

Absolute, global, authoritarian Capitalism: Approaching the last stop of the Capitalist Algorithm

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No social order ever perishes before all the productive forces for which there is room in it have developed; and new, higher relations of production never appear before the material conditions of their existence have matured in the womb of the old society itself. Therefore, mankind always sets itself only such tasks as it can solve; since, looking at the matter more closely, it will always be found that the task itself arises only when the material conditions of its solution already exist or are at least in the process of formation.

Karl Marx, 1844

Abstract

This paper describes the features of the type of capitalism that will emerge if in the next five to ten years the ruling classes of today's major superpowers - the USA, China, and Russia - unite and form a global exploitative ruling class. The essential properties of this unification process are discussed in detail and it is shown why the potentially possible new stage of global capitalism has its faultlines.

Introduction

A substantial break in the trajectory of the capitalist mode of production seems to be in the air. Local wars pop up more often, warlords are acting as vassals in the enduring Cold War between the USA on one side and Russia and China on the other side. As described in (Hanappi, 2025), it can be expected that these turbulent rivalries between the three superpowers, between three military-industrial complexes of capitalism, will continue for the next five to ten years. If no nuclear Third World War occurs, then a state of absolute, global, authoritarian capitalism will have been reached. To describe the contours of this new type of capitalism, as well as the fault lines, the contradictions, along which it will break down - these are the topics of this paper.

The first three parts follow the adjectives of this newly emerging variant of capitalism, though in reversed order: authoritarian, global, and absolute. Each of these attributes has its roots in earlier forms of capitalism. Each part provides an overarching historical sketch interpreting how the current surge of authoritarianism is an untimely renaissance of older forms. The part on the adjective 'global' takes this interpretation one step further: Empires have a tendency to grow and to eliminate competitors, thus the number of concurrent empires decreases. As soon as only one large global empire remains the possibility of accumulating additional power by incorporating a rival has ended. This causes a qualitative change in capitalism's essential mechanism: From this point on it is reduced to its internal exploitation process, which means how to transfer the lifetime of exploited human individuals into the consumption of exploiters. The third part digs deeper into the problem of a global exploitation process. In particular, it addresses the combined questions of vanishing profit rates, vanishing psychological manipulation of the minds of the exploited in the poor South, and the lasting impact of the quickly deteriorating environmental conditions on which the survival of the production system of the human species has to be reframed. It turns out that the aspiration of capitalism to be 'absolute' is nothing but the nightmare of a global racist neo-fascism, the dream of an - 'evolutionary necessary' - division of the human species into superhumans (formerly known as the Arian race) and exploited sub-humans. The latter being evolutionary domesticated at a level somewhere between animals and superhumans.

The concluding part of the paper is devoted to showing that the impossibility of racist neo-fascism indeed marks the end of the contribution of the capitalist mode of production - its power to massively increase labour productivity - to the long-run evolution of the human species. The high level of labour productivity reached via scientific progress and the division of labour as absolute, global, authoritarian capitalism is starting to negate itself¹, which will enable an epochal turn in human history. A turn that gets rid of the *capitalist algorithm* at global as well as at a local level. The ideas on how this change might look like are themselves outcomes of the basic contradiction of this last stage of capitalism.

Authoritarian

Even in the smallest and earliest communities of human tribes a certain *diversity* of individuals has been present. It indeed is reasonable to assume that it was this diversity in skills and physical abilities, which enabled this species to achieve an astonishing level of flexible response to overcome new and dangerous challenges. Of course, it also needed the development of other abilities to harvest the fruits of a tribe's diversity; it needed organisation, it needed groups of individuals, who were able to put the puzzle pieces of the different individual sub-groups - of the potentially fruitful division of their activities - together. These leading architects of a tribe's life had to have a common communication tool, a language, which is understood by all members. They also have to prove that their designs benefit the whole tribe - at least in most cases. As long as

¹ It is highly speculative to predict how many years absolute, global, authoritarian capitalism can exist. The classic historic example, Hitler's propagated '1000-years empire', lasted seven years. But this attempt still had surrounding competitors, which promised external expansion. Elon Musk's dream of an expansion to the Mars is a too far-fetched fantasy to compensate for the finiteness of today's world.

such leaders succeed, they are *given* authority by the members following their suggestions². This type of authority has to be distinguished from the type of authority, which an authoritarian person *orders* from his followers. Of course, there will often be an interplay between given authority and ordered authority if the leadership is socially beneficial and the status of being an authority provides certain privileges to its carrier.

In early societies, when leadership was closely related to physical strength, the strongest man³ was often given the authority to lead a group of warriors. The most visible era of this phenomenon was the slaveholder society and its follow-up, the early Middle Ages. In a feudal regime, the king has the dominant military power, he and his court extract lifetime - in the form of labour time, corn, and money - from the population of the country. In return for these privileges, the king and his warriors provide some stable *social institutions*: They defend the country if neighbouring countries try to conquer part of its territory and will try to conquer foreign land, promising to their compatriots that parts of the stolen prey will trickle down to them. The feudal class maintains a standing army as the centrepiece of its social institutions.

