

Neoliberalism, Economic War, BRICS & a New Russia

Radhika Desai discusses how neoliberalism has financialised and de-industrialised Western economies. The economic war to reverse the decline of the West has instead intensified the decline, and BRICS has become an important institution to construct an alternative post-neoliberal economic system. Russia's shift from Europe to Eurasia is at the centre of the new international economic system. Follow the work of Prof. Radhika Desai: RadhikaDesai.com Follow Prof. Glenn Diesen: Substack: <https://glennndiesen.substack.com/> X/Twitter: https://x.com/Glenn_Diesen Patreon: <https://www.patreon.com/glennndiesen> Support the channel: PayPal: <https://www.paypal.com/paypalme/glennndiesen> Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: <https://gofund.me/09ea012f>

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Hi everyone, and welcome back. We are joined today by Radhika Desai, a geopolitical economist, a professor at the University of Manitoba, and a visiting professor at the London School of Economics. So, welcome to the program.

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Great to be here, Glenn.

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The topic I wanted to discuss with you was the economic policies of Trump, the reactions of BRICS, but also where Russia fits into this wider picture. But I also want to address the broader problems of Western economies, because things obviously weren't going well before Trump came along, and I think the US economy has been going from bad to worse, especially over the past two decades. A key problem seems to be what is often referred to as neoliberalism. How do you define neoliberal economics, and why do you see this as being a source of many of the ills of Western economies at the moment?

#M3

Yeah, I think that's actually, given the sort of range of topics we want to talk about, a great starting point. So, neoliberalism is a sort of blanket term for a set of policies and the theories associated with them that have been dominant since the early 1980s, since the age of Thatcher and Reagan and so on. Periodically, people have pronounced the death of neoliberalism. In fact, I was myself one of

them—I pronounced the death of neoliberalism in 2008 after the financial crisis. But since then, my analysis of it has deepened further, because clearly neoliberalism has not gone away. So here's how I understand it today.

So, neoliberalism is supposed to be the ideology that says markets should be free—you should have free markets and free trade, and everything will be fine. The reason why it was important for certain people to say this back in the late '70s and early '80s is because they were arguing that the deep economic crisis in which the Western world, in particular, found itself—the stagflation crisis of the 1970s—had been caused by what neoliberals claimed was an excess of state regulation, combined, of course, with an excess of trade union power. So both state regulation and taxation of capital, as well as trade union power, all had to be rolled back. Societies had to—states had to be shrunk.

There had to be privatization of state-owned enterprises, deregulation of industry, reduced taxation of capital, reduction of social spending, etc., etc., etc. So the idea was that you were going to restore markets and competition, and this was going to restore the productive dynamism of capitalism, which is naturally productively dynamic. And only these regulations of the post-Second World War period, when Keynesian welfare states were created, were preventing that. Unfortunately, this theory is a completely bad faith theory in the sense that it was proposed at a time when capitalism was no longer about free markets and free trade.

It was proposed, you know, beginning with the neoclassical revolution back in the late 19th century and developed throughout the early part of the 20th century and into our own time. This was a time when capitalism had already entered its monopoly phase. And it wasn't just Marxists like Lenin or Hilferding or Bukharin who were talking about that. All sorts of, you know, prominent bourgeois experts—pro-capitalist experts—were also talking about the increasing concentration of capital and the fact that capitalism had arrived at a different level, a new phase. So in this context, where capitalism has already arrived at the monopoly phase, these people are talking about how free markets and free trade are going to restore, through competition, this productive dynamic, etc.

This is complete nonsense. And of course, by the time it came to be applied in the late '70s and early '80s, capitalism had become even more so. So neoliberalism claims to be about free markets, but in reality, neoliberalism is giving more freedom to monopoly capitalism. What is wrong with that? What is wrong with that is—and this is something that Marx had pointed out a long time ago—he had pointed out that once capitalism arrives at the monopoly phase, it will lose its productive dynamism. It will no longer be about competition; it will essentially be massified social production.

