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# The place of Europe in the global political economy

## The perspective of evolutionary political economy

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### Abstract

This is an ugly paper. It does not cover a well-defined problem area and it ignores all conventional rules usually prescribed to make a text an easy reading. The only excuse for this is that its topic - Europe - is in an ugly situation too.

In most papers the goal to be reached is kept at a modest level, if it is mentioned at all. The goal of this paper is rather all-embracing: It starts by distinguishing the two old enemies: the racist vision of society and the humanist vision of society. So, before bringing Europe into focus the paper unveils its ground colour - humanism. To determine this starting point the text already has to stretch out into many transdisciplinary directions.

Then Europe's immediate past - which events brought it into its current situation? - is interpreted. The interpretation does not pretend that it can disentangle facts from speculative issues - no interpretation can, another ugly fact. But it tries hard to make sense.

The following largest part of the paper works with metaphors to bring home an idea of the dangers Europeans are currently confronted with: Skylla and Charybdis. A wide variety of themes are touched upon.

In the last chapter the unavoidable feeling that the free-wheeling arguments and metaphors left too many open ends is to be heeled by an explicit return to pragmatics: What should we do? And this - finally - is the necessary root of the ugliness of this paper: It was written years before the dust of theoretical and pragmatic battles was set to let a better hindsight get ground.

### The Goal

The benefits of the last 500 years of capitalism stem from its ability to organise a **division of labour**, which increases the amount of output that a group of human individuals can produce. In doing so, the enhancement of special capabilities of individuals and groups led to typical social characters, institutions and social classes. But in the course of following the one ultimate goal to maximise capital accumulation, the emerging omnipresent capitalist algorithm quickly dehumanised capital. Though the production process of the human species itself always remains a transformation of the lifetime of human individuals into goods and services that they need for their primary metabolism, the mantra to maximise profit – the capitalist algorithm – became the dominating governing force for the organisation of the human species. With this evolution towards an alienate dictatorship from outside

the human species, an abstract secular religion taking hold of the most powerful classes and individuals in societies, the historical benefits of capitalism experienced the co-evolution of their opposite: Generalized, global and local exploitation and war, both leading to a channelling of the benefits to an ever-smaller group of exploiters and warlords at the expense of the increasing mass of more or less exploited labourers.

In our *finite* world, this evolution of continuous capital accumulation once had to meet its ***natural limits***. One limit, evidently, is the ***physical extension of the planet***. All physical resources at one point are so scarce that they are getting so expensive that their use is not profitable any more. The other limit is the human individuals' flexibility. In this case, the lethal threshold is not a very low flexibility, but on the contrary: An extremely high flexibility produces an ***unbound loss of orientation***; blinded masses follow with their actions their arbitrary and self-destructing leaders. The coincidence of environmental collapse - which would need highly coordinated and executed rational actions to survive - and wrath-driven irrational warlords leading their confused followers into endless wars, this coincidence will lead rapidly to the end of the species. To accumulate by only taking away possible profits from another accumulation process leaves the total amount of profits of the global ruling class at zero. Add the difficulties of the environmental constraints, and you arrive at the doomsday of global capitalism<sup>1</sup>.

The approaching physical constraints have already cast frightening shadows on the human species. The pandemic from 2020 to 2022 was a sudden shock; the surprisingly fast global temperature increase combined with increasing waves of quick changes is a bit slower but will have tremendous consequences on agriculture and immigration. Global shocks are not necessarily insurmountable; the pandemic has shown that science can develop faster than expected and come up with a vaccination that prevents the worst. The lesson to be learned from such global crises is that they can eventually be mastered if the world is governed by a ***world government***, which (1) can take quick and coordinated action, and (2) is advised by a global center of scientists, a mix of problem-related specialists and transdisciplinary scholars. The *first property* points at the need to make - in the case of such acute dangers - democratic mechanisms much faster and to develop a network of participation in decision-making, which (i) weighs voting power according to knowledge in the field, (ii) being concerned by the respective crisis, and (iii) a rule that forbids overriding the set of minimal human rights of any single individual. The *second condition* calls for a coordinated evolution of global science, which escapes from the fetters of being financed only if some expected profits of an investor pop up. This implies a turn away from the so-called capitalist algorithm in the field of science. It will change the directions of research, which then can be determined by the scientists themselves working together with the institutional apparatus of society. For both conditions, it is clear that a fair amount of central global power will be needed - not the power of a single hegemonic nation-state but a *power representing the entire species*. This necessity for a strict, even hierarchically policed decision-making process must be restricted to cases of emergency and must have in-built mechanisms to be ended as soon as the acute crisis is mastered. Then governance has to return to broader democratic modus to balance all strata of the global society again.

However, a world government does not exist yet! To consider the whole human species as one organism is, of course, the outspoken focus of all kinds of visions of ***humanism*** in human history. How can such a new, all-embracing organism of a whole species emerge? Which forces, which agents, can push it into existence? One indispensable ingredient of an organism evidently is its physical ability to develop a ***'central nervous system'*** with which it can coordinate its parts. The latest evil form of

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<sup>1</sup> The surging fashion of dystopian belletrist publications reflects this state of affairs. Scientifically inclined approaches have to go beyond the description of a mood by adding an element of hope.

*absolute, global, authoritarian capitalism*, see (Hanappi, 2025a), has already produced the hardware for such a coordinating device. Despite the perverted form in which it is used, namely menacing to extinct mankind in a World War 3, the information and communication technology available today is waiting to be inverted into the central nervous system of an entity called humanism. With every small piece of humanity's knowledge being instantaneously available for every individual - as far as it wants it - and the emergence of every manageable cluster of satisfactory culture being arranged across continents and other borders by global communication - as far as individuals want it - the precondition for the hardware of a better world in principle already exists.

With the discovery of the evolutionary dynamics that can describe the progress of life forms on earth, recent centuries showed two diametrically opposed visions of how progress proceeds: One vision, **humanism**, has been sketched in the previous paragraph. The other vision, **racism**, is building on the idea that individuals of a new and superior race are already among us and only have to eliminate - or domesticate - the rest of the inferior sub humans. In a disastrous coalition of those parts of the respective military-industrial complexes on earth, which go for globalised class rule, an updated form of **21<sup>st</sup>-century global fascist vision** emerges.

Both visions - humanism and racism - replace what in earlier centuries were leitmotifs of class struggles in national political entities. But there now is an additional element that distinguishes the global exploitation regime from former national capitalist dynamics: Overall capital accumulation has become impossible - the above-mentioned limits are now stringent - what one military-industrial complex can gain in economic terms is equal to what the other military-industrial complexes lose. Instead of overall accumulation, there now only exists a pulsation of military accumulation of power in different parts of the world. In other words, a continuum of wars driven by (and driving) war technologies destroy not only the natural environment of the planet but also larger parts of the human population. It is this hour of greatest despair on which the hope for a turning point towards the humanist vision of evolution has to be built. As at the long end of feudalism, it again is the hope for a **global revolution**<sup>2</sup>.

