

UnHerd

Capitalist radicals will shatter the world

Quin Slobodian

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“We are back to the enigmatic pulse-beat of the messianic,” wrote the literary critic George Steiner a few months after the fall of the Berlin Wall. “No economist-pundit, no geopolitical strategist, no ‘Kremlinologist’ or socio-economic analyst foresaw what we are living through.” The surprise ending to the Cold War was followed by a period that many remember as one of global consciousness: a time of capitalist triumphalism, human rights talk, and corporate extension across borders, oceans, and continents. President George H. W. Bush gave the complex a name in 1990 when he praised the “New World Order”. The decade is marked in historical memory by a trend towards the scaling up of institutions: the World Trade Organisation, the European Union, NAFTA — new encasements for planetary supply chains.

But there were signs of an alternative timeline if you looked closely, one marked by fragmentation as much as unity. Cultural events rippled in the consciousness; there were traces of the possibility that the apparent age of integration might actually be one of fracture.

The two Germanys unified in 1991 but the Soviet Union dissolved the same year. Mikhail Gorbachev was dubbed a “hero of deconstruction”. Yugoslavia began its disintegration shortly afterwards. In late 1991, the Somali state descended into a civil war and would have no central state for over a decade. The Swiss People’s Party racked up supporters as it drafted people against membership in the UN. The Freedom Party in Austria sought to revive nationalism along with the Vlaams Blok in Belgium, and the National Front in France. In Italy, the Northern League called for the secession of

Lombardy. Many of the mainstream press's post-2016 "populist" villains appeared on the stage in the early Nineties.

Pundits were hard on the trail of this alternative plot. In *The Atlantic* in 1994, Robert D. Kaplan warned of "the coming anarchy". "Most people believe that the political earth since 1989 has undergone immense change," he wrote, "but it is minor compared with what is yet to come. The breaking apart and remaking of the atlas is only now beginning." Kaplan foresaw "an epoch of themeless juxtapositions, in which the classificatory grid of nation-states is going to be replaced by a jagged glass pattern of city-states, shanty states, nebulous and anarchic regionalisms".

How to envision this world? Francis Fukuyama had borrowed "the Last Man" from Friedrich Nietzsche. Kaplan proposed a "Last Map", three-dimensional and holographic:

"In this hologram would be the overlapping sediments of group and other identities atop the merely two-dimensional colour markings of city-states and the remaining nations, themselves confused in places by shadowy tentacles, hovering overhead, indicating the power of drug cartels, mafias, and private security agencies. Instead of borders, there would be moving 'centres' of power, as in the Middle Ages."

"This future map," he concluded, "will be an ever-mutating representation of chaos." Of course, the goal of Kaplan's map, appearing in the house journal of the Council on Foreign Relations, was to contain and control the chaos. It recalled the oversized maps of Cold War thrillers from *Dr. Strangelove* (1964) to *WarGames* (1983). Bruce Sterling's novel *Islands in the Net* (1988) also featured a global simulation called Worldrun, used "as a forecasting tool for development agencies" and also as a game. In the interface, "long strips of the Earth's surface peeled by in a simulated satellite view. Cities glowed green with health or red with social disruption."

The Last Map's vision of anarchy was dystopian — a future to be avoided at any cost. This is the dominant perspective one gets from the airport bookshelves and magazine racks: the anxieties of those who perceive themselves to have access to the levers of power, the mapmakers, those who need to figure out how the dials can be tweaked to return order from disorder. Implicitly and often explicitly, this is a story about the reassertion of American overseas power. In a phrase he would repeat variations of for decades, Zbigniew Brzezinski wrote in 1988 that "the only alternative to America is anarchy".

But there were others who saw the crack-up coming and cheered it on. After the Cold War's end, they surveyed the globe and thought: now that capitalism had won, why not go all the way? Fragmentation, they believed, was the new frontier of liberty. Paleo-libertarians like Murray Rothbard and Hans-Hermann Hoppe and conservatives like Charles Murray and Paul Craig Roberts opposed the moves to greater integration that

marked the Nineties, cheered the hardening of borders and called for the revision of immigration laws to discriminate against people from blacker and browner countries, revived race science to support their claims. Some dug deep into medieval history to claim that segregation was good and small collectives should protect their own. They promoted, in other words, many of the principles associated now with the far-Right.

Yet they all had something in common: they were market liberals and libertarians. How did people from the supposed camp of open borders become champions of higher and thicker walls? How did adherents of an ideology supposedly built around the universal figure of *homo economicus* embrace hoary theories of genetically determined intelligence and ignorance? When did zealous advocates of global markets turn against what one called “the beast” of the “New World Order”?

When people think about the direction of global capitalism over the last century, they usually look upwards and outwards: to the supranational and the international level. After the Second World War, America assumed the role of conductor in the world financial orchestra it had declined after the First World War. National economies were layered over with private circuits of trade and inter-state agreements in the form of treaties, regional compacts, and shared membership in international organisations. After the Seventies, when the term “globalisation” was coined, the volume of cross-border flows of goods and money increased steadily before being turbocharged in the Nineties. The graph of global exports shows a steep climb up to the eventual slump of the Global Financial Crisis of 2008, and later the Coronavirus Crisis of 2020.

