

## Interview - Graeme Snooks

Written by E-International Relations

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# Interview - Graeme Snooks

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**Professor Graeme Snooks** has pioneered the development of a new field of studies in the social sciences known as “realist dynamics”, which has been described by the late Professor Andre Gunder Frank as “a veritable tour de force”. By using a sophisticated inductive method, he has constructed the first successful demand-side general dynamic theory – called the “dynamic-strategy” theory – which he has used to explore the fluctuating fortunes of human society and life over vast periods of time, and to make structural predictions about the future. Snooks also uses this theory to examine a wide range of global, national, and regional issues critical to our contemporary world. His work transcends the usual disciplinary boundaries both within and beyond the social sciences, and includes the analysis of issues concerning the human mind and historical biology. The dynamic-strategy theory, therefore, is a theory that encompasses the life sciences. Snooks holds a PhD in economic history from the Australian National University, and for 21 years he was the Coghlan Research Professor in Economics and History at the ANU’s Institute of Advanced Studies. Currently he is Executive Director of the Institute of Global Dynamic Systems in Canberra. He has published more than 20 books and many scholarly articles.

Professor Snooks answers your questions about his dynamic-strategy theory; the future of great power clashes; the importance of the industrial revolution to modern society; the correct policy response to climate change; and what past financial crises can tell us about the world’s current economic turmoil.

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### Where do you see the most exciting research/debates happening in your field?

I should begin by defining my field of research. I come from an economics/economic history background, where the research and debates are far from exciting, owing to the limitations of orthodox deductive economic theory. This theory, together with its applications, focuses on marginal (i.e. small) issues analysed within a short-run and essentially static framework. As one famous Cambridge economist, Joan Robinson, once said: while orthodox economics is useful in analysing the price of a cup of tea, it has little to say about the big issues facing human society. This, I argue, is because the big issues are dynamic in nature and are concerned with the long-run.

What I have been concerned with in my research career is to develop the entirely new field of realist dynamics, which focuses on the dynamics of human society in the long-run. By realist dynamics, I mean a dynamics that is modelled using the historical experience of real societies, rather than a set of deductively generated mathematical algorithms. This approach, therefore, has involved the systematic examination of real-world societies over time and drawing generalisations about dynamic processes. In this way I have developed a general dynamic theory – called the “dynamic-strategy” theory – to explain and predict eco-socio-political change at both the regional and global levels. This is an exciting field of research that has few current practitioners, but has scope for many new entrants. It is capable of providing new insights into a wide range of global issues, such as climate mitigation; inevitable political change in China; the future global role of China; will China ever overtake the USA?; the current slowdown in emerging societies; the future of the “Arab Spring”; when will the next technological paradigm-shift occur, and what will it be like?; has there ever been, and will there ever be, a “clash of civilizations”?; the past and future role of religion; the recent global financial crisis; the causes and consequences of economic imperialism; war and peace; civil wars; waves of refugees; human rights. The list of issues is endless. To fully understand the key concerns of

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International Relations, therefore, you need to understand the underlying global dynamic mechanism.

### **How has the way you understand the world changed over time, and what (or who) prompted the most significant shifts in your thinking?**

Over the course of an almost 50-year research career, my understanding of the world grew steadily during the first 25 years, then exponentially over the following 12 years, and more comprehensively over the past decade. The first 25 years were devoted to a systematic observation of the world and the way it worked at both the macro and micro levels. People who influenced me at this stage were quantitative and analytical economic historians and applied economists who were scrupulous in their search for existential reality, together with realist thinkers like Heraclitus and Nietzsche. This was a time when intellectual gains were slow and hard-won. But interestingly, in retrospect, even my earliest work (on the Great Depression) had a dynamic focus.

The real breakthrough came during the middle years of my career, when I attempted to draw on my systematic observations by developing a general dynamic theory that could explain the fluctuations of human society over the past 2 million years. This was done in a major book called *The Dynamic Society* (1996). The insights from this work formed the basis for a further seven books over the next decade, in which I examined a range of global issues of an economic, social, political, and biological nature. During this phase of my research, the most significant shifts in my thinking were driven not by the ideas of others, but by the inductive methodology that I was, and am, pursuing. Only once the core part of each book had been completed would I look at what others had done, in order to see how my realist ideas – ideas arising from real-world observation – compared with theirs, however derived.

