

The next economic crisis: digital capitalism and global police state

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Abstract: Transnational capitalists and global elites are confident that the world economy has recovered from the 2008 financial collapse, but there is good reason to believe that another crisis of major proportions looms on the horizon. Digitalisation and fourth industrial revolution technologies are driving a new round of global capitalist restructuring, yet they are also aggravating the underlying structural conditions that generate crisis; in particular, overaccumulation. Transnational investors have been pouring billions of dollars into the rapid digitalisation of global capitalism as the latest outlet for its surplus accumulated capital and hedging their bets on new investment opportunities in global police state. The concept of global police state allows us to identify how the economic dimensions of global capitalist transformation intersect in new ways with political, ideological and military dimensions of this transformation. There is a convergence around global capitalism's political need for social control and repression and its economic need to perpetuate accumulation in the face of stagnation. When the next crisis hits, the Left and resistance forces from below must be in a position to seize the initiative and to push back at global police state.

Keywords: digitalisation, fourth industrial revolution, global police state, overaccumulation, Transnational Capitalist Class, twenty-first century fascism, world economic crisis

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Not since the industrial revolution of the eighteenth century has the world experienced such rapid and profound changes as those ushered in by capitalist globalisation starting in the 1980s. But can the next round of transformation, driven by digitalisation and fourth industrial revolution technologies, stave off another major crisis? Technocrats from the International Monetary Fund, mainstream economists, and transnational capitalists, giddy with record corporate profits, renewed growth, and an onslaught of pro-corporate policies, especially deregulation and regressive tax reform in the United States, have exuded confidence that the world economy has recovered from the disastrous 2008 financial collapse.¹

Yet there is good reason to believe that another crisis of major proportions looms on the horizon. The underlying structural conditions that triggered the Great Depression of 2008, the worst economic crisis since the 1930s, remain in place and a new round of restructuring in the global economy now underway, based on digitalisation and militarisation, is likely to further aggravate them. Growth has plodded forward since 2008 as governments have made maximum use of monetary instruments, especially what has come to be known as 'quantitative easing' (essentially, printing money and making it available as credit) and bank and corporate bailouts, along with escalating consumer debt, a wave of speculative investment, especially in the high-tech sector, and ever increasing levels of financial speculation in the global casino. Now, however, central banks are running out of monetary instruments to promote growth and debt-driven consumption is reaching breaking point.

In the United States, which has long been the 'market of last resort' for the global economy, household debt was higher in 2017 than it has been for almost all of postwar history. US households owed nearly \$13 trillion in student loans, credit card debt, auto loans and mortgages.² Of this total, US credit card debt reached an all-time high of \$1.02 trillion in 2017 as credit card delinquencies rose steadily.³ In just about every OECD country the ratio of income to household debt remains historically high and has steadily deteriorated since 2008.⁴ The global bond market – an indicator of total government debt worldwide – has escalated since 2008 and now surpasses \$100 trillion,⁵ whilst total global debt reached a staggering \$215 trillion in 2016.⁶ Meanwhile, the gap between the productive economy and 'fictitious capital' grows ever wider as financial speculation spirals out of control. Gross world product, or the total value of goods and services produced worldwide, stood at some \$75 trillion in 2017,⁷ whereas currency speculation alone amounted to \$5.3 trillion a day⁸ that year and the global derivatives market was estimated at a mind-boggling \$1.2 quadrillion.⁹

Alongside debt-driven consumption and financial speculation, transnational investors have been pouring billions of dollars into the rapid digitalisation of global capitalism as the latest outlet for its surplus accumulated capital and hedging their bets on new investment opportunities in a global police state. As I will discuss in more detail below, global police state refers to three interrelated developments. First is the ever-more omnipresent systems of mass social control,

repression, and warfare promoted by the ruling groups to contain the real and the potential rebellion of the global working class and surplus humanity. Second is how the global economy is itself based more and more on the development and deployment of these systems of warfare, social control, and repression simply as a means of making profit and continuing to accumulate capital in the face of stagnation – what I term *militarised accumulation*, or *accumulation by repression*. And third is the increasing move towards political systems that can be characterised as twenty-first century fascism.

