it soon discovered, this enables the US not only to impose import sanctions on oil states but also, by way of secondary sanctions, to make energy-poor countries dependent on energy exports from North America.

The effects on the global state system of the re-politicization of international economic relations after their fake de-politicization under neoliberalism are dramatic. The would-be monopolist of state power in the neoliberal era, the United States, has used sanctions in multiple ways in recent years. These very likely included the blowing up of

the Nord Stream pipelines to prevent Germany offering Russia a resumption of natural gas deliveries in return for, perhaps, a Ukrainian war settlement along the lines of Minsk I and II that the United States won't condone. (Of course, sanctions related to the pipelines—still economic rather than military—had been levied already before the Ukrainian war.) The United States also imposed ever-more sanctions on China, its presumable adversary in its next war, this time no longer a proxy war like in Ukraine. It is also pressuring its allies to follow suit and limit their economic relations to inside an American-dominated sub-global bloc, cut off from China and its allies.

The resulting pattern of international political economy might be a world divided in two empires, each sub-global rather than global. Both, one centered on a land-based and the other on a maritime state, will be autarkic, or would be in their ideal form: self-sufficient behind a new Iron Curtain which will in particular divide the Eurasian continent at the western border of Russia, heavily policed to deny the Chinese-Russian bloc access to as many countries outside of eastern Eurasia as possible, especially in the Middle East, Africa and South East Asia. Countries other than the United States and China will be reduced to “vassals” (Macron) of the two, and *only* two, sovereign states taking the place of the one, and *only* one, sovereign state of the New World Order. If there is any alternative at all to a bipolar world of this kind, succeeding the unipolar regime of the neoliberal era, then it is a multipolar order in which the two global Great Powers would have to coexist with a significant group of non-aligned smaller countries—as, for a while, during the Cold War. That new “Third World” might include countries like Brazil, India, South Africa, the Philippines, and others. Big enough to resist inclusion in either of the two empires, they might be able defend their national sovereignty against both centers of a now subdivided global regime. Trading with each other as well as, if possible, with the two sides of the Great Divide, they might manage together to fight whatever sanctions the United States in particular might try to impose on them in retaliation.

We don't know in any detail how the two Great Powers of the emerging bipolar post-neoliberal political economy will be organized internally or how they will relate externally to each other.² Above all, it might be doubted until proven otherwise whether China would in fact be capable of assembling an empire to match the American one, and whether it would not—have to—prefer to join and seek cover in the bloc of the non-aligned (remember that the C in BRICS stands for China). In any case, as a land power China may try to build alliances through extensive provision of credit, not only for border-crossing infrastructural investment like the New Silk Road. For its part, the United States may rely on cultural soft power combined with the huge number of military bases it has all over the world and, importantly, its control of the world currency, the U.S. dollar. (Attempts by China to create an alternative reserve currency for its part of the globe or in any case for independent trading with and among the newly sovereign states of a future bloc of non-aligned countries may be expected to continue.)

For Europeans, the question of all questions will be how a Europe separated from Russia by a heavily fortified Iron Curtain 2.0 can achieve what Macron once called “strategic sovereignty” and now calls “strategic autonomy.” This seems possible only under the auspices of a new global multipolarity, in a world with a significant element of non-aligned neutral powers. Moreover, it is certainly not as a centralized European Union superstate that Europe could escape American “vassalage” (Macron again). The EU of


the future will be dominated by its Eastern European members, with a lot of help from their American friends, in particular by Poland and the Baltic states but also by Ukraine, now the best-armed Continental-European country, regardless of when it will be formally allowed into EU membership. (In any case, as a consequence of the war, the EU is on the way to being transformed for the foreseeable future if not for the duration into a NATO sub-department for economic warfare in general and for financing Ukrainian reconstruction in particular.) Thus, to steer clear of American tutelage, Europe may require a decentralized rather than a centralized political order, if only because France and Germany could never agree on a common European security doctrine, neither among themselves nor with the United Kingdom. A Europe that has a “single phone number” that the United States could call to tell them what is Western policy (Henry Kissinger) is unlikely to escape American supremacy.