### **International Relations is a field where the “long wave” concept is often bandied about, in various forms. What has your long study of global history taught you about this construct?**

The first point to emphasise is that the “long wave” is an existential artefact, not a theory as sometimes claimed. In other words, it is something to be explained, rather than an explanation in itself. For a realist dynamic theorist, it is a dynamic pathway rather than a dynamic engine. It should never be used for future predictions. That is the historicist fallacy. Only a general dynamic theory can make future predictions about changes in eco-socio-political structures.

The dynamic historical process consists of waves within waves, all responding to changing strategic conditions at different levels of society. While it is important to realise that these waves can only be detected imprecisely (owing to a multitude of historical “accidents”), historical evidence suggests they operate at three levels: the “great wave” of about 300 years; the “long wave” of about 40-60 years; and the shorter wave of about 5 years. Of greater importance than the duration of these waves is the dynamic engine generating them. The great and long waves are generated by the exploitation and exhaustion of dynamic strategies (of conquest, commerce, or technological change) and substrategies (strategic innovation or imitation). And the shorter waves are driven by social investment projects. These “long waves”, which have implications for social and political as well as economic development, are the strategic pathways of the dynamic powerhouse driving human society.

### **You are a vocal advocate of the inductive method. What has contemporary social science lost due to the dominance of deductive theory in the post WW2 period?**

Contemporary social science is, as you say, dominated by the deductive method. While this is usually justified by glib reference to the “problem of induction” (namely the absence of formal rules of inference), its real cause is the ease with which deductive models can be expressed in simple mathematical form and be computerised. The truth is that the inductive method requires greater imagination and insight about the real world, together with much more intensive research. What is never mentioned by the deductivists is that there exists a “problem of deduction”, which is much more limiting than that facing induction. The problem of deduction is that purely logical models invariably fail to engage the complexity of reality or they focus on trivial issues (such as the price of a cup of tea).

Because of the dominance of deductive theory, the orthodox social sciences have failed to develop a general dynamic theory of human society. In the ironically named field of “complexity”, it is recognised that the effort to

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develop a “unified theory of complexity” has not been successful. In orthodox economics the so-called “growth theory” (whether old or new) is a caricature of a dynamic theory, being instead a static model about convergence to equilibrium. In evolutionary institutionalism the use of supply-side Darwinian concepts (deductive baggage from evolutionary biology) has not produced any persuasive results. In the new institutional economics (Douglass North) the rule-based approach is actually founded on neoclassical deductive economics. Because of these inadequate supply-side and partial approaches, whenever the social sciences focus on long-run issues, particularly predicting the future, they usually adopt the (rightly) despised historicist technique of trend extrapolation. Without a general dynamic theory it is impossible to adequately handle the big issues facing human society today, such as climate mitigation, global slowdown, economic depression, economic development, or the “clash of civilizations”.

**One of the key empirical results from your work is that material concerns shape institutions, and not the other way around. You have continually highlighted that political structures (and religion and ideology) can and do “regress”, as the strategic drivers of society change. How does that result inform our thinking on great power clashes in the past – and possibly in the future as well?**

The conventional wisdom is that institutions play a central causal role in the changes that occur in societies. My research shows that this is a conclusion that can only be made by social scientists with no general dynamic theory at their disposal. My realist dynamic-strategy theory suggests that institutions do not drive change, but are a response to the changing requirements (“strategic demand” in my terminology) of the dynamic society. As I show in *The Ephemeral Civilization* (1997), different dynamic strategies (conquest, commerce, or technological change) require different institutional arrangements, and that these are never static but change in response to the unfolding of the prevailing dynamic strategy.

Institutions do not evolve according to their own inherent principles, such as a type of economic natural selection as claimed by the evolutionary institutionalists. Take the example of the emergence of political democracy in Great Britain over the past millennium. This is conventionally regarded as the outcome of some sort of evolutionary principle. In fact, it was the outcome of a historically unique sequence of dynamic strategies pursued by the British over that 1,000 year period, consisting successively of conquest/commerce/technological change. This sequence led to a continuous demand for increasingly democratic institutions as the economic base of Great Britain continued to widen to include a growing proportion of its population. The normal sequence, such as in ancient Greece over the period 1100–100 BC, was conquest/commerce/conquest. The Greek strategic sequence meant that while institutions became more democratic as Greek societies moved from conquest to commerce, subsequently institutions became more authoritarian as they moved back to conquest from commerce. In other words, institutional change was reversed. This was normal in the pre-modern world. Political democracy in Great Britain would also have been reversed following the exhaustion of its commerce strategy in the mid-eighteenth century, had it not coincided with the exhaustion of the “neolithic” (or agricultural) technological paradigm, which opened the way for the Industrial Revolution, rendering the usual replacement strategy of conquest redundant. While the process of institutional development can, and often does, turn back on itself, this is impossible in Darwinian evolution. Hence, institutions do not evolve.