In fact, he felt that it would be so obvious that people would realize there was nothing to do but take over these big monopoly corporations and bring them into public ownership, because monopolies allow private owners to reap profits—unearned incomes, essentially to reap rents, as they are called. They become rentier institutions, or it becomes a rentier economy. So Marx had

predicted this, and he said that by this time, whatever progressive role capitalism may have played in developing the forces of production, developing the capacities of human societies to produce, etc., would be finished; it would have become ripe for socialism. He had already said that back then.

And I would say that, in the course of a few decades, by the early 20th century, you had the 30 Years' Crisis from 1914 to 1945, encompassing two imperialist world wars, which nobody doubted were connected to capitalism. Even people like Keynes could see that, let alone the Marxists of the time. People like Karl Polanyi could see that, and so on. And of course, there was the Great Depression in between the two wars. So everybody thought that this system's sell-by date was well past, and we were going to have to construct a very different type of society. And in the post-Second World War period, the idea was that if we didn't, we would have another Great Depression.

Now, in the post-Second World War period, we got the Golden Age of Growth. And a lot of people point to this and say, well, you know, you got this Golden Age of Growth. This shows that capitalism was fine. Not so fast, because actually that Golden Age of Growth was measuring world growth. And when you measure world growth, you have to remember, number one, that the so-called first world countries—the imperialist countries, as some may call them—had been turned into Keynesian welfare states. The historian Eric Hobsbawm points out that the reforms that were introduced in the post-Second World War period were so radical that even a decade before, they would have been dismissed as socialist.

Such reforms had to be accepted by capitalism. In the Second World, of course—in a vast Second World of communist countries, which now stretched from Eastern Europe to the eastern edge of the Eurasian continent, a continent or supercontinent about which you have written so much—was communist. And of course, these countries posted enormous growth rates, much higher and more consistent than capitalism, which, at that time, many people envied. I even remember reading somewhere that, at this time, intellectuals in Western countries were very envious of this, and they felt that, given the consistency with which the communist countries were posting such high growth rates, they would overtake capitalism—which, in a sense, has happened today with China doing what it's been doing.

Anyway, all the newly independent, formerly colonized countries were pursuing policies of autonomous national development, which—whatever their successes and failures—were certainly much better in terms of producing broad-based growth than anything we have seen more recently. So, these were the reasons we got the Golden Age, not because of capitalism. And you see, it's especially clear now, from the point of view of four and a half decades into the neoliberal age, that neoliberalism has not restored productive dynamism. It has given us low growth, low investment, and financialization. The only thing capital has done with the new freedoms given to it by neoliberal policymakers is not to revive productive investment, but to essentially financialize the economy.

And of course, that has contributed massively to increased inequality. So all of this is a cocktail of economic ills that is afflicting Western economies in particular and leading manifestly to their decline.

And the BRICS countries have come to the forefront to the extent that they have not adopted neoliberalism. For example, China has never been subject to neoliberalism. Russia and Brazil suffered enormously under neoliberalism—Brazil for longer than Russia. But eventually, by the 2000s, they rejected neoliberalism substantially, though not completely. I think both economies are still way too neoliberal for my taste.

And you have India, which at least up until the first decade and a bit of the 21st century was under—well, sorry, between about 2004 and 2012 was under a Congress-led government, which was quite reformist, partly because it was reliant on left support. And so the reforms it introduced managed to sustain growth of a good type. But of course, since we've had Bolsonaro in Brazil and Modi in India, the record of these countries has been much poorer. But anyway, I think I'm straying slightly away from neoliberalism. But neoliberalism, essentially, I regard as a pretty big-time intellectual hoax, basically.

#M2

Yeah, it's always interesting, the academic argument that the more the market can operate freely, the more efficient it will be. And I don't think there are many economists who reject this liberal claim. But as you refer to people like Karl Polanyi, who point out that if you have unfettered market forces, it tends to eat away at the social fabric. Even liberal economists like David Ricardo recognized the concentration of wealth in capital and the weakening of labor. So often, it's become overly ideological, even though the foundational problems have been recognized across the board.

#M3

Exactly. And you know what? If you think about it, what we call neoliberalism is essentially neoclassical economics, particularly the Austrian variant, which emerged in the late 19th century. But for a long time, it wasn't really taken so seriously. Because initially, of course, you had not only Marxism, but also some of the associated schools, like the historical school in Germany and continental Europe. There was this great methodological strife between the neoclassical school and the historical school. So there was still a lot of resistance.

