

History

Dyrehaugen Web Notebook

2023-11-15

Contents

1	History	5
2	Roman Empire	7
3	Israel	9
4	Russia	11
5	USA	13
6	Fordism	17
7	War	19
I	Appendices	21
A	About	23
B	Links	25
C	NEWS	27

1

History



2

Roman Empire

Roberts

In my view, while there has been a relative decline in US economic and political hegemony since the golden days of the 1950s and 1960s, from the 1970s onwards that decline has been gradual and possible challenges to US hegemony eg: Japan in the 1970s; Europe in the 1990s; and now China (+BRICS); have not and will not succeed in replacing it.

I likened the situation using the analogy of the decline and collapse of the ancient Roman Empire in the 3rd century ACE. Some scholars argue that the Roman Empire collapsed because of outside forces ie invasions and rising contender states (ie BRICS?). But others argue, rightly in my view, that the real cause was the economic disintegration of the dominant slave economy within Rome. Roman conquests had ended in the late 2nd century ACE and there were not enough slaves to sustain the economy so that productivity dropped off and eventually weakened financial support for the military. Rising and extreme inequality in Rome was a symptom of this decline and eventual collapse.

In the 21st century, globalisation has fallen away and regionalisation is emerging. Inequality of wealth and income in the US and the G7 is at extremes. But above all, the profitability of capital in the imperialist bloc is near all-time lows. The collapse of the Roman Empire also ended the dominance of the slave-owning mode of production, to be eventually replaced by a feudal system. The increased internal disintegration of the US economy could not only end its global hegemony, but also usher in a new mode of production.

Roberts (2023) IIPPE 2023: part one -the end of US hegemony

3

Israel

Shabi

The common leftist view of *Israel's origins as colonial* is borne out by the nation's founding fathers describing it in these terms, while the Palestinians already living in that land experienced it as such in forced expulsions and dispossession. That same expansionist logic, one that violently displaces Palestinians, continues to this day in the illegal Jewish settlements network beyond Israel's internationally recognised borders and into the occupied West Bank and East Jerusalem.

But this obscures the thing that propelled so many European Jews into Palestine in the first place: centuries of endless European antisemitism culminating in the Holocaust. *There would be no Jewish national project in Israel had there been no deadly antisemitism racing across Europe* at that time. The Palestinian intellectual Edward Said expressed this duality in Israel's formation by describing Palestinians as “victims of victims, the refugees of the refugees”.

We can add to that the experiences of Jews who had lived in Arab countries for millennia, with no reason to leave, yet ended up as the socioeconomically disadvantaged majority Jewish population in Israel. Mostly free of the pogroms that were a feature of Christian Europe, these communities were uprooted by a pincer of competing forces: Jewish nationalism in Israel and the Arab nationalisms of countries such as Iraq, trying to shake off the yoke of British imperialism.

None of this justifies the ongoing dispossession of Palestinians, or cancels their right to the same freedoms all humans deserve. Instead, it introduces a universalist understanding of antiracism, to complement the analysis of this conflict as a relentless power imbalance between oppressor and oppressed. It means we can view the Palestinian Nakba (catastrophe), the Holocaust and the exodus of Jews from Arab lands as a tangle of communities caught in the expanse of European colonialism and extreme racial thinking. It opens up the possibility

of a morally and politically coherent view of different racialised minorities, even while our experiences take distinct paths. It enables a rejection of any zero-sum competition over suffering and a rejection of the idea that the safety of one people can ever come at the expense of another. It allows us, in other words, to imagine a shared, equal future, in which everyone is free.

Shabi (2023) To understand Israel-Palestine, first understand the history of racism and antisemitism

4

Russia

Feygin

One of the big debates in the historiography of the USSR is the so-called “neo-traditionalist” versus “alternative modernity” schools. Neo-traditionalists argue that the USSR should be understood in the context of a broader continuity of Russian historical trends. They tend to be social historians who look at the persistence of practices like the economy of favors and see a state that, whatever its intentions, operates through the habits of Edward Keenan’s concept of “Muscovite Political Folkways.” On the other hand, scholars who subscribe to the multiple modernities framework tend to study the USSR as a variant of the modernist state, with roots in the Western enlightenment tradition and the broader global political conjuncture. These tend to be historians influenced by the cultural turn and thus often examine how Soviet social relations are created by the subject’s engagement with what Steve Kotkin called the “grand strategy of the state.” In turn, the USSR is not something outside of the modern experience but a specific variety of modernity: one amongst many. There are, of course, many debates within these paradigms and nuances, but this is the rough idea.

