31

Book reviews on global economy and geopolitical readings

ESADEgeo, under the supervision of Professor Javier Solana and Professor Javier Santiso.
The End of Power: From Boardrooms to Battlefields and Churches to States, Why Being in Charge Isn’t What It Used to Be


“Power itself has become more available. Yet its horizons have contracted, and once attained it has become harder to use.”

“When the number, identity, motivation, abilities and attributes of the players change, the power distribution will change as well.”

“We need to restore trust in government and in our political leaders. For this to happen will require profound changes in the way political parties organize and operate.”

Summary

Is power as we have come to know it doomed? If so, what is the nature of this decline? What does the future hold where power has lost its defining characteristics? Moises Naím answers these questions in his book The End of Power but also goes beyond run-of-the-mill analyses based on the growing power wielded by non-governmental groups and the impact of Internet and Communication Technologies (ICT). Naím states that the end of power is not the result of vanishing elites (for they have multiplied) but rather because wielding and keeping such power has become so much harder.

The author identifies three revolutions to explain this trend. They stem from: More; Mobility; Mentality. The world today has more people, who live longer, healthier lives and are better-educated than hitherto — all factors that make the masses harder to control. There is unprecedented mobility: ICT and social networks have created a single worldwide communication forum. These two revolutions have fostered a change in mentality, altering expectations and leading to a more critical view of the status quo.

In this new landscape (which offers opportunities and poses risks), we need to change how we see power. Failure to do so threatens mankind’s prospects of attaining prosperity.
The author

Moisés Naím holds a PhD from MIT. He is a Venezuelan writer and columnist who, since 2010, has been a Senior Associate in the Department of International Economics at The Carnegie Endowment for International Peace in Washington D.C. He currently directs and presents *Efecto Naím* [The Naím Effect], a weekly TV programme on international affairs, broadcast in the US and Latin America. His articles on world affairs are published in various international media, such as *El País* in Spain, *La Repubblica* in Italy and other papers in the US and Europe. Before his current activities in Washington, Naím spent fourteen years as Director of the magazine *Foreign Policy*, after spells as Venezuela’s Minister for Industry and Trade, Director of Venezuela’s Central Bank and Executive Director of the World Bank in the early 1990s. He has written numerous articles and over ten books on economics and international politics, which have been translated into eighteen languages. In 2011, he was awarded The *Ortega y Gasset* Prize for Journalism and in 2013 he was cited by the British magazine *Prospect* as one of the world’s most influential thinkers.

Key ideas and opinion

Moisés Naím’s latest book, *The End of Power*, again shows the author’s communications skills, which are **direct, well-structured and highly enlightening**. Naím first encountered the limits of power when he was appointed Venezuela’s Minister for Development in 1989. Back then, anti-government protests revealed the yawning gap between the perception of power held by the country’s rulers and reality. The fragility of power and the constant change it has undergone to reach its current state of decline are the main themes of this book.

**Power as the ability to influence others has undergone a sea change in all sectors** — politics, economics, the armed forces, religion, education and the media. Under this premise, Naím shows that the modern version of power (that is, the one that was prevalent in the 20th century) is threatened with extinction and warns that its demise will utterly transform our world. Therefore, he warns that we need to start analysing power anew as soon as possible — this is the only way to avoid these risks turning into true perils.

Naím **bases his argument on three revolutions** (More, Mobility, Mentality), which he considers have led to the decline of power. He examines the destabilising effects of these revolutions on the world and their impact on power — an exercise that is rendered all the more effective by Naím’s lively, amenable style. He not only warns of the problem but also points out some of its serious consequences, some of which are already in effect — for example the power vacuum and political paralysis. He makes
useful recommendations for the elites, urging them to regain the respect and trust they have lost so that they can efficiently pilot mankind to a better future.

**Power: concepts and tools**

Naím defines power as “the ability to prevent the current or future actions of other groups or individuals”. Employing this definition, the author explains that this ability (although it is predominantly still in the hands of the elites) is currently hard to obtain and even harder to keep. The threats are posed by social networks and the internet and new emerging countries, which are shifting the world balance of power to the East and South. However, as Naím points out, these are not the only reasons. So-called ‘micro-powers’ are emerging in all fields and their influence has broken down the barriers that used to comfortably fence off the elites from the rest.

