



© OLIVIO BARBERI. COURTESY: RONCHINI GALLERY, LONDON, YANCY RICHARDSON GALLERY, NY

The next hundred years

By John Gray



The arteries of contemporary life: Shanghai's roads are teeming

By a circuitous route, the world has returned to something like its condition a century ago, in which the risk of war is always present

In *The Great Illusion*, a bestseller in 1913, the Labour MP Norman Angell distilled the ruling wisdom of the time: the immense productivity of global markets had made war a destructive anachronism. A new phase in human history had arrived, a period of continuing growth and prosperity, bringing with it an era of peace. In fact, it was the long peace that Angell and so many others expected that turned out to be the great illusion, and the century that followed was shaped by violent global conflicts.

When the first issue of the *New Statesman* appeared, 14 months before the assassination of Archduke Ferdinand in Sarajevo, European states controlled much of the globe. The culmination of many years of geopolitical rivalries, the First World War destroyed Europe's primacy and led to another world conflict from which the United States emerged as the global hyperpower. Today the US can no longer claim any all-round pre-eminence; but that does

not mean that China, or any other country, can occupy the position in the world that the US once did. Instead, we have entered an era in which no great power is predominant. For the foreseeable future, no one will rule the world.

In this, as in other ways, the next 100 years seem likely to resemble the late 19th century more than the late 20th. There have been significant changes in social and political structures, with women and gay people achieving partial emancipation, and varieties of democracy spreading across many countries. Yet the projects of international peace and world government that many cherished a century ago have not been realised and the pattern that is emerging at a global level looks likely to be another round in a remarkably familiar kind of human conflict.

If geopolitics is the struggle of states for power over natural resources, we find ourselves in an era of geopolitical rivalry ►

► similar to the one that existed a century ago but with new players and higher stakes.

The most obvious shift that has taken place in the past 100 years is also the most clearly irreversible. A trend since 1914, the dwindling significance of Europe as a global player has become an unalterable fact. If Britain has yet to acquire any coherent post-imperial role, Europe has consigned itself to impotence by trying to turn itself into a super-state. Writing in 1927, the visionary French poet Paul Valéry observed: “Europe visibly aspires to be governed by an American commission. Its entire policy is directed to that end. Not knowing how to rid ourselves of our history, we will be relieved of it by a fortunate people who have almost none.”

Being ruled by the US may have been the secret European dream during the interwar years, but the course of events after 1945 was rather different. Europe’s peace was guaranteed by US power (without which Nazism could not have been defeated or Stalin kept at bay) but the European elite were unhappy living in the shadow of the American shield, and from the late 1940s a movement developed aiming to reassert Europe in the world. Its goal was to escape from American rule by becoming like America – a federal state – but one held together by European values and a distinctive type of social market capitalism.

The resulting European project produced 40 years of peace and prosperity. But the goal of forging an American-style polity on the European continent neglected basic differences – not least that the US became a modern state only after a savage civil war and generations of sometimes coercive nation-building. There is no way Europe can replicate the US’s achievement.

A single European currency created in the absence of anything resembling a functioning European polity, the euro has divided the EU and plunged the southern half of the continent into a state of permanent depression. Under pressure from the austerity policies required to shore up the banking system, the social market economy that was meant to mark out European capitalism from the Anglo-American variety is being shredded relentlessly.

The classic toxins of European politics – xenophobia, anti-Semitism and hatred of migrants, gypsies and gay people – are re-emerging as strong forces in a number of countries, together with new forms of populism such as Beppe Grillo’s Five Star Movement in Italy and Spain’s *indignados*. With its political elite fumbling in the face of continuous internal crisis, Europe has

forfeited any prospect it may have had of becoming a global player. Peering ahead one or two decades, it is possible to glimpse a future in which the eurozone has disintegrated and Germany has re-emerged as a mid-ranking power whose chief focus is on Russia and the emerging economies. In any event, the supposed European superstate is out of the game. In geopolitical terms, Europe does not exist.

