Asiazilla, Bolivarzilla and Bearzilla: The Rise of the Developmental State in the World Semi-periphery 1999-2009

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Any analysis of the 21st century developmental state must begin not with economics, but with the seemingly unrelated field of the transnational media. One of the most important innovations of 20th Japanese science fiction was to create the first compelling symbol of the developmental state – an entity defined as the ensemble of non-market institutions, state agencies, egalitarian social policies and long-term accumulation structures which transformed Central Europe and East Asia from bombed-out wrecks into workshops of the world. This symbol is, of course, Godzilla.

In its original incarnation, Godzilla was a multilayered cinematic parable of the atomic bombings, Japan's war-time trauma, and Japan's postwar outrage over a controversial US hydrogen-bomb test at Bikini atoll in 1954 (fallout from the explosion killed several Japanese fisherman aboard a vessel called *The Lucky Dragon*). However, the Big Lizard was later refunctioned by Japan's globalizing media culture into something far more interesting. Godzilla became a slightly comic but unmistakably benevolent behemoth, whose main occupation was repelling the onslaught of monstrous space aliens, anagrams of an increasingly ruthless neoliberalism.[1]

In Godzilla's latest outing, *Godzilla: Final Wars* (2004), the aliens follow the IMF-World Bank playbook to the letter. By secretly provoking local crises, they seize the commanding heights of the world-economy, promising a reign of prosperity for all. Instead, they unleash the equivalent of structural adjustment on the entire planet – ravaging humanity's cities, while preserving the survivors as docile cattle to be harvested. Fortunately, a rag-tag resistance front of humans, mutants and giant lizards rises up to save the day.

Yet what might seem to be just another over-the-top science fiction film turns out, on closer examination, to have a profound kernel of truth. There has indeed been a massive, enormously successful but largely invisible resistance movement against neoliberalism. Whether conscious of the fact or not, the writers of the movie's script drew upon the contours of that resistance for their narrative material. Consider the four main characters of *Final Wars*: there is Ozaki, the hero with mutant powers (Masahiro Matsuoka), there is the veteran military commander and ship's captain Gordon (the national security administrator, wonderfully played by Don Frye), there is the inimitable Godzilla (cast as the absent-minded but fiercely loyal parent of Minilla, its wayward offspring), and finally there is the villainous Controller (Kazuki Kitamura), whose main weapon is the instant-replay duplication of Earth-monsters.

Each of these characters is an allegory of anti-neoliberal struggle. Ozaki does personal battle with the Controller on the bridge of the alien mothership, suggesting a struggle over who controls the broadcasting rights and information-flows of the transnational culture-industry. Gordon provides the logistical support for the resistance, hinting at the sphere of national developmental institutions, ranging from Venezuela's participatory planning to Russia's national projects. Meanwhile, Godzilla must not only face down the reconstructions of all its past cinematic enemies, it must also rein in its own destructive potential, and accept Minizilla's plea to coexist with its human and mutant allies – a plea, in short, for a multipolar world-system.

What needs to be explained here is just how it was possible for a blockbuster science fiction film to provide a more accurate reading of contemporary geopolitics than the vast bulk of contemporary journalism, commentary, cultural theory and political activism. How could a talented group of media artists get the history right, precisely where so many informed observers (myself included) got it so very wrong?

The first step in answering this question is to reflect upon one of the central issues of the immediate post-Cold War epoch, namely the question of imperial succession. Since the 1970s, the absolute economic, military and cultural hegemony of the US Empire had been slowly eroding. However, it wasn't clear just what would take its place.

In the late 1980s, some observers crowned Japan and the East Asian tigers as the logical successor, until Japan's busted financial bubble and the 1997-1998 Southeast Asian crisis exposed the weaknesses of the region's export-dependent economies. In the 1990s, other observers (including myself) argued an enlarged and expanded European Union would take the reins from the US, and bring social democracy to the world. In reality, continental Europe was in the process of spawning a euroliberalism every bit as pitiless and predatory as its US analogue, though slightly more constrained by the EU's powerful unions and Left traditions. By the early 2000s, the consensus was that the US Empire would retain the status of first-among-equals for at least another twenty years.

