

Antipode

A Radical Journal of Geography

Immanuel Wallerstein, Randall Collins, Michael Mann, Georgi Derluguian and Craig Calhoun, *Does Capitalism Have a Future?*, Oxford: Oxford University Press, 2013. ISBN: 9780199330843 (cloth); ISBN: 9780199330850 (paper)

In *Does Capitalism Have a Future?* Immanuel Wallerstein, Randall Collins, Michael Mann, Georgi Derluguian and Craig Calhoun superbly accomplish their main objective: to draw on their accumulated scholarship in macrohistorical sociology to generate a productive and wide-ranging debate—full of disagreement, insight, and provocation—on whether the “deeper structural dynamics” of capitalism give it the capacity to remain viable over the next few decades. To be clear, the debate “is not whether capitalism is better or worse than any hitherto existing society. The question is: Does it have a future?” (p.3).

In pursuing this question, the authors start from a common intellectual foundation of broadly Marxian and Weberian scholarship focusing on the structures of social power and conflict (p.164). But they didn't congregate to simply agree with each other. Indeed, although they agree on a number of major points, a few of which are mentioned below, they ultimately significantly differ in their conclusions. In making their arguments, they also address a number of related questions, including: what might replace capitalism; what must occur if it is to survive; whether capitalism's ontology is that of a system or that of one social network interacting with others; whether the rise of the BRICS strengthens and creates a more egalitarian capitalism or whether it instead compounds its problems and accelerates its demise; what the significance of the environmental crisis, *viz.* climate change, is to capitalism's future; whether capitalism's displacement of labour through technology will now render two-thirds of the global middle class structurally unemployed; and what the relatively fast unravelling of the Soviet system suggests about the fate of capitalism.

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The stakes are clearly high. Having emerged some five centuries ago, the capitalist world-economy is today not just dominant, but the first to encompass the entire globe and virtually all of humanity. As a result, the ability—or lack thereof—of capitalism to persist becomes central to any future approximation of human, and indeed nonhuman, life on Earth. Thus *Does Capitalism Have a Future?* should prove valuable to a wide group of scholars in the social sciences and humanities—not simply those in political economy and sociology—as well as activists and the general public. Indeed, reaching an audience wider than the university is the authors’ larger goal and the book’s accessible style makes it as readable as it is thought-provoking.

If there’s a criticism of the book as a whole, it’s that the reader may be left wanting more. Although keeping the book under 200 pages likely increases its non-academic appeal, another 100 pages would have enabled the authors to more robustly justify their arguments. Additionally, adding more citations and references, including to the authors’ relevant monographs, would considerably aid the reader in further pursuing their provocative arguments. All this said, the book is meant to serve as an introduction and spark for further dialogue and research. Evaluated as such, it excels.

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Immanuel Wallerstein and Randall Collins both argue, in different but mutually compatible ways, that capitalism is nearing its structural limits and will cease to exist c. 2040. Wallerstein is a leading scholar of world-systems analysis. A key premise for Wallerstein is that capitalism is a system, and like all systems it has a (finite) life during which it operates according to a specific set of rules. When it inevitably reaches the maximum extent to which it can execute these rules, it enters a structural and terminal crisis which concludes with the system going out of existence.

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The defining objective of the capitalist system is “the persistent search for the *endless* accumulation of capital—the accumulation of capital in order to accumulate more capital” (p.10). As Wallerstein sees it, capitalists are increasingly finding it difficult to accumulate capital.

What’s causing these difficulties? Wallerstein argues that capitalism features, and has featured from its crystallization 500 years ago in the “long 16th century”, three long-term trends. Specifically, the fundamental costs to capitalists—personnel, inputs, and taxation—have all steadily increased as a percentage of revenue. Wallerstein argues that these trends neared their asymptotes c. 1970, triggering an increasing structural profit squeeze and capitalism’s terminal crisis. The crisis has been compounded by a massive cultural change, also precipitating c. 1970, which dislodged the dominance of centrist liberalism and therefore increased the system’s political instability. Rather than alleviate capitalism’s difficulties, the rise of the BRICS only acts to further destabilize the system and intensify the challenges in accumulating capital. The terminal crisis will persist for the next few decades and by c. 2040 the world will be organised in some non-capitalist system(s). Whether the successor system(s) repeats the hierarchy, exploitation, and polarization characteristic of capitalism, or whether it will instead be relatively democratic and egalitarian, will largely be determined through the political struggle taking place now and in the remaining decades of the terminal crisis.

Whereas Wallerstein sees rising costs producing a structural profit squeeze, Collins sees the end of capitalism developing through a different mechanism over the next few decades. The displacement of labour by technology—robotics, artificial intelligence, and information technology—will increasingly render the majority of the middle class structurally unemployed and, in doing so, will create unsustainable political agitation and extinguish the effective demand needed for capitalism’s reproduction. Collins argues that the five “escapes” which have thus far prevented the technological displacement of labour from completely undermining capitalism are

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now becoming blocked, and, as a result, are increasing structural unemployment. These five escapes are: the creation of new jobs and employment sectors; new geographical markets; meta-markets in finance; Keynesianism in the form of government employment and investment; and educational credential inflation.

