

The World of Super-citizens, Semi-states and Competing Capitalisms

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Evolution is a collaboration. To understand its direction requires a holistic view. Man evolved within the context of and shaped by his environment, by predators, by everything from micro-organisms to the laws of physics. The same is clearly true for social and organizational evolution on this planet. Unfortunately, too often, the subject of the evolution of states is left to political scientists alone and critical drivers of change are ignored.

The future of the state therefore will not be determined by the actions of politicians alone or, I would argue, even primarily. Rather, it will be shaped by business leaders, scientists, artists, by everyone within society and by all those external factors shaping the evolution of society. In fact, that is what has already happened throughout history.

From the first days of ascendancy of the idea of the nation-state, in the wake of the Thirty Years War, such forces have been at work shaping and reshaping its role and its power. Indeed, almost from the moment that it was acknowledged that the state was the fundamental building block of the world community, forces have been at play challenging its primacy and powers. Much as the state vied with the church prior to the Reformation, in its wake came a new and comparable struggle between public and private power.

Over the intervening almost four centuries, the core prerogatives of the state—the ability to control its borders, to project force, to issue currency, to determine and enforce the law— have been altered, diminished and ultimately co-opted by private power. Today, few states control their borders effectively, all but a handful are unable to project force, the vast majority of financial instruments of value in the world have been issued by the private sector, and global actors are able to “venue shop” using their mobility and influence to shape or avoid laws to suit their needs. Indeed, acting on their own, very few states have the ability to meet their obligations to their citizens under the terms of the social contract without relying on collaboration with private actors or multilateral mechanisms.

Today, rather than the world of states taught in political science texts, we have a planet of perhaps 20-30 states that still possess what might be considered the traditional powers and prerogatives of nations and perhaps 150 that have been diminished to the point that they are semi-

states, unable to serve their people except in cooperation with external actors. We also have an emerging class of what might be called super-citizens, perhaps 2000 private entities that have economic, political, technological, and social resources which outstrip those of the semi-states and sometimes rival those of the remaining traditional powers. These giant corporations and a handful of NGOs are stateless, immortal and for the most part legally obligated to pursue not the public good but the narrow self-interests of their shareholders. In addition, we have an emergent, ill-defined, and increasingly vital class of supranational actors designed to guide, influence, referee, connect and manage the relationships among these diverse actors so as to achieve regional or global goals or address regional or global challenges.

We still use traditional language and metrics to describe the world in which the rivalry between these actors takes place, often to the detriment of what is going on. The global actors continue to pursue their interests in ways that knit together international society and bring myriad benefits, but also create challenges that are beyond the reach of states and undercut the relative power of national actors. From unregulated global markets to the climate change to the proliferation of weapons of mass destruction, the degradation or eclipsing of state power has been driven by the active pursuit of private interests (sometimes as an intentional consequence of that pursuit, sometimes not).

For most of the past century the central debate within global society was about how to appropriately balance the interests of the state and of private power (the market). This expressed itself most starkly as the battle between communism and capitalism. When, in the early 1990s, Soviet communism collapsed, there was a moment in which the view was that a particular type of capitalism, the unfettered, leave-it-to-the-markets, brand often called Anglo-American capitalism had triumphed. But two decades later, it is apparent that is not exactly what happened. Instead, a new battle to set the balance between the role of the state and that of private actors has been undertaken.

This new battle has manifested itself in a contest among competing capitalisms, each of which places a different emphasis on the role and goals of the state and private players. There is Chinese “authoritarian capitalism”, Indian or Brazilian “democratic development capitalism”, European capitalism, small-state “entrepreneurial capitalism” as might be found in Singapore or Israel, and American capitalism. Interestingly, because of the excesses and failures associated with deferring too greatly to the market in the American version of the ideology, it appears the world is moving to a balance much more akin to that found in Europe or Asia, with a resurgent role for the state. This is due to the fact that despite the rise of global challenges and the benefits offered by the marketplace, in the end it is still necessary that an actor be directly empowered by the public at large to act in the interest of the greater good.

Because, however, so many fundamental state prerogatives have been eroded by globalization, the rise of super-citizens, the decline of semi-states and the progress of history, there is a vital need for much stronger multilateral mechanisms that can facilitate the kind of international public-private balance that the different forms of capitalism attempt to strike within states. Because our views of sovereignty in most parts of the world have not evolved sufficiently to recognize that the only way to preserve national interests is to cede some upward (much as the power of the citizen is preserved by ceding some rights and privileges to the state), we have been thusfar unsuccessful in creating multilateral mechanisms with sufficient power to establish or maintain this balance. Recent financial crises, our inability to address climate change, our difficulties in containing global criminal or terrorist threats, the difficulties we have in managing global health and social concerns are all manifestations of this short-coming.

We have seen throughout history that when public or private power grows too great at the expense of the other, societies are unable to successfully or justly function. Unfortunately, we live at a time when the balance between actors has been lost in ways that are beyond the reach of even powerful nation states and are certainly beyond the capabilities of semi-states to influence greatly. We lack the vocabulary, metrics or political philosophies to even properly discuss the current situation, imbalances or where they are taking us. As a consequence, it seems likely that for the foreseeable future, we will see a continuing unabated accumulation of power in the hands of a comparative handful of great private actors who will actively work to influence the evolution of global society in ways that make the governance mechanisms we have ever less effective. We will see states struggle against the inevitabilities of globalization without recognizing that their future relevance depends on their willingness to embrace supranational mechanisms. And we will see average citizens caught in the cross-fire and lost in the cracks of this dysfunctional system.

Ultimately, from among the competing capitalisms and the lessons they bring, answers are likely to emerge. Surprisingly, given the viewpoint of just two decades ago, they are most likely to come from Asia or Europe or some synthesis between their views and they will reassert the centrality of national governments, seek global governance modalities to provide the protections that nations no longer can, and will turn on a kind of public-private collaboration that will seem in many respects quite new. In this world, it is likely the most successful countries will find themselves often acting more like corporations and the most successful companies will often find themselves thinking and acting more like countries with both sides recognizing they are not engaged in a zero-sum power struggle –as still described in American political debate– but as rivals who are destined to be partners in one another’s continuing evolution.