Interestingly, this whole debate is mostly about the Stalin era and, even more specifically, pre-war Stalinism. The post-war, post-Soviet, and late-Soviet periods don’t play into things that much. This is because of how the field evolved over time and because the bedrock question for these histories is the legacy of 1917: how that revolution turned into that regime? Was it an inevitable result of Leninism, or was it something particular to Russia’s social structure?

What things like understanding Wagner as a PE firm force us to do is not only go beyond the usual timeframe of this debate but also make some assumptions very explicit. First, it has to contend with modernity as a moving target, one that the USSR’s existence shaped. Is the Cold War part of modernity or post-modernity? Is the American hegemonic system the same as the European Imperial one that

the USSR was born under? Maybe that was easier to put aside in the 1990s when these debates began, but it is not so easy now. Second, we should have a very thick and explicit distinction between “micro” and “macro.” Historians hate theory, but the micro-macro distinction, even if it is reductionist, does help other social scientists have a language about causality. Do we have to root our model of the world on some micro actor’s rationality, or do macro conditions themselves form the concept of rationality is as much a debate in economics (well, not in the mainstream of the field but increasingly more so) as it is in the Soviet subjectivity debate within the multiple modernities approach (whether there is some subject that rationally reacts to ideological projects or whether we should not see these reactions as a cost-benefit analysis and examine belief as an articulation of genuine beliefs).

Why I find this thought about the Concord group and violent PE so intriguing is that it offers us a way to look at the Russian state through the lens of political economy: that is to ask how it has adapted very liberal institutions like a private equity firm to very illiberal means. This does not mean that Russia or the USSR is some perversion of or final boss of modernity. Nor that it is traditionalist and guided by folkways more or less than any other society. Rather, it is a set of elites with tools that they adapt to do something at a certain cost and with some form of leverage that is structured via lots of complex path dependencies and constraints. Concord Group’s adaptation of the PE model, by some accounts, the ultimate representative of globalist neoliberalism to achieve the Russian state’s very un-globalized Great Power political ends provides a lot of food for thought.

Feygin (2023) Wagner Group, Private Equity, Historiography

Kylova (2017) History of The ‘Soviet’ (pdf)

5

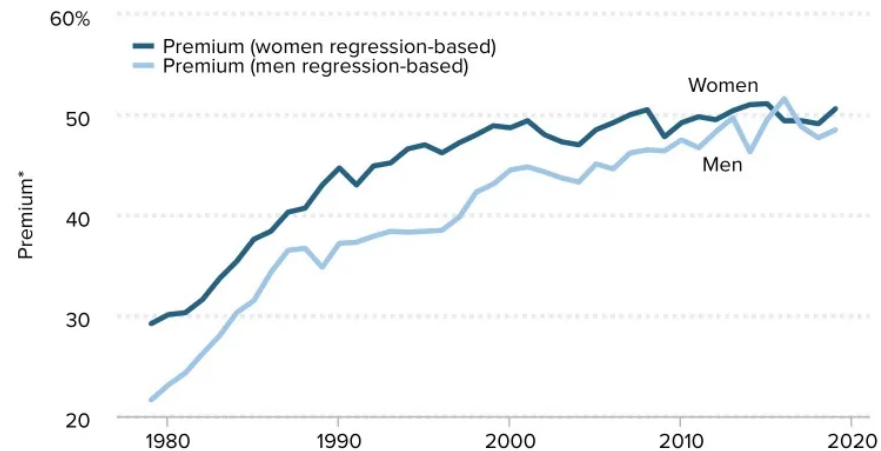
USA

Smith

In the late 80s and 90s, it felt like we were on the cusp of a great shift, where the back-slapping jocks who had dominated American society in earlier times were on the verge of losing power and status to the bespectacled freaks and geeks. The Revenge of the Nerds was coming.

It wasn't just fantasy, either. Over the next thirty years, the nerds really did win the economic competition. The U.S. shifted from manufacturing to knowledge industries like IT, finance, bio, and so on, effectively going from the world's workshop to the world's research park. This meant that simply being able to cut deals and manage large workforces were no longer the only important skills you needed to succeed at the highest levels of business. Bespectacled programmers and math nerds became our richest men. From the early 80s to the 2000s, the college earnings premium rose relentlessly, and a degree went from optional to almost mandatory for financial success. The age of human capital was in full swing, and the general consensus was that "Average Is Over".

College wage premium, by gender, 1973–2019



*Percent by which wages of college graduates exceed those of otherwise-equivalent high school graduates, regression-adjusted.

