Levy, Jonathan

Article

Opium talk: American capitalism in transition

economic sociology. perspectives and conversations

Provided in Cooperation with:
Max Planck Institute for the Study of Societies (MPIfG), Cologne

Suggested Citation: Levy, Jonathan (2025) : Opium talk: American capitalism in transition, economic sociology. perspectives and conversations, ISSN 1871-3351, Max Planck Institute for the Study of Societies (MPIfG), Cologne, Vol. 27, Iss. 1, pp. 4-18

This Version is available at:
https://hdl.handle.net/10419/334550

Opium talk: American capitalism in transition

Jonathan Levy

In 1878, a Chinese writer named Zhang Changjia published the book *Opium Talk* about his addiction to smoking opium (McMahon 2005).

China had little experience with opium, until European traders brought it to Southeast Asia. By the early nineteenth century, the British were growing opium in colonial India for export to China. Before, there was little from the West that China had sought to buy besides silver, the Chinese fiscal base, mined from Latin America. The opium trade replaced silver, reversing Britain's negative bilateral trade balance. Because the Qing emperor had banned opium in 1729, the British first smuggled it into China, until the Second Opium War (1856–1860) finally brought about the effective legalization of opium. Chinese opium addiction soared. There were at least 40 million Chinese opium smokers when *Opium Talk* was written, or at least 10 percent of the population (Dikötter, Laamann, and Xun 2004, 23–27).

Opium is an opportunistic pathogen, whose chemical structure evolved to ensure human addiction. A historian of the plant refers to it as an "imperial agent" in its own right (McAllister 2007, 216). Outbreaks of opium addiction, however, have often also appeared at moments of imperial twilight.

A contemporary interpreter of *Opium Talk* sums up its message, "Now that Opium is present, nothing else is foreseeable" (McMahon 2005, 328). Smoking opium, concludes the writer Amitav Ghosh, "had revealed something" to Zhang that "non-smokers were unable to adequately appreciate: that an era had passed and history had entered a new stage in which the teachings of the old Chinese seers and sages were irrelevant" (Ghosh 2024, 291). It was no longer possible to trust Qing institutions, experts, or ruling elites – a conclusion supported by Zhang's bewildering sense of Chinese imperial decline, relative to the rising powers of the West. Zhang even analogized opium's energetic jolt to addicts to the coal that periodically fired the steam engines of the steel-hulled British warships that had so swiftly battered down Chinese defenses during the Opium Wars.

The parallels between nineteenth-century Chinese opium addiction and twenty-first-century US opiate addiction are uncanny. Today, roughly 9–10 percent of Americans report taking opioids (half illegally) (Powell et al. 2025). If the British East India Company were the immoral drug pushers, in our times it has been the Sackler family of the corporation Purdue Pharma (Keefe 2021). Corruption reached states. Chinese merchants smuggled opium brazenly, paying off necessary officials. Through political and philanthropic donations, the Sackler family curried favor with the US government, while burnishing their public image by slapping their names on museum wings and university halls. Geographically, in both countries opium addiction was worse in rural areas. Addiction, in China then and the US now, worked to further corrode from within something already corroding: Decadent societies in decline.

Jonathan Levy is is professor of history at Sciences Po, specializing in the history of the United States, capitalism, and the economy. He previously taught at Princeton University and the University of Chicago. His current research projects are a history of climate change, focused on the city of Houston, and a global history of money. He is the author of a work that places history and economic theory in conversation, *The Real Economy*; a narrative history of US economic life, *Ages of American Capitalism*; and a history of risk in the United States, *Freaks of Fortune*. He is also coeditor of *Critical Historical Studies*. *jonathan.levy@sciencespo.fr*

Opium Talk attributed the rise of opium in China to Chinese over-worship of "The God of Money." The origins of America's contemporary "opioid crisis" go back to the 1990s, after the US declared victory in the Cold War and the superiority of free market capitalism. Purdue Pharma first marketed a new batch of opioids, which proved highly addictive, to rural areas where vanishing industries – some, because of the "China Shock" of trade competition – left behind cancer-causing carcinogens and cancer-related pain (Peters et al. 2020). By 2000, with doctors "incentivized" by drug companies to prescribe, opioids were the most highly prescribed drug in the US. In the 2000s, addiction spread, before – as a black market, including for lethal synthetics (soon fentanyl) expanded – the "opioid crisis" broke out in public consciousness in the 2010s. Between 1999 and 2023, approximately 800,000 Americans died from opioid overdoses – with 160,000

deaths in 2022–23 alone (Centers for Disease Control 2025). After 2010, opioid overdose became the fastest growing "death of despair," surpassing mortality from alcohol-related liver disease and suicide, as well as, by 2017, becoming the leading cause of accidental death for Americans under the age of 50 (Case and Deaton 2020; Katz 2017).