In a similar way, the development of both religion and ideology are responses to the strategies that societies pursue, and to the way these strategies unfold. They are, in other words, driven by strategic demand, and are employed to support the dominant dynamic strategy. What are the implications for great power clashes? Both historical evidence and my dynamic-strategy theory show that the great powers clash not over institutional issues like political, religious, or ideological reasons, but over competing strategic (material) interests. There is no profit in going to war over ideas (the central maxim of the dynamic-strategy theory is that “desires drive, ideas facilitate”). The Cold War, for example, was a struggle not between competing ideologies (although it might have been sold to the population on both sides as such), but between competing material interests for global supremacy; the involvement of the West in Vietnam was an outcome not of their dislike of communist ideology (although that was useful propaganda at home), but of their determination to control strategic locations so as to contain China; and involvement of the West in the Middle East is due not to a fear of Islam (useful propaganda at home again), but to the desire to frustrate attempts of Middle-eastern governments wishing to disrupt supplies of strategic resources (oil), as happened in the mid-1970s. In the future, the West will be keen to contain the global expansion of China for material reasons, whatever its political

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system and ideology.

The idea of the “clash of civilizations” – essentially a clash of ideologies – is completely at odds both with the evidence, and with any realist dynamic theory, which show that international conflict between societies and groups of societies arises from a clash of dynamic strategies (or material interests), as in the First and Second World Wars. What of international terrorism, and its eruption from September 11? Clearly, terrorists, whatever their ideologies, are neither civilizations nor societies, but rather are, what I call, “antistrategists” – individuals and groups determined to destroy strategic societies. Strategic societies will tolerate antistrategists until the cost of doing so exceeds some critical level, after which they will be rooted out, just as Pompey rooted out the pirates from the Mediterranean in 66 BC. Hence, the “clash of civilizations” concept cannot be used to explain societal dynamics of the past or to predict its future.

**Some scholars downplay the importance of the industrial revolution, while others go so far as to claim that it was not a “revolution” at all. Can we truly understand the modern world without reference to the developments of (and those leading up to) the final third of the 1700s in the present day United Kingdom?**

By placing the so-called Industrial Revolution in its wider historical context of the past 2 million years (myrs), it is possible to evaluate just how significant it is to an understanding of the modern world. The eco-socio-political transformation of human society over the past two millennia has been the outcome of three major technological paradigm shifts (or economic revolutions) – the paleolithic (about 1.6 myrs BP), the neolithic (11,000 years BP), and the modern (or industrial, 200+ years BP). Each of these major economic revolutions has transformed human access to natural resources (together with facilitating institutional structures) through the forging of major new technologies. Each transformation occurred only after the old technological paradigm had been exhausted – once no further access to the world’s natural resources could be achieved using the existing state of technology. Each transformation was driven by what I call “strategic desire”, which is the overwhelming desire by the majority of individuals in society to survive and prosper. Interestingly, this dynamic process occurred at an exponential rate (i.e. the coefficient of acceleration is a constant, widely known in Big History circles as the Snooks-Panov vertical). Clearly history is getting faster.

Without the Industrial Revolution, the world would be a very different place. By the mid-eighteenth century, the “neolithic” or agricultural technological paradigm was approaching exhaustion, particularly in Western Europe. Organic resources, such as timber and arable land, were being rapidly depleted, costs of production were rising, and cities were becoming overcrowded and polluted (by horses and their by-products). More significantly for the leading commercial powers – the UK and the Low Countries – their dynamic strategies of commerce were also approaching exhaustion as new global opportunities for the exploitation of international trade began to dry up. In the old neolithic technological paradigm, the only alternative dynamic strategy to commerce was conquest, and there are signs that Britain was beginning to convert its commerce empire into a conquest empire (the Seven Years War, 1756-63). The only development that prevented Great Britain re-adopting the dynamic strategy of conquest was the emergence of the Industrial Revolution, which involved a more profitable way forward. Otherwise, it is likely that the British conquest empire would have made even Augustus envious. Countries like Napoleonic France and Prussia made the strategic mistake of pursuing the obsolete conquest strategy and, as a result, lagged behind Britain in the race to industrialise. But what of European imperialism following the Industrial Revolution? It was driven by the major European powers attempting to defend their new industrial technological strategies at home by power politics internationally. The new empires were not otherwise economically viable. Once a more economical means of strategic defence – nuclear weapons – was discovered in the 1940s, European imperialism was quickly dismantled. Further, the Industrial Revolution replaced organic fuels and materials with fossil fuels and inorganic materials, thereby providing new access to the world’s resources, reducing the pressure on natural resources of forests and land (previously used to grow oats to feed horses), and enabled a renewal of economic growth and the increase in living standards. There can be little doubt that this was a “revolution”, as it completely transformed the world in a relatively short time.