The tremendous increase of knowledge, which the capitalist mode of production in its long evolution has brought about, now, in its last stage of absolute, global authoritarian capitalism<sup>3</sup> to a large part has been perverted to war and surveillance technology. These technological trajectories play mainly a role for some still existing military clusters. But scientific progress cannot be narrowed down to military applications. A decoupling of clusters of scientists subscribing to the humanist vision and its merging with those populations that are globally exploited might occur. And an implementation of the humanist vision will need a lot of science, of **science** that is radically different from the war-and-profit science that dominates contemporary capitalism. Humanity's central nervous system will not fall from heaven - sorry, my religious friends - it will have to be constructed by humanism-oriented scientists. Whatever humans create always starts with its double existence: (1) with its vision and concrete plans in the brain, and parallel (2) with the revolutionary actions aiming to implement them. Scientific planning and preliminary proof by practice always are walking hand in hand.

The clearest way to develop the humanist vision is to start with spelling out what it contrasts<sup>4</sup>. Like the background of a painting is a necessary ingredient of what is to be highlighted in the foreground, the description of the enemy of the humanist vision, of the racist vision underlying the neo-fascist movements, is a fertile ground for being clear in theoretical vision and profane action. The **racist vision** makes a strong distinction between superior human individuals - e.g., the Arian race, the white skin

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<sup>2</sup> Revolutions are to be understood as the relatively short periods that separate two subsequent modes of production.

<sup>3</sup> Compare (Hanappi, 2025a).

<sup>4</sup> For more details see (Hanappi, 2018).

population, God's chosen people, etc. - and the inferior human individuals - e.g. Jews, coloured people, foreigners, heathens. For a racist, the divide of the human population into two parts is not only a static judgment concerning present human attributes. It is the result of the trajectory of a natural process, a kind of unavoidable natural selection of winners over losers<sup>5</sup>. As long as the superior race has not reached its ultimate goal of total dominance - as foreseen and determined by nature itself - its task is to eliminate, or at least to exploit, the inferior human individuals. On his way towards eternal supremacy, a racist typically feels to be a victim of the still existing inferior sub humans. Therefore, modern fascist movements see their battles as a correction of the trajectory of the predetermined path of natural evolution - whatever that is. As a consequence of this void of scientific and empirically rooted foundations, the racist vision typically has to take refuge in obscure mysticisms and age-old predictions. This explains why the mass of followers of neo-fascist movements come from deprived social strata (victims), which typically lack higher education (obscure mysticism). With the horrors of classical fascism in the first half of the 20<sup>th</sup> century, the European population should have learned its lesson to avoid the anew takeover by neo-fascist movements. It should be able, should even be predestined to take a step towards the humanist vision.

## **Europe**

A long time ago, the European peninsula was the birthplace of capitalism. Over the last century, it has lost its dominant role. As military-industrial complexes in the USA, China and Russia now govern the majority of political dynamics in all countries, usually with their military strength, Europe has recently been forced by the USA to accept that it is only an **outpost of US military strategy**. Europe has definitely lost its military significance.

Concerning its **economic global significance**, the situation is completely different. For the Western hemisphere, Europe has developed into the **largest consumer market** since the end of World War 2. The widespread success of the European Social Model allowed middle and lower-income groups in many European countries to consume with the help of consumer credits and moderate public government debt levels. Moreover, during the time from 1945 till the breakdown of the Bretton Woods system, some production technologies, e.g. the car production in Germany, experienced an astonishing boom. So, when fixed exchange rates were substituted by flexible exchange rates in 1971, the US Dollar fell substantially, and large transnational US firms again found an important growing market for their products in Europe. But in the sequel, as US manufacturing lost its qualitative lead over European products, several large European exporters could increase their exports to the USA again. A durable trade deficit of the USA vis-à-vis Europe emerged.

In such a case, the *standard neoclassical pure theory of international trade* would again predict a devaluation of the US Dollar; a change in the exchange rate should have led to less import demand in the USA and a decrease in European exports. This would work via the foreign exchange markets: European exporters would earn a lot of Dollars in the USA, which they would offer to be exchanged into Euros at the foreign exchange markets. The amount of Euros earned by US exporters waiting to be converted into Dollars would be much smaller. If the supply of Dollars exceeds the demand for Dollars, then the price of *the Dollar should fall*. But this did not happen. The Dollar/Euro exchange rate remained almost constant, and the boom for US exporting industries did not take place. The reason is that movements in foreign exchange markets are never due to purely economic disequilibria alone but are additionally **driven by political economy dynamics**. As long as the US Dollar is used as the world money of global capitalism, as its overwhelming importance as a reserve currency of public debts in almost all countries of the capitalist world is unchallenged, as it thus is the *omnipresent symbolic*

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<sup>5</sup> The dynamics of racism thus build on what was dubbed 'social Darwinism', an approach formulated by Herbert Spencer in 1860. See (Spencer, 1860).

*guarantee that global capitalism* is stable, as long as all these circumstances hold<sup>6</sup>, there will be an additional demand for US Dollars at foreign exchange markets, which sets off losses due to pure trade deficits. This is bad news for US export firms, while it is a necessary signum of the power of US imperialist aspirations. At the moment, this crying contradiction within the leadership of the ruling class of the military-industrial complex of the USA is prone to weaken its hegemonic aspirations. Despite the overwhelming military strength of the USA, such a development might enable the build-up of a globally ruling capitalist class combining rulers of China, Russia, and the USA. It will mainly rely on its strong, hierarchically organised military and police. At the strategic centres of its periphery, such a global class rule will maintain vassals, local warlords. Rivalries between them will probably result in a constant level of many local wars<sup>7</sup>.

The moment when Europe was, to a considerable extent, kicked out of the *circuit* of US capital<sup>8</sup>, which is when Donald Trump implemented his MAGA strategy, is a crucial starting point for an independent economic unification initiative of European countries. First of all, the European Union has to accept that it is not a big player in military affairs, and will not achieve this role in the foreseeable future. It is part of the US-led NATO under the high command of US General Cavoli, who announced in April 2025 that all US troops will remain on European territory. To start an extremely expensive European armament initiative - stimulated by Trump - therefore can only be interpreted as an attempt to boost US weapons industries in a way similar to the boost of US LNG exports due to Trump's push to stop Europe's oil and gas imports from Russia.

As a side effect of armament expenditure, the share of government expenditures of European countries needed for social transfers - the trademark of the European Social Model - would necessarily be massively reduced. The same holds for Europe's environmental policy. In both cases current living conditions of European citizens are much better than those of US citizens, a situation that Trump plans to change by worsening Europe's position. The fact that Europe's mass media - and in particular social media like X - are in private hands that typically have been trying to bring down the European Social Model, has resulted in a mass media campaign promoting the US perspective with an almost unbelievable verve. This surprisingly strong and all-encompassing media campaign certainly was one of the reasons for the unrest in several of the local European populations, which was successfully channelled into a search for right-wing political parties. As Trump's envoys to Europe, Elon Musk (supporting AfD) and Steve Bannon (supporting Italy's Giorgia Meloni), quickly realised, the strategy to support neo-fascist parties in Europe helps to destabilise European governments' resistance against the destruction of the European Social Model.