In the vast US social science literature on the "causes" of voter preference for Donald Trump – is it "race" or "the economy"? – there is relatively little research on opioids. What exists, demonstrates correlations at the county level in 2016, 2020, and 2024 between the prevalence of opioid addiction and Trump votes (including a correlation for votes from Obama voters who became Trump voters) (Arteaga and Barone 2024; Monnat 2016). There are no calls to "Make China Great Again" in Zhang's *Opium Talk*. The recent American book, most calling out for comparison to it, perhaps would be J.D. Vance's *Hillbilly Elegy: A Memoir of a Family and Culture in Crisis*, an account of Vance's mother's opioid addiction (Vance 2016a). In 2016, Vance called Trump "an opioid of the masses" – before Vance himself, apparently, fell prey (Vance 2016b). *Opium Talk* broadly resonates, however, because it conveys how opium addiction corresponds to feelings of hopelessness before a particular kind of historical moment. Namely, bewilderment at the loss of national greatness and of belief in national cultural superiority – a sense that one has lived in a country long self-understood to be at the center of the world, but that might not soon be anymore.

Opium talk: bouts of addiction arrive at dusk, announcing the coming dawn of a new world historical age, and the passing of hegemony. It was true of late Qing China. It is true of the United States in the era of Trump.

American capitalism in transition: A benchmark

That conclusion, tidy as it is, comes too fast. Recent historical scholarship on China, after all, demonstrates that Qing imperial rule was far less weak across the first half of the nineteenth century than once presumed (Pomeranz 2010). The empire lived on, of course, until the twentieth century. The rise and fall of great powers may take time, the process is hardly linear. I linger on the US opioid crisis to underscore that something has, no doubt, gone wrong in twenty-first-century American life. The US is experiencing a dramatic moment of historical transition, which, given US hegemony, cannot but have fateful consequences for the world.

Yet, this can be true while it can also still be true that many elements of US hegemony remain stubbornly in place. The US retains a preponderance of global military might; the US dollar remains the dominant global reserve currency; US bond and equity markets remain magnets for global capital; most of the more powerful and valuable corporations in the world, with the most advanced technologies, are American; American culture remains a global force; and so on. The social insides of the US may reveal rot, but the shell of US global power largely remains intact, hard to crack.

Therefore, it is a moment of transition, but one, so far, in which it is difficult to know whether to emphasize continuity or discontinuity. That also means it is a moment of uncertainty. Theorists of "world-systems" have long emphasized that "chaotic uncertainty" is a cardinal feature of "conjunctures," or moments of hegemonic transition (Wallerstein, Rojas, and Lemert 2012). Trump's approach to governing the US affirms their thesis to the point of parody. As I write this essay, it is impossible to know what the state of affairs will be when in only a few months it will be published.

One thing at least is certain. Something big and bold must happen. This is a new factor on the scene (Tooze 2024). US political elites, across both parties, recognize they are acting in a critical moment. They admit – whether it is "neoliberalism" for the architects of Bidenomics, or free trade for Trumpists – that something went wrong in the preceding decades of US history for which the US state must now course-correct.

Count three factors, then, to be dealt with. First, there is the steady deterioration of much of American life over the course of the past decades, revealed by opioid addiction. Second, there is continuity in the global role of the US hegemon, despite much handwringing over Trump. Third, there is the stated aspiration, by the Trump, Biden, and now Trump administrations, to forcefully alter the trajectory both within and without the US.

My argument is that while the US has indeed entered a moment of historical transformation, so far, continuity rules – repetition within disorder. It is impossible to see the outlines of a new age of capitalism. There are calls for one, ideologically. State power has gathered, priming for action. However, though Trump has a social movement behind him in MAGA (Make America Great Again), MAGA does not amount to a majority of US voters, and Trump has yet to articulate a positive state program capable of transforming US capitalism in any direction – if only because so many of Trump's policies are so solicitous of wealth. Trump is an agent of destruction, no doubt, but has not (yet) proven to be an agent capable of directing a coherent

transformation. Meanwhile, the recent Biden administration, lacking a social movement behind it, failed to legislatively execute its most ambitious economic policy agenda, because of antagonism from the US business lobby, and, relatedly, there simply not being enough votes for it in the US Congress. Bidenomics fell back on an outdated vision of US National Security, one representation of how nostalgia still rules US political visions. Biden promised a new "New Deal" and restoration of post-WWII US global hegemony; the acronym MAGA speaks for itself. Altogether, the US looks stuck, even if it will not remain so forever.

To make this argument, I will appeal to the outline of the US past presented in my 2021 book *Ages of American Capitalism: A History of the United States* (Levy 2021). Given daily Trumpian uncertainty, it is almost comical to watch commentators attempt to make sense of the moment within the confines of the news cycle. While I admit that it is impossible to see where we are heading yet, perhaps stepping back to take the long view may provide at least some dose of clarity.

Ages of American Capitalism divides US history into four "ages." Each is defined by the distinctive characteristics in it of capital, defined as a form of wealth charged with earning an expected future profit. Within capital, the analysis focuses especially upon the dynamics of liquidity and illiquidity. Owners of wealth, all things being equal, prefer liquidity – the ability to store the value of their capital over time. Liquidity preference has attached to land, as well as slaves in the US past, but by the late nineteenth century was largely exercised through the ownership of money and money-like assets, like financial instruments. By contrast, illiquid capital assets tend to be more productive, generating employment and production. Think: Factories. However, liquidity, a quality attributed to capital assets by actors and institutions, exists along a spectrum. Thus, in the US South before the Civil War the dominant liquid *and* illiquid asset was Black slaves. The South had nearly everything invested in slave ownership. Indeed, in investment – and how it relates to labor, production, enterprise, exchange, and consumption – is the central focus of *Ages of American Capitalism.*