But it is doubtful that these ballooning sectors of the global economy will allow the world capitalist system to avoid another catastrophic crisis. A new crisis could be triggered by a bursting of stock market bubbles, especially in the high-tech sector, by defaults in household or public debt, or by the outbreak of a new international military conflict. The more farsighted amongst transnational elites have expressed growing concern over this fragility in the global economy and the spectre of chronic long-term stagnation. Former World Bank and US Treasury official Larry Summers warned in 2016 of ‘secular stagnation’ in the global economy, which has ‘entered unexplored, dangerous territory’.¹⁰ Yet these elites are not prepared to address the larger backdrops to global economic malaise, namely capitalism’s intractable problem of overaccumulation.

Overaccumulation: capitalism’s Achilles heel

The polarisation of income and wealth is endemic to capitalism since the capitalist class owns the means of producing wealth and therefore appropriates as profits as much as possible of the wealth that society collectively produces. If capitalists cannot actually sell (or ‘unload’) the products of their plantations, factories, and offices then they cannot make profit. Left unchecked, expanding social polarisation results in crisis – in stagnation, recessions, depressions, and social upheavals. Cyclical crises, or recessions, occur about every ten years in the capitalist system and typically last some eighteen months. There were recessions in the early 1980s, the early 1990s, and the early 2000s. Structural crises, so called because the only way out of crisis is to restructure the system, occur approximately every forty to fifty years. A new wave of colonialism and imperialism resolved the first recorded structural crisis of the 1870s and 1880s. The next structural crisis, the Great Depression of the 1930s, was resolved through a new type of redistributive capitalism, referred to as the ‘class compromise’ of Fordism-Keynesianism, social democracy, New Deal capitalism, and so on.

Capital responded to the next structural crisis of the 1970s by going global. The technological revolution associated with the rise of Computer and Information Technology (CIT) in the 1980s was itself a response on the part of capitalists to the crisis of overaccumulation, declining rates of profit, and well-organised working classes and social movements in the 1960s and the 1970s. These technologies allowed capital to go global and also allowed it to reorganise the workplace,

reduce dependence on masses of concentrated and well-organised workers, to outsource and make flexible workers, and thus to forge a more favourable capital-labour relation. From the 1980s onwards, an emergent transnational capitalist class (henceforth, TCC)¹¹ promoted vast neoliberal restructuring, trade liberalisation, and integration of the world economy. The global economy experienced a boom in the late twentieth century as the former socialist countries entered the global market and as capital, liberated from nation-state constraints, unleashed a vast new round of accumulation worldwide. The TCC unloaded surpluses and resumed profit-making in the emerging globally integrated production and financial system through the acquisition of privatised assets, the extension of mining and agro-industrial investment on the heels of the displacement of hundreds of millions from the countryside, and a new wave of industrial expansion assisted by the CIT revolution. Public policy became reconfigured through austerity, bailouts, corporate subsidies, government debt and the global bond market as governments transferred wealth directly and indirectly from working people to the TCC.

But by liberating capital from redistribution at the nation-state level as a countervailing tendency to that of social polarisation, globalisation resulted in unprecedented global inequalities that, far from diminishing, have escalated at an astonishing rate since the 2008 Great Recession. According to the development agency Oxfam, just 1 per cent of humanity owned over half of the world's wealth in 2016 and the top 20 per cent owned 94.5 per cent of that wealth, whilst the remaining 80 per cent had to make do with just 4.5 per cent.¹² Given such extreme polarisation of income and wealth, the global market cannot absorb the output of the global economy. The Great Recession marked the onset of a new structural crisis of overaccumulation. Corporations are now awash in cash but they do not have opportunities to profitably invest this cash. Corporate profits surged after the 2008 crisis and have reached near record highs at the same time that corporate investment has declined.¹³ In 2017 the largest US-based companies were sitting on an outstanding \$1.01 trillion in uninvested cash.¹⁴

