I leave theoretical conclusions to my fourth volume, though it is already obvious that to understand the development of modern societies we must give broadly equal attention to the causal power and inter-relations of all four sources of social power – ideological, economic, military and political. This was very evident in this period, with its intensifying ideological struggles between democratic capitalism, communism and fascism, and its self-destructive racism; with its capitalism whose powers of both creation and destruction had never been higher; with its two devastating near-global wars and the global threat of the atom bomb; and with its intensifying nation-states and global empires. It is unlikely any one of these could be “primary”.

In a varied world generalizations are hazardous. Each macro-region, each country, each region within countries, was different in one way or another, and this obviously reduced the homogenizing effect of globalizations. All countries are “exceptional” in the sense often used by Americans to refer to their own country. The myth of a unique American exceptionalism is deeply entrenched in American nationalism and in American politician’s rhetoric. But it is false. The United States’ principle exception in this period was that it suffered from serious white racism at home, whereas other Western countries had racism in their colonies. The US was not unique in having almost no socialism, since nor did the other Anglo countries. Though the US initially lagged in some aspects of social citizenship (though not in educational rights or progressive taxation) it caught up in the New Deal. I have noted country differences where these had important consequences, as American racism did, but for the most part national peculiarities have served to reduce what might otherwise be seen as universal causes and effects into mere tendencies.

My early chapters charted the rise of the European multi-power-actor civilization to global dominance. Its capitalism, its cohesive yet squabbling states, and especially its militarism interacted dynamically to enable the acquisition of empires, and this was then emulated by Japan. Most of the world became subsumed under empires, obviously a globalizing trend though fractured. Each empire erected fences around itself and intermittently fought against the others. Imperial tariffs restricted transnational trade, natives fought for “their own” mother country often against their own neighbors, colonies erected state boundaries where none had previously existed, and native colonial elites spoke and wrote in the language of the mother country -- English or French or Spanish or Portuguese or (briefly) Japanese. There was not a single imperialism, but twelve of them. This was a veritable multi-power-actor civilization, extraordinarily dynamic because of the degree of competition it involved. Yet it was a self-destructive dynamic.

Other chapters charted domestic developments in the imperial homelands. The dynamism of capitalism and the entry of the masses onstage in the theater of power led to class struggle, revolution and reform, and the achievement of popular national citizenship. But they also charted terrible hubris, as the self-destructive racism and militarism of Europe culminated in two world wars, devastating the continent, bringing two waves of revolution, murderous regimes, the destruction of the European empires, and the rise of the two imperial successors, the United States and Soviet Union.
States and the Soviet Union, the marcher lords of the European periphery. In this half-century military power changed the world, bloodily fracturing it until the conditions of post-war peace allowed some recovery.

The half-century also saw much ideological fracturing. Militarism remained an important ideology, figuring large in diplomacy between states, intensifying non-instrumental, value-driven and emotional concerns, with its distinctive pursuit of glory, honor, and status. There was also ideological conflict between market-oriented and state-oriented schemes of how the economy should work. Polanyi characterized this as the “double-movement” of capitalism, and he identified this period as first enshrining free market principles, which was then countered by more statist ideologies, which were boosted by the three Great Dislocations of this period – two world wars and the Great Depression. But arguments over market versus state resulted mostly institutionalized compromised ideology, more instrumental than transcendent, driven only a little by ultimate values or emotions. The two models offered alternative political economies, but choices between them were usually made pragmatically and dispassionately. It is true that they were also tinged with distinct conceptions of human freedom – freedom from others versus freedom through others – but both these were also institutionalized in Western values. Their conflict was not extra-systemic and it was not too difficult to find pragmatic compromises between them.

Far more serious were the conflicts between, on the one hand, the rising ideologies of communism and fascism, both of which promised salvation on this earth through the wholesale reorganization of society, and on the other hand the institutionalized ideologies of democratic or monarchical capitalism (which also had their own mutual conflicts). The resolution of these conflicts was violent, accomplished through revolutions and world wars. In the end fascism was destroyed, capitalist democracy became hegemonic in the West, while communism ruled a large sliver of the East. In the colonies racial ideological conflict was also rising.