While the book situates capital in diverse historical contexts, spanning society, culture, ideas, technology, law, environment, and more, I argue that each Age is defined by a political-economic "settlement." Politics and the state have been most critical toward generating new Ages of American capitalism. The British empire first charted the course, for the Age of Commerce (1660–1860), in which the imperial expansion of commerce across space, rooted in land and slave capital, was the driver. The Republican Party that won the US Civil War, abolishing slavery, set the terms for the Age of Capital (1860–1932), which saw both industrialization and the rise of the financial dynamics behind modern business cycles, leading to the Great Depression. The New Deal brought about the Age of Control (1932–1980), in which the federal government newly intervened in the US economy, to mute economic volatility and achieve economic security. The Age of Chaos (1980–) began after the developmental failures of New Deal liberalism led to the 1979 "interest rate shock" by US Federal Reserve chairman Paul Volcker, followed by the 1980 election of Ronald Reagan to the presidency.

Given the dramatic chapter in US history that began with Trump's 2016 election, the question is: Have we entered, or are we entering, a new Age of American Capitalism? As a benchmark, let me first spell out the characteristics of post-1980 US capitalism (Levy 2021, 587–741).

When in 1982 the US economy emerged from the recession induced by the Volcker interest rate shock, asset values and income growth from financial activity led the way. That accelerated a pre-existing trend, which saw generally the rise of services and the decline of employment-intensive manufacturing. Reagan era deregulation saw money and credit move more freely. Public and private debt of all kinds proliferated. Relative to other national economies, the Reagan era economy's genuine great success was employment growth – although it was concentrated in the high and above all low regions of the service economy. Wealth and income inequality accordingly increased, although as the business cycle expanded labor markets ultimately tightened, leading to broad-based wage growth. A weakness of the new capitalism was its reliance upon leveraged speculative investment. When the credit cycle reversed, asset prices dropped, and recessions set in, wiping out for many Americans the gains made in the previous expansion. But when that happened, the Fed – the central state actor in the US economy since Volcker – could loosen monetary policy, by dropping interest rates, or granting bailouts. A new expansion commenced.

Abetting the new capitalism was the "free market" ideology of the Reaganites, and the Clintonites that came after them. But ideology offered only so much of a guide to what was happening. The key was a transformation at the center of capital. I call the post-1982 US economy one that was dominated by a logic of "asset-price appreciation." Before, in the industrial epoch, which stretched roughly from 1870 to 1970, the way to grow incomes was to use up fixed capital – to create incomes by depreciating capital's value. In the new capitalism, driving expansions was the appreciating value of capital assets, leveraged by debt. The

key, for a political economy of asset-price appreciation, is the existence of transactional liquidity – the "magic of the market," or the magical belief that there will always be a willing buyer for or lender against all assets. If none appears, assets become illiquid and their values plummet. For that not to happen, if not private market actors, then public authorities – namely, the Fed – must step in and become both the lender and buyer of last resort.

Since 1982, US business cycles have iterated differently, but each has shared the same common characteristics and underlying trends. Fueled by debt and speculation, a run-up in asset prices leads the way. What an era the Age of Chaos has been to own wealth! It was chiefly corporate bonds and stocks, and commercial real estate in the 1980s, corporate stocks, especially "New Economy" stocks, again in the 1990s, or, say, residential real estate in the 2000s. With rare exceptions, like the internet technology investment boom of the late 1990s New Economy, fixed investment is weak. So is productivity growth. Employment and income growth lags near the bottom of the distribution, at first, increasing inequality, although by the end of the business cycle the tightening of labor markets increases real wages across the board. Among the owners of wealth, liquidity preference prevails (a worship, as *Opium Talk* put it, of "The God of Money"). The Fed, offering backstop transactional liquidity, backstops the prolongation and moderation of business cycles.

The analysis in *Ages of American Capitalism* suggests that for there to be a new age of capitalism (or of something else), the following must happen. The state must transform the structure of investment so that development no longer occurs through leveraged run-ups in asset prices. Given climate change, at least an obvious candidate for committed, long-term investment exists: the building of a new green energy infrastructure. Further, the severe uneven geographical disparities in the quality of US social and economic life that have emerged in tandem with the logic of asset-price appreciation must be redressed. Last, but by no means least, average, real pay growth must not come at the end of asset-led business cycles. The US economy must generate demand not through asset-price appreciation for the wealthy from above, but by income (not credit) expansion from below – whether through remuneration for work, or some other means.

I underscore these requirements, while also noting that in recent decades changes in American capitalism have occurred. Wisely or not, I called the era the "Age of Chaos" because of: 1) the chaotic, speculative logic of short-term financial investment; 2) the tendency of the state to lag behind the yo-yo of speculative capital, offering, say, *ex post* bailouts, but never shaping capital investment itself, *ex ante*; 3) the chaotic logic of open and fluid social networks (replacing, sociologically speaking, the old industrial hierarchies) installed in business life and celebrated by the leading, Silicon Valley-based technology corporations of the era. By the mid-2000s, however, it was becoming clear that continuous "disruption" was not what was happening in the US corporate sector, especially in tech. Instead, a concentration of power was (Philippon 2019). In finance, private equity and large "asset-managers" consolidated power and capital (Braun and Christophers 2024). Owning digital platforms and/or intellectual property, many tech corporations began to make huge profits – mining digital information and selling it to advertisers, charging subscription fees, maintaining closed hardware and software – because they enjoy monopoly or quasi monopoly power in their markets (Schwartz 2022). These companies invest little and themselves employ few workers. Beneath them, different logics rule, governed by more employment, but also much competition, low wages, and low profits. The crucial point to reckon with, especially with respect to politics, is that in the Age of Chaos, twenty-first-century corporate power has concentrated.