That the European Union got stuck on its way to superstatehood may, in this respect, be good news. If one wants to be optimistic, one might try to convince oneself that this could allow European countries to develop independent democratic policies, on both international economy and international peace, below a NATO-ized EU or bypassing it. To the extent that the national interests they choose to adopt are identical or complementary, countries could act on them together, as “coalitions of the willing” in a “Europe a la carte,” without a hierarchical center—which would be a combination of Berlin and Brussels—whipping them into an American-designed new New World Order, now more than ever militarized. Whenever possible, European states, with their sovereignty restored, could then ally, either from case to case or more institutionally, with non-European non-aligned powers—those that the German foreign minister relentlessly tries to persuade that their interests are not in independence from but, to the contrary, in close integration in a US-led Western half, or three quarters, of the world. As the EU continues to disintegrate in effect, due to unbridgeable differences in national interests among an ever more heterogeneous membership, West European countries might be able to regain some of the political sovereignty they had given up to “rule-based” European technocracy.

External sovereignty, as I have argued in the book, is an essential precondition for a country of internal democracy, the integrity of which in turn crucially depends on the capacity of national governments to defend their citizens from the vagaries of international markets and international warfare. Re-fragmentation, disintegration, decentralization under geostrategic auspices—the destruction of globalism now on the way—may entail an opportunity for states, or systems of states, to use for less sinister purposes the autarky that they are being asked to develop in order to defeat the enemy (*ZGuD*, p. 414 ff.). Autarky, of the kind on offer now, countries might seek, not only for more security of economic supply lines but also, perhaps, as an escape from the dictatorship of markets and prices in economic international relations (countries’ “external economy,” as Polanyi put it—*ZGuD*, pp. 202 ff.)—for bringing social values to bear on economic relations (see Keynes, as quoted in *ZGuD*, pp. 398–407, more pertinent today than ever), to upgrade democracy and equality and social in addition to military security. Rather than Germans teaching Poles via Brussels German “family values” (or perhaps non-family values?), they might use their time to put and keep their own house in order, for example seeking effective ways of protecting single mothers with two or more children from poverty.

Decentralization—empowerment of smaller units of collective action and collective responsibility—is not a panacea, as I repeat again and again in the book. Chances are, however, that it may be less certain not to work than European and globalist superstatism. Those who find observing this to be politically incorrect, for reasons which I can only but won't here speculate upon, are kindly asked to put their cards on the table, as I have done, and to reveal the premises that underly their views on democracy and technocracy, citizenship and class, national sovereignty and international hegemony, equality and hierarchy, politics and markets, and above all society and capitalism.

ORCID iD

Wolfgang Streeck  <https://orcid.org/0009-0004-9004-6973>

Notes

1. In *Zwischen Globalismus und Demokratie*, on p. 498, I quote the Italian philosopher, Danilo Zolo, in his brilliant book, *Cosmopolis: Prospects for World Government*, Cambridge: Polity, 1997. p. 180 f.: “I do not believe in the usefulness of institutional engineering worked out on the drawing board [. . .] The libraries of the West are full of treatises expounding in minute detail all the rules and regulations to be brought in to act on in various projected reforms of international institutions that are designed to usher in stable and universal peace [. . .] produced by the fervid imaginations of solitary thinkers, jurists, political scientists, philosophers, moralists, theologians, visionaries. . .”
2. Concerning their internal organization, to the extent that de-globalization will follow a military in addition to an economic or political rationale, with international “national security” another formative influence on the ongoing reorganization of the global state system, what comes to mind is Harold Lasswell’s dystopia of a “garrison state” (*American Journal of Sociology*, Vol. 46, No. 4, pp. 455–468). Re-reading Lasswell one concludes, however, that the concept as such is more instructive today than the way it is hypothetically elaborated in Lasswell’s 1941 essay.