As this uninvested capital accumulates, enormous pressures build up to find outlets for unloading the surplus. Trumpism in the United States reflects a far-right response to the crisis worldwide that involves authoritarian neoliberalism alongside a neo-fascist mobilisation of the disaffected, often nativist, sectors of the working class. Yet this repressive neoliberalism ends up further restricting the market and therefore aggravating the underlying crisis of overaccumulation. The TCC has turned to two intertwined outlets to unload surplus in the face of 'secular stagnation'. One is militarised accumulation, or accumulation by repression. The bogus wars on drugs and terrorism, the construction of border walls, the expansion of prison-industrial complexes, deportation regimes, police, the military, and other security apparatuses, are major sources of state-organised profit-making. The Pentagon budget increased 91 per cent in real terms between 1998 and 2011 whilst defence industry profits nearly quadrupled during this period.¹⁵

Here there is a convergence around global capitalism's political need for social control and repression and its economic need to perpetuate accumulation in the face of stagnation. Putting aside the escalating rhetoric of Trump's war-mongering, there is a built-in war drive to the current course of capitalist globalisation. Historically wars have pulled the capitalist system out of crisis whilst they have also served to deflect attention from political tensions and problems of legitimacy. Now this drive towards war is moving towards a deadly combination with a new round of world capitalist restructuring through digitalisation.

The digitalisation of global capitalism

The other outlet for unloading surplus accumulated capital has been a new wave of financial speculation in recent years, and especially in the over-valued tech sector. The tech sector – which includes computer and electronic product manufacturing, telecommunications, data processing, hosting, and other information services, platforms, and computer systems design and related services – is now at the cutting edge of capitalist globalisation and is driving the digitalisation of the entire global economy. Karl Marx and Frederick Engels famously declared in *The Communist Manifesto* that 'all that is solid melts into air' under the dizzying pace of change wrought by capitalism. Now the world economy stands at the brink of another period of massive restructuring. Technological change is generally associated with cycles of capitalist crisis and social and political turmoil. At the heart of restructuring is the digital economy based on more advanced information technology, on the collection, processing, and analysis of data, and on the application of digitalisation to every aspect of global society, including war and repression.

The first generation of capitalist globalisation, from the 1980s on, involved the creation of a globally integrated production and financial system, whereas, more recently, digitalisation and the rise of 'platforms' have facilitated a very rapid transnationalisation of services. Platforms refer to digital infrastructures that enable two or more groups to interact. As the dependence of economic activity on platforms spreads the tech sector becomes ever-more strategic to global capitalism. Trade in CIT goods in 2015 exceeded \$2 trillion, according to United Nations data, whilst CIT services exports rose by 40 per cent between 2010 and 2015. In that year, production of CIT goods and services represented 6.5 per cent of global GDP and 100 million people were employed in the CIT service sector. Moreover, global e-commerce sales reached \$25 trillion as 380 million people made purchases on overseas websites.¹⁶ By 2017 services accounted for some 70 per cent of the total gross world product¹⁷ and included communications, informatics, digital and platform technology, e-commerce, financial services, professional and technical work, and a host of other non-tangible products such as film and music. Digitalisation and the transnationalisation of services – linked in turn to worldwide financialisation – have moved to the centre of the global capitalist agenda.

This rise of the digital economy responds in important part to earlier cycles of capitalist development and crisis, especially the downturn of the 1970s, then the boom of the 1990s followed by the dot-com bust and global recession in 2000–2001, and then the global financial collapse of 2008 and its aftermath. The tech sector has become a major new outlet for uninvested capital in the face of stagnation. Investment in the IT sector jumped from \$17 billion in the 1970s to \$175 billion in 1990, then to \$496 billion in 2000. It then dipped following the turn-of-century dot-com bust, only to climb up to new heights after 2008, surpassing \$700 billion as 2017 drew to a close.¹⁸