Opium talk

The narrative of *Ages of American Capitalism* ends with the global financial crisis of 2008. To run the narrative through, we must then begin with a consideration of Donald Trump's unexpected rise to power.

The rise of Trumpism must be located in two key contexts, each global in scale. First, there is the decades-long phenomenon of so-called democratic backsliding or democratic erosion, reversing the tide of the late twentieth-century wave of worldwide democratization (Stokes 2025). In one account, a worldwide "democratic recession" first set in around 2005 (Diamond 2015; see also Levitsky and Way 2015). The second context is indeed the global financial crisis of 2007–8 and its aftermath.

US democratic backsliding must be backdated by five years. Before Trump's return to power in 2024, there was widespread fear among US liberal elites that in a close election, in which the Democratic candidate had won the national popular vote, a dispute might occur over the correct tally in a "swing state" controlled by a Republican state government. Legal challenges would throw the election to the US Supreme Court, where a conservative majority would, in a poorly reasoned judicial opinion, proclaim the Republican candidate the winner of the Electoral College and the new president. This scenario would mean the end of US democracy as we know it (see Coppins 2024;

Cheney et al. 2024). That is *literally what already happened* in the US presidential election of 2000 – "hanging chads" in Florida; the Republican candidate's younger brother, the Governor of Florida, blatantly attempting to engineer on dubious grounds a victory for his brother; the rushed one-time-only, poorly reasoned ruling in *Bush v. Gore* by a conservative US Supreme Court majority (Zelden 2020).

Those who experience traumas they cannot process may later seek to reenact them, as if to create a fresh opportunity to process. Recent worries in US politics about the integrity of US democratic electoral outcomes partly stand in this relation to the US presidential election of 2000. It had all already happened. In addition to avoidance, another coping strategy is positive association with the trauma. The 2000 election exposed a broken democratic electoral system in the US. Incredibly, rather than confronting the problem and addressing it, US ruling elites instead fell in line with the winning party in *Bush v. Gore*, who after 9/11 chose to invade a country that had nothing to do with 9/11 under dubious pretenses ("weapons of mass destruction") and arguably in violation of international law with a stated aim being to "spread democracy" abroad (Leffler 2023). Democracy in America needed fixing at home.

Bush's war in Iraq was a disaster. The possibility of Trump's rise should be dated to it. The global trend of democratic backsliding dates, coincidentally enough, to the aftermath in Iraq. Opium talk: Another strong correlation exists between opioid use and US counties that disproportionately sent soldiers to fight in Afghanistan or Iraq. An estimated 23 percent of veterans from those wars were prescribed opioids by the US Veterans administration; 7–8 percent became "chronic" users (doubling the average rate of addiction among users) (Hudson et al. 2017). The appeal of Trump's isolationism to the Republican Party is inconceivable without Iraq. What a spectacle it was in 2024, watching the Democratic Party actively elicit the support of Lynn Cheney, the political scion of the leading architect of that war, Dick Cheney – as if it was possible let alone desirable to return to the cross-party political decorum of the era before Trump, the decorum that led to the nightmare in Iraq.

But that is getting too far ahead. Lonely opposition in 2003 to the Iraq War by a lowly Illinois state senator preceded his appearance on the national political stage in 2004. In hindsight, it is hard to appreciate just how stunning Obama's 2008 presidential election was – just how much his triumph over Hillary Clinton (who voted for the Iraq War) in the Democratic primary and then John McCain (a war hero, who had voted for the Iraq War) in the general election represented a stark repudiation of the US political establishment. Obama and Trump are very different men. As politicians of the same era, what they share in common was that stunning protest votes unexpectedly brought both to the White House.

Trump would promise to "Make America Great Again," eight years after Obama had promised Americans a "new politics." The "new politics" promised mutual understanding, reconciliation, and healing, including across the national racial divide. Obama simply did not run on the economy. Capitalism came close to collapse in September 2008 after the fall of Lehman Brothers, surviving on state life supports. After Obama's landslide November 2008 victory, holding slim but real congressional majorities, Obama's first administration had a crack at transforming Americans capitalism. Many commentators sensed a "New Deal" scale effort (*Time* 2008). Can capitalism really emerge from such a crippling crisis, basically in the same form?