In this period Europe, Russia and China experienced a great surge in ideological power. While my second volume had charted a decline of religious ideologies in 19th century Europe, the first half of the 20th century saw two and a half secular equivalents of salvation religions -- communism and fascism, with Japanese militarism providing the half. Virulent anti-communism also rose in capitalist countries, often blocking instrumentally-rational decisions like acting collectively to deter Hitler or devising mutually beneficial policies of economic development in the American informal empire. These transcendent value- and emotion- driven ideologies rebounded to harm the interests of those who wielded them. In terms of political power relations “vanguard” parties – in Japan a vanguard military – were the main organizations mobilizing ideological power, and where these were successful, half-totalitarian “party-states” resulted. Enlightenment values did not rule the West, let alone the Rest of the world. “Rational choice” models are often inapplicable. This was a half-century of extraordinary ideological power.

The most general tendency in the West was the dual triumph of reformed capitalism and national citizenship. The dynamism of capitalism had been evident for hundreds of years, though its irregular cycles meant that economic development was always somewhat jagged. The dominant tendency was economic growth, through a process labeled by Schumpeter as capitalism’s capacity for “creative destruction” (1942: 82-5). The growth of movements of resistance against
capitalism was also rather jagged, spearheaded in this period by socialist and “lib-lab” political parties and labor unions. But the conflict was usually compromised into reformed capitalism. Only when near-total war devastated countries, delegitimizing states and intensifying class struggle, did successful revolutions occur. In the West social citizenship and welfare states grew through the period, though more for men than women. Feminists were still stuck disputing the merits of two different routes to gender equality, through their labor market employment or through their maternal work in the household. In the West male subjects became citizens, females were citizens mainly through their menfolk.

In the West and Japan, despite the devastation wrought by world wars and depression, the economic trajectory was upward. All classes got substantially healthier, better fed, longer lived, better educated, and richer. 15% of the world’s population had done incredibly well, despite their internecine wars. Their overall GDP and GDP per capita were persistently rising and as yet few saw the downside of this. Nature was still an apparently bottomless pit from which resources could be extracted and into which waste could be deposited. Insofar as anyone worried about pollution they were satisfied that “cleaner” oil seemed poised to replace dirtier coal as the principal fuel of industrialization. Other indices of Western well-being also pointed upwards. Improvement in nutrition and greater calorific intake among the masses became physically visible. An increase in human height can be seen as indicators of better health and general well-being. As evidenced mostly through records kept on soldiers, prisoners and schoolchildren, the average height of males in eight investigated developed countries (Australia, France, Germany, Great Britain, Japan, Netherlands, Sweden and the United States) rose by 2.3 centimeters between 1850 and 1900, but then between 1900 and 1950 it rose by no less than 5.8 centimeters. Less is known about women’s height, though increases were also found among the few records on girls. The period from 1900 to 1950 actually saw the biggest increases in longevity and dietary standards, though it was after 1950 that GDP per capita and real wages were to see their biggest increases. Floud et. al. (2011) document all this at great length. They argue that this can be seen as a speeding up of a process comparable to Darwin’s evolutionary biology, and they credit it to improved public health regimes, better housing conditions, and better diets, the joint products of reformed capitalism and bigger government, especially at the local level. The dramatic first half of the 20th century, with its terrible wars and its Great Depression, had paradoxically brought good news for the mass of the population.

I identified four main reasons for the triumph of a capitalism reformed and regulated by government.

(1) Since capitalism had provided the first breakthrough to an industrial society, it became institutionalized in the most advanced economies while communism triumphed in relatively backward countries. This gave capitalism an “unearned” economic advantage. It did not give great military advantage to capitalism – both fascism and communism were effective in war – but the global economic struggle between capitalism and state socialism was always unequal, though it was not fully revealed until the 1950s, which I discuss in Volume IV.

