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A New Medievalism?

The growth of informal ways of governance means that states must now negotiate their sovereignty with new types of actors. According to John Rapley, this means that modern states are increasingly becoming 'neo-medieval' ones — first at the West's periphery, then at its core.

By John Rapley for ISN

Yes, the barbarians are at the gates. But they're not who you might think.

Ever since Gibbon published his *Decline and Fall of the Roman Empire*, both professional and armchair historians have pored over ancient tea leaves to discern omens for the contemporary West. Those who detect modern rhymes to Rome's collapse usually conclude that a sort of moral or spiritual decay will so weaken the empire that an external force will be able to topple it. Niall Ferguson, for instance, who in *Colossus* likened 9/11 to a spectacular barbarian "knock at the gates," concludes his *Civilization* by saying that the West's own pusillanimity, and not an outside power, will be the greatest threat to its civilization.

He is right to study the history of empires past for clues to the possible future of the modern West, but he's sleuthing in the wrong places. In a forthcoming book, Peter Heather and I argue that the history of empires is ultimately written not in their core, but in their periphery. We came to this thesis separately – Heather in studying the fall of the Roman Empire, I in my work on contemporary globalization. But when we juxtaposed the ancient and modern records, we detected a common rule: when an empire and its periphery operate at very different levels of economic development and overall wealth, but have built up close economic, political, and even cultural ties, income levels in each will tend to converge towards their shared mean. This convergence will be effected by the most mobile factor of production. In the ancient world this was labor -- hence the Volkerwanderung of the late Roman period, which redistributed economic and political power right across western Eurasia, ending the Roman Empire.

The modern trajectory began similarly, but is leading to a slightly different outcome. In 1800, the the ratio of income per head between the world's richest and poorest countries stood at about 3:1. After a century-and-a-half of colonialism, it had increased some tenfold. This "great divergence" coincided with the construction of the modern nation-state, with its attendant principle of what can be termed universal citizenship: universal suffrage and the welfare-state, which delivered the fruits of capitalism to all. But while the extraordinary capacity of the modern state was attributed to capitalism's productivity, to some degree it was an artificial construct, made possible by the effective subsidies of imperialism's net resource transfers. This was an age when Western countries not only promised cradle-to-grave health care and thirty-year retirements, but still had enough money left over to eventually send men to the moon and fight the occasional “war of choice.”

When most of the world’s colonies obtained their independence after World War II, their ruling classes modelled their new states on those of the West, attempting to offer at least a semblance of similar welfare-provision, and replacing traditional authorities with bureaucrats and state security agents. The long global economic expansion that followed the end of the war, which drove demand for primary resource exports from the former colonies, seemed to justify such ambition. Yet while the new states were able to ride a wave of average annual growth in the 4-6% range, their rush to exploit the demand for their resources tended to further reinforce patterns of economic backwardness, compounded by their initial inability to overturn a global trading system tipped in favor of industrial exporters. Thus, the end of colonialism failed to stem the divergence. By the end of the second millennium, the developed OECD countries accounted for four-fifths of the planet’s income.

Furthermore, this imbalance was entrenched by a global labor regime that locked the benefits of international trade in the core. Nearly two millennia before, the new states on the margins of the Roman Empire had risen by sending raiding parties across the border, ultimately transferring its wealth to northern Europe. In contrast, the modern era’s new state elites, eager to keep human capital at home in order to build their regimes, helped to maintain the immigration policies of the West by enforcing border controls with that emblematic marker of state dominance, the passport. The result was something akin to a system of global apartheid, with the “white suburbs” of the West built atop a disproportionate share of the economy’s output, and the mass of humanity living in relatively impoverished “townships” whose leaders struggled to satisfy the demands of impatient citizenries.

Over the long term, this economic model was unsustainable for the same reasons that South African apartheid was. As the gap between the West and the rest widened, capital was bound to seek cheap labor. As my colleague Ha-Joon Chang writes in *23 Things They Don’t Tell You about Capitalism*, Swedish bus drivers earn fifty times what their Indian counterparts do, in spite of the fact that they have the easier job and are probably less productive. But the ancient solution – replacing the Swedish bus-driver with an Indian one -- isn’t an option. Nobody is in the business of organizing mass invasions any more.

However, the modern world economy differs from the ancient Roman one in another crucial respect. Back then, capital was relatively immobile. You couldn’t just break up an aqueduct and relocate it to the northern forests. Today, though, technology has rendered capital almost perfectly mobile: at the click of a mouse, it can move across the globe in volumes that would have made an ancient barbarian weep with envy.