Whatever their successes up to now, Collins argues that ultimately none of the five escapes can prevent capitalism's competitively-induced technological displacement of labour from driving increasing structural unemployment. More jobs are now being destroyed than created; there are ever fewer "peripheries" to be integrated; financialisation is increasing systemic risk and volatility; the ability of nation states to sustain Keynesianism has been severely strained; and rising student debt is increasingly squeezing the middle classes. For Collins, then, capitalism's end is a question of when, not if, and the answer depends on the rate at which structural unemployment rises. He figures structural unemployment could grow to 50% by 2040 and that once 50%-70% of the human population capable of working is unemployed, capitalism would be under too much pressure from insufficient effective demand and too much political agitation to survive. Thus, like Wallerstein, Collins thinks the only possible outcome will be the formation of some non-capitalist system. Unlike Wallerstein, Collins further speculates that the world might thereafter oscillate between periods of capitalism and socialism.

Whereas Wallerstein and Collins both predict the end of capitalism, Michael Mann argues that capitalism can survive. Unlike Wallerstein and Collins, Mann argues that nothing internal to capitalism can generate its demise because capitalism has virtually limitless capacity for productive intensification. For Mann, the biggest threat capitalism faces is "external" to it: the intersection of the environmental crisis and inadequate political mobilization. Barring such an externally-driven end to capitalism, Mann offers two schematic alternatives to how capitalism may unfold. The first—the "pessimistic" and least likely of the two—is the development of a "2/3-

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1/3” society in which two-thirds do well and have regular employment while the other third are unemployed and excluded. The second—more “optimistic” and likely—is a low-growing and more equal global capitalism, albeit with an excluded class of 10%-20% of the population. Mann argues that low-growth capitalism has a precedent in the UK in the 18th and 19th centuries when it achieved only 1% annual growth. It happened before, he argues, so it can happen again.

Craig Calhoun sits somewhere between Wallerstein and Collins on the one side and Mann on the other. He agrees with Mann about the importance of “external” threats to capitalism, namely, the environmental crisis, but views capitalism’s internal contradictions as more serious than Mann allows. His main argument is that capitalism’s survival is largely contingent on the renewal of its social institutions. In other words, Calhoun’s view suggests neoliberalism is an unsustainable mode of capitalist development because capitalism necessarily requires an institutional support network of states, non-profit organizations, families, and so on to both reproduce its preconditions—for example, infrastructure—as well as bear the costs of its damages, including pollution and environmental degradation, and unemployment. This is because capitalism is an “externalization regime” (p.147) that depends on expelling costs from capital’s income statement, exporting them to the rest of the socioecological formation, so “issues like pollution and unemployment in volatile markets demand the attention of governments or other social institutions” (p.132). In short, Calhoun argues that capitalism requires organizations other than firms to do considerable work in making continuous capital accumulation possible, and because neoliberalism has eroded these very social institutions and exacerbated associated damages the question is now, in Wallerstein and Collins’ language, “whether such globally-escalating costs can be at all sustained by capitalism” (p.177).

Unlike the others, Georgi Derluigian does not develop an argument as to whether capitalism has a future. Instead, he mainly charts the history of the formation of the USSR and its

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sudden end in 1989 to understand what broad mobilizations from below, and panic among elites, might tell us about the political future of capitalism. In doing so, he also notes that Collins and Wallerstein both correctly predicted the fall of the Soviet Union and that, like their predictions about capitalism's future, their predictions about the USSR's end focused on different but mutually compatible mechanisms: Collins focused on its military overextension (the struggle to control allies and confront rivals); Wallerstein on its structural relationship with the capitalist world-economy ("socialism in one country...may not last unless the whole capitalist world-system is replaced by a different historical system where capital accumulation is no longer the paramount priority" [p.112-113]).

So, what does Derluquian see in capitalism's future? Although his comments suggest he's persuaded by Wallerstein and Collins, he doesn't make specific predictions about whether capitalism is at the end of its rope. Instead, he thinks the crisis of capitalism in the 21st century will primarily unfold in the world-economy as a class struggle over public control of economic institutions, as contrasted with its 20th century crisis which unfolded as a military struggle between states. This class struggle will mostly take place in the core, *i.e.* wealthy, states where social movements have a greater historical legacy and where democratic politics have stronger institutions. As in the past, racism and nationalism will return and be a major danger. In sum, Derluquian suggests the enduring lesson of the rise and demise of the USSR is that insurgent movements from below failed to take advantage of the deadlock and disorganisation of political elites. Thinking smartly about building coalitions and the trade-offs involved will be crucial as the 21st century crisis of capitalism unfolds.

The authors' arguments indicate two points of agreement worth highlighting. First, they agree the world has entered a "stormy and murky" period which will last a few decades. The familiar configurations of global political economy will change in significant ways not yet

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evident, and three outcomes are possible. Broadly outlined they are: the terminal crisis of capitalism as world-system; replacement of the older, Western core states by newer ones, *i.e.* the BRICS; and a global-scale environmental shock with uncertain transformations. Second, they agree that despite, or perhaps in part because of, the tumult and uncertainty, the future remains considerably open. The political struggle and construction and timing of new political structures will crucially determine our collective trajectory and destination.