Parallel to its hierarchical military setup it arranges an ideological social institution, a religious hierarchy of priests allowed to participate in the exploitation process. In the long run, both hierarchies have experienced a trend from given authority towards ordered authority. The class of exploiters, which developed out of privileged warriors and their accompanying religious leaders, cemented its position through several social institutions that constituted a *state*, a political unit governing a well-defined territory⁴. The idea of authority ordered by a ruling class with the help of its social institutions worked well for hundreds of years - with different paralleling religions and diverse compositions of the ruling class. It only started to crumble when the progress of monetary systems allowed - and called - for a change in the inheritance algorithm of membership in the ruling class: When money turned into capital, when rich merchants without noble titles started to be more powerful than many feudal authorities, membership in the ruling class freed itself from the fetters of genealogy. It is this turning point towards a new mode of production - capitalism - which gave rise to a new desideratum: *freedom*, freedom from feudal oppression⁵. With the capitalist mode of production, the authority of the exploiting class began to get rid of its territorial borders - a reminder that before capitalism production meant mainly agricultural production. The authority of a large amount of capital lost its direct link to a human individual, it became impersonal. Of course, there were close links from the dominant accumulated accounts of capital to the human individuals who

² Such a positive assessment of outstanding organisers of production processes are the core of Schumpeter's praise of entrepreneurs (Schumpeter, 1911).

³ If the evolution of two different biological sexes in mammals, one giving birth to offspring, the other one caring for food and security, might be considered as a forerunner with respect to the evolutionary advantages of divided activities within the same species. In the history of the human species male leadership dominance in the group of warriors had occurred more often than female dominance.

⁴ In his thorough study of the long-run development of countries Daron Acemoglu sets his focus on the different stages of these institutional arrangements that accompany technological advance, but misses to address the underlying processes of exploitation and class struggles, compare (Acemoglu and Johnson, 2023).

⁵ When Engels, interpreting Hegel, suggested that 'Freedom is insight into the necessity', he was aware that any post-feudal state would have to rely on a network of social institutions too. To be free thus was for Hegel (Hegel, 1830, §147) and Engels (Engels, 1878, p. 106) to *realize* and to *accept* those social institutions that are *necessary*.

appeared as its shareholders, but the imperative to maximise growth was an innate property of the former. Capital accumulation as an impersonal authority was inscribed in the new mode of production from its very beginning onwards.

Nevertheless, after World War 1, which ended the political leadership of the feudal class, there still existed different large countries each being the home base for several large capital groups. Accumulation had mainly two options: First, the usual exploitation process - expropriate lifetime from workers and via markets transform it into profits -, and second, the possibility of taking over competing capital groups, a process called centralisation of capital. To keep the negative effects of competition between capitalist firms at bay and simultaneously enhance the power of the capitalist state's bureaucracy, the capitalist state - characterised by Karl Marx as the *executive committee* of the capitalist class - the state's agenda increased tremendously. In the USA the authority of President Franklin D. Roosevelt, nicknamed the 'blockbuster', allowed him to tame the large American corporations. In Europe, industrial circles in Germany turned to the fascist alternative of Hitler's national socialists to prevent the further rise of the influence of working-class social institutions. And in the sequel Hitler used them to prepare his war. The German and Italian examples of classical fascism show how an authoritarian nationalist regime can emerge. It needs a charismatic leader on top of a disciplined and single-minded social movement⁶ plus sufficiently sophisticated information technology managed by psychologically apt marketing personnel. The fascist type of authoritarian relationship achieved a new quality: The power of the single nationalist leader reached an unprecedented level, and at the same time his followers in his movement underwent a deep streamlining and brainwashing, which made most of them immune to outside influences. In other words, ordered authority reached its maximum, while given authority fell to its most perverted level⁷.

The defeat of Hitler and his allies in Europe and Japan implied a turning away from too extreme authoritarian forms of governance in the Western Hemisphere after 1945. The political style of politics in the USA typically continued as an alternating competition between Republicans and Democrats, a pattern mirrored in most Western European states. The Republicans in the USA corresponded to Europe's conservative parties and the US Democrats in several aspects resembled the more progressive aspirations of Europe's social-democratic parties. In the longer run balance between alternating conservative and slightly more progressive governance, the reconstruction period after the war turned out to be surprisingly welfare-increasing. One element of this three-decades-long process is often overlooked: The fact that in advanced industrialised economies an increasing share of goods and services, which households consume, are becoming public goods provided by the state. At the end of the period, this share in Europe often exceeded 40% of consumption. This changed the way in which *authority* in this re-emerging form of integrated capitalism was perceived. It now was the grown network of all social institutions, the state, to which authority had to be given - and from which authority was ordered. Class struggle was transferred to conflicts within the state, within the social institutions. Around 1980 this sublimated class struggle that had led to a loss of power for firm-owning entrepreneurs and

⁶ The psychological characteristic of individuals that are seducible by an authoritarian leader has been extensively investigated by Theodor W. Adorno, see (Adorno, 1950). Parallel and related to this psychological disposition the socioeconomic situation of very high unemployment in the two countries that had lost the war and were hit by the Great Depression of 1927 certainly played a decisive role.

⁷ How in a certain cultural environment perversion could become a mass phenomenon was the topic of Wilhelm Reich's early work in the interwar period (Reich, 1933).

bankers - and a corresponding rise of the power of bureaucracies with mixed-class origins - finally erupted in a political shift towards conservative governments led by authoritarian, almost charismatic leading authorities: Margaret Thatcher, Ronald Reagan, and Helmut Kohl. The political concept of a strong conservative leader was in play again. The strongest influence of the force of the new concept of strong leadership came from the USA, where Ronald Reagan could pose simultaneously as the personality at the helm of the strongest military power in the world. The US military had not participated in the surge of integrated capitalism anyway.

From that time onwards exposing a conservative leader to shift the power balance to the political right - fighting bureaucracy and 'exaggerated' demands of employees - is a successful strategy of the core of the ruling class (firm-owners and military).

As these leaders were chosen more and more professionally, they could be selected according to their professional expertise: Starting with Ronald Reagan, an actor in some Hollywood B-movies, the presented leaders degenerated to well-trained marionettes performing for the actually leading industrial and military circles of the ruling class⁸.