The dynamic-strategy theory suggests that the world today is approaching a new technological paradigm shift. The

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industrial technological paradigm is being progressively exhausted, fossil fuels and some inorganic resources are becoming depleted, and the costs of dealing with environmental degradation and climate change are increasing significantly. A new technological paradigm shift, based on direct access to solar energy (possibly through a raft of satellites circling the Sun and beaming energy directly and continuously to power plants on Earth), would provide an entirely new access to the world's resources, would eliminate the need for fossil fuels, and would dramatically reduce pressure on the environment and climate. My dynamic-strategy theory suggests that the Solar Revolution will begin sometime during the middle decades of the twenty-first century, and, owing to the exponential nature of societal dynamics – to the speeding up of history – be completed in a couple of generations (rather than the couple of centuries taken by the Industrial Revolution). By the end of this century the world will be unrecognisable to people born in the twentieth century, just as it was by the mid-1800s for people born in the 1780s.

**You recently injected yourself into the debate regarding the correct policy response to the challenges posed by climate change. You have been particularly dismissive of overtly interventionist “solutions”. What is the best framework for addressing such profound long term strategic decisions?**

That's correct. In a recent book (*The Coming Eclipse, or The Triumph of Climate Mitigation Over Solar Revolution*, 2010) I argued that the issue of climate change must be approached using a realist general dynamic framework, rather than the existing static deductive frameworks. Why? Because, as mentioned earlier, deductive theory is not only static, but is also limited to short-run and marginal (small) issues. In contrast, climate change is a big issue – some would say the biggest the human race has ever faced; it is dynamic; and it will play out over the rest of this century at least (depending how it is approached).

Having argued that climate change is influenced by human beings, natural scientists have no further role to play in any policy scheme for the mitigation of climate, as they have no expertise in the social sciences. They have, in effect, kicked an own goal. As usual, the discipline that has rushed to fill the policy vacuum is neoclassical economics, which suffers all the limitations already mentioned. Predictably, orthodox economists (such as Nicholas Stern) have employed the neoclassical framework of cost-benefit economics in an attempt to evaluate the impact of climate change on the global economy. This framework, however, is fatally flawed, because it can only validly address small, short-run, and static issues. This approach has already failed to successfully analyse major historical events (such as the American War of Independence, the US Civil War, the Great Depression, the expansion of railroad networks), and it will fail again in the analysis of climate change and climate mitigation. While this neoclassical framework measures the static costs and benefits of climate mitigation, it fails to even consider the much more important dynamic costs and benefits. Such an approach is breathtaking in its short-sightedness, as this major issue will take the remainder of the twenty-first century to resolve.

The present approach to climate mitigation could even be catastrophic, because it advocates intervention on a massive scale. The present moderate carbon tax being introduced in Europe and other countries such as Australia will be, on the admission of the climate mitigationists, only the beginning of a comprehensive program of regulations and artificial incentives that will displace the current market-based system. Whatever you think of the market mechanism, it is the only system that can tell us what strategies are, and will be, in the best interest of human society. Markets reflect the desires of the people, whereas regulations are bureaucratic and authoritarian, reflecting the ideas of the elite. These elite ideas are sometimes antistrategic, and therefore socially destructive.