What also needs special attention is the dimension of cultural emancipation. The humanist vision is deeply rooted in the acceptance and development of the diversity of human individuals. Europe's citizens, in grosso modo, have taken important steps towards this type of emancipation - Trump, Musk, Bannon, and their followers have not. This not only concerns women's rights and sexual emancipation, but it implies a wholly different way of life. Trump's fierce campaign against 'wokeness' in the USA

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<sup>6</sup> Compare (Hanappi, 2025b).

<sup>7</sup> See (Hanappi 2025a) for reasons why global capitalism - in case it really emerges - will not last very long.

<sup>8</sup> After 1945 the necessity to keep Western Europe as a military stronghold on the Eurasian continent to fight the expansion of Stalinism had made it necessary to launch economic support - the Marshall plan. In the last 80 years Europe became an important consumer market for the USA - and since the collapse of the USSR the platform for the expansion of the US-led NATO towards the east. In 2025 Trump decided to spur US economic growth by using his overwhelming military power to enforce money flows from European states to the USA: Forcing them to buy US energy and US weapons and to reduce their exports to the USA by an extreme tariff policy. In this way he intended to translate military might into even stronger economic might. If it works, he can account on massive capital flight from all parts of the world towards the capitalist centre in the USA.

shows how important this topic is for the U-turn towards authoritarian capitalism<sup>9</sup>. The insistence of Europe on its cultural advantage should thus be even more pronounced.

All of these ongoing dangers for European evolution prove how important it is to work on a new plan for the future cooperation between European countries. But how can such a project be started? From an economic perspective, one of the most revealing empirical starting points is to take a look at the connected input-output tables of European countries. These tables show not only the trade flows but also the respective labour productivities per country and sector, the distribution of GDP, and the skeleton of the respective government to be found in the states' accounts. So far, the EU has mainly been a regulatory political entity, with its central success being the ECB's common currency and a law framework. The establishment of a common fiscal policy, as well as several other substantial elements of a truly political and economic entity, is still missing. More on these deficiencies follows in the last part of this paper.

Evolution has to be understood as a sequence of contradictions, some pulsating for some time, some slowly vanishing, some newly emerging out of the dynamics of their predecessors. The **most basic economic contradiction**, which since 500 years of capitalism has shaped Europe, was the labour productivity enhancing **technique of division of labour** and its opposing consequence: the **emergence of politically organising exploiters** - at the level of single production units as well as on the level of national class struggles. This contradiction was already there when European capitalism took off<sup>10</sup>. While the first element of this contradiction was undoubtedly beneficial for the overall welfare of European individuals, the second element contradicted the beneficial impact of the division of labour. This was inevitable since it divided society into two kinds of human individuals: A ruling class of exploiters and the class of workers that they organised into the different sectors of the production apparatus. A taut model of the class opposition is the famous *prisoners' dilemma* of game theory: Neither the exploiters nor the exploited can improve their current fate of being caught in the capitalist production system by a unilateral move out of that system. Exploited would become unemployed, capital would stop accumulating, and capital growth, the motor of the capitalist algorithm, would cease to function. This would throw members of the ruling class into the pool of workers and unemployed. A simultaneous change of both opponents towards a better mode of production might be possible (the European Social Model can be interpreted as such an attempt), but there is no enduring historical example that would allow a clear picture of how it could flourish. What remains are visions ranging from the humanist vision to the racist vision.

A remarkable European development is the emergence of **social institutions**<sup>11</sup> at the level of nation-states. Indeed, the nation-state itself is exactly such a social institution. To continue with the image of a prisoners' dilemma: At the level of single production units, the conflicts were supplemented by additional national laws, which changed the payoffs of individual firms and the workers in these firms. How this additional framework of laws was designed and implemented typically could be distinguished from viewpoint of the power balance at the firm level - in principle, the national level allowed for class compromises<sup>12</sup>. The core of this statement needs to be emphasized and can be generalized: A dilemma, a contradiction on a lower level of organisation (e.g. a single firm) can be improved by a governing social institution acting at a higher level of organisation (e.g. a nation-state), if nation-wide class organisations exist and cooperate at this next higher level to design - and execute - an overarching law

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<sup>9</sup> For the role of culture compare (Hanappi, 2024).

<sup>10</sup> It started with the merchant capitalist empires of the Netherlands and England.

<sup>11</sup> Social institutions have to be understood as an endogenous evolutionary outcome that temporarily stabilises conflicts, see (Hanappi, 1995).

<sup>12</sup> The first class-compromises in capitalism came about as compromises between the bourgeois class and the feudal class, which before World War 1 still was in power at the political level of the state.

framework. The plethora of social institutions which followed the rise of the central authority of the nation-state today is hard to grasp. Remember that in Europe, almost half of the GDP in the end is the consumption of goods and services produced and administered by nation-states. Social institutions in which both opposing classes usually have a say can - and to a different degree will - attenuate the overall class conflict. This observation not only calls into action theories developing ideas on what democratic mechanisms can look like, it indeed is also at the root of what, till today, has been called the **European Social Model**.

Using the metaphor of prisoners' dilemmas in a layered setting and the changes that involved the four entries of the payoff matrix<sup>13</sup>, it is interesting to see that only the entry with both classes sticking to cooperation (to the capitalist production regime as European Social Model) is visible to them. Interference by social institutions at the national level can improve or worsen the two results (one for each class) at this entry, but the actual values of all the other elements in the matrix remain only unobserved, symbolic tools for political rhetoric. In particular, this is also true for the payoff that designates the situation when both conflict parties go for a fundamental change of their current strategy, which means that the capitalist mode of production is left behind. The preview on such a profound break - characterised by double blindness falling back on double wishfulness - has nothing left but the above sketched visions: the humanist vision and the racist vision. In Europe, the slow improvement due to the European Social Model made the utility of the cooperative solution slowly grow for both sides. This has been the European experience since the end of WW2 on **both scales**: At the scale of a single country, the owners of production units as well as the employees working there could enjoy a steady increase in their welfare. At the scale of the European peninsula, the countries with lower living standards as well as those with the highest living standards, at least for the decades till the Great Financial Crisis in 2009, both groups experienced improvements.