From our vantage-point here in 2009, it's painfully obvious where the consensus went astray. The social force which would push back against neoliberalism was not, as everyone assumed, located in the EU or Japan. It was not a social movement or a specific organization. Nor was it a one-party state or a charismatic leader. Rather, it was the collective might of a new historical subject: the developmental states of the global semi-periphery. We will see in just a moment just how powerful these states have become.

For now, however, we need to ask a simple but by no means rhetorical question: how can this be? Wasn't the entire neoliberal era predicated on privatization, oligarchic greed, the demolition of the state, and the posthaste immiseration of three billion low-wage workers in Latin America, the former Soviet Union, South and Southeast Asia, and Africa? Were the prophets of neoliberalism deceiving themselves, when they proclaimed the end of history and the disappearance of the state?

To be sure, the death of the nation-state was always greatly exaggerated. Neoliberalism constantly deployed the power of the state to plunder financial markets, slash welfare states, bust unions, subsidize oligarchs and reward speculators. Still, how could so many of us overlook one of the most important social developments of the transnational era?

A brief flashback to the world of 1999 may help explain why both the neoliberals and their critics failed to see what was coming. In that year, the US still had the largest economy, the deepest capital markets, the largest consumer base, and the most influential media culture of any country in the world. To be sure, it had been running chronic trade and current account deficits for fifteen years, but its challengers had not yet become systemic rivals. The post-Maastricht European social democracies were following the neoliberal mantra of deregulation and welfare cutbacks, while the euro would not exist as a paper currency until 2001. For its part, Japan was immobilized by a busted banking system and a decade of paltry growth.

Nor was the rest of the world teeming with counter-hegemonic tendencies. China was a fast-growing but still extremely poor country, with mostly balanced trade and limited financial assets. Latin America had been bled dry by two decades of neoliberal austerity, while huge countries like Indonesia, Thailand, Russia and South Korea went bust in 1997-1998, triggering painful and destructive IMF bailouts. Other large nations such as Brazil and India narrowly avoided meltdowns, but were growing slowly, if at all. Low energy prices meant slow growth for the oil exporting countries of the Middle East, while much of Africa was in a state of economic meltdown. The situation was most dire in the countries of the former Soviet Union, which endured the worst economic collapse in peacetime history (Russia's GDP shrank by 40% from 1990-1998).

Ten years later, the world has utterly changed. Brazil and India have become trillion dollar economies; China has become the workshop of the world; Latin America has voted out neoliberal governments and started to rebuild; and Russia has returned to world power status. One of the most striking expressions of this transformation is the rejection of IMF-World Bank structural adjustment policies. From 1980 to 1998, these institutions imposed austerity policies on ninety-six countries, which collectively comprised 3.7 billion people, or 57% of humanity. After 1999, about a third of these particular countries (with a total population of 2.3 billion) openly rejected neoliberalism. Together with other developing nations such as China and Vietnam, they implemented a range of pragmatic, heterodox economic policies.

One of the most important of those policies was the decision to avoid financing internal economic growth via foreign borrowing, and to rely instead on domestic savings. Many countries had borrowed heavily abroad during economic expansions, only to find themselves unable to pay their debts during downturns or crises, due to fluctuations on the currency markets. This was the all-too-familiar cycle of neocolonial debt peonage or underdevelopment, which has immiserated the postcolonial African nations since the 1960s, Latin American nations since the 1970s, and post-Soviet nations since the 1990s.

In 1999, after twenty-five years of neoliberal despoliation, the semi-periphery began to fight back. Venezuela and Russia began to take back their energy resources from domestic oligarchies, Eastern Europe moved towards a local variety of social democracy, while most of Latin America, South Asia and Southeast Asia rejected neoliberal governments at the ballot box.