However, this change in the choice of leading characters is only the less important element in the new quality of the authoritarian relationship that occurred in the last 40 years. As so often in human history the decisive dynamics stem from the emergence of a truly global *economic* production system. The increasing power of the state has been paralleled by a tremendous increase in the size and power of multinational firms - most of them with a home base in the USA - allowing these two types of power centres to construct a network of truly global value chains⁹. Considered in economic terms, class struggles inside nation-states were transforming into a global class struggle between the rich North and the poor South¹⁰. This high degree of size and interwovenness of production activities of the human species had a dramatic consequence for the whole population: It stumbled into an *age of unprecedented alienation*. No single individual, no single firm, has the potential to grasp how the global production system produces its goods; but at the same time - at least in the rich North - all these products and services are mindlessly consumed. In the poor South, all that is perceived is its stagnation of welfare relative to the still prospering rich North, and its seemingly unexplainable underdevelopment. After 40 years these blatant contradictions now produce a new quality of authoritarianism. In both hemispheres, north and south, the alien mystery of mankind's global production system evokes radical and at times somewhat erratic mass movements.

In the rich North, the 'West', the achieved level of living conditions during the last three decades has been slowly going down, a fact that the average citizen could only feel, but not really explain. Neither could any of the traditional political parties. With the four global crises since the new millennium started (financial crisis in 2008, migration crisis in 2015, coronavirus pandemic in 2020, climate catastrophe since 2024) people in the rich North are developing a general mood of angst,

8 Their roles can be quite diverse: From the hard-boiled cowboy (Reagan), via the smart young business man (Toni Blair, Boris Johnson), the nation's 'Mutti' (Angela Merkel), the straight military executor (Vladimir Putin), the unbending warlord (Volodymyr Zelenskyy, curiously enough a former cabaret artist), up to a former talk show host (Donald Trump). The list is only a selection.

9 As a consequence exploitation at the factory floor has been supplemented, in the rich North even surpassed, by exploitation by exchange rate policy.

10 Compare (Hanappi, 2019b).

of being afraid to lose the living standard they still enjoy. This fear is well-founded¹¹. The next economic downturn, starting again with a financial crisis and bankruptcies resulting in mass unemployment, is probably just around the corner. Without explanation and helpless in front of the existing national networks of the powerless social institutions of national capitalism, the population has no choice but to become prey to radical 'populists'¹².

The marionettes on top of modern states - as far as central economic questions are concerned - basically follow the directives of the military-industrial complex, the core of the ruling class, which directs them. But they also need a visible mantra, that could be easily understood by their followers. Like in the interwar period, the preferred choice is the praise of **nationalism** paired with **hating foreigners**. For the authority of the marionette, this opens up a certain ambivalence: His or her¹³ mantra might fit well with the angst of large parts of the domestic population, but it encounters resistance from parts of the industrial base steering governance from the background. Most production processes are already global affairs and therefore work across nations, with free movement of necessary workforce between countries and continents. This leads to the conclusion that on the way to an absolute, global, authoritarian capitalism the marionettes will be exchanged by their military-industrial complexes more often than they like. This will in turn lead to growing frustration with national leaders in the electorate, political actionism outside the usual party system will increase in the rich North too.

In the Soviet Union nationalism was part of the self-image since the time when Stalin took over from Lenin¹⁴ in 1924. Stalin had enforced it theoretically with his text on 'Nationalism in One Country' - openly contradicting Marx's insistence on the necessity of an international revolution. In the war against Hitler, this nationalist characteristic of Stalinism became even more deeply ingrained in the minds of the Russian population. The type of hierarchical organisation of the communist party and its accordingly hierarchical social state institutions produced a mirror image of a hierarchy of strict belief in authorities at higher levels. Till the breakdown of the Soviet Union in 1990 the authoritarian structure in Russia - in politics, economics, and ideology - had not experienced any serious challenge. Then, under Jelzin, Russia openly redefined its economic setup as a 'market economy'¹⁵, though still with tight control of economic processes by the centralised state power of the unchanged military-industrial complex. As a consequence, when Putin came into power in 2000, Russia was a capitalist political entity without any remains of the original aspirations of Marx's and Lenin's communist ideas. From this perspective, it is only

¹¹ Compare (Hanappi, 2020).

¹² 'Populism' is a completely misconceived concept, constructed to damage scientific discourse. It serves to denounce the populace as being stupid, being open for wrong interpretations of reality put forward by a 'populist' seducer - and thus circumvents to explain how and why the seducers explanations are wrong, what a better explanation should consider.

¹³ Female 'populist' leaders in Europe are no exceptions anymore: Marine LePen, Giorgia Meloni, Alice Weidel. The first conservative role model had been Margaret Thatcher.

¹⁴ During the Zar regime, before the Russian revolution, a strictly authoritarian organisation of Lenin's party organisation was pivotal for its survival. After the revolution things had changed, but the authoritarian setup never was adjusted. Instead, Stalin strengthened it.

¹⁵ The label 'market economy' is misleading, since it extends the force of different demand mechanics to the existence of a general independent, metaphysical social subject, which is able to override all social institutions.

straightforward policy that Putin, as central executor of the Russian military-industrial complex (its ruling class), amplified the usual ingredients of powerful, authoritarian marionettes of a capitalist state: excessive nationalism and a revival of the links to the traditional ideological pendant - the (orthodox) Christian church. With the advance of NATO towards the western border of Russia during the last two decades, Putin's efforts to keep his political unit together became more and more desperate - and nationalist rhetoric and 'military operations' surged¹⁶.