A **general evolutionary argument** can be derived from this empirically observed phenomenon. The seemingly *economically* rational desire of more productive small entities at the *small scale* - e. g. the short-sighted wish of Northern Italian capital owners and labourers to get rid of their southern counterparts - could be kept at bay by the *less* short-sighted *political* intervention at the *larger scale*. This is true for both scales: For the case of the smaller scale by the nation state - e. g. by policy interventions of Italy's government institutions<sup>14</sup> - or for the case of the larger scale by EU institutions that punish non-cooperative member states. At both scales, it needed the larger scale, it needed more long-run oriented **political institutions to tame short-sighted economic incentives**. Moreover, this empirically observed development also hints at the general trend towards ever larger political entities; from a nation state with a common language, common education system, and common law system, towards a European Union struggling to advance from parts of a common law towards a common European culture. The above-mentioned limits of this evolutionary trend point to the already visible need for a global political entity, a global governance institution. It evidently would have to reconcile and coordinate the economically diverse aspirations and goals of the different countries, continents and cultural areas in the world<sup>15</sup>. Seen from this perspective, **Europe is only a mid-size political unit** embedded in the larger process of constituting global governance. Interestingly enough, Europe is a

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<sup>13</sup> It is a non-zero-sum game in normal form between exploiters and exploited in a nation state. Both sides have the choice between two options: Being cooperative (European Social Model), or being non-cooperative (strike activity, aggressive wage- and employment-policy). For each of the four possible combinations of choices there are two utility indices, one for exploiters and one for the exploited.

<sup>14</sup> As the Italian economist Paolo Ramazzotti once formulated: 'Italy is held together by the common public debt!'. At the smaller scale the early introduction of national public institutions fostering the health of workers shows how a short-run goal of profit-maximizing single production units can be overrun by the larger political unit.

<sup>15</sup> In the 20<sup>th</sup> century the 'League of Nations' and the 'United Nations Organization' were founded as first attempts to install such a global political institution.



very particular constituent element because its high internal diversity mirrors the extreme diversity of the different regions of the global political economy. ***European unification, therefore, to some extent, can serve as a laboratory for a globally unified political entity.***

This move from the diversion of visions of the future of the species (provided in part 1 on goals) to a vision for Europe's place in a humanist vision can only be the first step. What follows are the pragmatic dangers and challenges, which are already only too visible in the contemporary global political economy. The following third part of this paper will address the most acute ones.

### ***Skylla and Charybdis and the Art of Walking-on-two-Feet***

The historic contradiction between the welfare enhancing division of labour and its dangerous consequence of perilous class struggles is the pivotal starting point for the study of the ***pragmatics*** of overcoming the capitalist mode of production. How can the achievements of capitalism (due to local and global division of labour) be preserved without falling back into barbarian, racist regimes, which make profit by purely coercive forces and war? The ancient Greek myth of Skylla and Charybdis provides an interesting reframing of this dilemma.

First of all, note that the two dangers are very different, Skylla is not at all a mirror image of Charybdis. Let me extend this metaphor a bit further. ***Skylla*** is seductive – in Greek mythology an attractive nymph that was punished for its misdeeds to become a horrible sea monster. Today this monster is a warlord, eventually a nationalist leader or a transnational corporation. In the early days of capitalism, merchant capitalism, the monster was the hero that conquered the seas for kings and queens, transported the 'fruits' of the already divided global cultures from continent (corn to England, manufactured stuff to Africa, slaves to the American cotton fields), accumulated money in the empires treasure chest. The actions of the monster in the 19<sup>th</sup> century were interpreted by Joseph Schumpeter in 1911 as the true motor of capitalism, namely as the innovative, productivity increasing activity of the capitalist entrepreneur. At that time Skylla already was showing its disgusting crotch. The six dreadful wild dogs growing out the belly of Skylla point at all the pains that the exploited working class had to suffer. But for young Schumpeter the entrepreneur that organized production processes and their finance, who brought new products to the markets, was the undisputed hero of this mode of production. Nevertheless, Schumpeter, sensitive to the revolutions in the first half of the 20<sup>th</sup> century, also saw that capitalism was just a long episode in the evolution of the human species. His best guess was that some kind of boring socialist administration soon would follow it<sup>16</sup>. He was wrong. The most dangerous variety of Skylla, a form of regime, which had lost all progressive elements of capitalism just had entered the stage of human evolution: Fascism. During the death throes of capitalism, the fears of certain impoverishing social strata can be organized to eat up all progressive elements of human evolution in a desperate turn towards an absolute, global, authoritarian form of governance. Hitler's classic fascism failed dramatically. It had started in 1933 by convincing industrial circles to support it and had used the years till 1938 to gain *absolute* ideological dominance in Germany and Italy. From 1938 till 1945 together with Japan it had started a World War to install a *global* empire built to 'last for 1000 years'. After seven years this racist vision imploded. Fascism's governance structure mirrored its military organisation, it was a strictly *autocratic* hierarchy. The orientation towards market mechanisms, which had been envisaged after the fall of feudalism in WW1, was substituted by a command economy, designed to serve simultaneously military expansionism and its industrial supporters. Entrepreneurial innovation was reduced weapon industries – including everything needed for ideological manipulation. Schumpeter's classical hero, the entrepreneur, was dead. With the fascist state representing the only agent on the demand side, industry (economic agents on the supply side)

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<sup>16</sup> See (Schumpeter, 1911, 1942). Note that this interpretation extends Schumpeter's focus on industrial capitalism to include merchant capitalism too.

degenerated. They became agents administering the orders of the fascist leader<sup>17</sup>. In WW2 it seemed that Skylla now had finally become the monster that negated all progress in human evolution.

But mankind managed to escape and to rebuild a new form of capitalism, *integrated capitalism*<sup>18</sup>, which allowed for some *participation in national governance of less exploited workers in industrialized*



*countries*. Of course, the progressive character of what was once stylized as the extremely creative entrepreneurial personality had changed its appearance. Basic innovations now were tightly interwoven with the central institutions of the nation state and were carried out by larger teams. Prime examples for this successful new setting occurred in Japan and Germany – where the war had destroyed the largest parts of the old capital stock. Parallel to this change, Keynes' rediscovery of the necessity of state intervention for a more stable capital accumulation became the standard for national governance worldwide<sup>19</sup>. Where had class struggles disappeared to? The ship carrying the future of human evolution had successfully survived the most dangerous assault of Skylla, but by steering away it had come closer to Charybdis.

In Greek mythology the meaning of the story of **Charybdis** is complicated. Seafarers are not approaching it because they find Charybdis attractive, they rather are not aware how this dangerous swirl drags them into the abyss. This process can be slower, remains unnoticed for a longer period. Having escaped from Skylla the ship now is less in need for a strong man, a helmsman. But if it is close enough to the maw, when the crew suddenly notices the danger, then it is too late. The forces dragging them underground are too strong. It is unclear what happens down there, but when Charybdis spits out the remainders of ship and crew, they are dissolved into bits and pieces, they are gone. Charybdis always has been a rather abstract metaphor<sup>20</sup>. In the contemporary context of the last fifty years, it is tempting to interpret this monster as the slowly advancing technological possibilities of **mind manipulation of the masses**, let me use the abbreviation MMM for this phenomenon. Like the concept of nationalism, MMM had a *progressive* stage that started in the 16<sup>th</sup> century with the scientific revolutions in the natural sciences. To know about the laws of physics was turned into a pragmatic program to enhance human capabilities by the ideas of *French Enlightenment*. All it needed to make the world a better place would be to teach all human individuals what the true dynamics of all things on earth are. Of course, this is a kind of mind manipulation of the masses too. Auguste Comte, the founding father of sociology, wanted to participate in the success and prestige of the natural sciences and propagated a 'physics of society'<sup>21</sup>. Even Karl Marx<sup>22</sup> can be considered as representing the idea of enlightenment: 'You have to force these petrified conditions to dance by singing their own melody to them!', he wrote in 1843, five years before the bourgeois revolution of 1848 failed. In fact, it was only with the advent of fascist nationalism in the 20<sup>th</sup> century that the positive role, which Marx – like

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<sup>17</sup> Compare (Sohn-Rethel, 1987).