The term people often use for the period from the late Seventies to the early 21st century is “neoliberalism”. Conservative leaders such as Ronald Reagan and Margaret Thatcher in the Eighties were followed by centre-Left leaders such as Bill Clinton, Tony Blair, and Gerhard Schröder in the Nineties, who consecrated free trade and deindustrialisation as natural, inevitable, and, despite increasing inequality, ultimately a net win for all. Today, it is common to hear all the policies of the Nineties and 2000s — from the transformation of welfare benefits and the move to precarious employment to the privatisation of state-owned assets and the enforcement of austerity — as “neoliberal”.

To some, neoliberalism means a kind of hyper-capitalism and the commodification of every last aspect of existence. To others, it is a package of policies that involves deep scepticism of states but is still committed to using states to safeguard capitalism against threats — often from democracy itself.

The term neoliberalism itself was coined as self-description by a group of intellectuals in the Thirties who reconvened after the Second World War in the Mont Pelerin Society established by Friedrich Hayek, Milton Friedman, and others. “A voluntary community of individuals who share a dedication to the principles of a free society,” according to the *Encyclopaedia of Libertarianism*, the MPS meets regularly for the exchange of

papers-in-progress and response to current events. Its membership includes eight winners of the Nobel Memorial Prize in Economics including Hayek and Friedman alongside George Stigler, Gary Becker, James M. Buchanan, Maurice Allais, Ronald Coase, and Vernon Smith.

What is fascinating to observe is that even as many commentators saw neoliberalism as triumphant, neoliberals *themselves* sang a different tune. On paper, it appeared that battles had been won. At first, free-market intellectuals responded to the fall of the Berlin Wall by putting up busts of Mises and Hayek in libraries and public squares across Eastern Europe, as the region bathed in what the *National Review* called a “neoliberal zeitgeist” in 1990. But victory proved illusory.

Very quickly, neoliberals concluded that the supranational institutions which had once looked promising were socialist Trojan Horses. “Socialism was dead but Leviathan lived on,” as MPS president James Buchanan put it in 1990. Communism had changed shades from red to green. “It is fitting that the MPS, the world’s leading group of free market scholars, was meeting the week that communism collapsed in the Soviet Union,” the *Wall Street Journal* reported in 1991. But those gathered saw that as “Communism exits history’s stage, the main threat to liberty may come from a utopian environmental movement that, like socialism, views the welfare of human beings as subordinate to ‘higher’ values”.

Interviewed by Peter Brimelow in 1992, Milton Friedman expressed a similar sentiment. Asked about the Cold War’s end, he responded:

“Look at the reaction in the US to the collapse of the Berlin Wall... There weren’t any summit meetings in Washington about how to cut down the size of government. What was there a summit meeting about? How to increase government spending. What was the supposedly Right-wing President, Mr Bush, doing? Presiding over enormous increases in paternalism — the Clean Air Act and the Americans with Disabilities Act, the so-called Civil Rights quota bill.”

At the first meeting of the Mont Pelerin Society after the wall’s fall, the president, Italian economist Antonio Martino, hit similar notes when he announced: “While socialism is dead, statism is not.” The three biggest threats he saw were environmentalism, continued demands for state spending, and the European Community. The comedown was intense. At a meeting of the Cato Institute in Moscow in 1990, ice sculptures of hammers and sickles dissolved into puddles as Paul Craig Roberts, the author of a book on the end of communism called *Meltdown*, beamed for the camera. Just a few years later, Roberts warned of an “alien future” in which “whites are turning over their country to Third World immigrants” and will soon have to worry about being targets of “ethnic genocide”. Crack-up capitalists fed on fear of what they saw as the “mutated” socialism of environmentalism and “alienism”.

In the Nineties and beyond, neoliberals began to focus ever more on the vision of decentralisation, dissolution, and even disintegration. Politics must become smaller. Fragmentation was the new frontier of liberty. When the map shattered with the end of the Soviet Union and Yugoslavia, they thought: let it shatter more. In 1990, MPS president Becker wrote that “small fry nations” were entirely viable and perhaps even preferable as they were more dependent on the world market and thus driven to more adjustment. The immediate context he was responding to was campaigns for secession in Quebec from Canada, provinces from Spain and Ethiopia and Lithuania from the Soviet Union.

This post-Cold War period was a historically sublime moment: capitalism had won but what capitalism meant was still undecided. Libertarians were among the most active in this process of re-imagination, with solutions from designing boutique polities and bespoke states to rehabbing existing zones, colonies, and city-states. For these thinkers states should dissolve into platform polities and “start-up societies” offering customised services to customers instead of securing rights for citizens.

For decades, these capitalist radicals surveyed the world for experiments in anarchocapitalism comparable to existing favourites, such as the Wild West or medieval Iceland. They started their own experiments in “micro-ordering” and sparked wide-ranging discussions about the basic requirements for building collective life and the foundational facts of human nature. When Silicon Valley prophets such as Peter Thiel said in 2009 that “if we want to increase freedom, we want to increase the number of countries”, he was speaking out of this alternative zeitgeist. Anyone who thinks globalism is the only way that capitalist radicalism manifests itself should acquaint themselves with those less interested in scaling up than scaling down and opting out.