A similar development took place in China, though with different timing and special characteristics. While Red China emerged much later than the Soviet Union - only in 1949 - its turn towards a 'market economy' occurred earlier than in Russia. In 1976 Deng Xiaoping became the new leader and his new slogan was 'It doesn't matter if a cat is black or yellow, as long as it catches mice'. The 'cat' evidently is what I call the 'capitalist algorithm' and what it catches, the 'mice', is profit. With Deng Xiaoping, the accumulation of capital started to be the prime goal of the Chinese economy, the naming of this policy was only an arbitrary convention. After 50 years this combination of capitalist economics and highly centralised and rigid political governance proved to be an exceptional economic success story. In retrospect, it is at first sight visible that China has chosen a less rigid path towards the Western type of capitalism. Instead of Stalin's brutally enforced industrialisation, Mao Zedong followed a policy of 'walking on two feet', which meant allowing agriculture a comparably important role as the industry. With the new policy since 1976, in particular, since the globalisation push of the West, part of the central *economic* authority of the Chinese government was given away to large foreign corporations in the rich North. They could use the cheaper Chinese workforce within China to transform intermediate products imported from other third-world countries to finish them and finally sell them worldwide. How successful this procedure worked became visible in the first decades of the new millennium. The economically useful split of authority even could be found in the decision of China to finance the U.S. government debt. It is the paramount importance of economic usefulness - as opposed to the military and political goals in Russia - which makes the sharing of authority for China - and with China - easier. Nevertheless, it has to be kept in mind that the limits of this additional economic flexibility are still set by the apparatus of the Chinese Communist Party.

China's state-directed capitalism is different to the Russian model and despite the closer links to the USA, it is also very different from Donald Trump's new vision of the US model. As the Chinese example shows domestic class struggle and the stability of authoritarian relationships can be maintained as long as the living standards of a sufficiently large majority of the population are increasing. In Russia, it can be seen that even with worsening living standards a proportional increase in surveillance, police power, and media manipulation can keep a state-capitalist regime in power. In this case, due to the additional force used, authoritarian relationships will even become more rigid. Finally, the situation in the USA under Trump now is highly explosive. He seems to be closer to the Russian style, reckless implementation of commands that are not allowed to be called into question. On the other hand, the marionette Trump still depends on the core of his ruling class, the leaders of the US military-industrial complex. For them, it is a bad strategy - though eventually a good tactic - to disturb and break up global relationships. But in the longer run the US military-industrial complex wants the central role in the emerging absolute, global, authoritarian capitalism. And to achieve that Trump's MEGA policy is too short-sighted, it only aims to be the *Primus inter Parias* of still existing three global powers. To be the unchallenged leader in a global ruling class of exploiters it is necessary to remain open enough to enslave the rest of competitors. Therefore,

¹⁶ See (Hanappi, 2022b) for a more detailed description of recent developments.

it remains to be seen how long Donald Trump can survive this widening gap between his short-run activism and his role as a representative of the military-industrial complex.

Today authoritarianism is an outstanding property of all three superpowers - USA, China, and Russia - in the world. If the ruling exploiting classes of these powers unite, then it can be assumed that authoritarianism is here to stay. Of course, global authoritarian governance will have to introduce additional levels of hierarchy, accompanied by institutionalised procedures for decision-making, and the like. Nevertheless, going global will not change the prevalence of *authority ordered* compared to *authority given*. One important reason for the continuation of suppressed democratic decision-making stems from the environmental limits that the global production system currently is reaching. The often praised 'consumer sovereignty' - which in reality was mainly a firm owner's sovereignty - will have to be restricted to guarantee the survival of the species. This process has already started; it is one element of the more general set of limits, which the accumulation process now has started to meet at a breath-taking fast speed. Our world is characterized by being finite, we learn now. More than *global* is not possible - Elon Musk's fantasy of planetarian escapes is just the dreamworld of a twisted mind.

Global

Authoritarianism can take on extreme forms, the scale of its brutality is open to different forms of empirical measurement. But it is not limited by physical constraints, it remains in the sphere of social relationships. The fascist regime of Nazi Germany was certainly an example of a most authoritarian society - the few still living victims describe it often as 'hell', as a zenith of authoritarian despotism and torture. But what distinguishes authoritarianism from the growth of territories ruled by the capitalist algorithm is that the habitable area of planet Earth is *physically* finite. It is evident, that this territorial finiteness will be a limit, which forces the capitalist algorithm to change¹⁷.

The relentless drive towards territorial expansion was already present in the earliest stage of capitalism, in merchant capitalism. The Dutch and the following British trade empires typically reached out to other continents for profitable conquests. The worldwide division of production - often taking products from the periphery to the centre that could not have been produced there, and vice versa - resulted in two different effects: (1) The overall labour productivity, the average time needed to produce a commodity, was lowered. (2) in the centre the diversity of consumption goods of the ruling class was increased, a trade-based effect of what later was called innovation. Both effects constitute what one could call the (beneficial) *historical mission of capitalism*. Less beneficial were the emerging class struggle of the victims of a re-imported slavery mode of production in America, and the wars between the conflicting colonial powers. Worldwide 'merchant capitalism' *in one country* was a contradiction in terms. Fights to become the global hegemon of merchant capitalism were inevitable. In the second half of the 18th century, a very special type of contradiction fuelled by British merchant capital led to a new dimension of capitalism's evolution, which led to industrial capitalism: The enormous growth of profit, which the two large trade triangles of the British Empire - one with India and one with America - shuffled back to England at some point surpassed the possible growth rate of the production of manufactured goods on the island, the commodities which were necessary to keep the trade triangle rolling. And this quickly widening

¹⁷ The capitalist algorithm has been explained in detail in (Hanappi, 2013). It evidently has forerunners in the behaviour of empires and societies before 1500, but only with merchant capital and the emergent acceptance of a globally valid currency of a hegemon it gained the significance it has till today. Compare (Frank, 2008).

disequilibrium was the major reason for the spur of technological innovation - first in the textile industry and later in most other British industries. Technological innovation, and new production processes, gave capitalism a new push by reducing labour productivity on the factory floor. In the sequel these new production techniques also induced the emergence of new products. Industrial capitalism revived the historical mission of capitalism¹⁸. However, the downside of this historical mission of capitalism for the human species soon became dramatically visible. In the 19th century the impoverishment of workers, of the class of the exploited, had grown into a crying contradiction to the wealth of bourgeoisie capital owners, and even more so compared to the feudal class, which still commanded the politics of the leading European countries¹⁹.