Source: Authors' analysis of State of Working America Data library: **College wage premium**. See Gould (2020).

Economic Policy Institute

That trend lasted so long that most Americans can no longer remember anything else. We've become used to the idea that technology brings inequality, by delivering outsized benefits to the 20% of society who are smart and educated enough to take full advantage of it. It's gotten to the point where we tacitly assume that this is just what technology does, period, so that when a new technology like generative AI comes along, people leap to predict that economic inequality will widen as a result of a new digital divide.

And it's possible that will happen. I can't rule it out. But I also have a more optimistic take here — I think it's possible that the wave of new technologies now arriving in our economy will decrease much of the skills gap that opened up in the decades since 1980.

AI coming

A whole lot of research is being done on the productivity effects of generative AI tools, and they all seem to conclude the same thing: Generative AI gives a much bigger boost to low performers than to high performers.

No study so far showing that more talented people are able to use generative AI more effectively than less talented people. All of the evidence points to generative AI as an equalizer.

It's not hard to think of why this might be the case. Whereas previous forms

of information technology complemented human cognition, generative AI tends to substitute for human cognition.

Traditional IT acted like a shovel — something that complemented people's natural abilities — while generative AI acts more like a steam shovel. A steam shovel handles the muscle-power for you; GPT-4 handles the detail-oriented thinking for you. Technologies that substitute for natural ability tend to make natural ability less scarce, and therefore less valuable.

This doesn't mean generative AI will decrease inequality overall. The computation-intensive nature of these tools means that physical capital — access to large amounts of cheap GPUs or other key hardware — might make a comeback as a source of wealth. But by boosting the performance of the least skilled on cognitive tasks, generative AI looks like it could level the human-capital playing field.

Smith (2023) Is it time for the Revenge of the Normies

6

Fordism

Tooze

Henry Ford's model of mass production, first pioneered with the Model T introduced in 1908, was credited with a gigantic and unprecedented surge in productivity. Ford's River Rouge plant became a site of pilgrimage for industrial engineers from all over the world. In 1914, Ford's introduction of the \$5-day, made possible by the exhausting productivity of his mass assembly lines, transformed the wage-price bargain. By the mid 20th century Fordism had come to stand for a particularly American style of mass production, which would enable workers themselves to consume the fruits of their labour.

It is hard to exaggerate how closely the rise of US power in the 20th century was associated with the car. In the aftermath of World War II, a staggering 80 percent of all cars manufactured around the world were made in America. By the 1960s Detroit was the city with the highest per capita income in the United States.

Fordism was a productive force with geopolitical consequences. Detroit was pivotal to America's emergence as the arsenal of democracy. If you could mass-produce cars, you could mass-produce bombers, that at least was Ford's *idée fixe*.

It was a productivist vision that echoed down more than half a century to the present day, where both advocates of the Green New Deal and Donald Trump's Operation Warp Speed cite mass production of aircraft in World War II as evidence for what American industry is capable of doing under the right kind of direction.

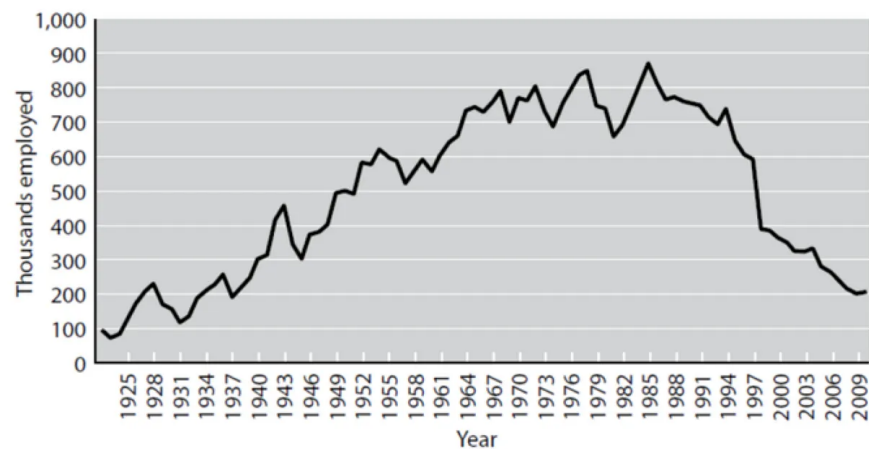
Today, figures from tech and finance are the pinups of capitalism. In the mid-century moment, car executives were at the cutting edge. In the 1950s and 1960s the Secretaries of Defense for Eisenhower, Kennedy and Johnson were auto executives - Charles Wilson of GM and Robert McNamara of Ford.

