

# History is back

*“History”, as Fukuyama intended it, has not ended after all. Thanks to grand technological transformations and sweeping socioeconomic change, the forces of authoritarian populism and of state-owned capitalism are growing, while liberalism is being backed into a corner. The anti-elite movements of today, however, often reflect those very characteristics against which they are rebelling. The economic and social organization of the future has many challenges ahead: the change will not stop.*

In the past year, the future has come into sharper focus. And it turns out, the future is ... history. A quarter century ago, Francis Fukuyama famously wrote that we had reached “The End of History,” with “history” defined as an age-old struggle between repression and freedom, exemplified by liberal democracy, free markets, and human rights. With the fall of the Berlin Wall and the

end of the Cold War, both the ideal and reality of freedom had triumphed. The struggle of humanity was completed.

**Eric B. Schnurer, President of Public Works LLC, is a prolific writer, speaker and public policy advisor. His Greater Good Gathering promotes constructive contributions worldwide.**

Now, it seems, history is back with a vengeance. The forces of authoritarianism, state-backed economic extraction, and violent intolerance are riding high, both across the globe and in an America that – at least in the Obama years – fancied itself as the liberal paradigm of the future. But the seeds of this seemingly-overnight reversal actually were sown well in advance, and the same, interrelated changes in technology, economics and ideologies mean that the age-old struggle continues. The relevant battles, however, will no longer be those between the public and private sectors, or between one nation-state and another: they will be a contest between the virtual or territorial, cooperative or extractive, consensual or coercive, and connected or chaotic. Welcome to the “history” of the future.

A NEW HOPE (AND CHANGE). Not so long ago, but in a country seemingly far, far away, the United States was a relatively homogenous place. It was not uniform, but it was relatively intermixed economically, socially, and politically (except, of course, in matters of race). Barack Obama’s 2008 election was not so much a departure, however, as the culmination of a large number of long-term demographic, political and economic transformations. For the better part of a century, the Democratic Party had been the “Party of the People,” representing the interest of working class Americans against the more business-oriented Republicans; it was also a “big tent” party, embracing the disparate interests of conservative southern whites, prairie populists, urban industrial workers, and, increasingly, racial minorities. (Even the Republicans were somewhat more heterodox than today, encompassing a large number of liberals, particularly on race, as well as far-right fringe elements.) But by a generation ago, Americans were beginning to sort themselves more rigidly by geography, with entire regions and even states largely devoid of one political party or the other. The same was true for such other

socioeconomic factors as industrial composition, income distribution, religiosity, and lifestyle, all of which grew highly polarized and segregated by geography. Even while the nation grew remarkably more diverse racially and ethnically, it remained geographically polarized.

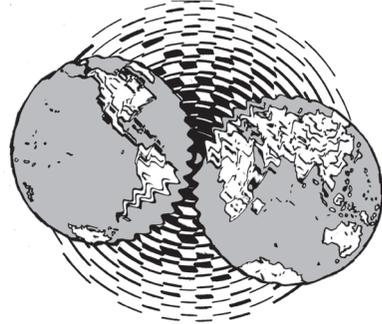
By the time of Obama's election, the Democrats had been remade as a party of coastal, urban, well-educated, multicultural, and well-heeled elites. In contrast, and since Richard Nixon's day, Republicans had been courting the white working class with appeals to a combination of economic, religious, cultural, and thinly-veiled (if that) racial anxieties. Whatever the emotional appeal, however, this Republican strategy didn't produce any real support for "anti-government" policies favoring the elite – something Republican leaders didn't realize until the Donald Trump phenomenon was upon them (and apparently still don't realize now). The stage was set for both parties to lose their working class base – the Democrats to desertion, the Republicans to a hostile takeover. Moreover, while this analysis focuses on US politics, essentially the same can be said about developments elsewhere.

84

**THE EMPIRES STRIKE BACK.** The rising right-wing populism and authoritarian politics worldwide have engendered a continuing debate over whether these are driven by racism and other cultural concerns "or" by economics. In truth, these factors are intertwined.

For nearly two generations, the economy has been moving away from skilled human labor, shifting to cognitive skills at one end of the spectrum and unskilled or, increasingly, non-human labor (a product of the cognitive-skill industries) at the other. Over this period, manufacturing regions have been hollowed out and essentially isolated in country after country – just as agricultural regions were during the Industrial Revolution. Those regions connected to this new cognitive economy have prospered, become more ethni-

cally and culturally diverse, and grown closer together while tearing away from their traditional hinterlands. It is as if the continents had been rearranged – just not physically. Economic inequality between countries has been decreasing. But economic inequality within countries – virtually everywhere – has increased.



And all that was before the Great Recession. The recent recession was this century's equivalent of the Napoleonic Wars of the early nineteenth or Great War of the early twentieth – the shattering of the world order. Despite growing inequities, the post-Cold War world still supposed a meritocratic social contract under which those at the top at least cared about, and acted in the interests of, those below. The Great Recession destroyed what faith remained in that social contract: the elites – political, social and economic – not only acted in their own venal interest (both in bringing about the crisis and then in bailing themselves out at everyone else's expense), but they also demonstrated that, when it came to running the world, they didn't know what they were doing.

**THREATENING DEVELOPMENTS.** Not surprisingly, those on the outer fringes of these developments have viewed them as running counter to their interests; they see that those people benefiting from these developments (the elites) and their institutions – political, economic, cultural – decreasingly responsive to their needs. Democratic participation has been falling every-

where for some time, along with faith in government, the media, educational institutions, science, and even the idea of truth itself.