There are many examples in history and the contemporary world of antistrategic regimes employing massively interventionist policies that have led to societal collapse. Of these the classic cases are ancient Amarna (Egypt), Sparta, and more recently the USSR. A few thumbnail sketches will help to show what I mean:

The Egyptian king Akhenaten, who ruled from 1353–1336 BC, focused not on economic prosperity but on the creation of a new monotheistic religious society. He identified himself with the formerly obscure sun god Aten, built a new city and society at Akhetaten (modern Tell El-Amarna) and rejected all the traditional gods or strategic guardians. In effect Akhenaten rejected strategic leadership together with the strategic pursuit, in favour of ideological leadership and a metaphysical pursuit. Owing to the emerging economic chaos of his ideological rule imposed through military force, contemporaries regarded him as a megalomaniac “criminal”. After his death,

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Akhenaten's successors returned to the former strategic pursuit by readopting traditional strategic leadership, reinstating the old strategic guardians, abandoning the new capital of Akhetaten, and attempting to remove all public trace of this antistrategist and his family. It was not until the rule of Ramesses II beginning in 1279 BC that Egyptian society re-achieved its former stability and prosperity. The "criminal" Akhenaten had brought Egypt to the verge of collapse.

Another example of societal collapse in the ancient world induced by ideologically interventionist control was Sparta. While Sparta had profited from the great wave of Greek commerce from 800 to 550 BC, the ruling Spartans preferred to develop military power and employ it in pursuit of territorial expansion on the Greek peninsula rather than around the commerce-rich Mediterranean. In doing so, Sparta failed to participate in the economic and cultural advances of the sixth and fifth centuries enjoyed by Athens and other Greek states. In the process, its political system – which always reflects the dynamic strategy adopted – became increasingly autocratic. Sparta's socio-economic regression during the Greek age of commerce resulted from a militaristic rent-seeking (rather than the mainstream commercial profit-seeking) approach, whereby the subjects of the conquered lands of Messenia were reduced to the status of *helots*, or serfs, in their own land. Needless to say, the Messenians rebelled (particularly seriously in 640 and 464 BC) against Spartan oppression, which in turn prompted Sparta to construct an even more authoritarian and oppressive regime both at home and abroad. Oppressive control was exercised through a dictatorship of military "Equals", who numbered about 9,000 in the mid-seventh century, but thereafter declined to 8,000 in 480 BC and to only 1,500 in 371 BC. Military strength declined as Spartan prosperity was progressively squeezed by their antistrategic policy by which market forces were rejected in favour of a militaristic ideology. After early military successes in the Greek world, Sparta's military machine was increasingly starved of resources, both human and financial, because of its ossifying socio-economic system. Owing to the growing demands on Sparta's declining military resources, resulting from the need to oppress its own citizens as well as its neighbours, it was ultimately unable to defeat a coalition of Greek states in the wars that raged from 395 to 371 BC. Ultimately, the triumph of ideology over economic reality led to Sparta's collapse.

The USSR is the prime example in living memory of the collapse of a society based on false ideals rather than observable reality. As is well known, the Soviets substituted bureaucratic rules for market forces in a manically futile attempt to develop an alternative economic and social system to prevailing capitalism. While their inspiration was the metaphysical ideas of Karl Marx, the Soviet command system that emerged in the interwar period was designed not by Marx but by Stalin and his henchmen. This brutal regime of oppression led to the deaths of millions of people through violence, neglect, and starvation. The central fallacy underlying the Stalin model was the idea that ideas are more important than desires. It was believed that the desires of the people could be controlled and transformed to create the new Soviet person. But as history very clearly shows, no individual or group of individuals can plan and control the development of human society. No individual or group of individuals can know at the detailed level what economic activities or technologies will be successful in the future. While less advanced societies with centrally determined systems (such as the USSR and China) can successfully imitate the technological leaders, once they catch up where do they go? They have no system of market forces to tell them. So, once the USSR had achieved approximate technological parity with the West in the 1960s, it had no idea how to proceed further. Also their costly bureaucratic system meant they were unable to compete with the West. So, in the space of merely three generations, the USSR rose and fell, with huge economic and social costs for the Russian people and their neighbours. As in ancient Egypt, subsequent leaders attempted to remove all trace of the great antistrategist – the "criminal" – Joseph Stalin. Full recovery from this strategic debacle will take at least a further two or three generations.

There are other examples of this dilemma in the contemporary world. While too numerous to detail, they include the Pol Pot regime in Cambodia, the Castro regime in Cuba, the Kim family dynasty in North Korea, and religious fundamentalist regimes in the Middle East.