Europe is not the only player in world politics whose position has altered irrevocably over the past hundred years. Russia entered the First World War as the centre of one of history’s largest empires, but its importance today derives chiefly from the

The classic toxins of European politics are re-emerging

natural resources that it commands. The principal legacy of communism is that the country is ruled by the intelligence services intertwined with organised crime. The Putin regime is one of the clearest modern-day examples of the rise of the extractive state – a phenomenon that has appeared in countries with widely differing political systems. China has many of the characteristics of an extractive state, but so does India; with any increase in prosperity being distributed narrowly among the banks and the top few per cent, the US, Britain and the eurozone also qualify to some degree. Putin’s regime fits the model not only in the sense that its wealth derives chiefly from the extraction of natural resources, but also because one of its core functions is to transfer a large part of that wealth into the hands of a small elite.

Some have described Putin’s regime as a mafia state and, given the killings and unexplained deaths of opponents and critics inside and outside Russia, this may not be an unreasonable description. Reports by Russian central bank authorities of vast illegal movements of capital abroad reinforce the perception of a gangster economy, at the same time suggesting that Putin may not be able to control the system of nationalised criminality he has created. And yet, despite some recent weakness, the regime shows no signs of being in terminal decline. Reasserting Russian independence against the west after a period of national humiliation during the Yeltsin era, with lower government debt than most western countries, and presiding over rising prosperity for sections of the population beyond the oligarchy, while leaving the majority with more freedom than it ever had in Soviet

times, the Putin regime still has more legitimacy than those that preceded it. If it is unstable, that is not because it faces political opposition but because of its over-reliance on oil and gas.

It is a mark of how interconnected the world is today that the principal threat to Putin’s regime should come not from any internal challenge, but from the Arab spring. Upheaval in the Arab world was fuelled by the loose monetary policies adopted in the US after the financial crash, which produced a speculative boom in wheat prices – one of the main triggers of unrest in Tunisia and Egypt. Upheaval in these countries was, in effect, an unintended consequence of American quantitative easing.

Now, another unintended consequence of the Arab spring is emerging: the cost of buying off mass discontent in the countries where it has not spread is rising. Repressive regimes in oil-producing countries need an oil price high enough to be able to fund the increased levels of public spending that are required to stave off radicalisation of their populations. Nowhere is this more true than in Saudi Arabia, which has headed off potential unrest with a mixture of repression and spending programmes. So far, these policies have worked but the medium-term effect is to raise the price of oil to a point at which other sources of energy become economically viable.

A good deal of hype surrounds the “shale revolution”, some claiming that fracking enables the US to achieve the elusive dream of energy independence, withdrawal from the Gulf and a return to a kind of isolationism. Claims of this sort are at best hyperbolic. The US has other reasons to remain in the Gulf aside from securing Saudi oil supplies – the prospect of rapid nuclear proliferation in the region if Iran acquires nuclear capability, for one. Outside the US and China, shale oil and gas are unlikely to be exploited on a large scale. Most European countries (including Britain) are too densely populated for the technology to be applied widely. Rapid depletion and environmental risks are daunting obstacles everywhere. There seems to be no firm, expert consensus on the technology’s potential but fracking is clearly no answer to the world’s energy needs.

The shift to unconventional energy may still be a game-changer, as the effect is to make the position of oil-producing countries increasingly untenable. If higher oil prices are needed in order to appease their restive populations, these same prices will boost other energy sources; at the same time, shifting to other fuels could force the



The modern metropolis: street vendors sell their wares below a pedestrian bridge in Dhaka, Bangladesh

oil price down to a point where the spending programmes that buy off unrest will become unaffordable. Some have forecast that oil-producing countries will be left destitute when reserves run dry—a prospect sometimes linked with theoretical projections regarding “peak oil”. The actual threat to oil-producing countries is less speculative and nearer at hand. By putting upward pressure on the oil price only to flatten it later, the Arab spring has left oil-dependent regimes in a bind that could entrap Russia as much as Middle Eastern producers. Simultaneously, it points to one of the reasons the US may be entering a rebound.