Soon thereafter, you had Keynes and the emergence of macroeconomics, which was again a huge challenge to the ideas, particularly of the Austrians, and so on. Of course, throughout the middle of the 20th century, it was Keynesianism that ruled the roost. So it wasn't really until the crisis of the 1970s, which was then successfully pinned by the neoliberals and the think tanks—I mean, I cut my intellectual teeth writing about the neoliberal think tanks in Britain of the post-Second World War period—they managed to pin the crisis on Keynesianism. And that's when they had their heyday. So, in a certain sense, the dominance of neoliberalism is actually quite recent.

#M2

So this, of course, weakens the economic prowess of the Western countries. And I have to say, as an admirer of what we'll call the economic nationalism or industrial capitalism of Alexander Hamilton, Friedrich List, Sergei Witte, and the rest, I can see the value of, for example, tariffs as one component of industrial policy, with the assumption that you need industrial policy sovereignty in order to have political sovereignty. But that being said, the efforts by Trump to reverse some of the neoliberal decline don't seem very convincing in terms of the industries that the tariffs are used against, the objectives they're intended to serve, and even the calculation of tariffs. None of it really makes much sense at all. I was wondering, how do you assess the current economic war by Trump in terms of tariffs, going after vulnerable supply chains of adversaries, trying to cut the Chinese tech sector down in size? How are you diagnosing the thought process behind this whole thing?

#M3

Yeah, sure. So, you know, I usually tell one story about this, which I normally start with, but I want to relegate that to the second part, because you said something that I consider very, very important. You referred to economic sovereignty. And, you know, not a lot of people understand how central it is to the operation of the international system of capitalism—what I call geopolitical economy. So let me begin with that. I mean, essentially, the neoliberal argument that free markets and free trade are good essentially leads to the denial of development.

If policymakers actually implement it, they will not promote development, but actively promote de-development, which is why Friedrich List, whom you mentioned, used the expression "kicking away the ladder." He said that Western countries have developed through industrial policies, through tariffs, through protectionism, and all sorts of forms of state intervention. But once they get to the peak of development, once they climb the ladder of development, then they kick it away so that nobody else can climb it. And what is kicking away the ladder? It is to promote, it is to encourage free market and free trade policies, which have the opposite effect—not promoting development, but promoting de-development.

Now, the United States, Germany, and various other countries already recognized this. Friedrich List wrote his book as an attack on free market, free trade policies. So he knew that free market, free trade policies would not develop Germany—they would de-develop Germany. And so what you got in the last third of the 19th century was the accelerated development of countries like Germany, the United States, Japan, etc., behind protectionist walls. And this was a recognition of something else. You know, Karl Polanyi has this wonderful expression, which I've used quite a lot in my own writing. He said that economies became "crustacean."

You know, "crustacean" is this biological term for the genus of creatures that live in the sea and have hard shells—like crabs or tortoises or whatever. So you have "crustacean nations," meaning nations that develop a hard wall. And only that kind of nation—a crustacean nation—can develop, because it has the means to protect itself when under attack of any sort; it can retreat under the shell. And that's what "crustacean" means. And of course, the purpose of the neoliberal prescription

of free markets and free trade is precisely to open up these economies so that they agree to supply the needs of the big imperialist powers.

And that's why the rhetoric of free markets and free trade, open economies, is the rhetoric of imperialism. Now, to come back to the point you made about, you know, how do I understand BRICS and so on—sorry, how do I understand Trump's tariffs? Very simply, I take the policy of tariffs to be a symptom of the deeper crisis of the United States, not a sign that Trump has a strategy to solve the problems of America. Because essentially, what gave Trump the edge over other Republicans, and what allowed him to take over one of the established parties of the United States, was that he realized you could not win elections by telling people the economy was doing well.

Indeed, he showed the Republicans that he could win the primaries and later on the election in 2016 precisely by telling people that the economy was doing very badly. But given that Trump, like his Democratic competitors, was essentially applying to be the servant of the very same corporate capitalist class that the Democratic Party also served, he couldn't just leave it there. He had to accompany it with a lie. And that lie was that the problems of the United States economy—the problems of ordinary American voters—were not because of decades of neoliberal policies that have produced this shitty economy, etc., but rather because of trade, because of China, and because of immigrants.