Fordism was not simply a system of mass production. It was also a social model. Insofar as America had a post-World War II welfare bargain, it was defined by the struggles between the auto firms and organized labour between the sitdown strike of 1936-1937 and the Treaty of Detroit struck in 1950 between General Motors and the United Autoworkers. This effectively set America on course for a model of welfarism based on private provision of health care and pensions, unemployment benefits and cost of living based wage adjustment. This agreement between the UAW and the auto industry founds the ongoing conflation in the United States between the “middle class” and the “working class”. Still today the workers represented by UAW are bargaining for their entire package of compensation, not simply wages.

For those who were part of the core automotive workforce this delivered much higher than average wages and corporate benefits.

Autoworkers remain amongst the best paid manual workers in the United States, but the remarkable ups and downs of the real compensation curve since the 1970s succinctly summarize the increasingly precarious and embattled nature of their privileges.

FIGURE 1.1 Employment at GM in thousands, 1923–2009



Source: Data from *Moody's Industrial Manual* (various years), Compustat, form 10-K

The global employment figures at GM tell a tale of the rise and decline of the industry. GM's US employment peaked in 1979 at 618,365, making it the largest private employer in the United States. Worldwide employment was 853,000. Since then it has been one way decline. In 2022 GM employed 167,000.

Tooze (2023) Carbon notes #6: America's auto strike and a century of transition in the US car industry.

7

War

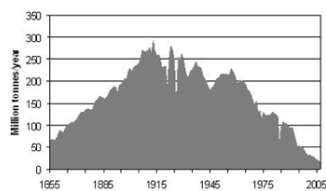
Tverberg

In fact, shortages of coal seem to have set the stage for both World War I and World War II.

Peak coal in UK occurred at time of World War I, and Peak Coal in Germany at time of World War II. Led to Wars?

Peak Coal in UK, at time of WWI

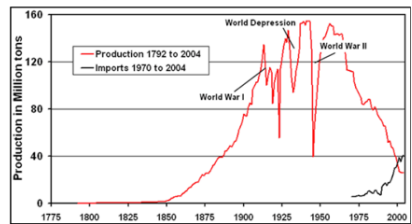
Coal Production in the UK by David Strahan



Source: <http://www.davidstrahan.com/blog/?p=116>

Peak Coal in Germany, at time of WWII

Hard Coal production in Germany (today's borders) 1792-2002 and imports 1975-2002.



Hard Coal production in Germany (today's borders) 1792-2004 and imports 1970-2004 Source: BGR

Source: BGR https://www.bgr.bund.de/EN/Themen/Energie/Bilder/Kohle_Reserven_Bild1_g_en.html?nn=1547280

Tverberg (2023) <https://ourfiniteworld.com/2023/10/25/todays-energy-bottleneck-may-bring-down-major-governments/>

Part I

Appendices

Appendix A

About



Dyre Haugen and *Dyrehaugen* is Webian for *Jon Martin* - self-owned Globian, Webian, Norwegian and Canarian with a background from industrial research policy, urban planning and economic development consulting on global, regional and urban scales. I am deeply concerned about the (insane) way humanity (i.e. capitalism) interfere with nature. In an effort to gain insights in how and why this happens stuff is collected from around the web and put together in a linked set of web-sites. The sites are operated as personal notebooks. However, these days things can be easily published to the benefit of others concerned with the same issues. But be aware - this is not polished for presentation or peer-reviewed for exactness. I offer you just to have a look at my 'work-desk' as it appears in the moment. Any comment or suggestion can be mailed to dyrehaugen@gmail.com You can follow me on twitter as @dyrehaugen. Thanks for visiting!

Appendix B

Links

Current Dyrehaugen Sites:

- rcap - On Capitalism (loc)
- rclm - On Climate Change (loc)
- recs - On Economics (loc)
- rfin - On Finance (loc)
- rngy - On Energy (loc)
- renv - On Environment (loc)
- rstb - On Statistics (loc)
- rtch - On Technology (loc)
- rurb - On Urbanization (loc)
- rvar - On Varia (loc)
- rwsd - On Wisdom (loc)

Blogs:

- rde - Blog in English (loc)
- rdn - Blog in Norwegian (loc)

Discontinued:

- jdt - Collection (Jekyll) (loc)
- hdt - Collection (Hugo) (loc)

Not listed:

- (q:) dhe dhv jrw56
- (z:) rcsa rpad rstart

Appendix C

NEWS