The technological changes underlying these developments are bringing radical disintermediation to virtually every industry. This makes the current technological revolution different from those of the past, which were centralizing and hierarchical. (The closest comparison might be the invention of moveable type, which made the diffusion of knowledge less costly and more widespread, and eventually led to the translation of religious texts into the vulgate, the Protestant Reformation, the attendant birth of the nation-state, and the emergence of modern democracy.) Not only is such across-the-board disintermediating, democratizing, and distributing technology laying waste to industries (from publishing, broadcasting and music to real estate, retailing and finance), it is also changing the nature of wealth, war, and work – not to mention all forms of authority, including those related to expertise, or truth and meaning. It is erasing lines we have long drawn to make sense of our world, between the physical and ephemeral, ourselves and others, right and wrong, truth and falsehood, here and there.

Of course this is threatening to many. It has engendered a reaction: people are seeking refuge in strong states, territorial bulwarks, traditional values, ethnic demarcations, and even extractive (place-specific, non-virtual, low-cognitive) industries. Vladimir Putin's kleptocracy, an increasingly-statist China, and the resurgent theocracy of ISIS have all been held out over the past decade as competitive alternatives, even by many in the West. Authoritarian leaders and parties, riding the wave of working class anger, have seized power and entered government around the world. Trump's shredding of democratic norms, his administration's promotion of an ethno-state with impermeable borders, and his abdication of global leadership to Chinese and Russian expansionism constitutes the Indian Summer of empire.

RETURN OF THE JEDI? Serious contradictions abound in this rising global reaction, however. Phillip Bobbitt has observed that “terrorism” in every age is simply the mirror image of the corresponding state structure it opposes. Today, the contending alternatives to the emergent power structures of the twenty-first century all reflect the “New World Order” they ostensibly oppose.

The rebellion against globalism is, in fact, global; the counter-revolution against connectedness is connected. The worldview and underlying economic realities of angry young jihadists, aspiring neo-Soviets, Euroskeptics, and militant alt-right extremists in the United States are not only all remarkably similar, they are also all quite aware of that. Indeed, they are slowly joining in common cause. The contest thus is hardly between the globally-connected and the parochial – it’s between two emerging global parties. The “alt” groupings, moreover, are not necessarily politically authoritarian (although they are decidedly anti-liberal and at best apathetic about democracy). Like the radical democratizing and distributed nature of the emerging technologies underlying all this, those who oppose the global direction of recent decades tend toward decentralization and libertarianism as much as the fascism of the past. As has been widely observed, Trump needs his followers more than they need him, and the vast bulk of them seem just as aware as his opponents that he’s a hollow fakir. They don’t empower him for his views, but because he empowers theirs. In many ways, then, the anti-elite movements today – radically democratizing and globally connected groups that reject all leaders and institutions – reflect those very technologies that are shaping the world of the future and against which they are rebelling.

In fact, the strong statists are only hastening the decay of nation-states against which they’re reacting. This is evidenced in the still-simmering subnational revolts in the UK, across Europe, and in both multiethnic democracies and

autocracies in the developing world including in Russia and China. Nor is the US immune: “progressive” states and cities are already increasingly bucking the federal government, both domestically and on the international stage. In this era of discontent, the discontented hardly stops with the state.

THE FORCE AWAKENS. The European elite has satisfied itself that this post-recession populist nationalism is receding. American liberals similarly console themselves with the belief that Trump cannot possibly win re-election with such abysmal approval ratings (they believe he only won to begin with because of our quirky electoral college system). But this is dubious: Trump’s base is unwavering in its support, while the demographics that most oppose him – the young and minorities – tend not to vote. And there’s an old saying in urban American politics, “You can’t beat someone with no one”; right now the opposition has no one. Not only is there no Democratic contender with the stature, gravitas, appeal and message necessary to improve upon Hillary Clinton’s electoral performance – there is no real democratic *raison d’etre*.

In part, that’s because the late-twentieth century progressive program has largely triumphed. Over the last decade, the economy has slowly transformed into one where “clean” cognitive-based industries have mostly banished “dirty” extractive industries and mechanically-oriented work; traditional gender roles and sexual norms have been overturned; formal apartheid has been crushed; liberal internationalism has been declared the only global social system; and traditional warfare (at least between developed countries) has been largely abandoned. It’s shocking to see all that suddenly falling apart at the very moment of its seemingly-unchallenged ascendancy ... if you don’t notice that that’s pretty much how history works. Liberalism is today’s spent force, while reactionaries are seemingly on the rise.

Nonetheless, the very developments driving this crisis pose serious long-term challenges to the alternatives to open, liberal, democratic societies, as well. The crisis of faith across the world is driven by emergent technologies and their attendant double-edged challenges. These will only accelerate in the next decade or two. Advances creating new industries and occupations that generate tremendous wealth for many will also render obsolete large swaths of professions beyond the blue-collar jobs that have so far borne the brunt of change. Capital and credit will become easier to obtain and new ventures easier to launch, while the gains from these will be increasingly concentrated in the hands of a limited few who own the algorithms that represent the new capital. The returns on other forms of labor are likely to decline. Ubiquitous distributed technologies will make it easier for anti-liberal forces to penetrate and “hack” connected, open societies, transforming the nature and territory of conflict. At the same time, it will become easier for individuals to undermine oppressive, centralized systems and regimes and to form their own communities of choice.

THE FUTURE OF HISTORY. The ultimate resolution will likely produce new forms of government, economics and social organization as different from today’s as our world is from the Middle Ages. No one yet knows what these will look like. Hopefully – whether virtual or territorial – the cooperative will prevail over the extractive, the consensual over the coercive, and the connected over the chaotic.

What is certain, however, is that history is only just getting going again.