According to IMF data, developing nations had $674 billion in foreign exchange reserves at the end of 1999.[2] Back then, the only sovereign wealth funds (SWFs) of significance were those of the oil-exporting Gulf states (Saudi Arabia, Kuwait, Qatar, UAE). Economist Rachel Ziemba has estimated that these SWFs had roughly $300 billion in assets at the end of 1999.[3] Adding these two figures together, the global semi-periphery and true periphery owned $1.1 trillion in 1999.

In just ten years, the savings of the semi-periphery and true periphery increased sixfold, reaching $6.3 trillion in mid-2009. This is roughly 10% of the planet's $62 trillion in annual GDP, as measured in market exchange rates. Here are the assets and investment vehicles of the twenty-five largest pools of these savings:

Table 1. Largest 25 asset pools of the nations or regions of the periphery and semi-periphery. Data from most recent reported national data for foreign exchange reserves, plus Sovereign Wealth Fund Institute (http://www.swfinstitute.org/funds.php)

Country or Region	Forex Reserves	Sovereign Wealth Fund Assets by Agency	Total Assets
China (including Hong Kong)	$1,333.6 trillion	$347 billion (SAFE), $193 billion (HKMA), $190 billion (CIC), $82.4 (NSSF)	$2,146 billion
UAE	---	$621 billion (ADIA), $82 billion (ICD), $14.7 billion (MDC), $14 billion (IPIC), $1.2 billion (RAKIA)	$732.9 billion
Saudi Arabia	---	$431 billion (SAMA), $5.3 billion (PIF)	$436.3 billion
Russia	$190 billion	$220 billion (NWF)	$410 billion

Taiwan	$313 billion	---	$313 billion
South Korea	$227 billion	$27 billion (KIC)	$254 billion
India	$252 billion	---	$252 billion
Kuwait	$19.6 billion	$203 billion (KIA)	$223.6 billion
Brazil	$203.1 billion	$5.9 billion (SFB)	$209 billion
Algeria	$145 billion	$47 billion (RRF)	$192 billion
Libya	$79 billion	$82 billion (LIA)	$161 billion
Thailand	$117 billion	---	$117 billion
Malaysia	$87 billion	$23.1 billion (KN), $2.8 billion (TIA)	$103.9 billion
Iran	$81 billion	$13 billion (OSF)	$94 billion
Mexico	$82 billion	---	$82 billion
Qatar	$6.4 billion	$62 billion (QIA)	$68.4 billion
Turkey	$68 billion	---	$68 billion
Chile	$45 billion	$21.8 billion (SESF)	$66.8 billion
Poland	$64 billion	---	$64 billion
Kazakhstan	$19.5 billion	$38 billion (KNF)	$57.5 billion
Indonesia	$56.7 billion	$0.30 billion (GIU)	$57 billion
Nigeria	$45 billion	$9.4 billion (ECA)	$54.5 billion
Iraq	$49 billion	---	$49 billion
Israel	$48 billion	---	$48 billion
Argentina	$46 billion	---	$46 billion

What these numbers mean is that the developing nations have been saving about half a trillion dollars each year over the past decade. Initially, these countries used these funds to free themselves from the shackles of IMF loan programs. Later, they paid down their external debts. For example, the BRIC nations (Brazil, Russia, India and China) collectively owe $1 trillion in external debt, a tiny fraction of their $8.7 trillion annual GDP.

The sheer magnitude of these numbers matters, because the fundamental problem facing the world-economy today is the decline of the US as a source of final consumer demand. Since the dawn of neoliberalism in the mid-1970s, the US has consumed an outsized share of the global surplus by means of vast trade deficits and a gargantuan internal debt bubble. According to Federal Reserve data, the US debt-to-GDP ratio (this includes all debts, public and private) exploded from 169% in 1980, to 375% in 2009.