(2) Entrepreneurialism within an environment of market competition was better than its rivals at generating growth at the leading edges of technology. It was especially good at “shifting
gears”, developing new industries as old ones concentrated and stagnated -- the core of Schumpeter’s “creative destruction”. We saw this proceeding in Chapter 7 even in the depths of the Great Depression. Market capitalism was not superior to either state socialism or Japanese state-coordinated capitalism in achieving late development catch-up. Indeed, a substantial degree of planning was probably superior to markets in this endeavor, as we saw in the cases of Japan and the Soviet Union. But market capitalism was superior at innovation. A good example of this was the “second industrial revolution” at the beginning of the century, driven by corporate capitalism and by a patent system which delivered scientific and technological innovation into profitable private ownership. This was an advantage which capitalism had earned.

(3) Reformed capitalism triumphed because though capitalists vigorously defended their property rights, determined opposition from below usually forced them into making compromises, the process being aided by centrists and pragmatists (including corporate liberals) seeking compromise and the institutionalization of class conflict through legislative intervention. Their main motive was the desire to head off class conflict “at the pass” before it got really serious. Where compromise failed to happen, as in Russia and Germany, this helped spur on communist and fascist revolutions, the effect of which was to forcibly suppress class conflict. But elsewhere class compromise and the granting of more and more citizen rights predominated.

Marx believed that capitalists were incapable of collective organization because they were divided by market rivalry. Only the “collective laborer”, the working class, he believed, was capable of much collective action. This half-century proved him wrong on capitalists and half-wrong on workers. Capitalists initially tried to repress labor movements, but this usually failed. So across the mid-20th century, aided by the outcomes of wars, they grudgingly and collectively accepted state intervention to smooth over the dysfunctional tendencies of capitalism, as well as accepting redistributive deals with organized workers, as long as these left their own ownership and control rights intact. On the other side of the barricades, workers achieved a measure of class solidarity, but this was undercut by sectionalism, segmentalism, and nationalism, which aided class compromise. Strikes and labor agitation rose significantly from just before World War I to World War II (Silver, 2003: 82, 126-7), but these were as often instruments of sectional or segmental worker power as of class power.

Socialism thus proved less of a threat than many capitalists had feared as it mutated into milder social democratic or “lib-lab” reformism. The foundations of reformed capitalism -- welfare states, universal public health and education, progressive taxes, legitimate collective bargaining, and Keynesian macro-economic policies-- were laid down before 1945, though (apart from public health) their consolidation came later. They all involved bigger government, more citizenship, and intensifying nation-states. The reforms were also beneficial for collective economic power, and not only for the lower classes. Class conflict, once institutionalized into collective bargaining, produced more stable labor relations, and stability is a virtue much prized by capitalists operating within unpredictable markets. There were no revolutions or even much social turbulence where this route was followed. Representative government also enabled crises to be surmounted.
much more easily and peaceably than did despotic rule: regimes failing to cope with the
crisis were voted out of office and the opposition party routinely replaced it, whereas
despotic regimes faced more succession crises. The welfare reforms and Keynesian
macro-economic planning also kept up mass demand, and this too was good for
capitalism, though the full emergence of a high productivity, high demand economy only
occurred in the decade after World War II.

(4) There was also an edge in political power relations. Market capitalist countries mostly
converged politically on a liberal or social form of representative government which was
more attractive to the citizenry than the party-state despotism into which communism and
fascism degenerated. This degeneration served as an important negative reference point
for most people in the West, steering them away from socialism and fascism. Yet whereas
social citizen rights in this period advanced across the whole of the West, the development
of political and civil rights, of democratization, was more uneven. Huntington (1991)
notes that this period saw a short-lived wave of democratization immediately after World
War I but this was followed by a counter-wave lasting through the 1920s and 1930s during
which half of Europe moved toward despotic government (see Chapter 10). The fall of
fascism and other despotic regimes in World War II would obviously assist
democratization in the West and it was hoped that the process of decolonization just
beginning then would also favor democracy. As yet, however, the advantages of
democracy were not as evident as they seemed after the second war. Communism, and for
a short time fascism, had considerable influence across substantial parts of the world,
especially outside of the West.