Here, it is worth recalling the channels of power: The Muscle (or coercive force); The Code (moral obligation); The Pitch (ability to persuade others); The Reward (providing incentives). With regard to barriers to power, one can distinguish structural and strategic ones. Yet these self-same barriers (which underlie the 20th-century notion of superpowers) are being steadily undermined.

**What has changed?**

To answer this question, the author takes the fall of the Berlin Wall and the rise of internet as his point of departure. Both events consolidated the three revolutions that sparked this decline in power:

- **The ‘More’ Revolution**: Today there is more of everything: people, countries, political parties and furthermore, populations are healthier, live longer and are better off. This does not mean that power is spread among more people but it does mean that people lead better lives. Naim argues that “when people are more numerous and living fuller lives, they become more difficult to regiment and control”. The first revolution puts pressure on the barriers erected by those wielding power.

- **The ‘Mobility Revolution’**: There are currently 204 million emigrants in the world and each year 65 million people move from the countryside to the cities. This trend is radically changing the map of power given the constant interchange of goods, services, ideas and information at ever lower prices. The new technologies are playing an important role in this revolution because they make it much harder to ring-fence power. This revolution is bypassing the barriers to power.

- **The ‘Mentality’ Revolution**: The two revolutions above create a new middle class aware of their lot and of ideas such as ‘liberty’ and ‘prosperity’. This is a revolution of expectations that demands that those wielding power serve citizens and not the other way round. This revolution undermines and erodes the barriers to power.
‘Micro-powers’ may seize the opportunities that arise when the barriers fall. This does not mean superpowers vanish, but it does mean that their freedom of action is greatly curtailed and that it is much harder for them to maintain their position.

**The decline of political power**

*The political sphere is where these changing coordinates are most evident.* Winning an election does not guarantee freedom of action because there are many ‘micro-powers’ capable of hindering government activity and slowing down decision-making. This inevitably leads to a new political course marked by **decentralization, which puts ‘a spoke in the wheel’ and makes governing tougher.** As extreme examples of this trend, the author cites Beppe Grillo in Italy, Rob Ford, the Mayor of Toronto, the Tea Party in the United States, and the Pirate Party in Europe.

**Today, the amalgam of players wielding power can push policy one way or the other.** Other trends in the political arena to be borne in mind are: (1) how money is replacing ideology; (2) the growing influence of the judicial system; (3) the rise of new ‘heroes’ using the Internet to pressure governments (Nobel Prize-winner Liu Xiaobo, Julian Assange and the hacktivists). The impact of this is what Naím calls the ‘**political centrifuge**, whose effects include the decline of political parties, governmental restraint, hyper-competitiveness and the power of isolated individuals.

**The decadence of military power**

In this field, the decline is revealed by the **proliferation of small groups of warriors,** which can cause great harm at a mere fraction of the defence budgets of a major power. A clear example of this is 9-11, mounted by Al Quaeda in New York. These groups are aided by all three revolutions mentioned earlier. Here ‘More’ and ‘Mobility’ make it easier for such groups to operate, while the ‘Mentality’ Revolution makes it easier for them to recruit new members.

Terrorism has become a global military concern and reveals that the armed forces’ monopoly on the use of force — one of underpinnings of the modern nation-state — has become obsolete. We are, argues Naím, facing **fourth-generation war** in which small poorly-equipped groups can best national armies. This trend is facilitated by the proliferation and development of ever more sophisticated weaponry and the use of ‘cyber-war’.

**Geopolitical effects**

The three revolutions identified above have rendered ‘hegemony’ (which is inseparable from power) meaningless. The United States’ hegemony (which was greatest during The Cold War) and America’s ability to influence the world has waned and it is harder for the country to impose its rules on others. The rise of the **BRICs** as
new players on the world economic stage has shifted power to emerging countries, which can now compete on equal terms. This economic competition combines military and political elements, changing the way in which global conflicts are managed and diplomacy is conducted.