It should be stressed that high public debt levels are, in and of themselves, not necessarily a bad thing: it all depends on what those debts are spent on. If they are spent on civilian research and development, or education and science, they can be productive. Unfortunately, much of the 1980-2008 US debt expansion was spent on acquiring overpriced real estate and bubble-inflated speculative assets. Roughly two-thirds of this debt growth was created by US financial firms, who favored quick profits over long-term investments. The remaining one-third was generated by US households, who consumed significantly beyond their means. Here are the numbers:

Table 2. Debt-to-GDP ratio of US economy by sector, 1970-2009 (Q1) Data: Federal Reserve Flow-of-funds. Accessed July 2, 2009. Web: http://www.federalreserve.gov/releases/Z1

Debtor category	1970	1980	1990	2000	2009 (First quarter)
Financial sector	12%	21%	45%	83%	121%
Households	44%	50%	62%	71%	98%
Non-financial corporate	49%	53%	65%	67%	79%
Government	43%	39%	60%	47%	65%
Total	154%	169%	238%	276%	375%

For the sake of comparison, Japan has high levels of government debt (about 180% of GDP in 2008), but much lower levels of household debt (75.4% of GDP in 2006, the latest year reported in the IMF's January 2009 Global Stability Report), and comparable levels of corporate debt (89.8% of GDP in 2008). However, since Japan does not depend on foreign creditors to finance its economy, it has no problem servicing this debt, and has the additional safeguard of $1 trillion in accumulated foreign exchange reserves. Note further that both household borrowing and government debt in the Eurozone are slightly above 60% of Eurozone GDP, respectively, while corporate debt is also close to 90% of GDP. Clearly, both US financial firms and US households are due for a period of extended retrenchment.

It should be noted that it was not moral irresponsibility which drove US household borrowing so high. Since 1975, the US has experienced thirty-five years of union-busting, deindustrialization and economic polarization. As a result, ordinary American workers saw their wages stagnate or decline in real terms since 1973. To compensate for this, they went heavily into debt. The true masters of financial imprudence are the Wall Street rentiers, who preached austerity for everyone else while inflating the most gigantic debt bubble in history.

This debt bubble had one other significant consequence, which noone could have foreseen at the time. In order to fuel its appetite for credit and pay for its trade deficits, the US became heavily dependent on inflows of foreign capital. In the 1980s and 1990s, these inflows came mostly from Japan and Central Europe, regions of the world friendly to the US. But since 1999, those inflows were dominated by the Banks of China, Korea, Russia, and the energy-exporting nations of the semi-periphery – nations whose geopolitical interest lies in multipolarity, rather than the perpetuation of US hegemony. Shocking as it sounds, during the final phase of the neoliberal credit bubble, the US was not just living beyond its means – it was borrowing from semi-peripheral nations, who had urgent infrastructural needs of their own.

Over the short term, the world economy urgently needs a source of fresh demand to replace the US consumer. Statistics show that US trade deficit swung from $265 billion in 1999 to a peak of $760 billion in 2006 – a net swing of $495 billion. This added an additional $71 billion per year to final global demand over the course of seven years. However, when the US housing bubble began to collapse, US consumption began to falter. The trade deficit fell to $696 billion in 2008, and is on track to hit $350 billion by the end of this year.[4] Excess US consumption relative to 1999 will thus fall from $495 billion down to $95 billion in 2009, a reduction of $400 billion in net global demand.

To compensate for this decline, the major creditor nations of the semi-periphery could choose to redirect part of their $500 billion in annual savings to boost domestic consumption. If one-third of their savings were consumed, this would mean a permanent $165 billion stimulus to the world economy. The remaining $235 billion could easily be covered by the European Union and Japan. Japan has vast and excessive foreign exchange reserves, while the economy of the EU-27 is large enough to conduct its own stimulus program (the gross domestic product of the EU-27 was $19 trillion in 2008, while the comparable US figure was $14 trillion).

This spending is beginning to happen. According to the ILO, governments have officially announced $1.7 trillion in fiscal stimulus packages.[5] This money is a separate category, it should be noted, from the trillions of dollars being spent on financial-sector bailouts – bailouts do not directly create any fresh consumer demand, but are meant to repair the solvency of financial institutions. In terms of fresh demand, the US is spending $787 billion, the BRIC countries and other developing nations are spending $614 billion, the various European nations are spending $349 billion, while Japan is spending $110 billion. To be sure, much of this is infrastructure or long-term spending, which means it will be spread over two years. Still, an extra $850 billion of fresh global demand should be enough to counteract the fall in US consumption.