Material commodities contain an increasing amount of knowledge embodied in them that is driven by data. ‘With a long decline in manufacturing profitability’, observes political scientist Nick Srnicek in his study *Platform Capitalism*, ‘capitalism has turned to data as one way to maintain economic growth and vitality in the face of a sluggish production sector.’ The platform has emerged as a new business model, in Srnicek’s words, ‘capable of extracting and controlling immense amounts of data’.¹⁹ A handful of US-based tech companies that generate, extract and process data have absorbed enormous amounts of cash from financiers desperate for new investment opportunities. In 2017 Apple held \$262 billion in reserves, Microsoft held \$133 billion, Alphabet (Google’s parent company) held \$95 billion, Cisco held \$58 billion, Oracle held \$66 billion, and so on.²⁰

Can this digitalisation resolve the long-term problems of overaccumulation and stagnation? The enormous cash reserves and profits accumulated in the tech sector do not represent the production of new value so much as the appropriation by digital capitalists of the lion’s share of surplus value through rents. As intermediaries, platforms intercede in the circuits of production and circulation of values and cream off major chunks of this value. This helps understand just how hypertrophied the leading digital and platform companies have become. In 2017, US-based tech companies registered the highest market capitalisation. Apple was in first place with an astounding market capitalisation of \$730 billion, Google in second with \$581 billion, Microsoft in third with \$497 billion, Berkshire Hathaway (which has major shares in Apple, IBM, and other tech companies) in fourth with \$433 billion, Amazon in fifth with \$402 billion, and Facebook in sixth with \$398 billion. By comparison, the nearest industrial company, Exxon Mobile, had a market capitalisation of \$344 billion.²¹ The leading digital companies are ever-more parasitic. Nearly all of Google’s and Apple’s revenue comes from advertising, whilst Uber and Airbnb, which own no vehicles or housing units, skim value off the labour and resources of drivers, home owners and their customers.

At the core of digitalisation is a new wave of technological development that has brought us to the verge of the ‘4th industrial revolution’, based on robotics, 3-D printing, the Internet of Things, artificial intelligence (AI) and machine learning, bio- and nanotechnology, quantum and cloud computing, new forms of energy storage, and autonomous vehicles.²² Whilst the tech sector that drives forward this new revolution constitutes only a small portion of the gross world

product, digitalisation encompasses the entire global economy, from manufacturing and finance to services, and in both the formal and informal sectors. Corporations are now dependent on digital communications and data for all aspects of their business. Data has increasingly become a central resource for businesses if they are to remain competitive and has become central to all of the processes associated with the global economy, from controlling and outsourcing workers, the flexibility of production processes, global financial flows, the coordination of global chains of supply, subcontracting and outsourcing, record keeping, marketing and sales, and to war and repression.

On the other hand, a general digitalisation of global capitalism accelerates the predominance of relative surplus value over absolute surplus value. It allows the TCC to develop new modalities for organising the extraction of relative surplus value from workers as it appropriates the 'general knowledge' of society. Apologists for the current ruling order claim that the digital economy will bring high-skilled, high-paid jobs and resolve problems of social polarisation and stagnation. But everything indicates quite the opposite: the digital economy will accelerate the trend towards ever-more mass un- and under-employment along with precarious and casualised forms of employment. We are poised to see the digital decimation of major sectors of the global economy. Anything can be digitalised, and this is increasingly almost everything. Automation is now spreading from industry and finance to all branches of services, even to fast food and agriculture as members of the TCC seeks to lower wages and outcompete one another. It is even expected to replace much professional work such as lawyers, financial analysts, doctors, journalists, accountants, insurance underwriters, and librarians. Founder and chairman of the World Economic Forum Klaus Schwab, amongst others, has estimated that some one-half of all jobs in the United States is at risk of being automated and that the destruction of jobs will take place at a much faster pace than such shifts experienced during earlier industrial-technological revolutions under capitalism.²³

