

# WILL THE WORLD GET BACK ON THE 'THIRD TRACK'?

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The 'Washington consensus' dates back to the 1970s. At that time, major capitalist industrialists of the West faced two sources of competitive pressure.

## *Money flows away from freedom*

By the end of the 1960s, the era of revival and appeasement of the Western economies had ended. They had already gotten back on their own two legs and, at the same time, had come to a point where they exhibited an unheard-of level of mass consumption.

This situation resulted, above all, in the appreciation of labour in the Western countries and Japan. Many old people, who used to be peasants, now expected good retirement ben-

efits and medical insurance for the rest of their lives. Middle-aged blue collar workers, the ones who had actually carried out the re-industrialization characteristic of the 1950s, now wanted to have a stable job and comfortable working conditions. This was the first generation that became used to taking yearly trips to the sea. Young people, the generation of grandsons and granddaughters, headed off to receive their higher education and, upon graduation, they were transformed into the new middle class. These young professionals showed their worth in the 1968 student protests, which, under democratic conditions, essentially threatened to put an end to the domination of conservative patriotic and paternalistic parties and elect some radical Green party instead.

Western elites retorted with a fast turn to the right, towards a rigid neo-liberalism. By following the rules of free market production, they started to move away from those zones characterized by high-cost labour to those parts of the world where there was still largely a starving, predominantly young peasant population and highly disciplinary political regimes. These were primarily dictatorships, that were either military dictatorships, such as was the case in South Korea, Brazil and Chile, or else communist regimes, as was the case in the People's Republic of China and later Vietnam.

**Money did not flow into the USSR, because it had neither a mass peasantry nor a real dictatorship at the time.** By the 1970s, this country was closer to Europe in these respects than it was to the third world. For the West, especially for the USA and Great Britain, allocating production activities out to the third world effectively meant de-industrialisation and a break-up of the working class. They nevertheless managed to repair the social damage by intense financial infusions. In other words, they promoted former

workers to the middle class of lower management and rentiers (through the privatisation of housing, lending, a large number of pension funds, and access to speculating in stocks via the Internet, for instance). This transformation had been preceded, both ideologically and institutionally, by neo-liberalism and the decay of the former left-wing parties and new left-wing movements. Besides, the commercialisation of world markets brought about a lot of bankruptcies as a result of the emerging industrialisation of various third world countries.

## *Alignment of the 'non-aligned states'*

China and India are still countries of the third world in which long ago, say in the 1950s, there finally appeared centres of national industrialisation. These countries, as well as Brazil, struggled along, fighting for more or less worthy positions in the world hierarchy. Under Jawaharlal Nehru (India) and Mao Zedong (China), these countries' strategies were developed on the principles of internally-oriented capital accumulation and the building of broad foreign policy alliances.

In what was then a 'non-aligned movement', anti-imperialism and the new global economic order were much discussed. Now, on the contrary, their strategy is, like it or not, based on an externally-oriented accumulation of industrial potential and a political loop directed back at themselves. All governments are looking for some acceptance of their national character, but they try to be very careful when it comes to the sources of their current economic growth, which are predominantly external and western.

So far, we cannot create any plausible alliance of the global South, which is capable of influencing not only its own, but also world affairs. Why is this so? This is namely

because China, India and Brazil are dependent suppliers of goods and services to the markets of the developed Western countries and Japan. The same can be said about Russia, in fact, although now it is only a supplier of energy and raw material resources to its European partners. All of them are part of the global financial super-system, which they can probably shatter or even destroy with the currency reserves they have accumulated in recent years but still cannot manage properly. The only option left here is to keep on the same track that they are currently on, with more or less well-informed adjustments.

The ex-Soviet republics, once labeled as “the second world”, played this round with the worst results. Specifically, there has been a de-industrialisation that is much more spontaneous and destructive than even that which is observed in the ‘rust belts’ of Pittsburgh or Glasgow. This has been worsened by being combined with a financial and corruption trap, similar to the kind seen in the third world.

**Neither China, nor Brazil, nor India nor even Russia, to say nothing about the European Union and Japan, represent a viable alternative to the hegemony of the USA.** They have not disposed of their dollar assets. Moreover, they have kept buying them. Turbid talks arose about multi-polarity, social accountability, and the necessity to regulate financial markets. They only reflect the discontent of the elites in many countries of the world. Nevertheless, this is not at all evidence of some kind of new world order, and not even a resistance against the existing one.

### *Anticipating ‘the changes’*

However, a credible and viable alternative cannot be found overnight. Just think about it, the last generation of big thinkers, big ideas, style and drive disappeared with the end of the 1970s. At that time, social life had a great emotional and creative energy boost. It manifested itself in everything, from the rock music to the conflicting vision of the world put forward by Raymond Aron and Immanuel Wallerstein. (The 1970s went largely unnoticed in the USSR during its period of stagnation. It all came back to us quite a bit later in a short burst of public activity at the times of glasnost).

It is probable that things could be changing right now. Having virtually overcome the financial crisis, the West now faces a crisis of a social nature. My American and European students cannot find the jobs they expected to have upon graduation. It is not clear now whether they will ever find such a job. In other parts of the world, the situation may be even worse. A need for changes, which still remain vague and unclear, is beaming through the sphere of world discourse. Thus, ideas still might arise and polemic clashes still might occur. It would be good to have a close look at our recent history and at what is going on now in order to avoid the same catastrophic disappointment that happened with the ‘new thinking’ of the times of the perestroika, which were so optimistic at the very beginning. ■

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## BEYOND IMITATION

*Boris Mezhuev*

The new book by the Russian political scientist and theologian **Dmitry Furman**, entitled ‘Spiraling’, is devoted to the democratic experiment that has been carried out in Russia over the past twenty years. Gorbachev’s reforms gave rise to this experiment. He approved the relaxation of the total control over the political process by the Communist Party, as well as relatively free elections for the representative bodies of government. Meanwhile, the revolutionary and non-legitimate effects of Gorbachev’s overthrow, which took place at the initiative of the leaders of sovereign Russia, broke the natural transition of the state towards democracy. Yeltsin and his supporters could not withdraw from power and rely on the free expression of the voter’s will any longer. As they entered the 1990s, they made both themselves and the state more and more closed to any other alternatives apart from the strengthening of the authoritarian model of power and the marginalisation of the opposition.

Although a lot of harsh words are said in this book about Yeltsin’s successors and especially the first president of Russia, **the crux of the author’s criticism is directed at those democrats who insisted on the right of the President to violate existing law and the Constitution in the 1990s** and who went on to depict themselves as advocates of democracy throughout the next decade. Furman is generally dissatisfied with the Russian political system, but he is unique among today’s critics of this system in that he recognises its actual creators. He points to those ‘democratic authorities’ that previously demanded that the state leader put pressure on the Parliament and ignore the Constitution at the beginning of the 1990s.

Furman is relentless and exacting in his convictions. He is also right when he compares our political model with analogous models, with the **imitative-democratic** models of the CIS countries, as he calls them. He reveals their obvious similarity, though he doesn’t really pay attention to the differences between them – during the post-Yeltsin period in Russia, the acting president did not prolong his term as head of state for an indefinite period. The hereditary presidency in Russia was subsequently replaced by tandemocracy and, together with its rise, some degree of hope for a new circle in the ‘democracy’ spiral emerged. However, Dmitry Furman is very vague when it comes to elaborating on these hopes in his book. In the end, he leaves the reader with a feeling that a new spiral will come about, not so much as a result of good intentions on the part of the present head of the state, but by the fundamental contradiction between the seemingly global devotion to democracy and the equally global indifference to it.