Once the immediate crisis is over, however, the world faces an even greater challenge: moving towards an ecologically balanced, carbon-neutral and socially just economy. Global warming is quite real, and if left unchecked, its effects will be more calamitous than the sum total of every war, pestilence and natural catastrophe humanity has ever suffered during its 500,000 years on this planet.

This unprecedented crisis is also an unprecedented opportunity. High-wage, high-skill green jobs are the most promising solution to the world's environmental and economic woes. The European Union and Japan have already made remarkable progress in jump-starting their own green industries, while the BRIC nations have launched large-scale programs in renewable energy.[6] From a world-systems perspective, the green economy is the only industry with the potential to jump-start another long wave of accumulation, for the simple reason that it encompasses virtually every aspect of the economy, from commodity processing and agriculture to energy production, industrial processing to goods distribution, and transportation to final consumption.

How might such a global Green Deal work? As it turns out, there are two sets of institutions which are practically tailor-made to help our planet go green: the state-owned energy companies and the state-owned banks of the developing nations.

At least four-fifths of the world's oil and gas reserves are owned by state-owned corporations, and are thus accountable to national governments, not Wall Street rentiers. Countries such as Russia, Vietnam and Venezuela have used the sales of their energy resources to launch full-blown developmental states. Other nations such as Algeria, Nigeria and Angola are still in the process of creating their own accumulation structures, but have saved a significant part of their oil revenues, giving them an opportunity to break out of neocolonial dependence for the first time since their formal political independence. Here is the full list of such firms:

Table 3. State-owned energy firms in the semi-periphery and true periphery. Data from company reports, government publications, and the Dinar Standard (http://www.dinarstandard.com/rankings/ds100/index.html)

State Owner	Firm	Revenues (2008 unless otherwise noted)
Saudi Arabia	ARAMCO	$216 billion (2007)
China	Sinopec	$159 billion
China	China National Petroleum	$129.8 billion
Venezuela	PDVSA	$126.4 billion
Mexico	PEMEX	$104 billion
Iran	National Iranian Oil	$102 billion (2007)
Russia	Gazprom	$98.6 billion
Algeria	Sonatrach	$74 billion
Brazil	Petrobras	$87.7 billion
Malaysia	Petronas	$66.2 billion
Kuwait	Kuwait Petroleum	$64.9 billion
India	Indian Oil	$57.4 billion
Indonesia	Pertamina	$55 billion
Iraq	Iraq National Oil	$55 billion (2007)
UAE	Abu Dhabi National Oil	$38.8 billion (2007)
Russia	Rosneft	$36.1 billion
Libya	National Oil Company	$35.5 billion (estimate)
Nigeria	Nigerian National Petroleum	$30.7 billion (2007)
India	Bharat Petroleum	$27.9 billion
Angola	Sonangol	$26.6 billion
India	Oil and Natural Gas	$24.0 billion
Syria	Syrian Petroleum	$22.2 billion (2007)
Qatar	Qatar Petroleum	$21.3 billion (2007)
China	China National Offshore Oil	$20.6 billion
Azerbaijan	Socar	$19.7 billion (2007)
Vietnam	Petrovietnam	$18.2 billion
Oman	Petroleum Development Oman	$15.3 billion (2007)
Egypt	Egyptian General Petroleum	$13.4 billion (2007)
Ecuador	Petroecuador	$10.6 billion
Kazakhstan	Kazmunaigas Exploration	$5.0 billion

	and Production	
Uzbekistan	Uzbekneftegaz	$2 billion (2004)

These state-owned firms had collective revenues of $1.8 trillion in 2008, making them a behemoth counterweight to First World governments, Wall Street rentiers and neoliberal ideologues.

The Green Deal would look like this: the state-owned energy companies husband their national reserves and maintain exploration and drilling at reasonable replacement levels, thereby supporting world oil prices at $60-80 per barrel. This is high enough to encourage conservation, but low enough to avoid a ruinous burst of fresh drilling. Above $150 per barrel, refining shale deposits and tar sands for hydrocarbons becomes economically viable, but the extraction process generates toxic byproducts and is hideously energy-intensive, which of course defeats the whole purpose.