In the US the net increase in jobs since 2005 has been almost exclusively in unstable and usually low-paid work arrangements. Amazon, with a workforce of 230,000 and tens of thousands of seasonal workers, is notorious for brutal sweatshop-like labour conditions in its warehouses and logistical networks, described as 'the future of low-wage work'²⁴ (meanwhile, Amazon CEO Jeff Bezos became the richest man in the world in 2017, with a net worth of over \$100 billion, whilst thousands of Amazon employees require food stamps to make ends meet). Indeed, digital-driven production seeks to lower wage, capital, and overhead costs – ultimately to achieve what the Nike Corporation refers to as 'engineering the labor out of the product'.²⁵ Revealingly, the US labour market added 9.1 million jobs between 2005 and 2015, including 9.4 million precarious jobs, so that the net increase in jobs since 2005 has been solely in these unstable work arrangements.²⁶ A billion dollar data centre built in 2011 by Apple in North Carolina created a mere fifty full-time positions.²⁷ In the Philippines, 100,000 outsourced

workers earn a few hundred dollars a month searching through the content on social media such as Google and Facebook and in cloud storage to remove offensive images.²⁸ Yet they too stand to be replaced by digital technology, as do millions of call centre, data entry and software workers around the world, along with their counterparts in manufacturing and in other service sector jobs.²⁹

Ultimately, digitalisation to the extent that it replaces labour with technology pushes costs down towards zero. All of the contradictions of capitalism become intensified. The rate of profit decreases. The realisation problem is aggravated. Hence the emerging digital economy cannot resolve the problem of overaccumulation. Where can the TCC turn to continue to unload ever-rising amounts of surplus accumulated capital? Can investment in global police state resolve the system's dilemma?

Digital warfare and global police state

In the wake of the 2008 financial meltdown I turned my attention to theorising the concept of global police state as part of my research on global economic crisis.³⁰ It occurred to me that new modalities of social control and repression were becoming interwoven with another round of world economic restructuring, both ushered in as a response to the crisis, to an extent that we have not previously seen. This concept of global police state allows us to identify how the economic dimensions of global capitalist transformation intersect in new ways with political, ideological, and military dimensions of this transformation. Global police state, to reiterate, refers to three interrelated developments. First is the ever-more omnipresent systems of mass social control, repression, and warfare promoted by the ruling groups to contain the real and the potential rebellion of the global working class and surplus humanity. Second is how the global economy is itself based more and more on the development and deployment of these systems of warfare, social control, and repression simply as a means of making profit and continuing to accumulate capital in the face of stagnation – what I term *militarised accumulation*, or *accumulation by repression*. And third is the increasing move towards political systems that can be characterised as twenty-first century fascism, or even in a broader sense, as totalitarian.

As digitalisation concentrates capital, heightens polarisation, and swells the ranks of surplus labour, dominant groups turn to applying the new technologies to mass social control and repression in the face of real and potential resistance. CIT has revolutionised warfare and the modalities of state-organised violence. The new systems of warfare and repression made possible by more advanced digitalisation include AI powered autonomous weaponry such as unmanned attack and transportation vehicles, robot soldiers, a new generation of 'super-drones' and 'flybots', hypersonic weapons, microwave guns that immobilise, cyber attack and info-warfare, biometric identification, state data mining, and global electronic surveillance that allows for the tracking and control of every

movement. State data mining and global electronic surveillance are now expanding the theatre of conflict from active war zones to militarised cities and rural localities around the world.³¹ These combine with a restructuring of space that allow for new forms of spatial containment and control of the marginalised. The dual functions of accumulation and social control are played out in the militarisation of civil society and the crossover between the military and the civilian application of these advanced weapons, tracking, security, and surveillance systems. The result is permanent low-intensity warfare against communities in rebellion, especially racially oppressed, ethnically persecuted, and other vulnerable communities.