The drive to territorial expansion during merchant capitalism continued during industrial capitalism. An instructive example is the race between Britain and France to occupy territories in Africa. While in the beginning gaining territory for a feudal state mostly meant having additional agricultural area (and its exploitable population) at its disposal, now industrial capitalism enlarged expansionary goals. It now included access to all industrial inputs and in particular the military might of the respective feudal class. The latter evidently is the hotbed of nationalism. The clash in World War 1 to a considerable extent was founded on the fact that Germany and Austria were excluded from the distribution of colonies that Britain and France already had conquered. The amount of possible colonial conquests was as limited as the habitable area of the earth is today. With such a limit, there only remains the alternative of taking away land from rivals by declaring war, the new ideological weapon of nationalism used by feudal governments, made WW1 a war between nations²⁰. This first wave of geopolitical expansions and the catastrophic event that emerged when these dynamics reached a limit they could not trespass is very instructive with respect to the geopolitical expansion of the three large superpowers since the end of WW2. In particular, the recent surge in nationalist ideology is a direct parallel to the late 19th century.

However, what has to be kept in mind is that important additional insight into the dynamics of an expansionary social system that meets a sudden physical constraint can be gained from a study of the interwar period, namely from the rise and sudden fall of classical fascism. When nationalism turned into full-fledged fascism in the thirties of the last century a whole plethora of parallels to current developments will catch the eye. Nevertheless, one particular feature of classical fascism has to be highlighted in the context of globalisation: When fascism came into power it *closed* the view of the world visible for its domestic population, it blinded them. It was extreme in its ideological capacity to narrow down the mindset of its followers, to manipulate them to mistake the fascist vision - racism - as a necessary *global* endpoint of human evolution. It is this outstanding influence on the *single minds of its followers* that justifies the adjective 'absolute' for classical fascism. The following part of this paper will further elaborate on this bridge to *absolute*, global, authoritarian capitalism.

¹⁸ The story of the historical mission of industrial capitalism is what Adam Smith in his economic classic in principle describes as England's success story - without mentioning the pivotal role of slavery trade and rivalries between colonial powers. See (Smith, 1776).

¹⁹ When in 1848 the bourgeois revolution broke out, Karl Marx thought that all non-feudals under the lead of the exploited working class would be able to get rid of the politically leading feudal class, see (Marx and Engels, 1848). It did not happen - and against his prediction of a shortly approaching global proletarian revolution, the abolishment of feudal political leadership had to wait till World War 1.

²⁰ As Hobsbawm convincingly explains, nationalism is a phenomenon only emerging in such strength in the 19th century, (Hobsbawm, 2021).

After WW2 the number of competing capitalist rivals in the global political economy shrunk substantially. Only three superpowers are now remaining, the USA, China and Russia. In military terms, the USA is the military alliance NATO, which includes the European peninsula²¹. The special links between China and Russia also have to be inspected carefully. Contrary to the first five decades after WW2, when Russia was more powerful than China, the new millennium reversed their respective status. China now has a more diverse economy than Russia and living standards are higher than in Russia. Moreover, China now has privileged links to both of its competitors: energy and military-related to Russia, finance and business-related to the USA.

If the ruling classes of the three superpowers manage to *build a new global capitalist ruling class* the process of globalisation²² has reached the end of the flagpole. It can be assumed that at this point the energies used for rivalling capitalist actions will stop, and will turn towards achieving the highest possible and most stable exploitation process of the globally exploited working population. Such a turning point can be assumed to lead to severe qualitative changes in the global political economy. In the last part of this paper, the resulting contradictions will be briefly described.

Most of the qualitative cracks in the brave new world of absolute, global, authoritarian capitalism can be better understood if the dynamic processes leading to its emergence are considered more closely. The thirst for more territory and more power of a still somehow local state seems to carry a deeply human stance. In a rather vague jargon, this suggestion often is summarized as a *drive to grow*. It cannot be denied that living systems do exhibit behaviour, which helps them to maintain their functioning. Since Charles Darwin²³, it has been common knowledge that species evolve by adapting to their environment. Note that Darwin's theory of evolution refers to *species* and not to individual members of a species, thus the classic book on evolutionary theory already insists on the primacy of the group over the consideration of isolated individuals. For the human species, it is an empirical fact that the size of this group for almost its entire existence in the last 2000 years was rarely growing, its adaption processes rather had to focus on surviving. 'Uncertain estimates indicate that during the entire first millennium of the Common Era, the world's population had either declined slightly, had remained stationary, or had grown by no more than about 50%.', writes Vaclav Smil, (Smil, 2021, p.8). The economically dominating amount of worldwide agricultural production which accompanied the demographic stagnation was correspondingly low: 'Best reconstructions put average annual growth rate of the global economic product at just 0.01% during the first millennium of the Common Era. At that rate, the total product would take seven millennia to double, and even an order-of-magnitude improvement during the next 500 years brought the rate to only about 0.1% with doubling still taking seven centuries.' (Smil, 2021, p. 10). In other words, the economic and demographic *growth of human societies* is a phenomenon which only started around 1500, at the time when the first stage of capitalism - merchant capitalism - emerged. As far as the growth imperative of the human species is concerned, it is thus clear that it is the growth of capital, the accumulation of capital, which is meant. Classical British political economy,

21 There are only very few small non-NATO members in Europe. The Supreme Allied Commander Europe (SACEUR) of NATO-Europe always is a US General; since 2022 it is General Christopher G. Cavoli. While the European Union certainly is a heavyweight in economic terms, it is subordinated - and will remain subordinated - to the superpower USA as an independent player in global political economy.