These were the things that he identified, and today's tariff proposals are just an elaborate show to try to make it look as if he is pursuing the exact policies that he had advertised, that he had campaigned on. But at the same time, you can see that they are reduced to a shadow of their former selves. So instead of tariffs, what he has are these series of so-called agreements, which are not even written down—with Japan, or the EU, or the UK, or what have you. What do they mean? What will they come to mean? Only the Almighty knows if there'll be such a thing. I don't think—certainly Trump does not know. He has, of course, done—this has been very destructive. So has the attack on immigrant working people across the United States.

It has been terrifying for many of them. It has led to demonstrations and ordinary people feeling very upset at what he's doing. Nevertheless, it's a fraction of what he had originally threatened to do, which was to deport 11 million people. He can't do that. He can't impose tariffs in the way that he had threatened. He can't do the deportations because both of them would hurt the very corporate capitalist classes and the cronies he has been gathering around him. So he can't do that. What's more, if we are focusing on tariffs alone, so many different goals have been advertised for the tariffs, right? And some of them are even contradictory to one another.

So, for example, if the goal is to re-industrialize the United States—and, you know, he keeps saying, "Oh, the Europeans have promised to invest so much, and the Japanese have promised to invest so much, and Tim Cook of Apple has promised to invest so much"—but these are just promises. God only knows whether they will materialize. But he says that you're going to re-industrialize the United States. Well, in that case, tariffs would be effective in stopping the imports. But then he says that his

tariffs are going to raise an enormous amount of income for the federal government, justifying his big, beautiful bill in which he cut income taxes and corporate taxes even further.

Well, if the imports are stopped, there will be no tariff revenues, or very little. And quite frankly, people are saying tariff revenues are higher than they have been for a long time, but that's because they have been very low for a very long time. They are certainly nowhere near compensating for the tax cuts that he has made, let alone the tax cuts of the entire neoliberal era, which are responsible for the enormous deficits—the budget deficits—the United States has. And of course, yes, he has been using the tariffs to twist the arms of various world leaders, etc. But again, it is not clear to me that even this is necessarily going to succeed, for one very simple reason.

Trump acts as though the United States is still the world's market of last resort, that everybody's desperate to sell to the United States. But if you look at the statistics, I have read two or three different figures. The highest figure was 15.9%. The lowest figure was 10%. This is the figure for the proportion of world imports that the U.S. accounts for. So it's somewhere between 15.9% and 10%. Not a small figure, but it's not huge either. And barring countries that have unfortunately made bad decisions in the last few decades, like Mexico and Canada, which hitched their wagons to the United States when a lot of their intellectuals were saying they should do the opposite.

That's another story. But beyond that, I think most countries can survive a trade shock with the United States. And so I would say that, of course, they will survive the trade shock, but what the U.S. will not survive is the enormous climate of uncertainty that the U.S. has created. So people will say, why should we? And, you know, Trump may come and Trump may go, but the next leader is unlikely to be much better because these things are coming out. As I've said, Trump is a symptom of the deeper crisis. He's not the actor; he's not the problem. The problem is the deep crisis in which the U.S. finds itself. And this is not going to go away tomorrow.

Certainly, Trump's policies are only going to exacerbate it further. So this will simply mean that, actually, in the long run—although countries will go through some considerable difficulties, particularly very small and vulnerable ones—what is the rational thing to do? The rational thing, they will understand, is to reorient their economies away from trade and investment relations with the United States and towards other, more predictable trade and investment partners. And I think this will happen. Inevitably, America will be left high and dry, and that long period—which, by the way, the term "globalization" actually refers to—during which the United States became more dependent on trade, will come to an end.

#M2

Many contradictions in his policies. You can also point out his argument or recognition that you need a weak dollar in order to price American industries back into the market, to make them more

competitive for export. But of course, he also wants a strong and stable dollar to maintain it as a reserve currency. So it's very hard to overcome these contradictions. But for Giddens and others—well, not Giddens, I forgot.

