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PRESENT AND FUTURE OF GLOBALIZATION: SEVEN FEATURES DERIVED FROM *RÉGULATION THEORY*

Panel "Exploring the future of globalization in the aftermath of the 2008 financial crisis"

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ABSTRACT

Capitalizing upon several decades comparing various socio-economic regimes, this work proposes some steps towards a geopolitical analysis of the contemporary world around seven hypotheses. First, the extraversion of quite all development modes opens a new stage in the constitution of a world system. Second, various forms of rentier regimes are back and they significantly shape international relations. Third, three different socioeconomic regimes – American finance led, Chinese competition led and rentier resources based – are interacting and setting the pace of globalization. Fourth, the other countries have to cope with this dynamics, they cannot influence significantly: some nations are less equal than others. Fifth, instead of a uniformity brought by globalization, the growing interdependence among four zones of the world strongly differentiate their development modes. Six, the post 2008 crisis world is torn by a series of major contradictions between acute geopolitical rivalry and de facto economic complementarity. This is a blocking factor in the emergence of new global commons such as financial stability and climate preservation. In the light of these novelties, China will probably not replace the United States as the world superpower but will be a major actor within an unprecedented world system.

INTRODUCTION

Régulation theory emerged out of an analysis of the Golden Age growth regime in the United States and it focused upon the structural factors that generated its crisis at the end of the 1960s. At that time, the international relations were hierarchically organized under American hegemony, under the so called "*Pax Americana*". The world economy was seen as a process of diffusion of Fordism as an accumulation regime and not only a technological innovation (MISTRAL, 1986). The very success of this diffusion leads to a progressive deployment of firms' strategies in the direction of international markets, then the delocalization of production and finally the primacy of financial portfolio management at the world level. In this new context, many scholars have pointed the inadequate analysis of international relations by *régulation* theory and the absence of any feedback upon the domestic institutional forms (KEBABDJIAN, 1998; PALAN 1998). Since the times has elapsed and during the last decades the research has developed and shown that Fordism was only one of the accumulation regimes and many other ones do coexist with quite different features. The present work builds upon the taxonomy of the contemporary socioeconomic regimes in order to understand how they relate one with another and sketch a new configuration at odds with the post WWII Bretton Woods system. Actually most domestic institutional forms are now shaped by the evolution of international relations, and thus the interdependency of national *régulation* modes, without any unchallenged hierarchy, is a key feature of contemporary world. The converging interests with International Political Economy are noteworthy (CHAVAGNEUX, 2010) and this is an invitation to develop the status of international regimes within the theory (VIDAL, 2002).

The presentation is organized around the following sequence of questions. When quite all the development modes are highly internationalized, what are the requirements over the international configuration (1)? Is it an accident if many crises seem to originate from the surge in natural resources prices and/or real estate speculation (2)? Do the world crises originate from a single origin and mechanism or are they the outcome of the heterogeneity and interactions between three contrasted socio-political regimes (3)? Is the power to influence the evolution of international relations distributed equally among the different nation-states (4)? Are not the regions the entities that govern the future and the stability of the world economy, away from the implicit vision associated to the concept of globalization and the quest for a hegemon that would finally replace the US (5)? Is not the contradiction between more and more economic interdependence and even complementarity on one side, geopolitical rivalry on the other the main threat to the stabilization of international relations (6)? Is not the problematic and difficult emergence of new global commons an evidence for the radical uncertainty about the follower to the Bretton Woods system (7)?

1. THE EXTRAVERSION OF ALL DEVELOPMENT MODES

The Bretton Woods was a very original international system: given the huge asymmetry in the distribution of power after the WWII one could have imagined that the United States would use the international organizations for their exclusive benefit. De facto, in order to prevent the repetition of past dramatic episodes and to win the competition with the Soviet bloc, the US acted as a benevolent hegemon. They helped in rebuilding the European and Japanese economies according to a largely inward looking strategy, where by national policies were largely autonomous in a regime of fixed but adjustable exchange rates, within an international system of payments governed by public authorities. *Pax Americana* entitled thus the coexistence of a series of self- centered growth. This system reached its peak during the mid-1960s, and was theorized as an embedded liberalism (RUGGIE, 1997). Then the steady process of opening to international competition begins and it leads to the present and totally different configuration (table 1). The emblematic synchronization of mass production and consumption, i.e. fordism has now disappeared and has been replaced in the US by a finance led regime that attracts capital all over the world and thus allows balancing the large trade deficit implied by the delocalization of most industrial production of standardized goods. The opening of the world economy is thus a requisite for the viability of this new growth pattern. Trade liberalization has thus opened a space for export growth regimes, typical of German and Japanese contemporary capitalisms. The complete collapse of Soviet type regimes has led to a large diversity of development models. Russia has been converted into a rentier economy that distribute the income generated by the export of natural resources, in high demand by the old (Germany) and new industrialized countries (China). But China had not this opportunity given the poor endowment in natural resources: the liberalization of agricultural products launched the industrialization process that continues to be moved by massive investment, both productive and in infrastructures (BOYER, 2011b). The excess capacity finds a demand abroad after the adhesion to WTO. Again this regime becomes dependent from the world economy even if the central government keeps a strong control over macroeconomic activity and growth via the control of credit and the exchange rate.

Table1: From inward to outward looking accumulation and production regimes

GOLDEN AGE	CONTEMPORARY PERIOD	CHANGE AFTER 2008
Fordism synchronization of production and consumption on a domestic basis	Unbalanced finance led regimes with delocalized production	Still the hope of a credit led recovery via world financial intermediation (United States, U.K.)
Innovation based export led regime feeding domestic consumption	Still more export led and de-connection from domestic consumption	The benchmark model for the European Union: export against the domestic market (Germany, Japan,)
Soviet types auto-centered investment led regime	- Collapse in Eastern and Central Europe - Domestic competition led in China with structural trade surplus	- Fragility of a pure rentier regime (Russia) - Obstacle to a domestic needs led new regime (China)
National resources based rentier regimes	A reversal of secular decline in terms of trade in response to American and Chinese growth	- Volatility and emerging unbalances in most regimes : discrepancy between domestic institutions and

integration into the world economy
(Venezuela, Brazil)

The international system has been dramatically transformed. Competition is now the rule, private capital flows have submerged declining public credits, the US is still the more powerful economy and the supplier of the international currency but the defense of its hegemony is no more in line with the interests of other nation-states. Basically the American economy has to cope with the strategy of China and its multinationals have become less linked to the American territory. In a sense no visible hand is any more organizing international relations. They become the locus where contrasted development modes interact and sometimes clash. The so called "currency wars" are a good examples of this new epoch.