Yes, it can. Federal Reserve chairman Ben Bernanke and Treasury secretary Timothy Geithner put the US economy back together again, including its ligaments with the global economy (Tooze 2018). According to his memoir, once in office Obama learned of himself that he was a "reformer," one "conservative in temperament" (Obama 2020, 293). Fed bailouts and Geithner's performative "stress tests" of US banks restored US financiers' "confidence" in themselves and one another. Bernanke's Fed threw walls of money into the banking system, crossing new frontiers in "unconventional" monetary policy – offering dollar "swap lines" to select central banks around the world. A 2009 US fiscal stimulus package aided the meager US recovery, while global economic recovery, though meager too, was aided by a far more ambitious Chinese fiscal stimulus. The Chinese chose not to sell off their war chest of US Treasuries. Obama stood between US Wall Street elites and, as the president put it to them himself, "the pitchforks" (Grunwald 2009). In his popular reality television show *The Apprentice*, which ran concurrently with Obama's presidency, Trump did the one thing that Obama would not do as president. As boss, he came to Wall Street and told a bunch of Ivy league educated elites, "You're fired!"

In the end the 2008 crisis was not a rupture. The state did not push capital in a new direction. Many Americans newly enjoyed Obamacare, no small achievement. New financial regulations mattered, too – but also fell prey to regulatory arbitrage. American capitalism emerged looking much the same as it had across the Age of Chaos. Looking at the era since 1982, which saw elongated and muted business cycles, much thanks to the Fed's crisis supports and overarching commitment to "price stability," the Fed chairman once called it the "Great Moderation" (Bernanke

2004). Noting the consistent patterns and trends of the Age of Chaos, I call it instead the "Great Repetition" – which continued after 2008, much thanks to Bernanke's creative efforts. This capitalism still, for instance, had little to offer to large regions of the US outside its core metropolitan economies. Opium talk: Another correlation is strong between opioid use and the most deindustrialized regions of the US, open to foreign trade competition and as a rule excluded from the fruits of the capitalism of asset-price appreciation (Autor, Dorn, and Hanson 2019). The correlation was particularly strong, even, where there were automobile plant closures (Venkataramani, Bair, O'Brien, and Tsai 2020). In these parts of the country, not only opioid use but resentment also festered after 2008.

Trump cultivated that resentment and set it on political fire. As the post-2008, asset-led expansion continued, Obama, in the style of Democratic coastal elites, took his measure of Trump's candidacy. "I've got the economy set up well for him. No facts. No consequences. They can just have a cartoon" (Baker 2018). There is a touch of truth to that. In the run-up to the election of 2016, finally the post-2008 business expansion was beginning to benefit all – there was even a modest retrenchment in inequality after 2015. US political grievances of the 2010s, like those that vilified Obama's blackness, can to an extent be regarded as "post-material." But some of these grievances were rooted in qualities of US social life, like pronounced isolation and loneliness – there was a lot of "social distancing" in the US before COVID offered it the stamp of epidemiological necessity – that can only be explained by reference to economic contexts. Consider the social menace posed by the largest Silicon Valley technology companies, coddled by successive Democratic administrations from Clinton to Obama, their stocks soaring into the stratosphere, their machinations responsible for innumerable pathologies, like surges in self-reported feelings of "isolation" and "trust," drops in "self-esteem," or increases in "neuroticism" (Alattar, Messel, and Rogofsky 2018). Put simply, the Great Recession and the character of the economic recovery from it wore down the reserves of the US political establishment's legitimacy in ways it was incapable of seeing itself, let alone avowing. The Democrats' promotion of the pre-2016 US economy was post-truth politics before Trump.

Surely, in 2016 Trump appealed to the state of the US economy. His fearful rhetoric on walls, borders, immigration, globalization and trade, playing reckless with the facts, directly challenged the ruling wisdom of the Age of Chaos to that point, which had celebrated fluidity, flow, creativity, trans (nationalism and other phenomena too), and the meritocratic sagacity of a highly educated elite. A telling moment in the 2016 presidential debates between Trump and Hillary Clinton came when Trump directly criticized the North American Free Trade Agreement (NAFTA) brought about by her husband President Bill Clinton, as well as the free trade Trans-Pacific Partnership Agreement signed by the Obama administration (Trump later pulled the US out from it). Rather than conceding the larger truth pointed out by Trump, that all trade agreements create winners and losers, and nothing much had been done for NAFTA's losers, Clinton dodged the real issue, called Trump a liar, and condescendingly encouraged undecided voters to buy her book (*Politico* 2016). Bush's politics of post-9/11 fear begat Obama's politics of hope, begat Trump's politics of fear (Levy 2025a).

Donald Trump is not the kind of person one imagines ending an "Age of Chaos." He entered the White House announcing that he would end "American carnage," but his first administration, in policy terms, did not do much. A 2017 income tax was pulled directly from the Reagan playbook. It promised to unleash a round of private productive investment, but it did not. Investment still trended downward. Liquidity preference held. Budget deficits ballooned. The post-2008 asset-led economic expansion further continued. Trump's talk on trade and immigration proved to be mostly anti-globalist bluster. But the fulminations against China, and even some actual tariffs, mattered. It shifted the rhetoric in Washington, DC, opening the possibility of a new policy paradigm. That possibility was taken up, by a group of center-left Democrats in exile from power, who, rattled by Trump's rise and the prospect of Bernie Sanders's 2020 run for the presidency, would ultimately rally around the candidacy of Obama's former vice president, Joe Biden.

Bidenomics

If the 2008 financial crisis created an opportunity to transform capitalism, then so did the 2020 economic crisis, caused by the outbreak of COVID-19. Would this be the moment?