It's been predicted, at least since the 1980s, that these days would come for the United States. You refer to Friedrich List in terms of "kicking the ladder," and, well, this is the assumption: that once you're the dominant economy—the hegemon—you have the leading technologies, you control the transportation corridors, you have the dominant banks, the reserve currency, then of course there's an incentive to promote neoliberal economics. That is, everyone integrates under an economic system which is administered by you. So, simply, if you have the best technologies and industries—if you have the mature industries—this is high quality which comes in at a low price; you will outcompete all the competitors who have low quality and high price.

So there's always been a good way of saturating foreign markets. They don't industrialize or develop technology in the same way because they can't compete against you. But now something has changed under the neoliberal model: when the US financialized its economy, its production was outsourced. I think these days, the United States can't compete against China. In the past, they used to—at least when they put sanctions and different economic coercion against the Chinese—try to reference some human rights. But now they've become very open that they can't compete against China. They have to find a way of throwing a wrench into the system and, well, I guess, sabotaging the rise of China. Now, because of all of this, it obviously creates a demand for alternatives. You said one of the curses of the United States now is that it's not predictable.

Indeed, it's an unsustainable economy. No one really believes they can take on debt like this forever. The U.S. has weaponized all dependence on itself. They can take your gold, they can take your sovereign funds, they can cut you off from banks and SWIFT, they can seize your tankers—there are no limits anymore. So there's obviously a huge demand for alternatives. To what extent do you see BRICS pursuing this role to shape a new alternative? And how successful is it? Because I often get the impression that they take two steps forward, one step back—especially from India. They're usually more critical of BRICS than the Chinese or Russians would be, for example. So how are you assessing the role of BRICS in this new economic system being developed?

#M3

I mean, yeah, you know, BRICS is, at one level, a very odd grouping. The name, as you know, was coined by Jim O'Neill of Goldman Sachs back in 2000 or thereabouts. And he basically said, look, the center of gravity of the world economy is moving away from the West. It is doing so. Inevitably, there will come a day when these countries will dominate much more, etc. And he basically chose four big countries, two of them being, as he put it, resource-rich—namely Brazil and Russia. Remember, back then there was no South Africa in this grouping. So, Brazil and Russia. And he chose two human resource-rich countries, two populous countries—namely China and India.

And he, you know, without having any particularly critical understanding of what makes these economies tick—for example, when he was writing, there was a big commodity boom and therefore Russia and Brazil were projected to do very well out of this, and so on. But anyway, the point is that, in fact, not only did he not examine the insides of their economic policies, but he basically assumed that all four of them were pursuing neoliberal, market-oriented policies, which is actually not true. Essentially, what you got in this period is a situation in which, as I argued back in 2013—I was writing at the end of one of these BRICS summits—I said that the BRICS are creating a front against Western hegemony.

But I qualified that by saying they are only going to do this to the extent that they are either rejecting neoliberalism, have never had neoliberalism, or are now rejecting it. That was Brazil and Russia in particular. Or, like India, have always applied it in a modified way. But, you know, let's just stick with the example of India. India at that time was ruled by a relatively progressive government whose policies of reform were expanding demand, and they were able to promote reasonably decent growth, at least in comparison to the previous period, and so on. So this was a good thing. And had India continued along those lines, it would have continued to prosper.

But of course, we have since had the election of the Modi government, which is a deeply neoliberal government. It is, in my humble opinion, driving India's economy into the ground. Lately, though, he has, for example, been taken to posing as the defender of the interests of Indian farmers. But just three or four years ago, he was fighting a battle on the streets with them because they were opposed to the neoliberal farm laws that he wished to introduce. They were opposed to them. These laws would have led to the corporatization of agriculture, the destruction of smallholder farming—or what's left of it—and so on.

So, you know, all of these problems have created a very problematic Indian economy. It is not doing well. The growth statistics that are still marshaled to make the BRICS arguments are deeply problematic. So I would say that the BRICS have become problematic from that point of view. In Brazil, although Lula has come back to power, it is still an open question to what extent he will be able to tread a path distinct from neoliberalism, simply because the Brazilian bourgeoisie is quite powerful. And I'm not sure that he has the political capacity to go against them.