This price band has two positive effects. First, it will provide a permanent economic inventive to encourage conservation and renewables. Second, it will pump vast sums of money into the semi-periphery. Part of this money can pay for essential imports and to retire foreign debt, while the surplus would be deposited in the semi-periphery's state-owned banks. Using these funds as a capital base, these state banks could subsequently provide fresh loans to consumers and industry. State regulation would prevent the sort of wasteful, damaging financial bubbles which wrecked the US and UK banking systems, while providing a mechanism for democratic planning and accountability. By creating eco-developmental states, the semi-periphery could create its own domestic accumulation structure, grow millions of its very own green jobs, and rapidly raise the living standards of four billion people. Here is a list of the largest state-owned banks of the developing nations:

Table 4. State-owned financial firms of the semi-periphery and periphery. Data: Company reports, government reports and Forbes 2000 list April 2009 (http://www.forbes.com/2009/04/08/worlds-largest-companies-business-global-09-global_land.html)

Country or Region	Firm	Assets (2008 unless otherwise noted)
China	Industrial and Commercial Bank of China	$1,189 billion
China	Bank of China	$818 billion
China	China Construction Bank	$903 billion
China	Agricultural Bank of China	$828 billion
China	Bank of Communications	$289 billion
India	State Bank of India	$256 billion
Russia	Sberbank	$201 billion

Brazil	Banco do Brasil	$223 billion
China	China Life Insurance	$165 billion
China	China Minsheng Banking	$126 billion
China	Shanghai Pudong Developmental Bank	$125 billion
Russia	VTB Bank	$93 billion
Turkey	Ziraat Bank	$64 billion (2007)
Russia	Gazprombank	$47.1 billion
India	Punjab National Bank	$51 billion
India	Bank of Baroda	$46 billion
India	Bank of India	$45 billion
India	Canara Bank	$45 billion
Iran	Bank Mellat	$40 billion (2007)
Iran	Bank Melli	$39 billion
Turkey	Vakiflar Bank	$37.7 billion
Turkey	Halk Bank	$34.2 billion
Egypt	National Bank of Egypt	$33.1 billion (2007)
India	IDBI	$33 billion
Indonesia	Bank Mandiri	$33.5 billion
India	Union Bank of India	$30.9 billion
India	Syndicate Bank	$26.7 billion
India	Indian Overseas Bank	$25.4 billion
Indonesia	BRI	$21.6 billion
India	Oriental Bank of Commerce	$22.6 billion
India	UCO	$22.4 billion
Russia	Moscow Municipal Bank	$21.5 billion
India	Allahabad Bank	$20.7 billion
Indonesia	BNI	$19.4 billion
Vietnam	Bank for Agriculture and Rural Development	$16.5 billion (2007)
India	NABARD	$16 billion (2007)
Vietnam	Bank for Investment and Development	$11.5 billion (2007)
Vietnam	Vietnam Bank for Industry and Trade	$9.6 billion (2007)

Vietnam	Vietnam Development Bank	$5.9 billion (2007)

These banks currently control $6.0 trillion in assets, which means they have the resources to dramatically expand their lending well into the future.

Last but not least, it is time to clarify the meaning of the mysterious title of this essay. Asiazilla, Bolivarzilla and Bearzilla are tongue-in-cheek references to three of the leading developmental states of the contemporary semi-periphery: those of China, Venezuela and Russia, respectively. Each of these developmental states has its own unique characteristics, its colorful personalities and political events, and its own particular history. While the names are meant to be playful, they also underline something quite serious. This is the reality that all of these developmental states had to battle for their autonomy, Godzilla-style, against the mightiest powers of the neoliberal era.

