

## The End of Power: From Boardrooms to Battlefields and Churches to States, Why Being in Charge Isn't What It Used to Be

Moisés Naím

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REVIEWED BY SASKIA SASSEN

Power is fundamentally changing in the twenty-first century. While there is movement from “brawn to brains, from north to south and west to east, from old corporate behemoths to agile start-ups, from entrenched dictators to people in town squares and cyberspace,” there is more to the story than just a power shift.

So writes Moisés Naím in the opening chapter of his book *The End of Power*. As he says in the title, power in the world today has shifted from “boardrooms to battlefields and churches to states.” Naím, a scholar at the Carnegie Endowment for International Peace, who has served as Venezuelan minister of Trade and Industry and more recently as editor-in-chief of *Foreign Policy*, has written an illuminating, smart and highly readable book. He takes us on a journey that disassembles power as we have known it, and reassembles what is left into a new meaning of power that explains why, as he writes, it is “easier to get, harder to use—and easier to lose.”

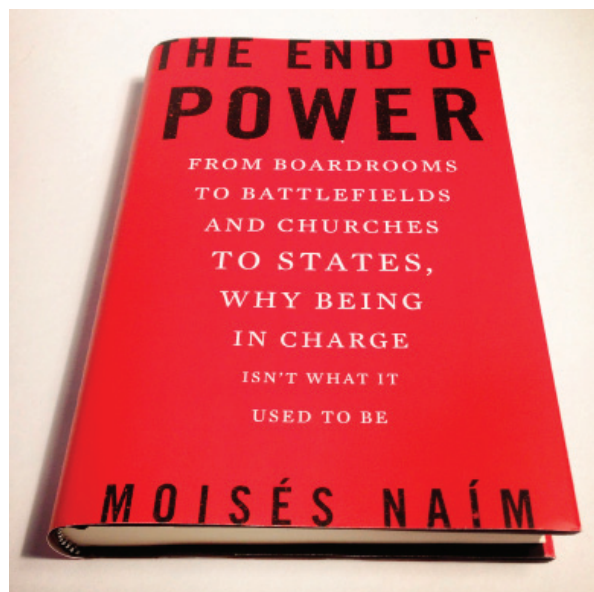
For many people, power is a self-evident concept. But Harvard’s Joseph Nye, for one, made us re-examine the notion when he coined the term “soft power” in the 1980s to describe the ability of countries to influence others through culture and political ideas rather than through economic or military might—which he later elaborated on in a 2005 book of the same name. In his book, Naím takes us a step further. He argues that it is not enough to point to the rise of other forms of national influence, but rather to examine


the concept of power “decay”—more precisely, the systemic ripple effects that unsettle the alignments inside national states that have historically enabled them to project power.

Naím points to the convergence in the twentieth century of the rise of powerful states with the emergence of powerful corporations, labor unions and political parties, all organized as complex bureaucracies where size, hierarchy and centralized control were key features. Big government, big business and big labor are the success stories of the period.

Naím reminds us that the German social theorist Max Weber, “helped us understand the rationale and workings of bureaucracy in the exercise of power,” and that the British economist Ronald Coase then, “helped us understand the economic advantages that they conferred on companies.” Coase explained why large organizations were not just profit-maximizers, but also more efficient than the alternatives. This was due largely to their capacity to internalize a broad range of necessary tasks, thereby saving on what came to be called transaction costs.

But size, Naím goes on to argue, is no longer an advantage—putting him at odds with current conventional notions that wealth and power tend to concentrate, and that globalization further strengthens this dynamic. Instead, he asks: “what if the model of organization” developed by “Weber and his inheritors in economics and sociology[...]has become obsolete?” To answer this question, Naím covers a broad range of themes, from the personal to the political, in the next seven chapters. He demonstrates that power is increasingly *more* dispersed in individual





countries and in the world at large. And this in turn has made populations and resources more “difficult to regiment and control.”

In fact, writes Naím, we are also experiencing a revolution in *mobility* which allows people to travel, communicate and transfer goods with little control by national states or large bureaucracies. The result, is an “end of captive audiences” and a changing distribution of power. Adding yet a third concept, Naím highlights what he calls a revolution in *mentality*, in which higher expectations and standards have created a new mindset that has “profound consequences for power” in both liberal societies and the “most hidebound ones.”

Naím concludes that these developments have created new limits to the power of states. Governments “from Mexico and Venezuela to Pakistan and Philippines have lost control” over their citizens in some funda-

mental ways. In a world of almost 200 separate sovereign states, with no hegemon or group of dominant countries and a variety of independent actors ranging from terrorists to nongovernmental organizations, “there is a greater moral consensus about the proper behavior of nations than humanity has ever known before.” But the rise of these multiple actors creates the risk that many little conflicts will proliferate, as opposed to the grand standstill of the Cold War.