When COVID hit in March 2020, Trump passively sat on his hands. He let the federal bureaucracy dictate lockdowns. He signed the March 2020 $2.2 trillion CARES act to compensate for it and later a $900 billion December 2020 extension. Trump sought little political credit for Operation Warp Speed, the federal project – a massive achievement of the US state – that yielded in record time a working vaccine and saved somewhere between 750,000 and 2.5 million lives (Atkeson 2023, 5; Ioannidis et al. 2025).

When the pandemic broke out, Biden's presidential campaign was comically faltering, but he ben-

efited from Bernie Sanders's surging popularity. Obama made the calls. The Clinton-Obama Democratic Party rallied around Biden as the alternative to Sanders's professed democratic socialism (Allen and Parnes 2021). COVID meant Biden, already showing signs of aging, did not need to run a public campaign. In November, he won a close election. Trump proceeded to take a democratic backslide off the deep end, refusing to accept defeat, and encouraging supporters to attack the U.S. Capitol on January 6th, 2021. Still Trump's command over the Republican Party held.

The term "Bidenomics" was floated early on by journalists to refer to Biden's economic policies, although it was only embraced by the Biden administration in 2023. Biden came into office promising to "Build Back Better." He called for three major pieces of legislation: First, a $1.9 trillion extension of COVID relief, the American Rescue Plan, which extended unemployment insurance and business loans, as well as maintained cash payouts to US citizens; second, a $2.3 trillion (costed out over 10 years) bill, called the American Jobs Plan, focused on modernizing dilapidated infrastructure, green energy, and semiconductor manufacturing; third, a $1.8 trillion (also over 10 years) social spending bill, called the American Families Plan, which would have inaugurated universal preschool in the US, as well as created paid parental and sick leave, among other measures. Paying for the $4.2 trillion trio of bills would be $3.8 trillion of new tax revenue from closing loopholes, increasing the top income tax bracket to 39.6 percent, and raising the corporate income tax from 21 to 28 percent (to where Obama had once proposed to lower it) Biden also proposed to run annual deficits of $41 billion for the next ten years (White House 2021).

Tying together the logic of the Biden administration's economic vision and policies was foremost a critique of post-2008 "austerity." Obama's 2009 fiscal stimulus, Democrats now confessed, had been too small (House Democratic Budget Committee 2020; Wallace-Wells 2022). In 2010, Obama had caved in on budget negotiations with bad faith Republicans, adopting austerity discourse himself. To compensate, the Fed had to keep the monetary spigots wide open. Runaway inflation failed to materialize. During COVID, the Fed injected money and credit into the US financial system at a scale that made 2008 look like a mere dress rehearsal (Wolla and Ihrig 2020). Democrats sought to up the fiscal ante. Biden's economic team held that the right move was to spend, and big. The American Families Plan was largely written by the progressive wing of the Democratic congressional caucus. Biden, influenced by his left-leaning chief of staff at the time, Ron Klain, embraced it.

The moment was a dizzying one. Democrats were emboldened by the summer 2020 uprisings that followed the murder of George Floyd. A cadre of Biden economic advisors, including National Economic Council member Jennifer Harris, National Economic Council head Brian Deese, and National Security Advisor Jake Sullivan, confessed the failures of the party's economic policies under Clinton and Obama, which they willingly labeled "neoliberalism" (Blackwill and Harris 2016; Haris and Sullivan 2020). It, they held, had led to the early twenty-first-century "China Shock," which had gutted US manufacturing employment and produced angry Trump voters. Neoliberal market deregulation had contributed to concentrated corporate power, especially in Silicon Valley, calling for new antimonopoly policies at the Federal Trade Commission, to be carried out by new Biden appointee Lena Kahn (Khan 2017).

The clearest articulation of Build Back Better can be found in a speech given by Janet Yellen, Biden's first Treasury Secretary, at the January 2022 World Economic Forum, long a bastion of global neoliberalism. Congress had already passed the COVID relief bill. Forestalling the notion that Bidenomics was simply demand-side Keynesian stimulus on steroids, Yellen invoked a new "supply-side" vision. Through government spending and tax policy, the state would build and incentivize the creation of new infrastructures, which would increase both labor force participation and productivity, leading to greater economic growth. Meanwhile, Yellen promised that Biden's proposed Build Back Better legislation would address "inequality," by distributing income gains more equally than they had in the past. So would new public support for education, childcare, and eldercare create a more productive and just economy (Yellen 2022).

Next, Build Back Better was mutilated by corporate interests in the US Congress (see Elrod 2024, which I rely heavily upon; other essential commentaries are Gabor, Fertik, Sahay, and Denvir 2023). The American Jobs Plan was split into three bills that ultimately passed in 2022, including the $550 billion Infrastructure and Jobs Act, focused on modernizing roads and other means of travel and communication, the $280 billion CHIPS and Science Act, focused on home-shoring semiconductor manufacturing, and the $370 billion Inflation Reduction Act, focused on climate change mitigation. The American Families Plan failed to get off the ground.