If the US was at the centre of the largest crisis of capitalism since the 1930s, it is also the first country to show signs of renewal. The recovery is slow and sluggish and is occurring against the background of a continuing decline in the living standards of most Americans, which began to stagnate decades ago. The period between the end of the cold war and the eruption of the financial crisis, which many celebrated as confirming US hegemony, paradoxically marked its end. With its wealth founded on unsustainable levels of debt and the country’s chief exports dangerous financial derivatives and ruinously expensive wars,

much of the US’s prosperity in the post-cold-war period was delusive.

The US claim to embody a universal model was empty, partly because of the country’s manifest failings – vast inequalities, poor standards of education outside the top universities, the world’s most overpriced medical care and a prison system larger than that of any other country – but also because the US was profoundly divided. As imagined by the Tea Party, it is a different country from the one represented by Barack Obama. If the world was becoming American, which America would it be? The near-collapse in 2007-2008 only emphasised the extravagance of the claims that had been made on behalf of the US. Ironically, the impact of the debacle has been to quench anti-Americanism. Now that Washington is no longer the centre of things, hostility has changed to indifference. With US power deflated, the rest of the world has largely lost interest.

Partly because of this loss of interest, the US rebound has not yet been sufficiently appreciated. One source of the comeback may be the new energy technologies, which enable firms that have been offshored to “reshore” and come home, and could eventually help to restore the US as a major

manufacturing economy. Another reason may be that the policies of the chairman of the Federal Reserve, Ben Bernanke, have contained some of the largest threats to the US financial system, which is now safer than the financial system in Europe. It may be that the dollar is being slowly replaced as countries opt to trade in other currencies, but there is no alternative world reserve currency on the horizon. For all its problems, some of them probably insoluble, the US remains the world’s haven for capital.

However, the chief significance of the US’s rebound may be political. Obama has not been able to rid his country of its deep polarities and now faces a succession of spending cuts as a result of intransigent Republican opposition. Even so, he has prevailed over the messianic right and gone some way towards renovating government. With very high levels of inequality, a middle class that can no longer afford a middle-class lifestyle and large sections of the population with no real assets, the American version of capitalism remains badly flawed. Yet the system continues to command deep support, and although the US cannot regain the hegemony it has lost it is in a better position to cope with an era of low growth than any other great power. ►

► Ever since the end of the Second World War, the stability of democracies has rested on economic expansion. The importance of continued growth is not simply that people are better off than they were in the past – in that case, it would not matter much if growth rates slowed. Rather, in the absence of growth at something like the pace to which most people have become accustomed, the tacit compact on which democracy has been based risks breaking down. When the social product is no longer increasing, issues of distribution can easily become politically explosive – particularly where there is a widespread perception that a government operates chiefly to transfer wealth to the few. And it is not only democracies that are threatened in this way. Authoritarian regimes are just as much at risk – in the case of China, more so.

There are several reasons why the future rate of growth in the world economy is unlikely to match that of the past. Some have argued that the rapid expansion of the past couple of centuries was a one-off episode, triggered by technological innovations such as electric light, the internal combustion engine and indoor plumbing that transformed life on a scale that cannot be repeated. Others – more plausibly, to my mind – point to rising human numbers, Malthus-style resource scarcities and rising climate change as the chief obstacles.

There are also demographic factors at work. While the population of countries such as Egypt will double over the next 20 years or so, many societies are ageing fast; this has implications for the debt burden that has been inherited from the crash. In Europe and Japan, as well as the United States, debt has been transferred to future generations – a policy that (whatever its morality) can be maintained as long as the next generation is large enough to shoulder the burden. When the next generation is smaller than the last, the merry-go-round slows down or stops.

Nowhere is slow growth potentially more destabilising than in China. The scale and pace of growth over the past three decades have been unprecedented, with hundreds of millions of people rising out of poverty more quickly than at any other time in history. Yet this achievement is also a source of vulnerability, because rapid expansion is the regime's main source of popular support.

China is not a democracy but it does have a form of popular government. Aside from anti-American and anti-Japanese nationalism and painful memories of the Mao years, it may well be only the expectation of

further expansion that protects the regime from mass unrest. Endemic corruption and the role of the Communist Party as a vehicle for elite enrichment have hollowed out the Chinese state. Chinese officials say that order could break down if the rate of growth fell much below 5 per cent annually for a few years in a row, and it is impossible to envision China repeating Japan's experience in suffering decades of near-zero growth while preserving social peace. With a Communist Party apparatus that is deeply distrusted and social bonds having been torn up repeatedly, China is more at risk from protracted economic slowdown than any other major state.