In the final quarter of the twentieth century, a fundamental change occurred in the world economy whose effects, initially modest, would in time prove epochal. When the easy phase of rapid growth in the Western economy reached its limits in the 1970s, the resultant stagnation plunged existing economic models – Keynesianism in the Western core, and state-led national development in the still-young states of the periphery – into crisis. Although the conventional wisdom has it that neo-liberal policies of state retrenchment and liberalization originated in the West with the rise of politicians like Margaret Thatcher and Ronald Reagan, and then radiated to the Third World via the conditions attached to IMF and World Bank structural adjustment programs, in fact governments in developing countries had begun experimenting with the neo-classical economic model from as early as the 1960s.

The effect of policies which deregulated markets, lifted the lid on trans-national capital movements, and opened the door to global outsourcing by reducing trade barriers, was to enable firm managers to exploit the new possibilities of technological changes that reduced the importance of space in production – containerization, the shift to knowledge-intensive production, miniaturization, computerization.

For the first time, the direction of global capital flows [recently switched] in favor of developing countries, with emerging markets now attracting more inward investment than the US, UK or Eurozone. In such a world of foot-loose capital, governments have come under pressure to attract investment by reducing taxes on capital. The convergence of core and periphery therefore masks another great divergence, as wages fall relative to the unprecedented volumes of wealth flowing to an emergent global oligarchy. A [recent study] by the Swiss Federal Institute of Technology uncovered a small web of global corporate control consisting of a few hundred highly inter-linked and extraordinarily wealthy firms and individuals, the wealthiest of whom are richer than most states. Meanwhile, as states have rushed to restore fiscal balance amid tax restraint, they have had to both pare back their service-provision and shift the burden of taxation onto the immobile factor of production, labor, via consumption taxes. This tendency first emerged in developing societies, where a legacy of debt and more rudimentary welfare states has provoked the deepest reductions in state capacity.

However, nature abhors a vacuum, and it is in human nature to seek order. Notwithstanding talk of state failure, the reality is that the retreat of the state has not given way to as much disorder as is often supposed. Most often, informal agents have stepped into the breach to fill the governance gaps (though in the contest to grab “turf,” conflicts among these can give the impression of anarchy, at least during a transition period). Moreover, the very resource-flows that globalization has both augmented but increasingly put beyond the state’s reach has created new avenues for resource-accumulation by non-state actors. Trans-national gangs in Kingston, Rio or Johannesburg; Islamist organizations like the Pakistani Taliban or Senegalese Brotherhoods; private corporations which hire mercenary forces to enforce their claims; Russian oligarchs who recruit gangsters to enforce dubious contracts; all have been able to tap into trans-national resource flows to build small states within states which they use to win the loyalty of, and enforce discipline among, citizens looking for a patron to replace a retreating state, all while using their autonomous control of resources to withstand the state’s efforts to re-impose itself.

From the vantage-point of the people living in the communities controlled by these new players, the state has not failed. If anything, it is proving more effective than the corrupt, resource-constrained formal system it has replaced. Instead, the state has re-configured, taking a new shape in which its sovereignty is not so much imposed as negotiated. Although the official discourse of the world’s capitals has it that these new agents pose an existential threat to the state, on the ground, there is a lot more cooperation with these players than many public officials would be prepared to admit openly. The new actors articulate closely with state agents, whether mobilizing votes for elected representatives or enforcing order and providing intelligence for the police in return for blind eyes to their criminal activities. Able to defend their position with autonomous resource bases, yet unwilling or unable to secede from the state, they thus resemble the medieval barons who came to replace the state-controlled Roman nobility of old. Hence the modern state can be seen, in some parts of the periphery, to be ceding to a neo-medieval one.

If such developments have so far been confined to parts of the periphery, there are reasons to believe this governance model will gradually penetrate the Western heartland. If the current era of austerity proves to be more than ephemeral, the same erosion of state capacity that began in the developing world thirty years ago will set in. The re-assertion of informal networks in southern Europe, in the wake of its austerity, likely anticipates developments elsewhere.

Global convergence is as inevitable today as it was in Roman times, and a new medievalism needn’t necessarily be a fearsome thing. Beneath the surface chaos of cities like Naples or Kingston is a surprising degree of order of informal rules and authorities, which can even abet a high degree of freedom and creativity. Instead, the danger today is that the new barons engineering spatial convergence might so emancipate themselves from retrenching states that they effectively constitute a new, hereditary ruling class. State elites would do well to engage these new players while their leverage is still strong, rather than fight a change that cannot be resisted.

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