In short, digitalisation allows for the creation of a global police state. The circuits of militarised accumulation coercively open up opportunities for capital accumulation worldwide, either on the heels of military force or through states' contracting out to transnational corporate capital the production and execution of social control and warfare. Hence the generation of conflicts and the repression of social movements and vulnerable populations around the world becomes an accumulation strategy that conjoins with political objectives and may even trump those objectives (see below). This type of permanent global warfare involves both low- and high-intensity wars, 'humanitarian missions', 'drug interdiction operations', 'anti-crime sweeps', undocumented immigrant roundups, and so on. Militarised accumulation and accumulation by repression – already a centrepiece of global capitalism – may become ever-more important as it fuses with new fourth industrial revolution technologies, not just as means of maintaining control but as outlets for accumulated surplus that stave off economic collapse.

News headlines abound with daily examples of militarised accumulation and accumulation by repression. The war on immigrants in the US provides a textbook example. The day after Donald Trump's November 2016 electoral victory, the stock price of Corrections Corporation of America (CCA, which later changed its name to CoreCivic), the largest for-profit immigrant detention and prison company in the US, soared 40 per cent, given Trump's promise to deport millions of immigrants. Earlier in 2016, CCA's CEO Damon Hiniger reported a 5 per cent increase in first quarter earners as a result of 'stronger than anticipated demand from our federal partners, most notably Immigration and Customs Enforcement', as a result of the escalating detention of immigrant women and children fleeing violence in Central America.³² The stock price of another leading private prison and immigrant detention company, Geo Group, saw its stock prices triple in the first few months of the Trump regime (the company had contributed \$250,000 to Trump's inauguration and was then awarded with a \$110 million contract to build a new immigrant detention centre in California).³³ Hundreds of private firms from around the world put in bids to construct Trump's infamous US-Mexico border wall.³⁴ Every phase in the war on immigrants has become a source of profit-making, from services inside immigrant detention centres such as health-care, food, phone systems, to other ancillary activities of the deportation regime,

such as government contracting of private charter flights to ferry deportees back home. In its economic dimension, this war opens vast new outlets for unloading surplus, whilst in its political and ideological dimensions it turns immigrants into scapegoats for the disaffection of downwardly mobile, disproportionately white, sectors of the working class. At the same time, given that such companies as CCA and Geo Group are traded on the Wall Street stock exchange, investors from anywhere around the world may buy and sell their stock, and in this way develop a stake in immigrant repression quite removed from, if not entirely independent, of the more pointed political and ideological objectives of this repression.

Similarly, the farcical 'war on terrorism' amounts to a vast programme for global accumulation through militarisation and repression. Military contractors such as Raytheon and Lockheed Martin report spikes each time there is a new flare-up in the Middle East conflict. Within hours of the 6 April 2017 US tomahawk missile bombardment of Syria, the company that builds those missiles, Raytheon, reported an increase in its stock value by \$1 billion. As in the war on immigrants, we see in the 'war on terrorism' an increasing fusion of private accumulation with state militarisation. Global weapons sales by the top 100 weapons manufacturers and military service companies increased by 38 per cent between 2002 and 2016. These top 100 companies across the globe, excluding China, sold \$375 billion in weapons in 2016, generating \$60 billion in profits, and employing over three million workers.³⁵ In addition, private military and security (that is, mercenary) firms had outlays of over \$200 billion in 2014 and employed some 15 million people.³⁶ Whilst Blackwater-Constellis Groups and G4S are the most well known, the Pentagon contracted some 150 such firms from around the world for support and security operations in Iraq alone.³⁷