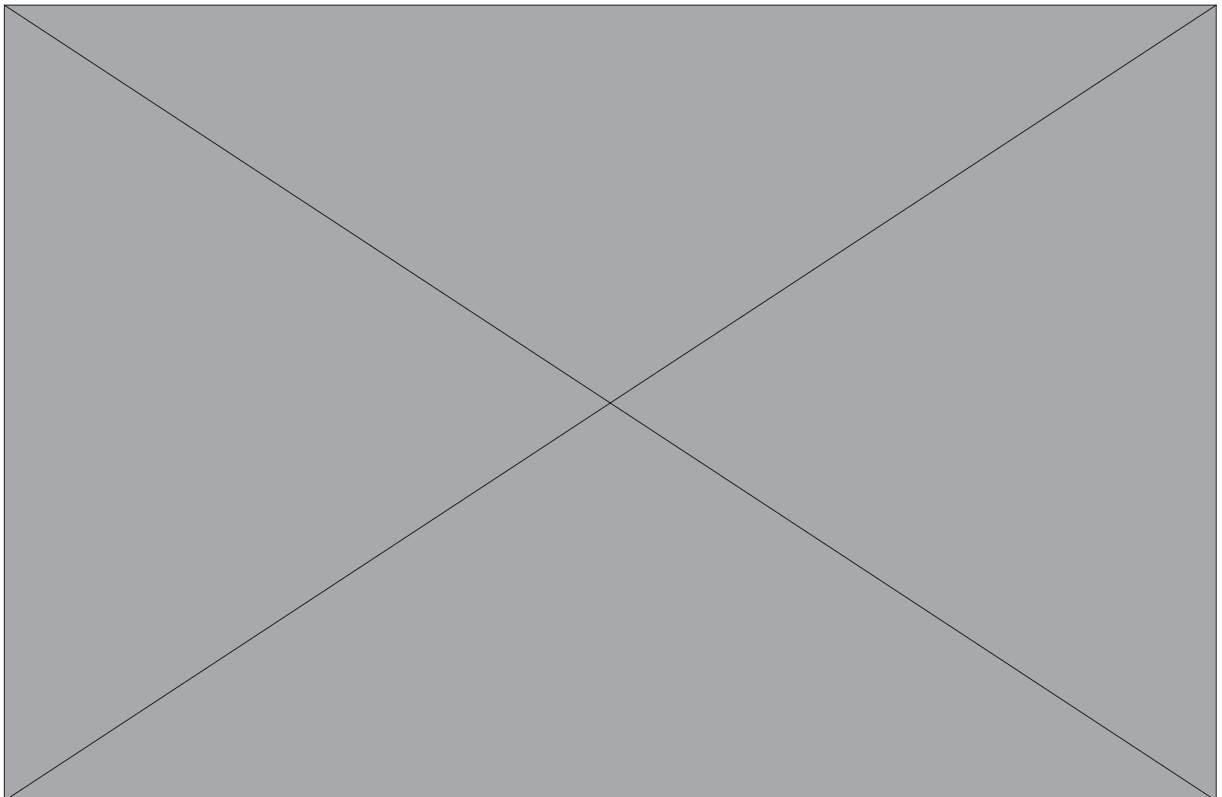
All of this does not mean “big power” is dead. But it does mean that micro-actors and micro-powers are constraining big power in ways they had not until now. One major consequence is that today’s power players often pay a steeper and more immediate price for their mistakes than did their predecessors. What results is the faster rate of turnover of CEOs and companies on the Fortune 500 list than ever before. In domestic

politics, Naím writes, it leads to gridlock and policy paralysis.

Naím provides two examples of new players who are transforming the concept of power: John Paulson, who runs Paulson & Co, one of the world’s largest hedge funds, and Julian Assange, founder of Wikileaks. The former became a billionaire through his success in foreseeing an escalating financial crisis and capitalizing on it. And the latter through the use of the Internet to expose government secrets. Although the two have little in common otherwise, they have each constrained government power.

Naím’s analysis certainly identifies a real trend, and many of his conclusions are valuable. But there are a few points in his analysis that I would contest.

While not contradicting Naím’s argument, it is not always clear that he is dealing with power rather than authority. It may be clarifying to differ-



entiate power and authority—the latter a kind of cleansed form of power, more complex and intractable. At times it is not clear if Naím is describing the decline of authority as constructed in an earlier era more than the decline of power.

Similarly, Naím's contention that all state institutions have weakened may be too sweeping. Although many of the institutions of the state, such as legislatures and parliaments, have declined in authority, there has also been a simultaneous growth in the raw power of the executive branch. The executive branch, including key agencies such as ministries of finance (the Treasury in the U.S.) and central banks (the Federal Reserve in the U.S.), has gained power because of globalization. Their increased power comes from their responsibilities for implementing policies—favoring inflation control over job growth, privatization and deregulation—that have required the executive branch to negotiate directly with major global regulators, notably the International Monetary Fund and the World Trade Organization. Thus, the more significant the role of such global regulators, the more critical became the role of the state in ensuring implementation. While that work is now largely done, the after-effect is that the executive branch has become increasingly unaccountable to the legislature/parliament.

Naím in a way gives us an insight into a new type of powerlessness. I would call it “complex powerlessness” to describe the various types of decaying power he examines. But Naím never really addresses the reverse question. If big states and big bureaucratic institutions are losing power, is it possible to argue that those who were formerly unable to influence global events—those who were largely voiceless—can create a new history of their own? Naím doesn't explore that. As with many good books, it's a sign of the rich possibilities offered by his analysis, that such questions are now on the table.

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