Before 1945 all these developments were underway among the white race (and some of them in
Japan also), but not elsewhere. A “Great Divergence” had widened between the 15% West,
successfully industrializing, democratizing, “nationalizing”, and reforming, and the 85% Rest
where economic and political power relations had stagnated under colonialism. Gains in GDP
and representative government in the colonies and in the few independent poorer countries (other
than Japanese colonies) remained negligible in this period. The West developed, the Rest did not:
the single greatest fracture of the world in this period. The West mostly moved toward
democracy and more citizen rights in nation-states, the colonies remained under imperial
despotism as subjects. This was conceptualized at the time by much of the West as being largely
due to its own racial superiority (though this confidence was not to last much longer). I
concluded that imperialism did generally hold back the economic development of the colonies,
though the main source of rising inequality was not direct exploitation (though there was plenty
of this) but more simply that the mother countries industrialized, the colonies did not. Perhaps
the combination might be seen as a single exploitative “capitalist world system”. Colonial elites
and their client natives profited greatly from exploitation of the mass of the natives. Yet the fact
that most empires did not turn a profit for the mother-country reduces the systemic character of
this. This can be seen as the racial phase of globalizations, though with the twist in the tail that
since the white race dominated capitalism, it also took the brunt of the Great Depression, which
tempted me to rename it the “Great White Depression”.

White domination also grew in a more physical sense. Among the Rest the average height of
males, in contrast to the West, remained static or grew only very slightly in this period, though it
was to rise greatly in the post-1950 period. The same was true of life expectancy and literacy. In the West and Japan in 1950 the average literacy rate was 93%: almost everyone could read and write. In Latin America and China literacy it reached to around 50% but in other less developed countries it was only around half that. Massive improvements there came only after 1950. Fertility rates tell the same story. The average number of children born to each woman in the West declined most in the first half of the century, good news for the health of mothers and children. But among the Rest the decline occurred largely in the second half of the century (Steckel and Floud, 1997: 424; Easterlin, 2000). The Rest still had almost no social citizenship or welfare states for either men or women (nor did they in the first decades following this period). The West plus Japan and the Rest were almost living on different planets. Yet as the 20th century progressed, the imperial authorities sought to get more profit from their colonies and began to introduce some limited development projects which somewhat improved education, industry, and state infrastructures, though this was not sufficient to begin a process of global convergence. Instead it had an unexpected outcome. Against imperial expectations, the newly educated natives were not grateful. They were bent on resisting and overthrowing colonialism.

I have tried to separate long-term structural tendencies from more contingent events. Many tendencies were long-term. The rise of capitalism, nation-states and empires, and of nationalism, imperialism and racism had been long-term processes, while underneath, anti-imperialism was stirring through this half-century. Citizen rights had been increasing since at least the 18th century. States had been increasing their revenues and expenditures, and they were increasingly mobilizing mass armies through conscription and reservist systems, which also furthered notions of citizenship. In this period we have seen both warfare and welfare tightening the caging of citizens by the nation-states, while at the same time bringing them onstage. Material resources were distributed and redistributed within national boundaries while education in the national language also furthered notions that a population formed a single people or nation.