The TCC and twenty-first century fascism

Hence, generating war, repression, and systems of transnational social control move to the core of the global economy. Global police state and the rise of the digital economy appear to fuse three fractions of capital around a combined process of financial speculation and militarised accumulation into which the TCC is unloading billions of dollars in surplus accumulated capital. Financial capital supplies the credit for investment in the tech sector and in the technologies of the global police state.³⁸ Tech firms develop and provide the new digital technologies that are now of central importance to the global economy. Ever since NSA whistleblower Edward Snowden came forward in 2013, there has been a torrent of revelations on the collusion of the giant tech firms with the US and other governments in the construction of a global police state. And the military-industrial-security complex applies these technologies, as it becomes an outlet for unloading surplus and making profit through the control and repression of rebellious populations. The mechanisms of coercive exclusion and accumulation by repression include mass incarceration and the spread of prison-industrial complexes, pervasive policing,

anti-immigrant legislation and deportation regimes, wars on drugs, gangs, and youth, and border and other containment walls involving urban militarisation. The manipulation of space in new ways ensures that both gated communities and ghettos are controlled by armies of private security guards, technologically advanced surveillance systems, and often paramilitarised policing. All this amounts to permanent low-intensity warfare alongside 'hot wars' and counter-insurgency. As private accumulation fuses with state militarisation, the fate of Silicon Valley and Wall Street become tied to that of warfare and repression.

There is also a mobilisation of the culture industries and state ideological apparatuses to dehumanise victims of global capitalism as dangerous, depraved, and culturally degenerate. In this regard, the mass media and entertainment industries become incorporated into global police state. The culture of global capitalism seeks to impose a dull uniformity, to numb the senses, pacify and dull any ability for critical thinking, to sweep up every thought into the logic of the system. In this sense, it is thoroughly totalitarian. The culture industries feed into global police state, glorifying militarisation and legitimating the authoritarianism of the dominant system. For instance, US military and intelligence agencies influenced over 800 major movies and 1,000 television shows from 2005 to 2016, turning Hollywood into a potent propaganda machine for war and repression.³⁹ The list of films and television shows in which the military and intelligence agencies have exerted influence is simply staggering, ranging from dozens of Hollywood blockbusters such as *Top Gun*, *Windtalkers*, *An Officer and a Gentleman*, *Stripes*, *Independence Day*, *Jurassic Park*, *Blackhawk Down*, *The Hunt for Red October*, *Patriot Games*, the James Bond series, *Hulk*, *Transformers*, and *Meet the Parents*, and TV programmes ranging from *America's Got Talent*, *Oprah*, *NCIS*, *Jay Leno*, to numerous documentaries aired by PBS, the BBC, and the History Channel.

There is a dangerous spiral here in the contradiction between a digitalisation that throws ever-more workers into the ranks of surplus humanity and the need for the system to unload ever-greater amounts of accumulated surplus. Once masses of people are no longer needed on a long-term and even permanent basis there arises the political problem of how to control this expanded mass of surplus humanity. Greater discipline is required, both for those who manage to secure work under new regimes of precarious employment and super-exploitation, and for those expelled and made surplus. The entire social order becomes surveilled. Systems of state and private surveillance now have the ability to monitor any corner of the world and any transaction that cannot be carefully concealed. The global order as a unity becomes increasingly repressive and authoritarian as a project of twenty-first century fascism gains traction.⁴⁰ The militarisation of cities, politics, and culture in such countries as the United States and Israel, the spread of neo-fascist movements in North America and Europe, the rise of authoritarian regimes in Turkey, the Philippines, and Honduras, are inseparable from these countries' entanglement in webs of global wars and the militarised global accumulation, or global war economy.

Fascism, whether in its classical twentieth-century form or possible variants of twenty-first century neo-fascism, is *a particular response to capitalist crisis*. Trumpism in the United States, Brexit in the United Kingdom, the increasing influence of neo-fascist and authoritarian parties and movements throughout Europe and around the world represent a far-right response to the crisis of global capitalism. The fascist projects that came to power in the 1930s in Germany, Italy, and Spain, as well as those that vied unsuccessfully to seize power, such as in the United States, had as a fundamental objective crushing powerful working-class and socialist movements. But in the United States, Europe, and elsewhere, the Left and the organised working class are at a historically weak point. In these cases, twenty-first century fascism appears to be a *pre-emptive* strike at working classes and at the spread of mass resistance through the expansion of global police state. Twenty-first century fascism is centrally aimed at *coercive exclusion* of surplus humanity. States abandon efforts to secure legitimacy amongst this surplus population and instead turn to criminalising the poor and the dispossessed, with tendencies towards genocide in some cases.