This is not to say, as some Chinese dissidents have done, that the current Chinese regime is facing a pre-revolutionary situation. Whatever else may happen, China is not going the way of the former Soviet Union. Its ethnic problems are not on anything like the scale of those of the USSR and it has not suffered military defeat as the Soviet Union did in Afghanistan. Again, Chinese institutions are not highly centralised and protest has so far been driven mostly by local issues. Nor are the Chinese elite anything like as demoralised as those of the former Soviet Union in the period leading up to the country's implosion in 1991. Wealthy Chinese may be hedging their bets, moving capital abroad and acquiring property and residency in foreign countries, but China's ruling class shows no sign of having lost its taste for power. If its authority comes into serious question, there is little doubt that it will respond with heavy-handed repression.

There has been a tendency to think of world politics as reverting to something like the bipolarity it exhibited in the cold war, with China replacing the Soviet Union as the chief adversary of the US and the west. This is a flawed analogy and not only because there is no likelihood of China collapsing later like the Soviet Union. China's rise reverses the trend of the past several centuries, returning the world to something more like its condition before Europe began to assert global primacy. The emergence of India as a global power is part of the same pattern, along with the advancing roles of Indonesia and Brazil. Viewing the world today on the model of the cold war shows a parochial lack of perspective.

Russia did not become western when communism collapsed but reverted to its long-existing ambiguities as a Eurasian power. China is no more likely to embrace liberal democracy if the current regime falters. Western commentators are adamant that the values they associate with democracy are universal, and it is true that some values are generically human. Torture, slavery and persecution are bad for all human beings; peace, freedom and tolerance are universal goods. But universal values can be promoted – and subverted – by a variety of regimes. It has been forgotten that democracy can work against humane values, a lesson that the liberals of an earlier generation spent their lives teaching.

Would a democratic China be more restrained in its relations with Japan than the current Chinese oligarchy? Or a more democratic Russia that was no longer led by Putin less inclined to persecute gay ►



DELIVERING FOR THE NATION
SECURING A WORLD-CLASS CIVIL SERVICE

FDA's major new campaign launches in the House of Lords on Wednesday 24 April

The UK's leading trade union for senior managers and professionals in the public service sets out a positive agenda for civil service reform.

JOIN THE FDA AT WWW.FDA.ORG.UK/JOINUS

[@FDA_union](https://twitter.com/FDA_union)

► people and other minorities? Would an Islamist democracy in Syria be less oppressive or bloodthirsty than Bashar al-Assad's secular dictatorship? The answers are not obvious. In any case, such questions, though important, are academic. Power is leaking away from the west and no assertion of the superiority of western systems of government will stem the flow.

The result is a more pluralistic international system but not necessarily a more peaceful world. This need not entail industrial-style warfare of the kind that shaped much of the 20th century. Recent cyber-attacks in the US, the Baltic states, South Korea, Iran and other countries suggest a less visible but more continuous kind of conflict, and the use of drones is further reducing the role of the standing armies of the past.

Alongside new sorts of warfare, older kinds of conflict have resumed. With India and China at odds over Pakistan, Afghanistan and control of the South China Sea, the world's rising powers are locked into strategic competition with one another – and also with the west. Whatever the upshot of French intervention in Mali, it will not be the last such neocolonial incursion. Africa is being remilitarised by western powers in what seems to be a response to China's economic expansion into the continent. The case of the Democratic Republic of Congo – where millions of non-combatants have died as a result of decades-long warfare – shows the damage this kind of conflict can wreak. The terrifying destructive potential of nuclear weapons has altered the modes of warfare without necessarily reducing the human costs of war.