As in Volume II class and nation were not opposites. They grew together, entwined, each encouraging the development of the other. As the grip of state and capitalist bureaucracies tightened on the people, they reacted with insurgent movements. As men from the lower classes, minorities, and women achieved more rights as citizens, this in turn strengthened the nation-state and capitalism. Mass mobilization warfare contained varied dynamics of class and nation. Both wars increased nationalism, enhancing perceptions of national identity and more aggressive nationalism. Yet as the first war dragged on, perceptions that unequal sacrifices were being made increased class consciousness. For nations whose war experience went well, reformist class consciousness was boosted. This was also so for neutral nations badly affected by the war who also had to sacrifice. Reformers did best where they could form broad alliances between workers, peasants and middle class elements. Then they could plausibly claim to lead “the people”, as Swedish Social Democrats did most strikingly. Thus class transmuted into nation, shifting the nation a little leftward. But for nations whose war went badly, hostility to the ruling regime increased, as did an aggressive class consciousness. This led to revolutionary explosions, after which the Bolsheviks claimed that the working class was the nation. When the other revolutions failed, reformism flourished for a while. However, it did not last, for these reformers failed to transform class into nation. Indeed, much of the people and the dominant classes alike tired of continuing class conflict and invited fascists and other despots in to end it. In the process they got a much more aggressive nationalism than they had bargained on. Thus the dialectic between
class and nation continued through this period. We will see in Volume IV that World War II introduced its own versions of this dialectic.

How inexorable were such developments? The answer must involve posing counter-factuals, asking “what if” questions. What if particular events, especially the three Great Dislocations, had not occurred? These crises had important effects, but they might have simply hastened on outcomes which would have happened anyway rather than being their necessary cause. For example, colonialism was greatly weakened by world wars, especially the second one. But even without the impact of war, the colonies would have probably self-destructed more slowly, since white racism combined with developmental projects were intensifying anti-imperialist sentiments among the natives. Yet the fact that decolonization would then have come later meant it would happen at a different historical and social juncture, amid influences which might have pushed it down different tracks of development. But this involves proliferating the counter-factuals to a point where pure speculation takes over. We can cope with one counter-factual, changing one variable, but not with many.

I feel more confident in saying that without the world wars and their outcomes, there would have been no successful communist revolutions, no fascism, and no American global dominance. I have explained why in previous chapters. But we must then ask whether those wars and their outcomes were themselves contingent events or whether they were the consequences of deep-rooted structures and causes. The answer is a bit of both, though mainly the latter, and mainly those lying with military and geopolitical power relations. I have emphasized the historical longevity of European militarism and imperialism. Imperialism within Europe had changed seamlessly into imperialism across the globe; in Europe war had for many centuries been the default mode of diplomacy resorted to when negotiations were viewed (quite early) as failing. Japan then imitated Europe, partly because it felt that its own autonomous survival depended on imperialism, though I argued that making Japanese imperialism more militaristic owed much to more contingent events and processes. I also emphasized that since European expansion contained an ideological thrust to spread “civilization”, “enlightenment”, or the word of God across the world, each state’s aggression had to be seen defense, backed by unique civilizational or national values. As in previous centuries statesmen also sought status and honor, both personal and that of their country, which made it difficult for them to “back down” once diplomacy was in difficulty. These were all fairly structural tendencies. I absolved capitalism from much blame for these wars. Its secular tendencies were not warlike, though of course capitalists as individuals were as nationalist as others. They were content to profit from either swords or ploughshares, and they could find more profit in swords once war was declared.

I found similar processes of causation in all three Great Dislocations of the period, the two world wars and the Great Depression. All of them had multiple causes which piled up on top of each other as a growing crisis “found out” weaknesses in contemporary social structure which otherwise might never have become seriously threatening. The lack of mutual understandings between British and German leaders in the run-up to the first war, the counter-productive anti-communism of British and French leaders in the run-up to the second war, the liquidationist ideology of American leaders in the Depression were all weaknesses which were only exposed when piled on top of other antecedent conditions, while each condition tended to be the product of a causal chain distinct from the others. Though structural processes were embedded in all four
sources of social power, they entwined in complex and often contingent ways and this means that we cannot identify a single, underlying structural cause, nor can we model power development in terms of a singular social system.