Russia, China, of course, continue to steam along this path, although obviously compared to 10 or 15 years ago, the growth rates are lower. Nevertheless, they are still way better than anything the West can post. And Russia is very interesting because, in the context of sanctions and war over the past—well, since 2014 and particularly since 2022—I think Russia has been forced to take progressive decisions. Although I think Putin would probably, if he had his druthers, be considerably more neoliberal than he is now forced to be. Nevertheless, I mean, he was never completely a neoliberal. That was the good thing about him.

But he still gave too much to neoliberalism. But now, in the context of a war economy, he is forced to pursue more developmental, more egalitarian policies. And I think these are working out well for

Russia. Obviously, one wishes the war would stop, but one hopes that something will keep him—perhaps the relationship with China will keep him there. So, the BRICS situation has become very complex, at least if we take the four initial members. But now they are also being joined by other countries, like Iran in particular. And, you know, there's a sort of informal alliance.

Obviously, North Korea is not part of BRICS, but North Korea has very close relationships with both China and Russia. And so I think that what we are seeing is that the potential, the boundaries of the anti-imperialist grouping, may be changing. Maybe some countries will go in and out. If Lula manages to pursue progressive policies, he'll stay in. If India gets a better government, it will come back in a much more full-throated way into BRICS. So the exact lineaments may change, but I think the fact that there is an increasingly solidaristic anti-imperialist bloc, which is willing to support one another economically, politically, perhaps even militarily, is an increasing reality.

#M2

Well, I'm glad you mentioned Russia in this BRICS format because it is an interesting case study. That is, if you look at the relative decline of the West and the rise of the East, which is, again, quite a historical shift. One often points to the 500 years of Western leadership and even dominance coming to an end. But what's fascinating with Russia is that it's always had a foot in both Europe and Asia. It always recognized that if you wanted to modernize, it had to look towards the West and Europeanize Russia. This was always the theme if you go from Peter the Great to Yeltsin. But of course, the rise of the East, and I would say stagnation and increasing hostility from the West, has been shifting Russia's economic calculations. Now, I think it was back in 2012 or 2013, Lavrov made the point that we can't continue as in the past, where we looked at Europe as the developed and Asia as the backward.

It's simply that this is not the world. And so we saw this shift from the '90s, when Russia was willing to do anything to be a part of Europe, to now, when Russia is essentially throwing its full weight into integrating only with the East and indeed expressing their open—if not hostility, then at least dissatisfaction—with the Europeans. I was just wondering, how did we get to this point? Because here in Europe, the narrative tends to be: the Cold War came to an end, through the '90s everything went quite well, and then Putin came in with his KGB mentality and imperialist mindset, and everything went south. How do you assess this path of Russia from the very pro-Western to the new Eurasian Russia, which we see now emerging?

#M3

Well, you know, this is fascinating, Glenn, and the way you put it exactly gives you a hint of why Russia and Europe are going their divergent ways today. Because you said that in Europe, they say that in the '90s everything was going well, and then in the 2000s, Putin comes along and everything goes pear-shaped. So, you know, this is the problem. The Russians look at it exactly the opposite way. In the 1990s, everything was going pear-shaped, and Russia was put through the economic

wringer. It had an enormous, enormous decline in its GDP, an enormous decline in per capita GDP and incomes, the destruction of—however good or bad they may have been, but they were—the institutions of the economy, the willful destruction of an entire economy on which people depended for their livelihoods.

And this was the decade during which Russians suffered a decline in longevity—in peacetime, you know. So, people were dying younger. It was a nightmare for Russians. For them, Putin becoming president is associated with the period during which Russia was at least restabilized, and a long, slow process brought back at least some decent fraction of the per capita income that they used to enjoy before. So that's a very interesting thing. But I'm also interested that you brought up Peter the Great. I was at a conference at the Higher School of Economics in Moscow back in the spring of 2023, and I remember being so struck.

Because, you know, like you, I have always been aware that Russia has always looked to the West since Peter the Great. But also, I would say Lenin was very interesting. It's interesting that Putin has it in for Lenin to such an extent. But Lenin was the one Russian leader who very clearly recognized that Russia's future lay in alignment with the anti-imperialist, anti-colonial movements of, and eventually countries of, the Third World. He wrote about this beginning with the 1905 revolution, and he continued writing about this until his death.