<sup>18</sup> Details can be found in (Hanappi, 2019).

<sup>19</sup> It is a historical irony that Schumpeter's assistant Paul Samuelson, (Samuelson, 1947), turned out to be the leading theoretical voice to propagate the new variant of post-war economic theory (neo-classical synthesis), which Schumpeter's rival John Maynard Keynes prescribed as economic policy for all capitalist countries under US hegemony after 1945.

<sup>20</sup> In ancient Greece – as usual - several stories on rivalries between male Gods with unbound sexual desires and the punishment of beautiful young maids that out of anger and jealousy are jinxed into monsters explained Charybdis.

<sup>21</sup> See (Comte, 1848).

<sup>22</sup> See (Marx, 1843).



Schumpeter – had ascribed to the productive forces, turned MMM into a monster. Charybdis became a slow, but nevertheless deadly monster.

MMM always had been a very special element of the productive forces. During feudalism in Europe, it was centrally administered by the church. A common religion that was hierarchically structured akin to the worldly political pyramid of feudal power had to be **implemented in the mind of every single individual** in the population. Since the 3<sup>rd</sup> century, when the Roman Cesar Constantine had declared Christianity to be the state religion, the church's grip on ideology proved to be extremely efficient – at least for the maintenance of feudal

governance<sup>23</sup>. Nationalism, the hotbed of fascism, then was taking over the role of state ideology in the *First World War*. MMM did let its muscles play, despite its still underdeveloped technological basis, the violence of fascist ideology in particular against Jews surprised the traditional political parties<sup>24</sup>. Charybdis still had to wait till 1933, when Adolf Hitler named the first radio, with which he could enter every living room of the Arian race simultaneously, *Volksempfänger 301* - following the date of his seizure of power on 30<sup>th</sup> of January 1933. From then onwards the monster dragged the whole world into a World War. The force of the very special productive force MMM had changed its direction completely – it had become the **most dangerous destructive force** imaginable.

After WW2 Charybdis had released mankind wounded and confused. In Russia a repulsive military regime pretending to be socialist had emerged. In the West the unchallenged hegemony of the USA had to reorganise its geopolitical dominance. The Cold War was an inevitable consequence. The latest reincarnation of the monster Skylla, Adolf Hitler, had been defeated; even his mirror image Josef Stalin died in 1953. Some more quiet decades of reconstruction – in the shade of a continuing Cold War at the borderline between the two superpowers – seemed to be guaranteed. Below the surface the productive force MMM continuously increased, slowly but incessantly. *Technical progress* seemed to be the Jack of every trade that could smoothen the social conflicts, which integrated capitalism still produced. Accumulation and centralisation of capital proceeded for decades, first to rebuild what had been destroyed during the war, later due to an **advanced global credit system**. MMM played a pivotal role in this global credit system. The important point in this respect is that manipulation was systematically used to hide the true interdependencies: Which exploitation processes around the world transformed which amounts of life time of workers into which amounts of consumption of goods and services at which other parts of the world remained rather obscure. Not the least because the global production system itself had divided the chains of production steps into scarcely observable steps linked by trade using since 1971 a system of flexible exchange rates.

Now, eighty years of integrated capitalism later, mind manipulation of the masses, MMM, as a special sub-stream of the increase of productive forces, has reached an extent that clearly has inverted its original intent of the European Enlightenment movement of earlier centuries. Comparable to the development of nationalism, the monster Charybdis since WW1 more and more has turned into a mind manipulating technologically supported 'productive' force. It had 'produced' the classical form of

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<sup>23</sup> The role of monasteries as silos for human knowledge during the 'dark ages' can be counted as a contribution to the preservation of productive forces. But with the scientific revolutions of the 16<sup>th</sup> century Christian religion became the declared enemy of all kinds of enlightenment.

<sup>24</sup> Of course, Christianity had produced its own local pogroms during its long history too.

fascism in Germany<sup>25</sup>. It is surprising how the name of Hitler's political movement, 'Nationalsozialismus', indeed reflects the two major pillars of fascism: (1) Nationalism, the monster represented in the metaphor as Skylla; (2) Socialism, the central lie, which MMM was able to turn into the all-embracing ideology of fascism, into a vortex of blindness and misinterpretations – filled up with hate on imagined subhuman enemies. It was a particularly perfidious trick of the Nazis to misuse the word 'socialism' in the 20-ties for the internal network of the Arian race. Marx had used the word 'communism' in the previous century and had explicitly addressed the entire human species. But only a very thin layer of European intellectuals had read Marx. Lenin (and others) later had divided the road to communism into two steps: first 'socialism', later 'communism'. During 'socialism' the entire human species need not be involved, 'socialism in one country' is possible, even advisable, was Stalin's innovation. This opened the door to Russian nationalism and the state terrorism of Stalin's one-party police state. In Germany Hitler was able to outbid Stalin's distortion of Marx' intent by introducing an explicit racial enemy that was visible in everyday life: the Jews<sup>26</sup>. Contrary to Stalin who did not have a powerful group of domestic industrialists at hand, Hitler could build his Arian social command economy as a seemingly organic community<sup>27</sup>. The new technological force of mind manipulation of the masses, MMM, the monster of Charybdis, has been the catalyst. In the years from 1933 to 1945 the two monsters of Skylla and Charybdis came so close to each other that there was no passage between them left. The population of Europe was drowning in WW2.

In 2025 the world is in the middle of an **age of alienation** – again; the *worldwide division of labour now is irreversible*. MMM is stronger than anyone could imagine just three decades ago. A new bogeyman is in town, a fashion somewhere in the middle between technological swindle and frightening power of computing speed and storage capacity: *Artificial Intelligence*. In Europe, the laboratory of global problems again, Skylla and Charybdis are getting close to each other again. Europe is a rather small peninsula. The ancient Greek metaphor has taught us its lesson in the last century, though – like every metaphorical narrative, it has its limits. Can the danger of a now probably *global* fascism be overcome this time?

To resist two dangers approaching from opposite sides, trying to bring you to fall, it is necessary to **walk on two feet**. To understand what that means is to take a closer look at each of these dangers separately. Moreover, the use of a metaphor cannot carry arguments too far. It only should highlight the two dangers of (1) nationalism turning into fascism and (2) the less visible slow menace of a special part of growing technological capabilities: Mind Manipulation of the Masses (MMM).