22 Compare the companion paper (Hanappi, 2025).

23 Compare (Darwin, 1859).

from Adam Smith to Karl Marx, held that capital is dead labour²⁴. The factories, built as well as the abstract production technologies used there, as well as institutionalised class relations, which allow the factory owners to employ workers at low enough wages - all these elements of capital have emerged because time - labour time - has been spent to produce them. The dynamics, which bring the accumulation to life - all variants of the capitalist algorithm - are the *conditio sine qua non* of capitalism. Rising labour productivity, the condition that output grows faster than labour time input, is the traditional central mechanism with which the production apparatus of the firms of *competitive* capitalism has been fulfilling its historical mission. Via the capitalist algorithm, the growth of dead labour becomes the dominant force that governs the capitalist mode of production. If competition between different capitalist military-industrial complexes ends because there is only one globally ruling class, then the historical mission is over. Thus, as growth started with capitalism it is straightforward to ask if it will end - or at least be qualitatively transformed - with the end of the capitalist mode of production. This topic will be returning in the last part of this paper.

Growth itself is an abstract concept. It is the name for the change of a variable over time. A variable - the modern use of this methodological tool goes back to Descartes²⁵ - is a unification of two opposing elements: a continuing constant name points at an everchanging (often quantitative) momentaneous state of affairs. In capitalism, it is the growth of capital, which is the motor behind its transformative social mission. The historically evolving measurement of capital²⁶ - typically made discernible as the currently observable amount of *money* (in the jargon of finance the '*present value*') - allows to compare measurement results at two succeeding points of time, which then indicates profits made during that period. If measurement in quantitative terms, e.g. in US \$, succeeds, the highly abstract growth rate of capital then is just the quotient between profits divided by the amount of capital at the earlier point of measurement. This clearly is not one of the natural constants of physics. It is a metaphysical construct that can be used to describe the advance of this special mode of production, of capitalism, *during its historical mission*.

As a consequence, reaching total globalisation with no remaining capitalist competition between different military-industrial complexes - and some smaller economic units within their network - will result in a stagnation of capital accumulation. Growth in the traditional meaning will become zero. This truth will take some time to work out, but a qualitative change in what can be used as essential variables, necessary to characterise the next mode of production, can be expected.

Nevertheless, the use of growth rates to describe dynamics will not vanish. As long as the notion of time is relevant, it only is the question: Growth rates of which variables are to be described? The physical limits of the planet on which the human species lives are finite and in several dimensions they will be reached soon. This is the Sword of Damocles hanging as an environmental catastrophe over mankind's near future.

Though our natural environment teaches us its limitations with ascending stress, there also exists uncharted land concerning the internal model-building processes in the brains of human

²⁴ 'Economy of time, to this all economy ultimately reduces itself.' (Marx, 1857, notebook 1, The Chapter on Money).

²⁵ Compare (Descartes, 1637).

²⁶ As the description of the elements of capital (briefly mentioned above) shows, the measurement of capital is an extremely difficult task. Think only about the problem to include the tide of class struggles in a monetary oriented evaluation of expected capital accumulation. Financial engineers do have a hard time.

individuals. At the surface, this issue can simply be the *belief* that new inventions, and new technical skills, will always be able to master the problems posed by mankind's environment. At a deeper level, the *intricacies of the minds of large groups of human individuals* and their behaviour - integrated into a technical communication network as an organised social movement - are the most recent phenomenon that the capitalist mode of production has produced. It is this turn of capitalism since the pivotal revolution of mass hysteria, which classical fascism with the help of broadcasting was the first to be able to produce, which reappeared after WW2 in different forms of massive public information sphere pollution, and which nowadays is taking hold as the seemingly technological fashion of AI applications; it is this turn, which transforms capitalism into what I call *absolute* capitalism.

Absolute

For most of their existence, human groups lived in a comprehensible environment. During the lifetime of a human individual, it had to follow a set of more or less predefined actions, it had to learn to use the tools it needed and regularly communicate with no more than a few dozen other individuals. In the 20th century, in the rich North, these circumstances changed dramatically. The Great Depression, which started in 1929, caused extremely high unemployment rates in the USA as well as in Europe. The desperation of the unemployed in those European countries, which had lost WW1, in particular in Germany and Austria, was additionally amplified by the continuing burden of reparation payments that left no room for a perspective of a prospering future. This situation opened up the possibility for the emergence of fascism as the most extreme form of nationalism²⁷. How important the receptivity of the mass of unemployed workers for the rise of fascism was, can be immediately seen if the success of the Nazi party at elections in 1928 (2,6% in Germany) and 1933 (37,4% in Germany) is compared²⁸.

Macroeconomic determinants - like a global financial crisis that leads to mass unemployment - therefore lead to predispositions in the ways in which individual members of this mass are able to interpret their own situation. With the modern mass information technology, which started with Hitler's broadcasting of his speeches in the 30-ties, an *interwoven communication spiral* became possible: The limited scope of direct personal communication usually always leads to small personal bubbles of information exchange. They provide the feeling of a cosy home of familiarity, of homeland. Even more intimate, from the radio in the living room, the 'Volksempfänger' continuously spreads Hitler's interpretations of what is relevant to understanding the global political economy. The personal bubbles then act as amplifiers for the technologically distributed worldview. If there are enough of such bubbles (remember the 37,4 % of votes in 1933) a fascist leader might be able²⁹ to use a democratic voting procedure to get rid of democratic voting procedures. If this works, he can gain full control - monopoly - over technological, one-way mass communication. With an appropriate design political entrepreneurship of a fascist leader can use the feedback from the individual micro-units - his voters - to arrive at his or her desired goal: fascist dictatorship. The

²⁷ The forerunner of Mussolini's Italian fascism followed a somewhat different path. Compare (Moiseev, 2024) to discover the much more subtle roots of Italian fascism.