Now, moving into another phase, the eurozone crisis is having geopolitical repercussions. Australia and Canada, though economically heavily dependent on China, are closely aligned with the US in military and security terms – which is not, in the medium to long term, a stable arrangement. In the eastern Mediterranean, the Cyprus banking crisis is taking place against the background of an emerging struggle for control of large deposits of natural gas that have been discovered off the island's coast. There are big questions about the cost, risks and benefits of exploiting these resources, but they matter little in comparison to the geopolitical uncertainties that surround the reserves. Russia has shown signs of interest, though whether it is ready to spark conflict with Turkey and other states that may claim a stake remains doubtful.

Further afield, significant reserves of natural gas have been identified off the coasts

of Egypt, Israel, Lebanon and Syria, all already involved in long-running conflicts.

Many will resist the suggestion that the coming century will be shaped by geopolitical competition. Like Norman Angell, they will insist that war is no longer a rational method of acquiring resources; production and trade are so much more efficient. From an economic point of view this may be true, but it is not economic calculation that determines the behaviour of states. The Gulf war of 1990–91 was a pure resource conflict, and oil was a vital factor in triggering the 2003 invasion of Iraq. As the polar ice melts

Today's rising powers are locked into strategic competition

from global warming, the Arctic may become a site in the next round of the New Great Game. In turn, as changes in the planetary environment become more disruptive, governments are likely to resort to geo-engineering and future wars may feature climate modification being deployed as a weapon. Great powers will co-operate in many areas but against a background of continued rivalry and heightened risks.

By a circuitous route, the world has returned to something like its condition a century ago. Yet there is nothing written that says the coming century must be a rerun of the 20th. Some have seen in the stand-off between China and Japan over the Senkaku islands parallels with the diplomatic tangles that preceded the First

World War. It would be a mistake to write off the possibility of another outbreak of industrial-style global warfare, yet China is not yet the military power that some fear and any escalation in the conflict would probably soon be cut short by a show of American naval force. The next threat to world peace may end up coming from events no one anticipates.

Some patterns can be seen with reasonable clarity. Globalisation has brought higher incomes to hundreds of millions, but it has also left them less secure as their jobs and savings are put at risk by volatile global markets. New religions and social movements will develop to cope with the anxieties of the large numbers who will be reasonably affluent and at the same time chronically anxious about the future. Advances in science and technology will alleviate some of the effects of resource scarcity and climate change, while enabling conflicts between states to be fought out in subtler and at times more destructive ways than in the past.

How these contending forces will play out, we cannot know. The harmonious world envisioned at the time this magazine was founded will continue to elude us, yet that does not mean that history is bound to repeat itself. If we know more than Norman Angell and those who shared his illusions a century ago did, we also have less of an excuse if we re-enact their errors on a larger scale. ●

John Gray is the New Statesman's lead book reviewer. His latest book, "The Silence of Animals: on Progress and Other Modern Myths", is published by Allen Lane (£18.99)

London Philharmonic Orchestra
2012/13 CONCERT SEASON AT ROYAL FESTIVAL HALL

'THE WORLD TURNS ON ITS DARK SIDE' - THE SOUNDS OF 1930s EUROPE
FEATURING BARBARA HANNIGAN

<p>Saturday 27 April 7.30pm Webern Variations Op. 30 Berg Lulu Suite Martínů Double Concerto for Two String Orchestras, Piano and Timpani Bartók Music for Strings, Percussion and Celeste Vladimir Jurowski conductor Barbara Hannigan soprano</p>	<p>Wednesday 1 May 7.30pm Vaughan Williams Symphony No. 4 Tippett A Child of our Time Ryan Wigglesworth conductor London Philharmonic Choir</p>
--	--

Programmed as part of *The Rest Is Noise*, Southbank Centre's year-long festival inspired by Alex Ross' book *The Rest Is Noise: Listening to the Twentieth Century*

Special Offer: 20% off for New Statesman readers
Call the LPO box office on 020 7840 4242 and quote 'New Statesman Centenary' to book. Offer available by phone only.

Regular ticket prices £9 - £65

lpo.org.uk/therestisnoise

THE REST IS NOISE | RESIDENT AT SOUTHBANK CENTRE | ARTS COUNCIL ENGLAND

Copyright of New Statesman is the property of New Statesman Ltd. and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.