But back to the present and the foreseeable future. To attempt the gigantic task of reversing perceived human-induced climate change would require the construction of a centrally determined global economic and social system, in which a carbon tax is only a first small step. Nothing less could override the underlying dynamic system that is carrying us automatically towards the next great technological paradigm shift – the Solar Revolution – which is

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discussed later. If it could be achieved, such a centrally determined global model of societal control would lead to military conflict and economic collapse on a world-wide scale. The historical and contemporary experience concerning the disastrous consequences of massive government intervention is crystal clear.

**You are on the record arguing that (a) the Soviet system reached an anti-strategic point that placed it beyond material redemption, and thus reform meant collapse, whereas (b) China was not as “far gone” when it began to reform post Mao, thus you predicted that both capitalism and democracy would eventually emerge. Many scholars on the Cold War find this distinction difficult to grasp. Can you help?**

As is well known, both the USSR and China abandoned the strategic market mechanism in favour of ideologically driven systems. But they did so with varying degrees of administrative success. The Soviets were completely uncompromising in their adoption of the “Stalin model”, whereas China was never as fully committed to the idea or the implementation of this centrally controlled system. Not only were cultural differences involved, but there were far too many powerful regional interests in China to be able to build a monolithic bureaucratic structure of economic and political control, particularly under the unpredictably erratic Chairman Mao. Accordingly, the outcomes for these two communist countries were different.

Using an early version of my dynamic-strategy theory back in the 1980s, I was able to predict not only that the “Stalin model” would eventually collapse, sooner rather than later, but also that it would do so differently in both the USSR and China. While this sounds unremarkable today, back in the mid-1980s virtually all “experts” were convinced that the USSR had a bright future. In the USSR, attempts were made from the mid-1960s to reform their economic system (by improving incentives and decentralising decision making) in order to overcome their increasing inability to compete economically and strategically with the West. But because the Stalin model was so thoroughly entrenched, the centralised decision-making system kept reasserting itself, nullifying the reforms. The only possible outcome was complete collapse and, from the ashes, reconstructing a market-based system.

Because the Chinese system was always more decentralised, it was possible after 1978 for the communist government to expand the remnants of a market sector to take over from centralised bureaucratic controls and to retain political control. But there is an inherent contradiction in China today – an emerging “democratic” economy supervised by a totalitarian political structure. My dynamic-strategy theory makes it clear that this contradiction will not continue for much longer, because the growing middle classes – the strategists – will want to achieve control over the dynamic strategy that is generating their growing wealth. This has happened in the emergence of all advanced societies. There is no doubt that the communist political leadership will be swept away, as it was in the USSR, but it is not clear how disruptive this will be to the Chinese economy and the rest of the world. It is possible that the wealthy communist leadership will just acquiesce in the emergence of democracy, taking their wealth with them and joining the strategists, rather than fighting the inevitable transition to the bitter end. In this scenario, economic disruption would be minimized. But even so, there are powerful centrifugal regional forces beneath the surface in China, which may be unleashed once strong central political control is swept away. Such an outcome – to which I would attach a reasonably high probability – could lead to considerable disruption as China breaks up into a number of smaller countries, possible eventually forging the Chinese Union – something like the European Union. If so, in the short to medium term, there could be significant economic disruption not only in China but also in the rest of the world.

**The world economy is still struggling to extract itself from the recession that began in 2008. As you did some early work on the Great Depression, are there any parallels that you would draw from that episode to help explain our current anxieties?**

The first thing to realise about economic dynamics is that it never occurs in the form of a steady progression. The nature of economic growth is wave-like – upturns are always followed by stagnation and then downturns as dynamic strategies and substrategies are successively exploited and exhausted. New upturns are only generated once new strategies and substrategies replace the older exhausted ones. This is a fact of life that needs to be accepted in order to minimize anxieties. The problem is that most investors and, more surprisingly, economic commentators, seem to believe that what happened yesterday will happen tomorrow. Hence, if the economy is expanding the “experts” insist that it will expand forever (in the last boom, people who should have known better were excitedly proclaiming that the

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age of scarcity had passed! – then came the GFC!), and if the economy is declining, they proclaim that we are all going to fall into a black hole. Not surprisingly then, shorter economic waves are exacerbated by speculative activities as funds formerly invested in the real economy (where real returns are declining) are redirected to speculative activities (where returns are temporarily higher).