2. RENTIER REGIMES ARE BACK AND THEY MATTER FOR WORLD DYNAMICS

The re-emergence of rentier regime as the necessary component of any relevant analysis of the international system is the second novelty to be stressed upon. In the Golden Age, the productivist industrial model relied upon cheap oil and low price of natural resources. The legacy of colonialism and political domination played a major role during *Pax Americana*. This is now over after a sequence of converging events. The 1973 and 1979 brutal rise of oil price, initially interpreted as an exogenous event should have been interpreted not only as a reaction to the inflationist bias of monopolist regulation but also as anticipating the limits to growth associated to natural resources and environment constraints. Most analysts had difficulties in diagnosing the resurgence of rents as opposed to profit and the role rentier regimes played within the new configuration of the world economy (Table 2). In Japan the industrial success of the 1980s was partially converted into urban land rent, exacerbated by the consequence of financial liberalization and the bursting out of the bubble had dramatic consequences on the accumulation regime and the role of Japan in international negotiations .In the US too, the dividends of ICT led to a speculative stock market bubble but also the skyrocketing of land and rents in the Silicon Valley. The story has been repeated with the subprime episode: financial innovation (securitization of low quality mortgage credit) was supposed to open an unprecedented epoch featuring always increasing house prices. The *Saving and Loans* crisis was reiterated on a national and extended scale with the dramatic outcome of the near collapse of the American financial system. After 2008, facing very low short term interest rate, the financiers have desperately searched for sources for higher rate of return and they found them by speculating on gold, oil, minerals and even agricultural products.

Thus all recent crises are associated by a shift from industrial profit to various types of rents and the related tensions in relative prices and the purchasing power of wages are the early warning for a reversal of economic activity. Since the rents are unequally distributed across the poles of the international economy, rentier regimes matter for world dynamics. Basically three configurations coexist.

- Countries with no or few resources had to follow the route of innovation in order to balance their dependency by a surplus in industrial goods: it is specially so for Japan but also for Germany and China in spite of their rich endowment in coal.
- In the opposite camp, other countries are so rich in natural resource that their *régulation* mode is governed by the distribution of the income provided by their exports. Saudi Arabia is the typical example, but Russia too has become a rentier economy and the Brazilian trajectory shows how difficult it is to develop a strong industrial basis in a resource rich country.
- Some rare continental economies succeed in mixing three sectors, respectively industrial, financial and primary. The recent American boom in shale gas is closely related to the dynamism of innovation applied to natural resource extraction.

Table 2: How the various rents have impacted the world economy

DATES	EVENT/PHENOMENON	TYPE OF RENT	ECONOMIC IMPACT	POLITICAL OUTCOMES
1973 And then 1979	Sharp increase in the price of oil by OPEC decision	Oil rent	Stagflation, recessions and piling of savings outside industrialized economies	• Erroneous diagnosis (a supply shock) • Emergence of an ecological concern
The 1980s	Expectations of an industrial leadership by Japan	Urban and real estate enhanced by financial liberalization	A short boom and then a long stagnation	Limits of economic policy facing deflation
The 1990s	New Economy technical revolution in the US	Partial conversion of innovation into land rent in Silicon Valley	Growth and then bursting out the bubble and recession	Long period of low interest rate in response to low inflation and slow growth
2000 – 2008	Financial deregulation and explosive securitization in the US	Financial Rent by information asymmetry and urban land rent	American financial melting down , systemic economic crisis and its international diffusion	Invention of unorthodox monetary policy
2008 – 2014	High liquidity of financial capital in search for high rates of returns	Speculation over key natural resources and agricultural land at the world level	High volatility and uncertainty for international movements	Growing tensions between emerging and mature industrial economies

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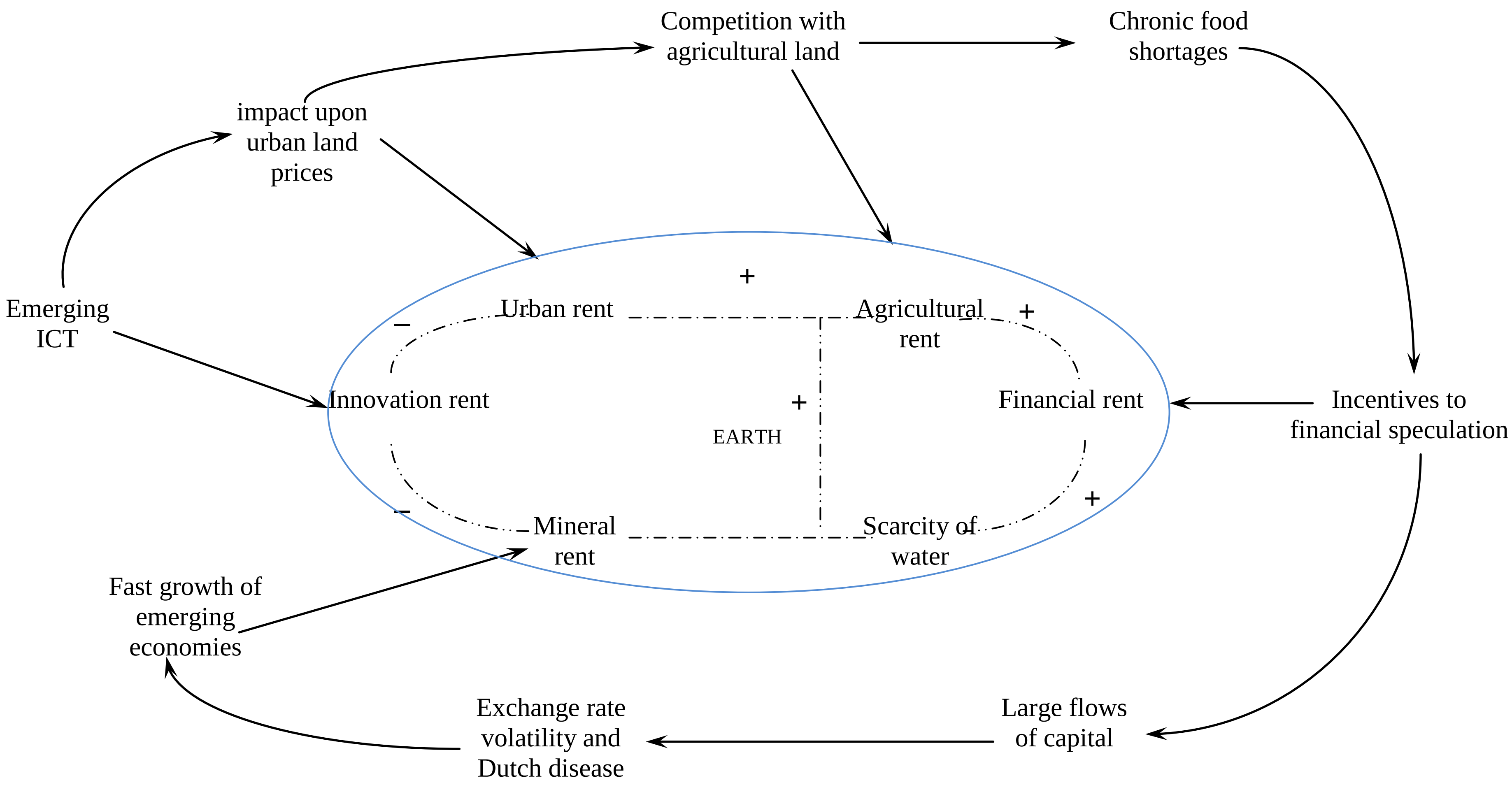
This feature calls for a renewed interest for a more diversified approach to the regimes that have to coexist within a given international system. A significant part of contemporary evolutions can be traced back to the rise of rents as opposed to profit and their conversion from one form to another (figure 1). First of all we should not limit the analysis to Ricardo's analysis of agricultural land rent, since urban rents imply rather different mechanisms, whereas the rents associated to mining deserve another analysis. We dare to extend the concept of rent to two domains quite important in contemporary world. Whereas conventional theory analyses innovation in terms of imperfect competition, the long lasting barriers to entry in some key sectors of information and communication technologies are such that one may use the concept of innovation rents, by opposition to profit governed by competition. The second extension relates to the labelling of the income generated by financial innovations, so esoteric that buyers cannot assess the quality and properties of the financial instrument they buy. It seems more relevant to speak about financial rents, frequently sustained by the implicit guarantee of public institutions.