The more powerful these developmental states became, the greater the hostility and antagonism they elicited from the minions of the US Empire, and the more those developmental states turned towards their neighbors and fellow semi-peripheries. China has replaced the Soviet Union in US elite discourse as the Empire's faceless, Asiatic enemy: no matter how atrociously Walmart exploited its workers, the blame would always be displaced onto Walmart's Chinese subcontractors. Venezuela's vibrant democracy was very nearly derailed by a US-abetted coup attempt in 2002, and the Chavez government, despite being elected by popular mandate in genuinely democratic elections (elections repeatedly certified by the European Union, the UN, and the Carter Center as both free and fair), has been subject to constant US harassment and dirty tricks. Russia was surrounded by US anti-missile bases, threatened by colossally cynical and unutterably sleazy “color” revolutions, and its UN-mandated peacekeepers were openly attacked by NATO-colonialism in August of 2008. All the while, its democracy was viciously smeared in the mainstream US media with every slur in the Cold War playbook.

None of this hostility was new, but was merely the latest phase of the US Empire's quest to maintain its post-1945 hegemony over the world. But what was startlingly new was the strategy chosen by the post-1999 developmental states to negate that hegemony. They consciously rejected the strategies of the past, namely the politics of the one-party state, the culture of Cold War autarky, and economic strategies of military-tinged resource extractivism (military spending comprised 15-20% of the Soviet economy, while Maoist-era China's military Third Front program devoured a third of China's investment spending at its peak).

Instead of conducting politics by fiat, they constructed vibrant civil societies and popular mandates; instead of running from globalization, they embraced the ideal of equal exchange as an opportunity for their own national champions and equitable internal development; instead of closing their media off from the world, they invested heavily in their digital infrastructures and let a billion websites bloom.

Today, China, Venezuela and Russia offer some of the most compelling models of egalitarian political and social integration in the semi-periphery. The bilateral agreements Venezuela signed with its neighbors were the prototype for ALBA's agenda of democratic regionalism and cooperative industrialization throughout all of Latin America. China has made integration into ASEAN a priority, treats its neighbors with dignity and respect, and has done its best to help the region move beyond the antagonisms of the colonial and Cold War era. For its part, Russia has pursued pragmatic policies of reconstruction and rapprochement with its new neighbors, and has co-sponsored Eurasian-wide forms of economic, political and cultural cooperation (the SCO, CSTO, and EurAsEC). In June 2009, the first-ever summit between

Brazil, Russia, India and China took place in Yekaterinburg, Russia, adding another important channel of dialogue between the leading economies of the semi-periphery.

This is not the end of the story, however. The emergence of Asiazilla, Bolivarzilla and Bearzilla on the world-stage has triggered one other significant development: this is the expansion of the institutional building-blocks of the developmental state throughout the semi-periphery.[7] The three most salient characteristics of these building-blocks are (1) the capacity of the state to tax energy, commodities or goods exports for revenue, (2) significant state control over financial institutions, and (3) significant accumulation of foreign exchange reserves or sovereign wealth fund assets.

One of the most useful ways to define this state capacity is what we will call the "asset ratio" of a country. This is the sum of all foreign exchange reserves plus all sovereign wealth fund assets, divided by the per capita GDP of the country in question. This avoids the problem of GDP skew, i.e. a wealthier country may seem to have a large stock of reserves, but those reserves may be relatively insignificant as a percent of its total economy. On the other hand, if a country has a low per capita GDP, a comparatively small stock of reserves may have a huge influence on its economy, by providing it with a key buffer and source of investment. By using data on global GDP foreign exchange reserves and sovereign wealth funds, and excluding the small number of industrialized countries with significant reserves (primarily Japan and Singapore), the nations of the global semi-periphery and periphery can be mapped out on a scale from greatest to least financial autonomy as follows:

Table 5. The semi-periphery and periphery, categorized by levels of saving. Data: IMF, World Bank, Sovereign Wealth Institute

Nations of the semi-periphery and true periphery	**Population**	**Financial asset ratio**	**Total financial assets**
Most autonomy (includes China, Russia, South Korea, Vietnam, India and most Gulf energy-exporting states)	3.96 trillion	15% and higher	$7.3 trillion
Some autonomy (includes Brazil, Ukraine, Argentina, Venezuela)	842 million	Between 10% and 15%	$543 billion
Least autonomy (includes Pakistan, Bangladesh, Mexico, Turkey)	1.2 billion	Less than 10%	$229 billion