Starting with fascism, the most obvious indication is a *widely shared* wish for a *strong leader* with a simple, radically looking *program*. The percentage of the population needed to justify the expression 'widely shared' is not too large. In the 1920-ties the share of Hitler's party was 2,6 %, this was too small. In 1932 it was 37,4 %, this was enough<sup>28</sup>. The call for a strong leader needed a strong motivation taking hold in a desperate population, which was the case due to the Great Depression from 1929 to 1932. In the 21<sup>st</sup> century the character of 'desperation' has changed, it became an MMM driven *feeling*

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<sup>25</sup> The ideological forerunner of fascism in Italy had deeper roots in certain philosophical traditions, but lacked the technological components of Hitler's fascist movement; see (Moiseev, 2024).

<sup>26</sup> Marx himself, had anticipated this ideological move when he analysed in 1844 that the hate on the Jews was a hate on the working of capital. The capitalist mode of production produced a mass of losers - from petite bourgeoisie via expropriated farmers to the many unemployed – that were unable to understand the true reasons for their misery. A political entrepreneur could easily redirect and focus their anger on money-lending Jews – cooperating, of course, with non-Jewish money-lending bankers. Compare (Marx, 1844).

<sup>27</sup> Hannah Arendt's proposal to subsume Stalinism and Fascism under the same header of *Totalitarianism* is misleading, (Arendt, 2017). They are *very different* social phenomena.

<sup>28</sup> See (Hanappi, 2022, p. 84).

*of desperation.* When 51,9 % of the British followed strong man Nigel Farage and voted for Brexit, when 49,8 % of US citizens voted for strong man Donald Trump in 2024, when in 2025 in Germany the party of the extreme right, AfD, with 20,8 % became the second strongest party in this country, then in neither of these cases a disruptive economic crisis can be found as the deciding motivation. What now had experienced an incredible push was the technological advance in mind manipulation of the masses, of MMM.

This quantum jump in MMM is not only owed to purely technical improvements. Of course, these increases in speed and capacity, in miniaturisation and the like, played an important role; but all that took place in an economic and cultural environment, which had turned the businesses in the industrialised West into a despaired competition for attention; a competition for being recognized as a producer of a supply that is needed – a supply that is unique. Since the fight for attention quickly became an important business of its own, the information space around potential customers rapidly was filled with uncountable amounts of messages trying to get attention. Though numbers differ strongly, empirical research suggests that today 20% of total cost of a firm is the average lower limit to be reserved for advertisement cost. On the side of the producers this evidently leads to an enormous amount of wasted money due to the inescapable prisoners' dilemma games played by advertising firms. This waste gives life to a whole new business sector, the advertising industry, occupied with filling up everybody's information environment, using all kinds of psychological tricks to stir up emotions, to unearth subconscious inclinations. Today the general consumer is hard-boiled and tender-cooked at the same time. There are many filters to be used to survive the information flood. To develop a specific filter has become the core of the constitution of an individual's social identity<sup>29</sup>. In the last two decades this self-construction mainly is handled via the continuous interaction with a handheld device: the smartphone. A **new type of unit** emerged, namely the electronic device (eventually split up in smartphone, tablet, and laptop) plus an individual, physical carrier system, the individual member of the human species. This process has severe implications for the meaning of the concept 'brain'. The relatively slowly changing information filters act as selectors (what is important enough to be stored?) and as interpreters (which consequences follow from the observed event?). For both types of actions, the behavioural standards are pre-fabricated in the local and global information environment. The individuality of a 'brain', its self-awareness, can only take place as a (slight) deviation from these standards<sup>30</sup>.

This is the entry point for the important distinction between **local cultural environment** and **global humanity's environment**. In a world with the above-described new united entities *local environment* is not restricted by physical proximity anymore. 'Local' means that a cultural cluster is emerging with electronic bonds that a set of entities maintains in a way to construct a cluster's more powerful social identity. The individual gain of social identity then can simply be derived as a share of the glamour that the power of the cluster is able to achieve. What the new type of MMM with respect to the emergence of strong-man-phenomena can offer is high-speed and far-reaching distribution of focused 'world-views' presented by candidates for charismatic leadership. All the technological preconditions, all the predispositions in the 'brains' of possible followers, of clusters of followers, have been preparing over several decades – and now are able to drag mankind in the abyss: A last reminder on a narrowing gap between Charybdis and Skylla. Fortunately, on the bright side of our history of enlightenment attempts, the best of mankind's knowledge today is on offer for individuals, the 'new types of unity'

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<sup>29</sup> For more details on the connections between social identity and alienation compare (Hanappi and Hanappi-Egger, 2018).

<sup>30</sup> While discussing this disastrous development in the context of the misleading concept of 'modernity', the sociologist Zygmunt Bauman nevertheless provided a colourful description of it, see (Bauman, 2000).

that have emerged. This database of *global human knowledge*<sup>31</sup> can already be accessed and is a necessary ingredient for realising the humanist vision. The problem is that the use and transformation of dry knowledge into an interpretation of events, and finally instrumentalization as group actions, needs education and time. Both are scarce and are continuously disturbed by an increasing flood of irrelevant information. This brief synopsis of current dangers leads directly to the main topic of this part of the paper: the ***art of walking on two feet***.

With only one leg, it is impossible to walk; soon, the environmental influences defeat stabilising efforts, and mankind falls. But even two legs never guarantee that walking – that is, making progress – is possible. Whoever rode a bicycle, knows that only with moving forward can the stabilising influence of motion be used. The art of moving is equivalent to the art of *moving* on two feet. Thus, progress is an indispensable ingredient of living systems.

Return to the two dangers at hand: The fragility brought about by MMM at first sight calls for the traditional efforts of classical enlightenment. Unfortunately, the recourse to empirically observed ***facts***, which was so successfully applied in the natural sciences since the 17<sup>th</sup> century, loses much of its strength when applied to socioeconomic dynamics. To quantify a social fact is usually itself a complicated procedure, making it difficult to distinguish between artificially constructed pseudo-facts and more insight-providing empirical approximations of a fact. Moreover, the larger the general confusion, the larger the number of false prophets offering seemingly simple solutions to the layman. Some hope might be found in the ***local cultural environment***, where the number of direct communication links is smaller and additionally supported by non-communicative interactions. It is a kind of training ground to get rid of the wildest manipulations washed in by the *national* mass media. This is indeed one component on which the leg fighting MMM could count on. The other component is good old ***scientific research***, the evolution of theory. With these two components, it is possible to create a force against MMM, against the whirls of Charybdis. To use enlightenment to avoid the darkness of the abyss is not sufficient; what is absolutely necessary is to create a new mode of production, a *qualitative move forward in some major dimensions of mankind's behaviour*.