A second feature stresses that all these forms are related since they can be converted one into another in line with the transformations of the various accumulation regimes, in such a pattern that it would illusory to conclude that these rents will finally vanish with more competition. Quite on the contrary the mobility of capital is constantly searching for new sources of rent, to be exploited at the world level. Innovation rents generate high incomes that make some localities especially attractive (Central Tokyo, Silicon Valley, Downtown Manhattan). This feeds land speculation, favored by new financial instruments that warrants to their inventors financial rents (mortgage credit, securitization, swap, options). In turn this growth pattern puts pressures upon agricultural land that may be an incentive to land grabbing and speculation on food in countries with weak subsistence crops. At the end of such a boom, mining rents might become a major concern for investors and speculators as well. Consequently rents are shaping quite all accumulation/production regimes and they are contributing to the evolution of the world economy.

Figure 1 – The interweaving of the various rents



3. THE THREE SOCIOECONOMIC REGIMES THAT SET INTO MOTION THE WORLD

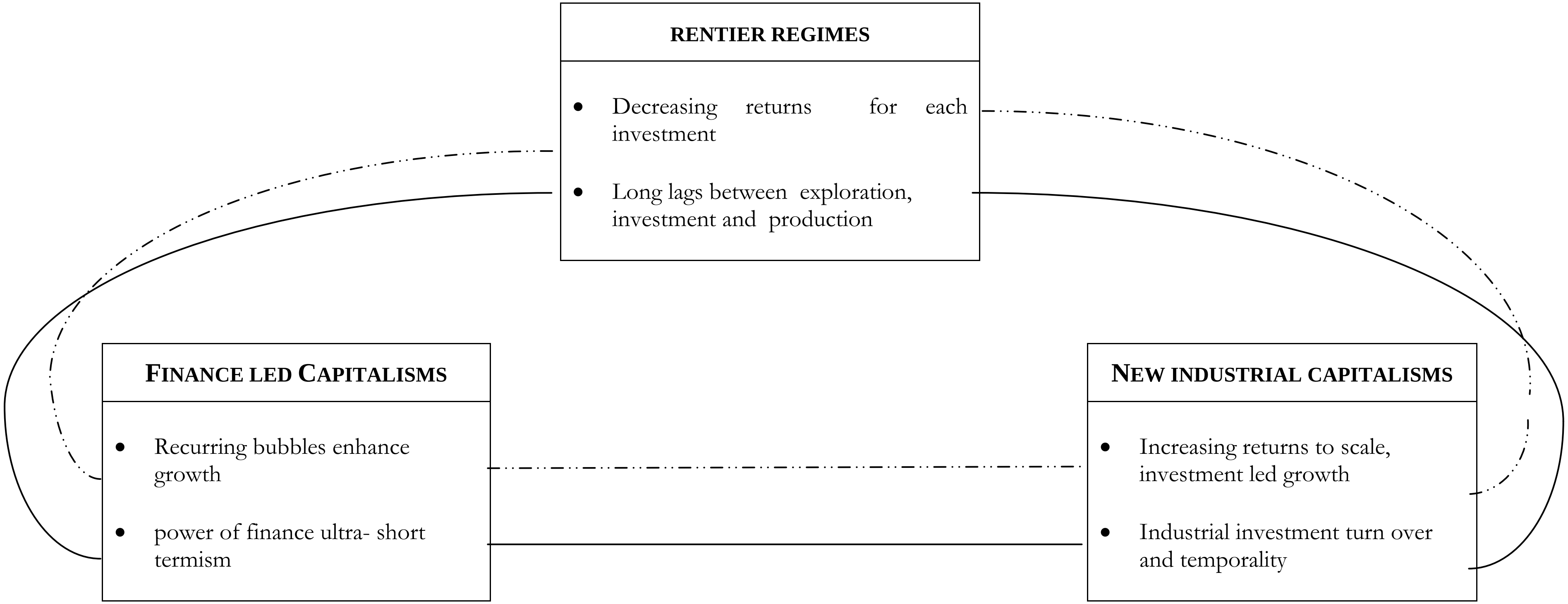
According to this analysis we can no more rely on obsolete stylizations of international relations. A benevolent hegemon is not diffusing to the rest of the world industrial technological advances: the technological frontier is explored by diverse national production and innovation systems and the issue of property rights protection has become a major source of frictions. Farewell to the post WWII configuration! Similarly, the period cannot be seen as the equivalent to the transition from the ruling of the British Empire to America's hegemony after 1945. Both the US and China have definite and specific institutional competitive advantages and for the time being they are rather complementary in stabilizing the world economy in spite of their geopolitical rivalry, for instance in Asia (BOYER, 2011b). After Lehman Brothers' collapse, the quick response of China in terms of contra-cyclical public spending in infrastructures has complemented the bailing out of the American financial system. Now the challenge is in the US: how to retreat from quantitative easing without provoking a new crisis in the developing world?

