FLC Class 2/12/2003
“Global Capitalism & Economic Development I”

- Transformation of Leading Economic Powers

*Reading: Kevin Phillips 2002*

- Comparison of economic history of Spanish (1500), Dutch (1600), British (1800) and American (1900) empires

- **Central Question:** What are the similarities of trajectories?

- **Characteristics of decline:**
  - Huge wealth accumulation by individuals & growing rentier class
  - Decline in manufacturing & growth of (global) finance and service industries
  - Disproportion b/w financial speculation bubbles, investment abroad or in government bonds vs productive investment
  - Mix of national fortunes & misfortunes, such as fiscal burdens of drawn-out wars, setbacks in open trade, buildup of debt etc
  - Widening gap b/w rich and poor at home
  - Laissez-faire policy in trade/business but heavy state involvement in military build-up to protect imperial expansion
  - Hegemonic triumphalism nurturing pride, nationalism, and illusions

*“Achilles” Tendons of a Declining World Power (Kevin Phillips, 2002)*

- Vulnerability resulting from financial preoccupation, rentier culture, and increasingly transnational loyalties
- Aging technology advantage, technology transfer, foreign scientific innovation, migration of key industries
- War ruination and debt brought on by great-power diplomatic and military overstretch

Current strength of U.S. superpower hegemony

- Global superpower status in political, military, commercial, financial, and linguistic proceeds, connections, and power
- Center of world technological innovation
- English is global lingua franca with many beneficiaries
- No successor power emerging (but perhaps a power “group”?)