But other than that, I think other parts of the leadership of Russia were typically fairly pro-Western. So Peter the Great did indeed inaugurate a period during which Russia looked to the West for its inspiration and even perhaps help with its modernization and so on. But at this HSE seminar, I heard intellectual after intellectual—and there were prominent people there like Professor Sergei Karaganov, Professor Dmitri Trenin, and so on—all saying that the chapter in Russia's history where it looked to the West is closed. Russia will not look to the West anymore. And this was enormous. And I think that you see—and you were mentioning that you had talked to Professor Sakwa, and I'm sure in your conversation with him, this came up.

But certainly, I remember a very good piece by Sakwa in which he actually shows the progression of Putin's growing realization that, try as he might to get the West to respect Russia and Russia's security imperatives and so on, this was not going to work. Remember that even before he became president, NATO had already expanded—I think twice before 2000—to include more countries. So when he assumed the presidency, he was already aware that there was an issue. He spent the first eight-odd years, I think until the 2008 Munich conference, trying to salvage what could be salvaged of Russia's relationship with the West.

And then finally, at Munich, I forget the exact words he used, but he said that, you know, you guys, you're not understanding what we are about, etc. And then that's what, of course, set the stage for—certainly made Putin aware that this was not the way to go. And by 2014, just a few years later, you had the Maidan coup, the attempt by the West to try to damage Russia by damaging what I sometimes call Ukraine, the soft underbelly of Russia. You know, to damage Russia through Ukraine.

And the result is the situation we have today. I don't think the West will win. The question is, you know, how much damage it will cause to Ukraine, of course, and how much effort it will take for Russia to establish a situation that it can live with.

#M2

And that's... that's an interesting point—Putin's recognition that the West would not respect Russian security. But this isn't just an issue with Russia, though. I find this to be a much wider problem. That is, at least in the past, in the Cold War, we would discuss, you know, what are the Soviets worried about? What are the Chinese worried about? But these days, it's completely absent. It's not in the mouths of politicians. You can't find it in the media when they discuss the security concerns of opponents. And again, you usually discuss these things and show some respect for the security of opponents, not out of generosity, but knowing that in the security competition, you do yourself a favor by taking into account the security concerns of your opponent.

But again, there's this economic war against China. No one seems to discuss what legitimate concerns the Chinese have, and to what extent it's foolish for the Chinese to be dependent on any technologies or any supplies from the West that would make them vulnerable. We had 30 years of NATO expansion, 11 years of proxy war in Ukraine, yet we've been in the middle of a war. Now there's talk of negotiating an end to the war, and still, you can look through all the papers—no one's discussing what the concerns of Russia are. This is number one, isn't it? If you want to assess the policies of your opponents, you should first know what security concerns they're actually responding to.

And you can apply this to Iran as well—46 years of hostility, attempts to break the country. You have attacks on its nuclear reactors, a criminal act we used to fear terrorists would commit, but now it's us or the Americans. And still, we only talk about the Communist Party of China, Putinism, or the mullahs of Iran. There is always the assumption that their policies emerge in a vacuum, that they're not possibly responding to anything we might be doing. It's very strange, because the conclusion then always becomes that we have to defeat them. This is the only way you can have security.

And diplomacy always takes a back seat or becomes absent altogether. Well, that's a very long question, but to summarize it: why do you think it's become so difficult in the West now to discuss and consider the security concerns of opponents? It's not only difficult—if you try to bring up legitimate security concerns or argue that, for example, the Russians have legitimate security concerns and that institutions like BRICS might respond to them, this is considered pro-this, anti-that, propaganda, as opposed to being a good way of assessing the direction of these countries and possibly being able to adjust the direction of other countries.

#M3

Yeah, I mean, this is such an interesting question, and it would take a very long time to discuss, but maybe I'll confine my answer to a couple of points. First is, you know, some time ago I wrote a piece called "A Long Shadow of Hiroshima," and then I subtitled it "Capitalism and Nuclear Weapons," because I do believe that there is a deeper relationship. I mean, it's not just—a lot of realist traditions, particularly in international relations, train you to disregard the differences in the social composition of countries, you know, and what countries do what. But different countries are not the same.