These categories are broad abstractions, and need to be qualified by careful local analysis. That said, they do shed an interesting light on one of the most fundamental categories of the contemporary world-system – the capacity to mobilize savings in order to finance indigenous growth. What is surprising is the sheer size of the wealthier segments of the developing world, which comprise 71% of humanity. Only one-sixth of the planet is located in the lowest, most vulnerable tier (note that the remaining one-seventh of humanity, 923 million people, reside in the core economies). The sheer size of this semi-periphery has no historical precedent.

Clearly, nations such as Russia, India, China and South Korea have vast savings as well as well-developed state banking systems, and are thus in the strongest position to invest in their own future. However, this is not to say that developing nations located in the tier of least autonomy are devoid of resources or potential agency. Turkey's asset ratio is only 8.5%, for example, while Mexico's ratio is 7.2%, yet both are middle-income countries with significant levels of industrialization (in addition, Turkey has large state-owned banks, while Mexico has significant energy reserves). What has constrained accumulation in both countries is their location as next-door neighbors of superpowers, i.e. the various free-trade agreements foisted on them by the EU and the US (in fairness to the EU, Turkey does benefit from low-cost EIB loans and other aid).[8]

In conclusion, there is abundant and overwhelming evidence that the multipolar world is far more than a passing political slogan or the mantra of a few developing nations. It is a fundamental reality of the contemporary world-system. The age of neoliberalism is over, but this does not mean the end of human history. Rather, this is a time of exciting new beginnings. Henceforth, the geopolitics of multipolarity, the economics of the eco-developmental state, and the culture of the transnational media and the digital commons will be the key vectors of human history in the 21st century.

Endnotes

1. The Godzilla trope also served as a key inspiration for the giant mechanical robots or mechas in Hideaki Anno's magnificent anime series, *Neon Genesis: Evangelion* (1995).

2. IMF's Currency Composition of Official Foreign Exchange Reserves (COFER). Accessed July 9, 2009. Web: http://www.imf.org/external/np/sta/cofer/eng/cofer.pdf

3. Rachel Ziemba, "GCC Sovereigns: A Little Better Off", July 9, 2009, guest-blogging on Brad Setser's *Follow the Money*. Accessed July 8, 2009. Web: http://blogs.cfr.org/setser/2009/07/09/gcc-sovereigns-a-little-better-off/

4. Data from US Census. Accessed July 2, 2009. Web: http://www.census.gov/foreign-trade/statistics/historical/gands.txt

5. This is ILO data as cited from Dani Rodrik's blog. Accessed July 2, 2009. Web: http://rodrik.typepad.com/Stimulus%20packages.doc

6. Keith Bradsher. "China Builds High Wall To Guard Energy Industry." New York Times, July 13, 2009. Accessed July 14, 2009. Web: http://www.nytimes.com/2009/07/14/business/energy-environment/14energy.html

7. It's worth emphasizing just how radical a break this is from the past. For most of recorded human history, the vast majority of human beings lived in peasant communities and performed agrarian labor. During most of the 20th century, urbanization and industrialization was concentrated in the imperial core economies. It was only during the latter half of the 20th century that decolonization allowed developing nations to achieve some level of urbanization and industrialization. Today, for the first time in human history, the majority of people on the planet live in cities or urban regions, work in offices and factories, and consume modern mass media and consumer goods.

8. It's worth pointing out that many nations can compensate for low savings through the sheer size of their internal markets. Bangladesh has a population of 162 million people, which can partly compensate for the country's asset ratio of 8.1%. Similarly, Pakistan's 167 million people are a counterweight to its asset ratio of 7.0%. To be sure, the existence of savings does not mean they will be effectively used. South Africa has significant assets (a ratio of 11.3%), but has been unable to fashion a developmental state to harness those funds, due to the ANC's tragically misguided commitment to neoliberalism. Mobilizing these savings for egalitarian, sustainable development will be the central political task facing the progressive social movements, parties and civil societies of these nations.