Twenty-first century fascist projects seek to organise a mass base amongst historically privileged sectors of the global working class, such as white workers in the Global North and middle layers in the Global South, that are experiencing heightened insecurity and the spectre of downward mobility. As with its twentieth-century predecessor, the project hinges on the psychosocial mechanism of displacing mass fear and anxiety at a time of acute capitalist crisis towards scapegoated communities, such as immigrant workers, Muslims, and refugees in the United States and Europe. Far-right forces do so through a discursive repertoire of xenophobia, mystifying ideologies that involve race/culture supremacy, an idealised and mythical past, millennialism, and a militaristic and masculinist culture that normalises, even glamorises war, social violence, and domination.

Classical twentieth-century fascism in Germany and Italy did offer some material benefits – employment and social wages – to a portion of the working class even as it unleashed genocide on those outside the chosen group. There is now little possibility in the US or elsewhere of providing such benefits, so that the ‘wages of fascism’ appear to be entirely psychological. In this regard, the ideology of twenty-first century fascism rests on irrationality – a promise to deliver security and restore stability that is emotive, not rational. It is a project that does not, and need not, distinguish between the truth and the lie.⁴¹ The Trump regime’s public discourse of populism and nationalism, for example, bore no relation to its actual policies. In its first year, Trumponomics involved deregulation – the virtual smashing of the regulatory state – slashing social spending, dismantling what remained of the welfare state, privatisations, tax breaks to corporations and the rich, and an expansion of state subsidies to capital – in short, neoliberalism on steroids.

The structural crisis of capitalism in the 1970s launched the world on the path of neoliberal globalisation. The bursting of the dot-com bubble in 2000 then threw

the world into recession. The bursting of the housing bubble in 2008 triggered the worst crisis since the 1930s. Everything indicates that the global economy is headed towards a new crisis, perhaps as a result of the bursting of tech bubbles, perhaps in conjunction with cascading debt defaults. The next major crisis is likely to cement the fusion of digital economy and global police state, absent a change of course forced on the system by mass mobilisation and popular struggle from below.

Here is not the place to discuss the global revolt that has spread around the world since the 2008 collapse, ranging from Occupy Wall Street, Black Lives Matter, the immigrant rights movement and the Dakota Access Pipeline protests in the US, to Podemos and Syriza in Europe, the Arab Spring, the Shack Dwellers Movement and other poor people's campaigns in South Africa, the Chilean student movement, and mass worker struggles in India and China. Some of these, such as the Arab Spring movements, have taken tragic turns, whilst far-right forces have been able to mobilise mass discontent as well. Yet we must remember that the dictatorship of transnational capital is *reactive*. It is the increasing breakdown of global capitalist hegemony that has prompted the TCC to impose ever-more coercive and repressive forms of rule. When the next crisis hits, the Left and resistance forces from below must be in a position to seize the initiative and to push back at global police state. This, in turn, must be informed by an analysis, such as I have aspired to present here, of the current process of global capitalist political and economic restructuring.

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capital that spans the globe'. These conglomerates, in turn, 'invest not only in each other, but in many hundreds of investment management firms, many of which are near-giants, resulting in tens of trillions of dollars interlocked together in a single vast network of global capital'. Amongst the seventeen conglomerates are BlackRock, Vanguard Group, JP Morgan Chase, Allianz, State Street Global, Goldman Sachs Groups, Morgan Stanley & Co, and Capital Group. These conglomerates are heavily invested in the top three weapons producers in the world, Lockheed-Martin, Northrop Grumman, and Boeing. State Street, for instance, holds \$15 billion in Lockheed-Martin, \$6 billion in Northrop Grumman, and \$8 billion in Boeing. The same pattern of investment applies for all seventeen conglomerates. For this data, see Peter Phillips, *Giants: the global power elite* (New York: Seven Stories Press, in press), 'Preface'.

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