Yes, my earliest research work was done on the dynamics of the Great Depression. The Great Depression was essentially generated in the USA (against a background of international financial vulnerability generated by WW1 and the subsequent peace) through the exhaustion in the mid-1920s of the US's dynamic substrategy (part of the wider industrial technological change strategy) that had been pursued for about 50 years – namely the expansion of its protected home market for producer and consumer durables. During the second half of the 1920s, investment funds were redirected from the exhausted real sector to the booming financial sector. This was unsustainable while the real sector languished, and it led to the famous Wall Street crash. What should be emphasised is that the strategic downturn from 1925 caused both the financial crisis and the Great Depression (not the other way around as usually argued), which spread quickly around the world. Recovery required the emergence of a new dynamic strategy, which did not happen until after WW2 when the US became the workshop of the world. This reorientation from the domestic to the international marketplace was assisted by the demands of WW2 and the post-war Marshall Plan, which, unlike the New Deal, was a “strategic policy” (a policy that helped develop a new dynamic substrategy), rather than a self-limiting Keynesian bootstraps policy (that only has a positive impact for as long as lavish government spending can be maintained).

Parallels with the financial troubles of today? The recent speculative boom and crash in the US property market, was made possible not only by the abundant international availability of Chinese funds during the early years of the twenty-first century, but also by an exhaustion of the US dynamic substrategy that had been pursued over the half century or so following its national strategic reorientation from the late 1940s. As in the second half of the 1920s, the early 21<sup>st</sup> century in the USA saw a decline in returns in the real sector and a transfer of abundant funds to the financial and property sectors, where they fuelled an unsustainable speculative boom together with the usual financial excesses. What remains to be seen is whether the USA is able to develop a new dynamic substrategy sufficiently quickly to prevent medium- to long-run stagnation and decline setting in. Japan is a recent example of a country struggling for more than a generation with stagnation arising from a failure to replace an exhausted substrategy. This potential problem in the USA could be exacerbated globally by the current slowdown in the growth of emerging strategic nations such as China and India. A catalyst for another Great Depression (in contrast to the mild international event called the GFC) would be a major economic dislocation if the forthcoming political transition in China goes badly. If it does, we could be looking at not the Great Depression 2 but the *Greatest Depression*. But let's not be too pessimistic!

### **What is the most important advice you could give to young scholars of International Relations? And which of your publications should they consult to follow up on the issues you have raised?**

If you are keen to make significant new discoveries about the world and to make your mark in the discipline, I suggest the following:

- Adopt a realist approach to your subject – an approach based on systematic observation and generalisation. Avoid taking the easier path of imposing existing deductive ideas or ideologies on the world around you, even if this would have facilitated the use of computerised methods. Remember, the computer is only a tool, not an explanation.
- Start local (with what you know and is manageable) before going global. Start researching what you are familiar with and interested in, so as to build up your expertise and knowledge. Don't be too ambitious at the beginning, but don't hold back once you have a sound basis for tackling the biggest issues in the boldest way. Don't expect wisdom to be instant but to be gradually acquired in the beginning and, hopefully, accelerating exponentially from mid-career.

My publications? For a quick survey of the dynamic-strategy theory, the following (which can be found on my Researchgate site), might be useful:



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- “A general theory of complex living systems: Exploring the demand side of dynamics”, *Complexity* (Journal of the Santa Fe Institute), vol. 13, no. 6, July/August 2008.
- “The cosmos & the *logos*. A realist theory of life’s emergence, evolution and future”, forthcoming in B. Rodrigue, L. Grinin & A. Karotayev (eds), *From Big Bang to Global Civilization* (University of California Press).
- “Rediscovering the lost art of strategic leadership”, ADC Publications (Melbourne, 2013).

More detailed analysis can be found in the following small selection of my books:

- *The Dynamic Society. Exploring the Sources of Global Change* (Routledge, 1996).
- *The Ephemeral Civilization. Exploding the Myth of Social Evolution* (Routledge, 1997).
- *The Laws of History* (Routledge, 1998).
- *The Coming Eclipse, or The Triumph of Climate Mitigation Over Solar Revolution* (IGDS Books, 2010).
- *Dead God Rising. Religion and Science in the Universal Life System* (IGDS Books, 2011).

Some useful links are:

- Graeme Snooks homepage: <https://sites.google.com/site/graemesnooks>
- IGDS homepage: <https://sites.google.com/site/institutegds>

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*This interview was conducted by Yolande Kyngdon. Yolande is Deputy Features Editor of e-IR. She is currently completing a PhD on the diamond industry at the University of New South Wales, Sydney. Her field of specialisation is extractives.*