This article is built upon the following hypothesis: the dynamic properties of the contemporary world economy are the unintended outcome of the interaction of three heterogeneous socioeconomic regimes (figure 2)

- The finance led capitalisms set the tune for "the animal spirits" of investors via the socialization of expectations about interest rates, exchange rates, rate of returns and growth rates of the different regions/Nation-States. Capital is moving according to these visions of the next future;
- The new industrializing capitalisms are leading the international and regional division of labor in the manufacturing sectors. They reap the benefits from the increasing returns to scale associated with standardization and modularization for electronic, durable goods that are sold on the world markets, and not only at home. This explains why most of the prices of industrial goods are set in Asia. China is the starting point and key actor of this asymmetric impulse into the international economy.
- The typical rentier regimes respond to these two impulses- financial and productive- by setting the price of natural resources, since supply is generally quite inelastic in the short run given the large lag between the evolution of demand and the new investment required to extend capacities. The policy makers rarely exert an active role since rentier regimes follow the dynamics put into motion by the two other regimes. Nevertheless, they have to be put into the picture in order to understand the ups and downs of international trade and domestic macroeconomic junctures.

This heterogeneity is thus the source of unprecedented properties and it is not bound to be eradicated by competition and so called globalization. On one side, it is difficult to imagine a steady state for the world economy because the increasing returns to scale in manufacturing production are always limited by the decreasing returns in rentier regime, with the exception of a revolutionary innovation such the facture of shale gas. On the other side, the time horizon and time lag of the three regimes are so different: the micro second for high frequency trade, the period required between investment decision and the effective extension of productive capacity in manufacturing, the uncertain lag between exploration, discovery and exploitation in the mining sector.

Figure 2 – A simple representation of the dynamics of the world economy: three logics and temporalities.



In the past some authors have already proposed a similar theory of the international economy seen as the consequence of the interactions between the industry and the primary sector extracting natural resources (KALDOR, 1963). Here the novelty relates to the resilience of finance led capitalisms (BOYER, 2011a). This amplifies the booms via an easier access to credit and conversely makes more severe and long recessions and in some examples the financial accelerator provokes a cumulative depression (Southern Europe after 2010). Again the prognosis would be an exacerbation of the volatility and instability of the world economy. A definite answer would require a formalization of the interaction described by Figure 2 supra. Everything is up to the set of parameters defining these three regimes: a structurally stable configuration or a potentially chaotic dynamics?

4. LEADERS AND FOLLOWERS: A TWO TIER WORLD INTERNATIONAL REGIME

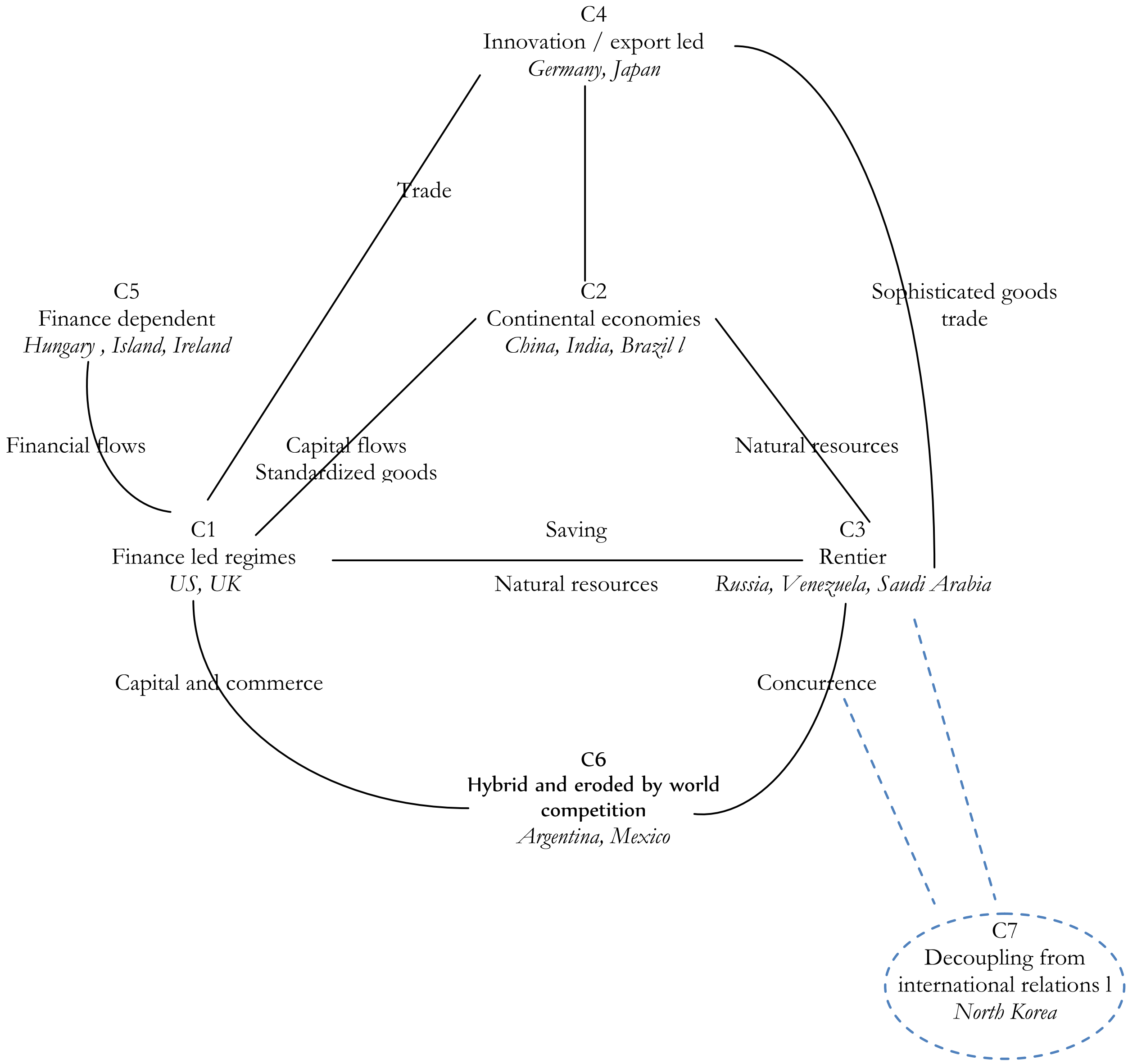
A third consequence relates to the distribution of power across nations. In theory each nation State has the same voice and power in the deliberations of United Nations organizations and every Member States of the Eurozone should be part of the deliberation and decisions about the governance of the Euro. Many observations suggests that it is not so and the present analysis may explain why. Actually the pace of the world economy is set by the interaction of finance led regimes and newly industrializing economies submitted to the feedback from resource based rentier regimes. Quite all other regimes have to adapt with few degrees of freedom (figure 3):

- Before 2008, some regimes were built upon the permanent entry of foreign capital and the indebtedness in foreign currency (Dollars in Latin America, Euros in Europe). If the credit is diverted from productive investment benefiting to the export sector and feeds a real estate speculative bubble or finance current public expenditures, such a development is not sustainable. When international credit is frozen, policy makers have to call for the help of the IMF or European Union, with severe conditions attached. Their bargaining power is quite limited indeed and this means the existence of a new international hierarchy.