And one of the arguments that I made is that, historically, the Soviet Union and the major capitalist powers—predominantly the U.S., but also the other capitalist nuclear powers—have always had an offensive posture, whereas the posture of the socialist nuclear powers has always been defensive. This is, to me, an important point to make, because otherwise we will never get a solution to the nuclear question. But also, in the course of writing that piece, I contrasted the bipolar moment of the Cold War period with this so-called new Cold War that we are in. And I think that our current period is much more dangerous, because back then the United States and the Soviet Union were relatively comparable, relatively comparably stable powers.

And also, of course, the United States could not entirely erase the memory of the critical contribution that the Soviets had made to winning the Second World War and so on. The Soviet Union had very broad legitimacy—in Europe, for example, and so on. So, in a certain sense, it was... And of course, there was the balance of nuclear terror that also compelled countries—the Soviet Union and the United States—to take into account each other's positions. And of course, there was also the Cuban Missile Crisis, where two parts of the world came very close to actually having a nuclear war.

And that was something that people did not wish to recreate. And I guess, you know, there have been moments when—for example, the signing of the JCPOA, or the attempted deals that were made with North Korea to say, "We will help you, but you stop your nuclear program," etc.—so these kinds of deals have taken place, but they have always implicitly been based on the second thing that I wanted to talk about. And that is that essentially what—and this brings us back to the beginning of our discussion—essentially what Western countries are suffering from is a version of neoliberal hubris.

So they are so deeply convinced because—quite frankly, they're convinced because corporate power requires them to be convinced, that private corporate power requires them to be convinced that free markets and free trade are the way to go. It doesn't necessarily apply to themselves, but it must apply to the rest of the world, because what should the rest of the world do? Open itself up to penetration by American corporations and commodities, and be ready to supply everything that they need. So this neoliberal hubris means that, really, it delegitimizes states. You know, it's almost as though China shouldn't even have a state.

North Korea shouldn't even have a state. It should simply be ruled by rules and regulations for the whole world, which are, of course—surprise, surprise—made by the United States, etc., etc. But the same neoliberal hubris has weakened the West economically as well as militarily. I mean, the way in which, you know, for example, today, on the one hand, the United States spends vast, astronomical sums of money on its military, but today, in terms of military technology and things like, you know, whether it is drones or hypersonic missiles or what have you, it's actually behind.

Powers that spend much less money on their militaries—it's very interesting, because when you have neoliberalism, what matters is not whether there is actually a military result. What matters is whether corporations have received the subsidies that they are promised. And so you have an enormously coddled military-industrial complex in the United States, which is given whatever it asks for, but not asked to produce anything. And so the same military hubris is, as I say, financializing and weakening the United States economically, which means that its economic attractiveness to the rest of the world is a fraction of what it was even in the '50s, '60s, and '70s, when it was not so great.

And militarily, it is being outfoxed by a whole lot of other powers that spend much less on their militaries. The reason why these other countries are much more powerful militarily is because they have limited aims. Their aim is to protect their country; their aim is not to dominate the world. They aim to relate to the rest of the world by creating mutually beneficial relationships, which is the way it should be. But of course, for the United States, this would not work, because if the U.S. government is to work in the interests of the big American capitalist corporations, it has to work to force the rest of the world open to their operations.

And this is what imperialism is all about. The anti-imperialist bloc—that is why the idea of multipolarity, or what Hugo Chávez called pluripolarity, is so important. Let me rephrase that: the anti-imperialist bloc, headed by China and now also Russia, is not concerned about how you run your economy. It is concerned about how we can come up with mutually agreeable situations, mutually beneficial agreements to create stable relationships around the world. But of course, the West can't have that. The West must dictate how you are going to run your economy. Otherwise, they can't dictate that you must treat their corporations in this way, and so on and so forth.

#M2

Well, Radhika, thank you so much for your time and outlining. I liked how you brought the whole thing back to neoliberalism. So it seems like a good place to finish it off. So yeah, thank you so much.

#M3

Thank you. Great, Glenn. Thank you very much. Bye-bye.