²⁸ For more details see (Hanappi, 2022a, pp.76 - 87).

²⁹ The more political parties compete in such an election, the easier it is for a fascist leader to achieve his or her critical ratio. The fragmentation of parties in turn will depend on the confusion, the above mentioned level of alienation, in the population.

increasing oligopolisation of mass media is propelling the described spiral. Nevertheless, there is an important hurdle on the way to this goal, which has to be mastered. Political economy does not consist of battles in the communication sphere only. There still is an ongoing class struggle in the European countries of the interwar period. While it is useful for a fascist movement to remain ambivalent during the first upswing of its development, there comes the moment when it has to take sides, when it has to find a large enough fraction of big industry for its support in economic terms. As soon as that happens, the new fascist military-industrial complex³⁰ turns fiercely against all working-class organisations. In the second half of the 30-ties Germany and Austria can be considered as classical examples of *absolute* fascism. There had been technological possibilities coinciding with a large enough group of disoriented and despaired people, a handful of political entrepreneurs with a strategy, and the majority of powerful collaborators in the ruling class *of the nation*. That was all it needed in 1934.

The special character of classical fascism stemmed from the fact that it appeared while there was still a vivid collective memory³¹ of WW1, a memory of the general mood of aggressive nationalism adding to the rivalry between the different ruling classes of European countries the aggression of their populations of ordinary citizens. This was how nationalism could so easily develop into fascism³².

In the current development towards absolute capitalism, many of the just-described features of the interwar development of classical fascism can be recognised. But as the already globalised production system foreshadows nationalist rivalries will be suppressed as a global ruling class is forming. This is bad news for the contemporary clique of leaders counting on steering up nationalist feelings in their countries. Today's leading nationalist, Donald Trump, has already started to feel the heat from part of the military-industrial complex that brought him into power. Capital needs its global reach.

Nevertheless, two other elements that justify the adjective '*absolute*' for the interwar period in Germany and Austria today are as important as they were then: (1) The massive jump in communication and information technology, which throws human societies on a completely different track of future evolution. (2) The deep influence of the 'state apparatuses',³³ which - with the help of the new technologies - imprinted the capitalist algorithm in the minds of almost every citizen in every country. Of course, this now is not the pride of being a member of the Arian race, it now is a completely mistaken belief in individualism: Each member of the human species is solely responsible for her or his individual fate; there is no exploited class and as a consequence, there is no exploiting ruling class. While the content of this deep brainwashing is different to the one in classical fascism, the strength of its impact is as strong as the historical example.

³⁰ The case of Germany in the 30-ties again is very instructive. From the industrial side the steel industry envisaging an upswing of weapons production could join frustrated old military leaders, which never had accepted the loss of WW1. A year after Hitler had arranged his secret meeting with industrialists in 1933, he started to dissolve his more worker-oriented organisation SA.

³¹ For the term 'collective memory' compare (Halbwachs, 1950).

³² During Garibaldi's time, in the middle of the 19th century, nationalism still could play a partially progressive role in social development; it allowed for the emergence of political units that provided some common infrastructure in health, language and education, which were signalling the need for public goods.

³³ For the notion of *state apparatuses* compare (Althusser, 1970).

The *absolute* capitalism towards which authoritarianism and globalisation are driving us, thus will rest on **two pillars**: An overarching global communication and information **technology** and an accordingly amended, reframed **global class structure**.

The first element is easier to understand. It can be derived from Marx's notion of *productive forces*, which outgrow the production relations. The fundamental impacts of communication devices like smartphones are already stupifying social science researchers. Nevertheless, it still remains unclear in which direction a knowledge base of a major part of human knowledge - an extended Wikipedia - that is instantly available to each human individual on earth might lead us. How can such a knowledge base be used - think of the necessity of appropriate education of users - and misused - think of the manipulative force of the owners of such a knowledge base, e.g. in the context of the current AI hype? The contemporary conflicts between already authoritarian, but still nationalist regimes are experiences of the fragile fundamentals on which mass manipulation of '*national socialism*'³⁴ these days rests. Manipulation nowadays has tremendous technological - and psychological - tools at hand. But as the short seven years of WW2 show, mass manipulation is not almighty. This leads to the second pillar.

In the new millennium human individuals definitely are more exposed to the global character of the production system that provides them with the needs of their daily reproduction. At the same time, they necessarily know less and less how this production system really works. They feel caught in an invisible net, but they consume - if they can. Many starve, many consume enough to survive and reproduce, a very few accumulate unimaginable monetary wealth. Exploitation has reached its zenith. Individuals deal with this split experience of blindness and dependence vis-a-vis globalisation with a partial return to familiar nearby locations, and the local culture. But even in their local habits, in their behaviour as citizens in a small village, the capitalist algorithm has now successfully left its malicious seed. Many individuals act like very small capitalist firms. They seem to maximize an invisible profit - and regularly and necessarily fail. Global exploitation proceeds. In the rich North, this prolonged frustration is one of the sources with which neo-fascist movements organise their followers. Despite this danger of eruptions of neo-fascist rivalries - even of a third World War - the split into a two-fold existence of human individuals is a phenomenon that is here to stay. What hopefully can vanish is only the Procrustes bed of the individualised capitalist algorithm. There are good reasons to expect that this might be possible. The last part of this paper sketches them.