The Build Back Better plan hit the wall where it challenged corporate power. The US business lobby marshalled a full-scale attack against the American Jobs Act and the American Families Plan (Nichols 2021). Business lobbying groups, led by the US Chamber of Commerce and the Business Roundtable (the

corporations ExxonMobil and Pfizer standing out for their initiative) all claimed they would transform the US labor market by granting more power to workers, relative to their bosses. They were right. Lobbying groups like the National Retail Federation objected, quite understandably, as profit margins in US retail now hover around 2–3 percent (Kliesen and Famiglietti 2025). But even in industries where profit margins are in the double digits, like banking and tech, corporate lobbyists howled. Build Back Better would cut into corporate profits. That, they held, would cut into funds available for corporate investment, as would, so the argument went, the higher rate of corporate income taxation. Less corporate investment would then reduce overall US economic employment and growth (Business Roundtable 2021). The problem with these arguments, all of them old ones, was that they had long been belied by the facts. As I have detailed in *Ages of American Capitalism*, in the past neither a reduced rate of corporate income taxation nor an increased rate of corporate profitability had yielded higher rates of capital investment, productivity, and growth. Instead, it was the opposite! No matter. There were not enough votes in the US Senate for Build Back Better.

The aspects of Build Back Better that found their way into legislation, to become actually existing Bidenomics, were those that met with least political resistance from corporate power. They were also those where ideologically many of Biden's advisors were on their preferred footing anyway. An oft-cited 2023 speech by National Security Advisor Jake Sullivan on the need to move beyond "neoliberalism" was notable for its ambivalence – Sullivan decried the notion, "that markets always allocate capital productivity and efficiently," from the perspective of US National Security at least, but still held that the point of public investment was to "unlock the power and ingenuity of private markets, capitalism, and competition" (Sullivan 2023). Did the Biden administration ever really have the gall or desire to contest private corporate power? In June 2021, Biden advisor Anita Dunn, a classic in-and-outer employed by various corporate lobbyists and Democratic presidential administrations, struck a deal with seven Senate Republicans. From Build Back Better, Biden slashed $400 billion for long-term care and $326 billion for affordable housing and public schools. This made possible the passage of the Infrastructure and Jobs Act for the modernization of roads, bridges, airports, ports, water systems, broadband, and electric power. Corporate tax increases were not part of the bill. Next, in 2022, came the CHIPS and Science Act, subsidizing semiconductor manufacturing, followed by the Inflation Reduction Act (IRA) – negotiated by Brian Deese during a day of zip-lining in West Virginia with the Democratic Senate holdout Joe Manchin. Manchin explained to Deese his opposition to public entitlement expansions, but his support for business tax credits.

By design, CHIPS and IRA worked not through direct public investment, but rather largely by offering income tax incentives to induce private corporate investment into semiconductor manufacturing and green energy. The mechanism was familiar. For American liberals, tax incentives to private corporations were the preferred politics of investment ever since private capital won its showdown with FDR during the 1937 recession within the Great Depression. It took capital five years to facedown the most radical elements of the New Deal, but five months to face down the most radical elements of Build Back Better. Tax incentives for private investment had to take a back seat during World War II – public investment won the war and ended the Great Depression – but they were rolled back out when the Cold War set a hard ideological limit against public investment in US politics. As *Ages of American Capitalism* goes on at length, income tax incentives to drive capital investment into industries or geographies have, put bluntly, never worked very well. They promised, for instance, an "urban renewal" in the 1960s that failed to materialize; a revival of US manufacturing in the 1980s that never appeared; an expansion of "economic opportunity" in the 1990s that disappointed. Now, they promise a green energy transition and the "re-shoring" of industries critical for US National Security.

Bidenomics found its footing by appealing to US National Security (Elrod 2024; Tooze 2024). In a continuity with the first Trump administration, China became the great target. Already in early 2020, Trump's advisors had taken notice that 75 percent of all semiconductors were manufactured in East Asia, and, at the urging of Silicon Valley leaders, had begun to discuss subsidies for domestic manufacturing of chips critical for both the US defense industry and US corporate supply chains. Biden agreed with Trump. China had joined the world economy but had not played by the rules of the game. China had stolen US intellectual property, illegally subsidized its exports, and manipulated its currency. No longer would appeals to free market global economic integration and the rhetoric of neoliberalism pull the wool over American eyes (Sullivan 2023). Besides, China hawkery played better in Congress than pleas for universal pre-kindergarten – much better. The Biden administration held classified security briefings for members of the US Senate on the dangers to US National Security when "98 percent of the chips purchased by the Department of Defense are tested and packaged in Asia." Soon, CHIPS passed (Popli 2022). By then, months before, Putin had launched his invasion of Ukraine. The US Con-

gress had pledged $40 billion of aid in May 2022, in the shape of dollars, bombs, and bullets for Ukraine. As always, National Security politics translates into money for the US military-industrial complex.