There were thus many contextual particularities – mistakes and misunderstandings, especially among those possessing more power. In the run-up to World War I liberalism prevented British leaders from deterring German aggression, while the German High Command’s secret military mobilization plans, unbeknownst to most German civilian leaders, involved seizing Belgian territory, a move which was almost bound to bring France and Britain into the war. Russian leaders discovered that the army could not technically be mobilized merely against Austria-Hungary, so they mobilized against Germany too. Probably the biggest mistake came when the Archduke Franz Ferdinand’s open automobile made the worst possible wrong turn one day in Sarajevo. Such particularities are necessary to explain why Great Dislocations happened, but so too are more structured processes. Japanese mistakes were all in the same direction toward increasing militarism. Hitler emerged on the back of traditional militarism, German nationalism fueled by the settlement of World War I, the general allure of fascism at this time, and a more general failure of capitalism. That we find both structure and contingency within and between all four sources of social power makes singular conclusions about overall “meaning” or “ultimate primacy” in this period impossible. It depended where you stood and who you were, and it depended on a whole array of processes and contingencies.

The end of the second war in 1945 concluded my present period. It brought a decisive victory but it was not clear how much this would change power relations. Fascism had been killed, though many feared that it might soon be reborn. Civil war was raging in China with an uncertain outcome while Soviet communism had been strengthened by the war. The European empires had been weakened, though it was unclear how much life they still had in them. There was uncertainty over whether the United States would back off from a global role as it had after World War I. In most capitalist countries economic elites were divided between Keynesian and classical economics, but most assumed that postwar demobilization and dislocation, both domestic and inter-national, would weaken economies and possibly lead to crises like those of the 1920s or 1930s. They also feared that this might lead to the flowering of new or old extremist ideologies. To contemporaries late 1945 brought enormous relief (even to Germans and Japanese), but also enormous uncertainty. What we are inclined today to regard as the underlying structural trends of the period seemed largely unclear at the time.

Their fears were not realized. Within five or six years a better world was emerging, and not just among whites. Fascism was dead and buried, communism was thriving but only in a compact bloc of countries, as the Chinese Communists joined the Bolsheviks in successful revolution. Geopolitics were simplifying as the European empires declined and their militarism, and that of Japan, rapidly weakened. This left only the US and the USSR as major military powers though their confrontation was only just beginning to be stabilized by joint possession of nuclear weapons. There was an apparent settlement of the problems of the international economy as the Bretton Woods system was implemented, while Keynesian and classical economics were being blended together inside the advanced capitalist countries. Growing welfare states, progressive taxes, and the pursuit of full employment meant a further rise in social citizenship, increasingly among women too. Postwar economic growth spread for a time right across the world, and a
combination of capitalist growth and state infrastructural improvements in the less developed countries was raising the height, life expectancy, and literacy of human beings there. We know that all this happened, generating a brief “Golden Age”, but the peoples of 1945 did not.

The biggest picture of all has been the rise and then the fall of European dominance in the world. European civilization had expanded its ideological, economic, military, and political powers – each with a distinctive rhythm of development. The overall dynamism this involved generated a historically unprecedented multiple-power-actor imperialism. Europeans had been fortunate in that when they became capable of expanding overseas, the power of major civilizations elsewhere was stagnant or declining. The British were even more fortunate, emerging as a naval power and as a very cohesive state in the moment when it could exploit the European balance of power to achieve the biggest empire of all. Both expansions, European and British, were made finally inevitable by their industrialization. The globe was now fractured in a new way, between the rich, white West plus Japan, and the poor non-white Rest. It was then further fractured by national and imperial rivalries. Then quite quickly came the self-inflicted destruction of European civilization through its own militarism, racism, and nationalism. It was succeeded by only two global empires, and then only one, accompanied by the accelerated global growth of capitalism, the decline of racism, the decline of inter-state war, and the universal spread of the nation-state ideal across the world. They combined into a process of universal but still multiple globalizations, the sub-title of my fourth volume.