Contradictions

In a companion paper of this text, a difficult and dangerous time for the next five to ten years of the global political economy has been predicted (Hanappi, 2025). As is usual it had been necessary to look approximately as far in the past as far as one wants to look into the future to produce an educated guess. Therefore only the most recent decades have been the empirical basis of the companion paper. This paper now goes beyond this time horizon and asks the question: What kind of global political economy will prevail after the coming ten years? The title already gives the answer: absolute, global, authoritarian capitalism. But there also is a more hopeful subtitle: Approaching the last stop of the Capitalist Algorithm. This corresponds to the citation of Karl Marx,

³⁴ It is frightening how well this classic name of Hitler's political party fits to the politics of contemporary leaders like Trump, Putin, Orban, Erdogan and many others.

which immediately follows it. Capitalism has not reached its final configuration today, it only is on its way to it³⁵. And as the following 109 years showed capitalism has been more adaptive than the first generations of socialist intellectuals thought. To get an idea of how the long-awaited evolutionary jump, the revolution out of capitalism, could look like, it is necessary to inspect the long-run history of a few of capitalism's contemporary characteristics: authoritarianism, globalisation, and absolute ideological dominance. Of course, a single research paper cannot cover such a broad research topic. It only can lay out a crude plan for it.

The three mentioned features of contemporary capitalism are not only the dangerous cliffs that the ruling class will have to master in the mid-run, but they are also the result of capitalism's internal logic. Implicit contradictions have always been the source of social or technical innovation. Nevertheless, today's impasses are deeper and more fundamental than any time before. Let me recapitulate.

Authoritarianism today appears as a nationalist affair. As such it is dangerous and diverts surplus towards expenditure for wars and away from welfare enhancements. To overcome authoritarianism at a coming global level of the ruling of the exploiting class it will need a radical jump towards democratic mechanisms. These mechanisms have to work upwards from the lowest cultural units to the central global governance institution - and then downwards again. This means that a theoretical jump in democracy design is urgently needed, not to speak of its implementation. In some cases the way downward to the small units is to be prioritised, e.g, to prevent the worst concerning environmental catastrophes the top level will be in a better position to organise scientific expertise for behavioural recommendations. In any case, a capitalist military-industrial complex making its decisions based on the capitalist algorithm will not be able to handle environmental catastrophes. This will be a point where capitalism collapses.

The physical limits of **globalisation** change the nature of the growth aspirations of the human species. Growing capital, the rising dominance of dead labour over living workers, will have to stop. The metamorphosis of growth, its shift to a variable vaguely called the welfare of society, will be closely linked to democratic mechanisms. These democratic mechanisms will turn out to be the enhancement of what the apologetics of capitalism mistakenly have insinuated as the omnipotence of 'the market'. Instead of the mystical subject 'market' the conscious and democratic decision-making of groups of living people will ensure the *growth of their welfare*. In this way, it becomes visible how a limit that makes the further advance of a crying contradiction impossible, can provoke the birth of a new, more adequate, essential goal variable.

The most difficult transformation that has to take place in a future mode of production concerns with relation to the adjective '**absolute**'. Absolute capitalism, as *capitalist algorithm* being ingrained as an interpretation scheme in the mindsets of so many people, will not disappear overnight³⁶. The hope rests on the future young generations, on the experiences they make in mastering survival in a physically finite world and still being able to increase welfare. Contradictions can create

35 This evidently is a speculation, an educated guess based on a feeling of hope. Lenin must have had a similar feeling in 1916 when he wrote 'Imperialism, the Highest Stage of Capitalism', (Lenin, 1916). He was wrong. What followed was fascism, Stalinism and a period of integrated capitalism (Hanappi, 2019a).

36 Nowadays, at a time when almost all individuals contaminated by the virus of the classical Nazi regime in person we met are dead already, we know how long-lasting ideologic infiltration experienced during childhood and youth can be.

novelty. The hope also rests on those older 'organic intellectuals'³⁷, who due to their age have learned how to resist capitalism - and capitalist propaganda - in all its variants. The last decades of the ascending tide of absolute, global, authoritarian capitalism have taught them a hard lesson. They had to endure isolation in small cultural circles, had to train their scientific abilities and to overcome their recurring doubts concerning their own integrity, and their self-esteem. Their experiences and their knowledge are indispensable.

In the end, future human individuals will have to walk on two feet - to paraphrase an old slogan of the *philosopher* Maozedong: With one foot they will be members of the small cultural community in their immediate neighbourhood. They will speak the language with which they were brought up and will appreciate how love and direct friendship satisfy their emotional background. It is this very finite world where they are born and where - after approximately one hundred years - they die. With the other foot, they will step out into the much richer and older world of the human species. They will be connected to this world by electronic media. In this world, they will speak a language that is understood by everybody else, it is the language that also is spoken by the global community of scientists, which produces a steadily growing amount of knowledge. If an individual wants to dive into one of these scientific ponds, it will be able to do so - if it has time and lust. Because a lifetime is always finite, so still choose your occupations wisely. A considerable part of a lifetime will still be determined by the place that the individual is assigned to in the global system of production. Partly it will have a restricted choice in that respect. But more detail is not in place here. The upshot of Maozedong's thought is that it is necessary to walk on both feet.

The global political economy as well as the human individual, which lives in it, repeatedly gets out of balance and needs corrections from one of the two feet. The important point is that it moves forward in this process, that there is progress via changing disequilibrium³⁸. Of course, the global political economy as well as any human individual can - and at some future day certainly will - fall. But for now, a brighter future for mankind beyond the capitalist mode of production still is possible.

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³⁷ The concept of the organic intellectual is the most important inheritance, which we owe to Antonio Gramsci, (Gramsci,).

³⁸ Note, that at a smaller scale this is also the methodological baseline of Schumpeter, see (Schumpeter, 1911).

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