- The situation is far better for the regimes based upon the role of innovation in promoting high value exports. They can sell their production to each of the leading poles the world economy: differentiated and high quality goods to finance led regimes, efficient machine tools to new industrializing capitalism and positional goods in rentier regimes. Given the sharp contraction of trade after 2008 they are severely hit by the crisis but they vigorously bounce back as shown by the Germany trajectory until 2015. Nevertheless it is not among the key players at the geopolitical level, however efficient its productive system. But within the European Union and facing financially dependent economies, the German governments have shown their ability to decide about the strategy to overcome the Euro crisis. This leads to a third tier of international relations: within a regional zone some members are STACKELBERG leaders, in the sense that they have the power to impose their strategies to their weaker partners.

- A third kind of domination is associated with various configurations that are eroded or even disarticulated by their integration into the changing international relations and no alternative regime is emerging by lack of relevant political alliances or poor specialization. Argentina since the mid-1970s is an emblematic case but to some extent Greece is another dramatic example of incompatibility between a national social-economic regime and an incoherent conception of regional integration.

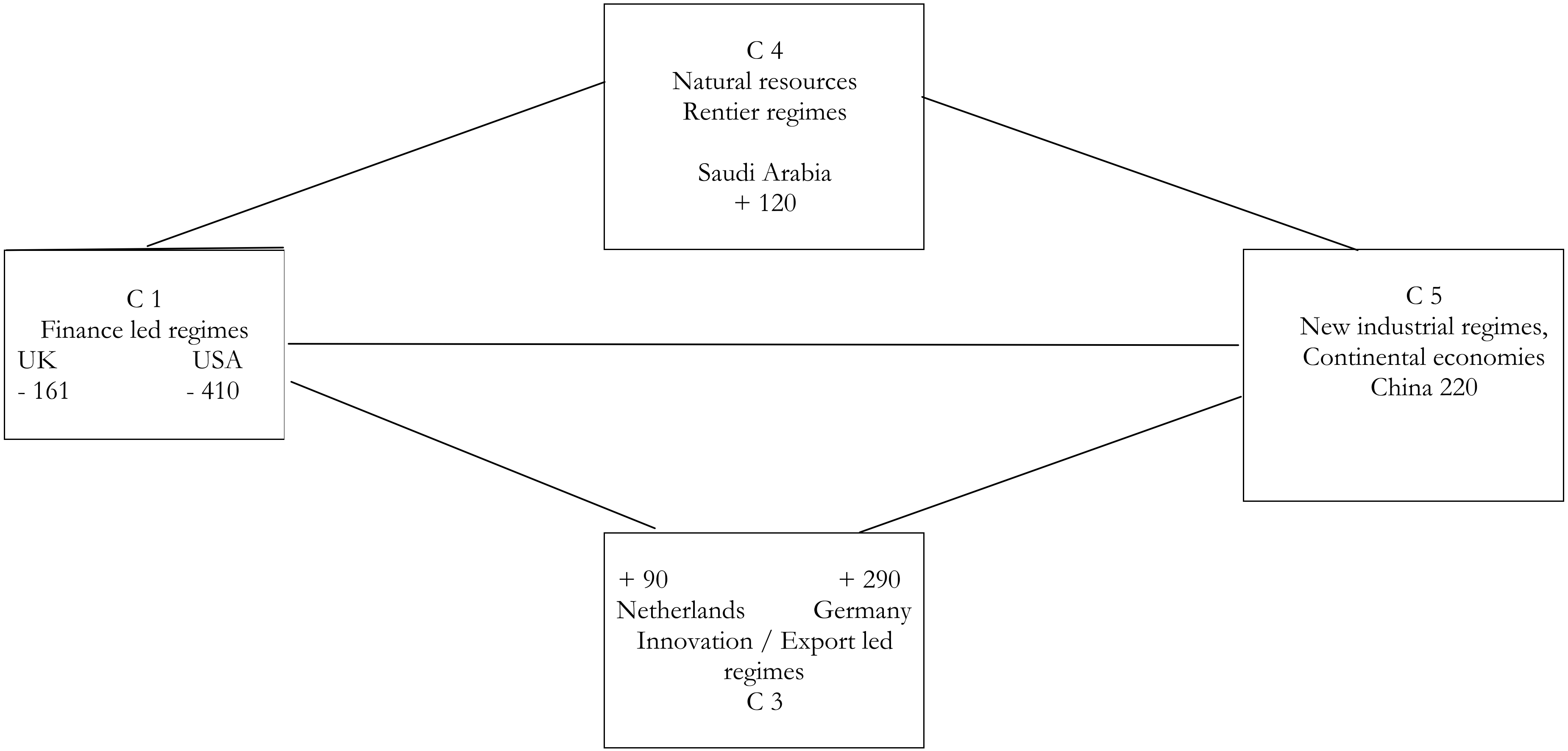
Figure 3: How the various configurations interact with the three leading regimes



- A last configuration is not a very attractive alternative to globalization acceptance: North Korea is one of the rare examples of decoupling from the world economy.

Thus the globalization has generated a new structuring of international relations and promoted regimes that would have appeared as unstainable in the Bretton Woods system. Finance led regimes exhibit large and permanent trade deficits that are the mirror image of the trade surplus of the three other regimes. Surprisingly, according to this criteria, the innovation/export led regimes contribute more than expected to the unbalanced finance led regimes (figure 4).

Figure 4 –Trade surplus and deficits among four regimes



Latest 12 months, in billions $

Source: From Haver Analystes, The Ecoomist, April 18th , 24th 2015.

5. GROWING INTERDEPENDENCE AMONG FOUR REGIONS

If there is no single pattern in development modes how to explain their persistence? We have progressively shown that they are forming a rather coherent or at least compatible system at the world level (figure 5).

- The finance-led regime and the explosion of top income in the United States are the symmetric of the fast productive modernization in China and the widening of inequality. This is not the only co-evolution within the world economy.