While ***one leg stands against MMM***, including progressive social innovations, ***the other leg*** will have to ***fight the transformation*** from a set of blossoming ***authoritarian nationalist regimes to one global racist world government***. This is the task to fight global racism, Skylla. A central obstacle for today's nationalists is that they also often have their roots in local cultural environments, uniting the most reactionary conservative circles in their war against foreigners. Nationalists of different countries can thus easily be united with respect to their hostility against the vaguely defined category of 'foreigner', but the question of who should be their common 'strong man', or 'strong woman', leads to endless rivalry. If local heroes and their followers grow powerful enough, local military conflicts will follow. As the developments in south-east Europe and the Near East show<sup>32</sup>, such escalations often assume the character of religious wars. It is the ***belief*** in a strong leader that unites his army - and usually contradicts the hopes of the population longing for an end to the war. In these local wars between nationalist leaders, the ***task of progressive movements evidently coincides with the tasks of local peace movements***. But the fight against racism does not stop there. As capitalism approaches global, authoritarian, and absolute capitalism, ***global racism*** will tend to give up its capitalist disguise<sup>33</sup>. The second leg, therefore, has to step forward too; it has to move towards a form of political governance

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<sup>31</sup> Wikipedia is its nucleus.

<sup>32</sup> Compare (Hanappi, 2014).

<sup>33</sup> The character mask of Donald Trump is an excellent first example to recognise how core capitalist features are driven in the background by openly racist emotions.

that supersedes class exploitation. And here we are again: in the laboratory of future forms of advanced democracy, in the class mix of a hopefully united Europe.

### ***The Pragmatics of Loose Ends***

The very broad goal orientation with which this text started is still valid. But on the way through recent developments of contemporary capitalism, the focus on Europe turns out to be a double-edged sword. On the one hand, Europe is a subordinated entity these days. Its glorious past is overshadowed by its military weakness and economic stagnation. Its rather limited geographic extension is contrasted by an enormous level of diversity - in languages, in cultures, in ingrown traditions. The fact that Europe seems to move out of the focus of geopolitics can provide ***some room for the role of a laboratory of future governance forms***; this is one side of the sword's sharpness. The other side is that its diversity provides an ***outstanding profile of intellectual creativity*** - this is the remaining bliss of its faded glory. It is this second advantage that allows for a somewhat more ***pragmatic specification of the next important goals***.

There are three general concepts, which are generally accepted as being important, but are used in such vague terms that their actual usefulness remains in the dark: "the ***market***", "the ***state***", and "***democracy***". Each of these concepts can be activated as soon as a closer look at its algorithmic working, at its ***mechanisms***, is taken.

In economic theory, many forms of market mechanisms are described in rigid mathematical terms<sup>34</sup>. Many of them are considered to be of little interest because they do not lead to equilibrium prices and thus escape the intended classification in 'good' competitive markets and 'bad' monopoly markets. The 'good' competitive market mechanism not only forces firms to continuous process and product innovation, it also is the basic narrative used to describe how households in the end govern the production sphere. It is '***consumer sovereignty***', which forces bad firms into bankruptcy and lets innovative new entrepreneurship blossom. In most markets in real economic life, such a story never really happens. But in the omnipresent political agenda of capitalist governance, it is the background of the proclaimed preference for 'market organisation' versus 'state organisation' of the distribution of goods and services. If a market mechanism implemented in real life indeed had all the properties ascribed to the theoretical construct of a perfectly competitive market, then it would be an outstanding example of a democratic decision-making process. The power of 'consumer sovereignty' would directly translate into the governance of the population in the production sphere. Unfortunately, the theoretical properties postulated are incompatible with what happens in the capitalist mode of production. In particular, the assumed complete absence of MMM and oligopolistic tendencies runs against every empirically observed variant of capitalist societies. So, better forget the idea of a perfectly competitive equilibrium market. Nevertheless, the core of a democratic element in certain well-specified market mechanisms has to be taken seriously. The diverse market mechanisms as algorithmic means to allow for democratic decision processes are many<sup>35</sup>, they have a rich history and will continue to play an important role in future societies. A ***market mechanism*** is a regulatory framework designed for an agreed-upon form of exchange between entities possessing exchangeable goods or services. It is thus usually an achieved and legally secured ***compromise*** allowing and forbidding actions of the two involved parties. As a consequence, the maintenance and further development of market mechanisms are one of the central tasks of the overall political entity that the

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<sup>34</sup> For a detailed treatment compare (Takayama, 1973).

<sup>35</sup> See (Ostrom, 2005).

exchanging entities belong to - their state. The nation state and the market mechanisms it supports cannot be disentangled.

Similarly, the nebulous concept of the 'state' has to be dismantled from its allegorical meaning. As previously described, the nation state - as a political unit binding together earlier tribes of a well-defined territory - represents the decisive power player of last resort, to which its citizens are subjected. It is the specification of these algorithms for the execution of this monopoly of power which determines what a certain nation state is. If a single, God-like individual on top (with the help of its hierarchically structured military and police as executive) determines all state actions, then pure dictatorship is the case. In the last two thousand years, European societies experienced a trend away from pure dictatorships, personnel of state governance turned out to better be a selection of the ruling class(es) of a nation state. As political units became larger, the corresponding state apparatus, the set of social institutions, their respective algorithms and the people involved in public employment did grow too. In a continental political unit like Europe, the 'state' is a multi-level power structure, where at each level ruling social strata - partly via lobbies and political parties - determine the effective regulating algorithms<sup>36</sup>. In such a setting the interplay between levels and their communication framework has started to play a dominating role. It needs fine-grained sophisticated design with enough clear-cut rules and at the same time room for flexible response. Europe is a small continent, nevertheless the sheer description of the interplay between these algorithms would be a breath-taking task. To imagine how a concise picture of a global set of interacting algorithms would look like, shows how far we still have to go to make representative democracy - the only feasible democracy - work. So, better start with the 'state' Europe now.

Finally, it remains to rethink the concept of 'democracy' itself from the perspective of its algorithmic content. For C. Mits, the *common man in the streets*, a democratic algorithm usually burns down to the rule that in a voting procedure concerning a decision relevant for a group of individuals, a simple majority of votes should determine what has to be done. This most basic idea does not lead too far, since it presupposes many things that are rarely to be found in real life situations, in particular concerning contradictory goals, different power of voters and complicated information dynamics, e. g. MMM. Game theory, first consistently formulated by John von Neumann<sup>37</sup>, has led to a plethora of more sophisticated results concerning *democratic algorithms*. As a part of mainstream neoclassical economic theory, results in this field have assumed the label '*social choice*' theory. Most of these results turned out to be negative: The prime example being the Kenneth Arrow's famous 'Impossibility Theorem' showing that five preferable properties of a rather generally formulated democratic algorithm can never be achieved simultaneously (Arrow, 1950, 1963). Another important example for a negative result concerning the task of designing an algorithm that guaranties intended outcomes is the Gibbard-Satterthwaite theorem (Gibbard, 1973). What typically is shown is that voting procedures might work in *some* cases, but that it is not possible to design an algorithm that assures the desired outcome in *all* cases. Even in the rather restricted domain of neoclassical economic theory, it turns out that the burden of guaranteeing a single optimal outcome cannot be burdened on one single general 'democratic' algorithm<sup>38</sup>. A turn in the production of negative results appeared in 2007, when E. Maskin, L. Hurwicz and R. Myerson received the Nobel Prize for inverting the question: Instead of searching for the possible deficiencies of an all-mighty algorithm their work focussed on the possibility to design a mechanism good enough to achieve a *predefined* goal: *mechanism design*. Despite the increasing attention that social choice theory received in the last decades, its practical use as a tool for

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<sup>36</sup> A very informative example is the treatment of European immigration rules, compare (Hanappi, 2015).