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Before turning to the book's main contributions and suggestions for further research, two criticisms are worth making. The first deals with Mann's assessment that the most likely future is that of a low-growth capitalism which, through the rise of the BRICS, becomes more globally equal and is forced to rely on high labour productivity and consumer demand rather than highly exploited labour. As historical evidence, he claims that post-WWII capitalism in North America and Western Europe featured such a reliance on high labour productivity and consumer demand rather than highly exploited (Southern) labour. Capitalism did it then, and it can do it again. The first problem is that Mann's view is in significant tension with the notion of core-periphery in world-systems analysis. Core-periphery theory sees the accumulation of capital as necessarily relying on a significantly unequal geographical relation between the core—where relatively monopolized and thus profitable firms are located—and the periphery—where relatively competitive and thus minimally profitable firms are located. The challenge, then, for Mann is to show that post-WWII capital in North America and Western Europe, where most core firms were located, did not rely upon the unequal core-periphery relation with firms in the South. The second problem is that the past few decades seem to challenge the view that the BRICS will

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usher in greater global equality as they rise: greater equality amongst states has been accompanied by greater inequality within states.

The second is an issue in Calhoun's prognosis that rather than collapse, capitalism "may organize less of social, economic, and political life" (p.135). This is confusing because Calhoun affirms that capitalism "is in the end a growth machine" (p.160) and so the only way it could organize less of social, economic, and political life is if the total amount of such activity grew faster than that organized by capitalism. Historically, the opposite seems to have happened: rather than organize less, capitalism's relentless expansion-through-commodification has brought more and more hitherto non-capitalist activity into its fold. Calhoun may be suggesting that capitalism in the future will grow at a slower rate that lags behind the rate of growth in non-capitalist activity yet this doesn't seem to be a likely interpretation because he makes no reference to capitalism growing slowly in the future. Instead, Calhoun might be suggesting that capitalism, which could be understood as a social formation in which capital forms the dominant set of rules, would end but that capital itself would persist in a delimited fashion, as it had prior to capitalism's formation (p.10-11; see also Karatani 2014: 25). Such an interpretation also fits more closely with the authors' speculations about whether different sectors of a postcapitalist world economy could function on different principles (p.191).

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Overall, the book makes a number of valuable contributions and suggestions for further research. First and foremost, it persuasively argues that capitalism's future is not as secure as it might seem: whether it will survive, not just over the long-run, but in the medium term of the next few decades, is an open question. In making their arguments, the authors demonstrate that asking

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such “big-picture” questions about capitalism and world-society are not necessarily fruitless endeavours and can instead produce substantial insight and open new lines of research.

Secondly, the arguments, and particularly Collins’, force us to reconsider, both on theoretical and empirical grounds, the relationships between technology, employment, effective demand, and the state in capitalism’s development. As Collins exemplifies, there is a growing discourse, and not just from the Left, that capitalism’s continual technological development in the form of robotics, information technology, and artificial intelligence may now finally destroy more jobs than it creates. Indeed, Marxist geographer David Harvey makes arguments similar to Collins in his recently published book, *Seventeen Contradictions and the End of Capitalism*. In a chapter on the contradiction of “technology, work, and human disposability”, he notes that although labour-saving technological development is central to capital accumulation, “the contradiction between value production on the one hand and runaway labour-saving technological innovation on the other is headed into more and more dangerous territory. This danger confronts not only an increasingly disposable population facing no foreseeable employment opportunities but also (as even Ford clearly sees) the reproduction of capital itself” (Harvey 2014: 108).¹

Harvey labels labour-saving technological development technology with six others as a “moving” contradiction, that is, one which changes over time and space (as he sees things, there are three contradictions posing a danger to the reproduction of capital itself—namely, endless compound growth, capital’s relation to nature, and universal alienation). Whether this suggests some ambiguity or hesitation about whether capital’s drive to save labour will terminate capitalism is unclear. What is clear enough, however, is that ongoing advancements in robotics,

¹ Harvey is here referring to the writer and software-developer Martin Ford (2009).

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information technology, and artificial intelligence make more pressing further theoretical work on capitalism's interrelation of technology, employment, effective demand, and the state.

Finally, and particularly relevant to geographers, the book indicates that much work remains to be done to theorize the materiality of capitalism. The authors highlight the significance of extra-human natures to capitalism in different ways. Yet despite the close temporal proximity between the alleged end of capitalism and the onset of a global-scale environmental crisis, the authors do not provide a robust theorization of what appears to be something more than a mere contingent relation between these two massive, both spatially and temporally, events.

David Harvey gets its right when on his back-cover endorsement he says "This should be mandatory reading for every college student in the world, not because it furnishes the answers but because it opens up all the most important questions." Not just for undergraduates, *Does Capitalism Have a Future?* has the potential to re-orientate and re-situate the thinking, work, and everyday engagement of scholars and the wider public alike with its vision that a new political horizon may be emerging—one in which capitalism has an uncertain place, if a place at all.

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