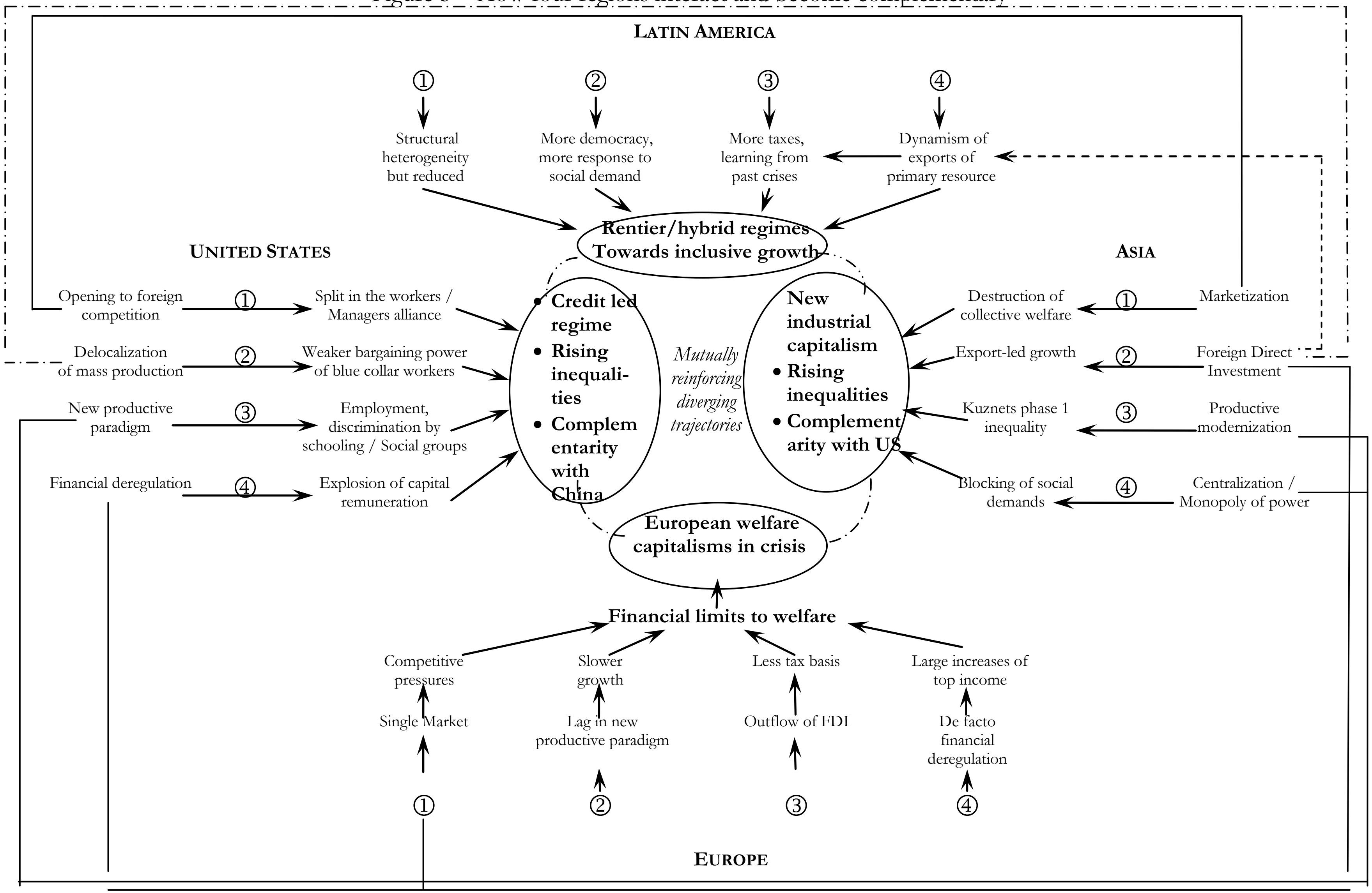
- The Euro crisis too and the threat upon welfare capitalism, built upon an extended welfare systems and defence of social solidarity are the consequence of the joint pressure of Chinese rapidly catching up in most industries and the recurring global financial crises generated by the American victory in promoting liberalization and globalization of trade, capital, and finance.

- The Latin American rentier regimes and the recent atypical decline in economic inequality starting from an extreme social polarization- quite a paradox indeed- are also explained by their specialization in natural resources, that is complementary to that of China and the US, the ability to learn from the past financial crises and the transition to democracy as providing finally a positive response to demands for social protection.

The macro-economic imbalances, generated by contrasted socio-economic regimes and the widening of inequality within each domestic economy, are symmetric in the US and in China. Consequently only the compensating movements in international trade and finance allows the viability of socio-economic regimes that could not be sustained within closed borders: abundant credit to sustain the American way of living with stagnant average real income in the US, dramatic industrial overcapacity due to the squeeze of labour share in China; low American household saving rate versus Chinese high savings, partially channelled back to the US financial system.

Thus the internationalization of production, capital and finance makes compatible and viable different inequality regimes, themselves embedded into complementary development modes. Furthermore, this explains the puzzling observation of opposite evolutions concerning inequality: less inequality between nations since globalization entitles a variety growth regimes- credit led, export led, innovation led- but each of these regimes nurtures widening inequalities for individuals within the same nation-state, the two major stylized fact identified by the literature .