<sup>37</sup> Compare (Neumann, 1944).

<sup>38</sup> To formulate such an algorithm for a very special form of auctions did win William Vickrey (together with James Mirrlees) the Nobel Prize in 1996, (Vickrey, 1961).



democracy design suffered from the individual-centered basic framework, which it had imported from neoclassical economic theory. In other words, the necessary transdisciplinary character of Neumann's conception of the use of game theory<sup>39</sup> was sacrificed to, instead, develop more mathematical intricacies. Only more recent simulation-based research seems to work again in this more promising direction, see (Mehwish et al., 2025).

To look at the concrete algorithmic structures, the *mechanisms*, hidden below the mentioned catch-it-all concepts of 'the market', 'the state', and 'democracy', therefore reveals the rich terrain for *future theoretical research* needed to design the basic institutional framework that could carry the goals of a humanitarian vision. In fact, this is one of the two feet on which the progressive part of the human species will have to walk to move on.

The other foot is a pragmatic *fight against* the proponents and carriers of *the racist vision*, the neo-fascist movements. While the theoretical leg is already strongly based in the *global* community of progressive scientists, the pragmatic fight badly needs its rooting in the *laboratory Europe*. To walk on two feet needs the coordination of both legs.

After the reproachment between Donald Trump and Vladimir Putin in 2025 the political compass in the traditional European arena of politics is running wild. Trump's plan of the new stage of US hegemony seems to be a Europe split-up into smaller territories of vassals with which unilateral 'deals' (military blackmailed economic flows towards the USA) are enforced. Parallel to his Europe-oriented policy he is envisaging a preliminary stalemate with Russia to attain new momentum in the Pacific Basin, in restraining China's continuous ascent. For Putin this reproachment with Trump is in so far a success as it conceals the overall failure of his 'military operation', the invasion of Ukraine. So far, Russia has stopped the advance of NATO towards Moscow, Belarus is not the next Domino piece to fall - as was the case before 2022. Like Trump, Putin also hopes for a stop of the European unification process. Like Trump he supports nationalist movements in European countries hoping for alliances with (weak) governments thriving on patriotic slogans. The new Cold War between the USA and Russia has taken on the strange new feature that both contrahents are trying to support the same nationalist, right-wing movements in European countries (e. g. the AfD and Le Pen) to destroy European unification. ***This drives European populations, voters in European countries, into a state of political confusion.*** The success of the integrated capitalism of the decades after 1945, which in Europe was exemplified by the European Social Model, after 1990 has run out of steam. The current working population is experiencing - and has already experienced - a ***slow downturn of welfare***. In the Eastern parts of Europe, the promises of a Western wonderland of capitalist blessings were frustrated. Not only the mentioned four global crises of the new millennium have shown how limited the repair capacity of contemporary capitalism is, there now also a local war in Ukraine, at the border of Europe, is raging that takes its economic toll. Sanctions as a means of Western-led war against Russia were paid by European households in the form of additional unemployment risk and higher energy prices. The newly envisaged rearmament plans of the EU, the large-scale purchases that European states will make to buy US weaponry, will reduce the budget for all social transfers in Europe and thus will hit households substantially. In short: the basis for broad unrest, the material of confused, potentially further impoverished citizens will increase. To a large extent the already visible surge of right-wing parties in elections can be traced back to the short-run profit-making strategies of those trying to prolong the war in Ukraine - simply because this war fuels their profits. A different process (using MMM) did take place in Russia: The need to defend the nationalist cause against the advance of the West gave some justification to the rigid hierarchical commands of Putin's leadership, it helped to keep it alive.

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<sup>39</sup> Compare (Hanappi, 2013).

From a purely economic perspective one conclusion is evident: ***To stop the war in Ukraine will benefit Europe.*** No expenses for US weapons and US LNG, cheaper energy from Russia, no trade war with China, and the like. All this will not solve genuinely European economic problems, but it will ease the looming steep downturn. And thus, a ***peace movement*** will curb the rise of neo-fascism. A more problematic difficulty comes into sight if the political leadership of the European Union is considered. The original plan of the EU in the 1980-ties was to form a political counterweight helping European transnational corporations in their fight for world markets - as a competitor of the USA. Today it is clear that this plan failed, a look at the set of corporations that are included in the Dow Jones Average is sufficient to see how dominant the USA as the centre of the capitalist accumulation process is. All efforts of top EU levels to frame the EU as a kind of 'USB' are ridiculous, even 'USB' would be an exaggeration. ***Europe will have to walk on its own two feet*** - the USA will be lucky if it can avoid its own new Civil War.

For the long-run support needed to keep the human species alive in times of the looming climate catastrophe - global capitalism only can fail to do so - the project of European unification has to realise that new frontlines have appeared. One is the frontline against the Trump-Putin axes of evil<sup>40</sup>, which occurs inside European states as neo-fascism. The other one is against the avalanche of MMM confusion, which partly has to rely on science and partly can rediscover local cultural environments that are not spoiled by nationalist/fascist ideology yet.

If neo-fascist political parties in Europe can be held at bay (Skylla-1), then the next task is to provide production and consumption algorithms that help to survive the consequences of the climate catastrophe (Skylla-2). In both pragmatic action fields, it will be pivotal to further develop, in the end to control, the handling of MMM (Charybdis-1). Maybe new avenues to reach a new understanding of living systems and their minds will be found (Charybdis-2).

In an ugly turmoil, hope best is expressed in a poetic endnote: As MMM has ruined clear thought at the bottom of the deepest sea only to spew out the confused human individuals dispersed and alienated in an unknown ocean, as they enter again their demolished boats in small groups. They find that these boats are not boats, but are just small cultural islands. And most astonished they realise that all their cultures are mysteriously connected by a new language, a language they can use to navigate out of the deadly two-fold dangers. All they have to do for their orientation is to raise their gaze, to look at the guiding stars in the dark sky. For now, these stars are only a handful of provocative phrases:

The Dollar as the global symbol for social value will disappear, it will be substituted by a ***democratically-controlled*** electronic symbol for labour time spent.

Mind-manipulation of the masses (MMM) will be freed from private ownership to return to the dreams of ***classical enlightenment*** - but now on the basis of the most advanced type of ***algorithmically-enhanced*** technology.

Global governance, the ***'state' of the entire human species***, will be able to thrive - walking on these two just mentioned feet.

The old ***capitalist algorithm*** will become a subject of historic interest, a folly with an important - but limited - historic mission. Instead of accumulation of capital ('growth') there will be ***true innovations, changes of human activities that take into account the finiteness of our planet.***

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<sup>40</sup> From a European perspective, China is not part of this axes. It had roots similar to Stalinism before 1974, but now needs to be treated separately, namely as third capitalist superpower in the world economy, compare (Hanappi, 2025c).

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