Even so, it is clear that there is still nothing to replace the Pax Americana, even though it has been weakened by the veto imposed by smaller nations on political and economic decisions at the international level. These nations have learnt that strength lies in unity — something that has led to a proliferation of regional organisations. Naim labels this trend ‘minilateralism’, by which he means the smallest possible number of countries banding together to have the largest possible impact on the way the world solves a particular problem.

The problem, suggests Naím, is that it is hard to see who is in charge. One hegemonic power no longer replaces another and the quickening trend is for minor powers to block or ignore the hegemon. The solution, according to Naím, does not lie in seeking another superpower but rather in becoming aware of the new challenges posed by international cooperation.

**The decadence of economic power**

Until recently, markets were dominated by a few companies that held sway over their respective sectors. However, globalisation and new technologies have shaken things up, making competition for the top places fiercer than ever. This is true in the energy, banking and media sectors. Although wealth is still in the hands of the few, it is harder than ever for the 1% of the world’s billionaires to hold on to their power.

The economic crisis has obviously played a role in the way events have unfolded, but the key to the decline of economic power has been the undermining and subsequent fall of barriers to entry. Such barriers stopped new players entering the market in the 20th Century. It was largely thanks to these barriers that companies were able to build vast business empires. Nowadays, these barriers — based on size, capital, technology or brand prestige — are weakening as new players using technology and innovation are changing the rules of the game. Here, one can also see the impact of Naím’s three revolutions. In this case, the growth of competition and micro-powers limit macro-powers’ traditional opportunities. Large companies are more exposed to risks than ever before and though they continue to dominate the market, their leaders now enjoy less freedom of action than hitherto.

Religion, philanthropy and the media are other sectors analysed by Moises Naím in his book. Here too, power is becoming more diluted: Catholics are abandoning the Church and opting for other brands of Christianity — especially in Latin America and Africa, where Evangelical denominations wield great influence (including at the political level). In the case of the media, this trend is even more alarming, with large media groups
declining in the face of new digital media and opinion-leaders emerging from social networks.

**Opportunities and risks**

Náim winds up by stressing that the decline of power has a brighter side and a darker one. The bright side is that it fosters freer societies, more options for voters and consumers, and the emergence of new ideas. In the political sphere, authoritarian states are waning fast. The resulting political freedom is fruit of the three revolutions analysed by Náim. Here, the emergence of new companies and the end of monopolies is a sign of healthy markets, which in turn opens up new horizons and possibilities.

Nevertheless, the risks entailed by this decline are no less important. International problems are worsened when governments cannot take decisions — climate change and the Syrian civil war being cases in point. The so-called ‘vetocracy’ blocks the work of governments and makes the world a more dangerous place. The proliferation of non-state actors bent on evil ends — whether they be terrorists or movements stirring the fury of the mob — is a peril we should watch out for.

**The future**

After conducting an analysis of ‘The End of Power’ as we know it, Náim makes various recommendations for the future. First, he warns that we need to think about power differently. He says we need to analyse what has been lost, the direction we have taken and accept that the loss of power is not only political and economic but extends to all sectors. The authors says we need to avoid ‘elevator thinking’ and stop dwelling on ‘winners’ and ‘losers’ (whether nations, companies or religions) and instead, focus on how the decline in power is affecting each of the competing parties.

Politicians need to be given greater power, but the paradox is that this is only possible if we trust them. Náim sees regaining citizens’ trust as key but says this can only be achieved if political parties change the way they are organised. The parties need to: (1) adapt their structures to a more interconnected world; (2) inject new blood; (3) be faster on their feet if they are to make up some of the ground lost to other players such as activist groups and NGOs. Náim also considers political participation should be boosted — something he links to the foregoing point. He also argues that: (1) civil society should be given a greater role; (2) there should be more transparency; (3) new and more effective governance mechanisms should be found. We need, says Náim, to find new ways of obtaining, using and keeping power if we are to govern ourselves effectively. Should mankind fail in this quest, prosperity may prove unattainable.