Figure 5 – How four regions interact and become complementary

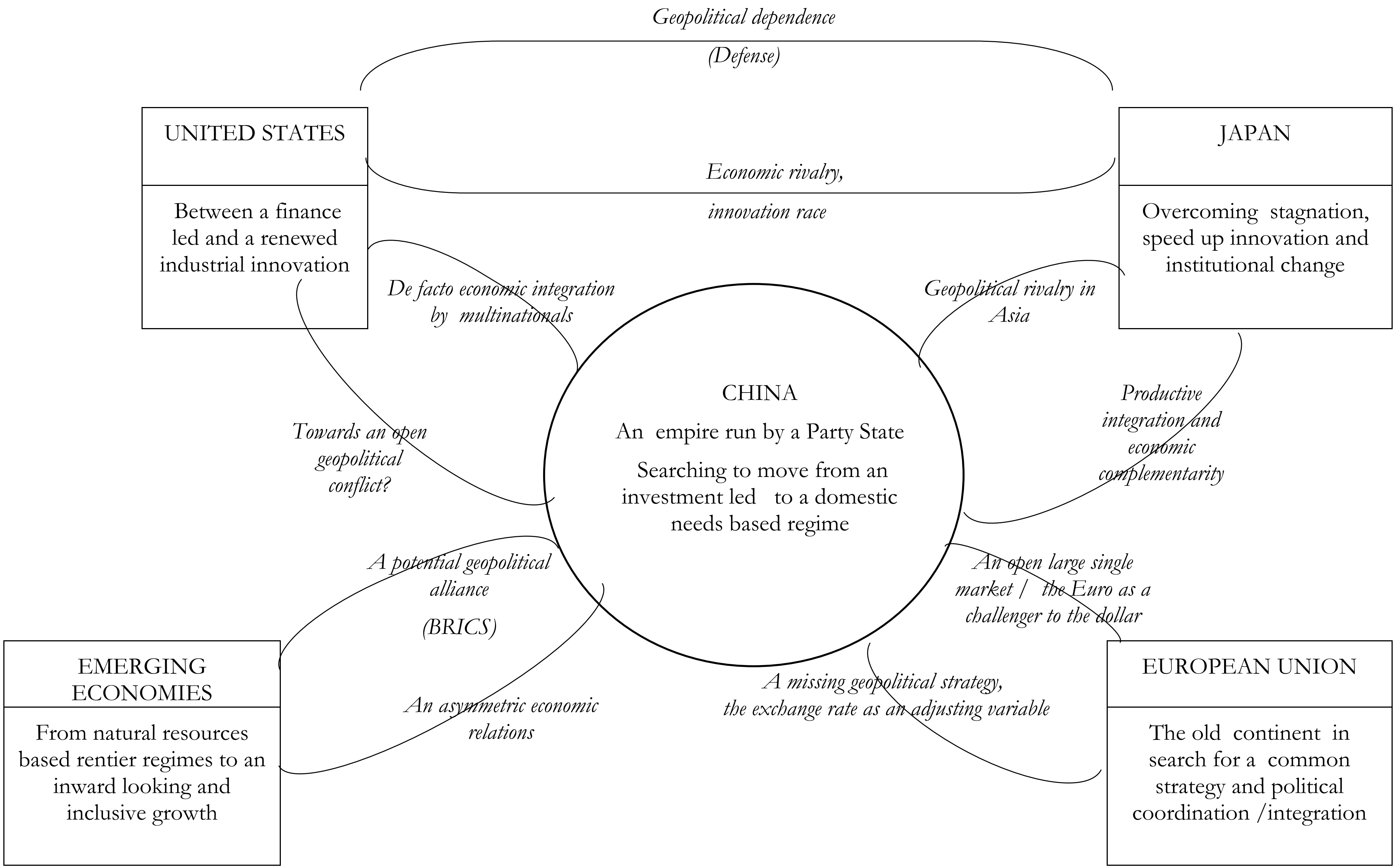


6. GEOPOLITICAL RIVALRIES AGAINST ECONOMIC COMPLEMENTARITY

The tipping of the world economy towards Asia made China's economy a reference for many governments, as to suggest that the Beijing Consensus was substituted for that of Washington in the design of development strategies .Furthermore, the erosion of the American superpower and the uncertainty of its new growth regime leave the field open to a reorientation of international trade flows in favor of China, which became the first partner of a growing number of countries in Latin America, for example Brazil. One can imagine that South / South relations will supplant the old opposition North / South or Center / Periphery. Finally, this convergence of interests is likely to influence decisively the reconfiguration of an international system marked by the possible abandonment of the dollar as the pivot of international financial relations. Compared with India, China is the origin of most of these changes (ALARY and LAFAYE de MICHEAUX, 2015).

In fact, the Middle Kingdom is the center of the web of contradictions that operate in the contemporary world: between economic complementarity and geopolitical rivalry in Asia, especially with Japan ; between reluctant cooperation and open conflict with the United States; between an alliance for rebuilding international institutions and asymmetrical integration with Latin America and Africa; between the need to maintain with the Euro a currency that may compete with the dollar and the pressure in order to turn the yuan into an international currency, so that the autonomy of monetary and exchange rate policy continues to be the essential tool for governing and controlling the Chinese economy. In this global game, the European Union occupies an even less enviable position than Japan: dominated by American finance, open to the winds of Asian competition, Europe is an aggregate of old Nations that have given up the exercise of any geopolitical power in the reconfiguring of the coming world and the defense and diffusion of their welfare capitalism (figure 6).

Figure 6 – The world seen from China: geopolitical rivalry but economic interdependence



7. A NEW, SHAKY AND UNCERTAIN INTERNATIONAL SYSTEM

Can a new international system emerge from the present configuration and deliver more satisfactory outcomes? It is far from evident since the heterogeneity of national regimes, ideologies and interests raises many obstacles, the more so the more policy makers forget the dramatic 2008 near collapse.

Finance led capitalisms require complete freedom and mobility of capital to maximize the gains from financial intermediation which, although located on Wall Street and in the City of London, has become global. The emerging industrial capitalisms base their legitimacy on a rapid growth enabling job creation and rising living standards. By contrast, in pure rentier regimes the struggles are polarized on rent sharing conflict without great concern for the improvement of domestic production capacity. The capitalisms based on innovation thrive on industrial specialization in products in high demand by the emerging industrial regimes, and they require a full opening of the world economy. The mature industrial capitalisms are torn between strengthening their domestic markets and improving their industrial specialization that would allow them to better integrate into the global economy. Mixed regimes - both rentier and industrial- face a similar dilemma: on the one hand, they push domestic growth in order to promote their domestic production system, potentially self-sufficient, on the other they can also benefit from the redistribution of income associated with the sector exporting raw materials and agricultural products (table 3).

Table 3 – Each politico-economic regime has different objectives

POLITICO-ECONOMIC REGIME	OBJECTIVES			
	DOMESTIC GROWTH	ECONOMIC SPECIALIZATION	MANAGING THE RENT	WORLD FINANCIAL INTERMEDIATION
Finance led Capitalism (US, UK)	**			***
Emerging industrial Capitalisms China, India)	***	**		*
Pure rentier regime (Venezuela, Saudi Arabia)	*		***	*
Capitalism based upon Innovation / export (Japan, Germany, South Korea)	*	***		
Mature industrial Capitalisms (France, Italia)	**	**		
Mixed rentier/industrial Regimes (Brazil, Argentina)	**	*	**	*

Clearly the pure economic justification does imply political support for institutionalizing such public goods (HUGON, 2004). According to another theorizing a common is a collective resource the commodification of which may cause the crisis of the whole society. But the question remains the same: how do emerge in the international political arena these commons? Finally, can we mobilize the theory of commons? It is not obvious since a community has to agree upon how to implement and manage rules to maintain this common and it is easier locally than internationally (OSTROM, 2010). There is the concern that runs through this present analysis: all institutional arrangements involve political processes and they are especially difficult to build at the international level in the absence of a benevolent hegemon. In order limit climate change, a new configuration of the world economy has to emerge. This is indeed a very incertain process, open to many unintended outcomes.

Table 4– Conflicting strategies concerning the building of global commons

	NATURE OF GLOBAL COMMONS			
POLITICO-ECONOMIC REGIME	FINANCIAL STABILITY	AN OPEN WORLD ECONOMY	FIGHT AGAINST CLIMATE CHANGE	INTERNATIONAL ORGANIZATIONS REFORMS
Finance led Capitalism (US, UK)	Resistance /reluctance of financiers	***	Weak interest but growing	Resistance to reforms
Emerging industrial Capitalisms (China, India)	**	**	Growing Interest of public opinion	Strong and recurring demands
Pure rentier regime (Venezuela, Saudi Arabia)	*	*	Variable in relation with geography	Not very present
Capitalism based upon Innovation / export (Japan, Germany, South Korea)	**	**	***	Variable across countries
Mature industrial Capitalisms (France, Italia)	***	*	Different from one country to another	Variable
Mixed rentier/industrial Regimes (Brazil, Argentina)	**	*		** (for Brazil)

CONCLUSION

The present analysis can be summarized by the following findings and hypotheses (table5) to be explored by a new wave of research.

1. Away from post WWII inward looking configurations, internationalization and extraversion define a common trend across quite all accumulation/production regimes. In the United States, the largely self- contained Fordism has been opening to competition and has become an emblematic finance led regime, living from World financial intermediation. Japan, Germany and South Korea continue to explore an industrial model but they basically rely upon innovation to nurture an export led accumulation regime. The soviet regime has been replaced in Russia by a rentier politico- economic regime, totally dependent for external demand for gas, oil and natural resources. None of them is independent from the vagaries of the international evolutions and events.

2. Thus all disequilibria generated by each of the leading development modes reverberate across the world with an unprecedented intensity, as shown for instance by the knock down effects generated by the subprime crisis or the Eurozone uncertainty. The name of the game is no more that of the Golden Age, i.e. the diffusion of a canonical industrial model under the aegis of a powerful American hegemon. Instead the challenge relates to the problematic compatibility of three heterogeneous leading accumulation/production regimes. Finance led regimes and new dynamic industrial capitalisms set the pace of the world economy but they have to cope with the heterogeneity and specific temporal horizon of resource based rentier regimes. It is necessary to take seriously these rentier regimes, because they are part in the genesis of most crises since the 1970s and they are involved in the search for a sustainable world system.

3. *Pax Americana* is over, i.e. the bygone epoch when an unchallenged hegemon was organizing its hierarchical domination in all domains of international relations within a set market economies run by democratic principles, in competition with the Soviet Bloc. Nowadays we are living in a two tier world system. At the core of the present configuration, there is a duopoly: the US and China have first to decide their strategies taking into account their mutual interests concerning trade, finance, intellectual property rights but also their rivalry in the redesign of power relations in the various zones of the world. In a second step they have to decide how they relate with natural resources supply, i.e. their strategies in direction of rentier economies: self-sufficiency via innovation (the US) or long term contracts with Latin American and African countries (China). Other economies have to adapt to the evolution thus generated by these major players. For instance Germany is a reluctant hegemon in the European Union but not a significant geopolitical player. Still other Nation-States have still less autonomy in their integration into the world economy and they have no say about the reform of international institutions.

Table 5 – From Bretton Woods to the present international configuration

COMPONENTS	GOLDEN AGE	CONTEMPORARY WORLD	CHANGES AFTER 2008
1. Principles of coherence	*Pax Americana* under US hegemony	From a super power to the challenge by Asia (Japan and then China)	Deepening of previous trends: economic complementarity and geopolitical rivalry in a multipolar world
2. Role of international institutions	Significant via public financing	Decline with ups and downs along with international crises	A modest revival with the European crisis
3. Capital mobility	Very limited	Quasi complete mobility of private capital	Seemingly irreversibility of financial globalization but slow reduction of the exposure to international financial risk
4. Exchange rate regime	Fixed but adjustable	Flexible but changing conceptions of exchange rate regimes	Recurring currency wars and tensions within the euro-zone between fixed exchange rate and heterogeneous *régulation* modes
5. Degree of autonomy of national economic policy	Very large	Reduced by capital mobility: monetary policy, tax, public investment	Emerging revolt against the erosion of democratic principle by the power of global finance

4. At odds with the frequent confusion that equates globalization with uniformity, the last two decades show two different trends. On one side, regionalization of various zones of the world economy is a striking phenomenon. In Asia, a new division of labor is emerging under the impulse of multinationals and China is setting the pace of many neighbors' macroeconomic trends, while new socio-economic regimes proper (HARADA and TOHYAMA, 2011). Clearly the European Union explores a specific regional trajectory, since the Euro reveals and exacerbates the large heterogeneity between rather competitive Northern member-States and lagging Southern ones. On the other side globalization means an ever growing interdependency among contrasted and largely complementary politico-economic regimes. The US continue to rely on a credit led recovery, China tries to convert its industrial catching up from investment to consumption led and Latin America experience how shaky was its development based upon high growth and unprecedented prices for their natural resources. European governments have lost confidence in their welfare capitalism and accept to be the weaker region of the world economy. It is difficult to see any long run convergence of development modes.

5. The surprising resilience of the present disarticulated international relations is difficult to explain. Basically the rise of geopolitical rivalry is impressive and concerns military alliances, the open conflicts upon the control of some territories, in Asia and Europe, and the future of key international organizations. By chance, an unprecedented interdependency of nation-states and zones of the world economy and a new international division of labor are bringing some moderation and until now they have prevented an open conflict among the key players. Under this respect, the rise of China has to be analyzed in the light of these two contradictory factors: de facto patient economic strategy of integration into the international relations, but open rivalry with the US and Japan in terms of regional supremacy. The reconfiguration of the world economy is thus especially uncertain since it is not the repetition of the shift from the British Empire to the US hegemony (KINDLEBERGER, 1973).

6. The Bretton woods system was more imposed by the overwhelming American hegemony than negotiated among equal partners. Such an asymmetry does not exist anymore since the key actors that shape the international relations defend quite different objectives, closely related to the requirements of their accumulation or production regimes. Financial stability at the world level should be an important global public good, but the capitalisms that prosper out of financial innovations might be hurt by most of the regulatory systems that would be proposed by old and new industrial capitalisms (BOYER, 2011b). Preserving the climate is conceptually a global common but developed and developing nations States have quite different proposals about the distribution of the implied adjustments to their development regime and each of them would like tight controls to be applied to all except them. For the first time, a multipolar world has to find out rules of the game agreed upon a multitude of actors.

7. The 2008 crisis will be remembered has a major event, equivalent to the 1929 crisis: it reveals the contradictions of quite any development mode. Speculative bubbles seem to become the only method for sustaining declining growth trends in finance led capitalisms. China experiences many obstacles in the transition towards an inward looking regime more socially and environmentally sustainable. The Latin American leaders realize how precarious were their inclusive growth strategies, finally built upon the bonanza of high prices of their natural

resources. Last but not least, the European welfare capitalism is at risk, given the heterogeneity of their specialization and ability to cope with an acute international competition. In this context, international relations are torn between an increasing economic and financial interdependence and the opposition of geopolitical rivalries. If a new world crisis burst out, a major bifurcation may occur: either an unprecedented cooperation generated by urgency allows the negotiation of a multipolar new international system, or a phased withdrawal from world dependency takes place for the continental economies and then regional integration becomes a priority for medium and small economies.

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