So, in the National Security context, did the IRA pass – a shell of Build Back Better, tellingly renamed because of the appearance of price inflation in the US by the middle of 2021. By summer 2022, inflation reached 9.1 percent, a level not seen since the 1970s. The underlying "causes" of the 2021–23 inflation were multiple and are subject to great debate (Blyth and Fraccaroli 2025). In order of importance, the transition from the COVID-era economy to the post-COVID economy stands out. Next comes the Russian invasion of Ukraine and its effect on global supply chains, as well as, given concentrated market power, the ability of corporations to continue to hike prices in an already inflationary environment, increasing their profit margins. COVID relief bills made a marginal contribution to the inflation, too (Kaplan, Nikolakoudis, and Violante 2023). That voices (Summers 2022) attributing the singular cause of inflation to a runaway "wage-price" spiral instigated by loose fiscal policy, recalling the 1970s, even got a hearing – when there was no evidence for it – shows just how brittle the 2020 anti-austerity consensus turned out to be. That old 1970s story about inflation, and the solution to it that had both ushered into the Age of Chaos, were rolled back out to great effect. Biden kowtowed to "central bank independence" (Mason and Renshaw 2022). The Fed resorted to the blunt hammer of interest rate hikes. Now, National Security (read: China), European rearmament, and continued Israeli armament in support of Israel's crimes against humanity in Gaza after Hamas's murderous October 7, 2023 attack were the only bases left upon which to defend US public spending. Beyond war and saber-rattling, austerity was back.

However grandiose in vision, Bidenomics added up to this. It extended, temporary COVID-era relief but could not translate it into enduring social policies. During COVID, for instance, the US nearly solved the scourge of childhood poverty, only to quickly un-solve it again (Chotiner 2023). As "industrial policy," the CHIPS and IRA acts were achievements – more than nothing surely (Carey 2023). But they occurred fully within the normal channels of US fiscal politics, so determined by narrow corporate interests, explaining their limits as transformative pieces of legislation. Biden's green energy policies, for instance, dangled incentives but made no attempt whatsoever to undermine the existing US fossil fuel industry. Unsurprisingly, IRA's incentives have not immediately led to as much private investment in green energy as hoped (Chu, White, and Basarkar 2024; Leber 2025). Even as hoped, it is a fraction relative to what is needed, or to, say, the Chinese commitment to renewable energies (Christophers 2024).

If continuity ruled in post-COVID US politics, then continuity ruled in the structure of the US economy, too. The Great Repetition held – if, after 2008, zombies ruled US television and film, like the post-financial crisis banks that, on government support, refused to die, then post-COVID US culture saw a fascination with the rich, like in the show *Succession* (2018–2023), which featured an oedipal struggle that refuses to end, and only repeats, because a father refuses to die – presaging a presidential election between a 78-year-old and an 82-year-old who both had already served as president. In only one show of note, *Severance* (2022–), which features on episode in which the residents of a rural, deindustrialized town are all blissed out on "ether," does opium talk break through.

The combined monetary and fiscal stimuli of post-COVID legislation only amplified the main features of the Age of Chaos. Geographic disparities remained in place. So did an overriding reliance upon asset price appreciation for development – rather than the expansion of incomes from below. Under Biden, US stock markets climbed into the stratosphere, supported by popular "retail investors" armed with their COVID stimulus checks. An estimated one third of COVID stimulus relief went to households paying down mortgages and credit card debt (Koşar et al. 2023). But perhaps 10–15 percent of the COVID stimulus ended up in the US stock market, driving up values by 5–7 percent (Greenwood, Laarits, and Wurgler 2023). There was even the spectacle of the January 2021 popular rally in the stock of GameStop (again in November 2024), embarrassing hedge fund short sellers, in a world-turned-upside-down moment (see Feher 2021). As money and credit continued to slosh around the US economy under Biden, Wall Street turned to ever more creative methods to juice up profits by relying on debt, whether it was the 2021 boom in SPACS (special purpose acquisition companies) or the general trend towards "private credit" and away from public (publicly regulated) capital markets (Naumovska 2021; Avalos 2025). New asset classes to speculate in kept being born, whether in the bevy of speculative cryptocurrencies or their near-farcical brethren, "non-fungible tokens" (NFTs) – Beeple's *Everydays: The First 5000 Days* (2021), which sold for $69.3 million at Christie's and launched NFTs into the mainstream art "asset class," is nothing more, I would submit, than a digital representation of chaos (Christie's 2021). The roll-out of "artificial intelligence" stands to change the way we live, but it is not evident how much and when it will change the economy. The runaway valuations, giant fixed capital outlays before the appearance of demand, starry-eyed hype, and the absence of any evidence

yet for tangible gains in efficiency or productivity (Sukharevsky 2025), recall the late 1990s New Economy stock market bubble. Even prodigious investment in AI-related infrastructures has not reversed the central underlying economic trend of the Age of Chaos: The weakening trend in investment. US net business investment as a share of GDP is lower than it was before the financial crisis of 2007–8 (OECD 2025).

Meanwhile, the Fed stands at the ready to backstop. Even while raising interest rates, which harms ordinary US households, when Silicon Valley Bank failed in 2023 the Fed invoked the "systemic risk exception" to guarantee deposits far above the $250,000 limit set by the Federal Deposit Insurance Corporation, while opening a new, friendly lending facility to commercial banks (Glancy et al. 2024). "Too Big to Fail" holds.

In the end, Bidenomics, let alone Build Back Better, failed because it could not muster an adequate political constituency. It had no social movement behind it. Biden once picked up a bullhorn and joined a union picket line, but the US labor movement was not alone politically capable of advancing Build Back Better. On the left, the most energetic social movements, like Black Lives Matter, were not about green energy. Biden does not deserve all the blame. One can decry the power of the US business lobby, and still admit that part of the reason why Build Back Better failed was that at least some of the beneficiaries of Biden's 2021 relief bill turned to Reddit stock market investing clubs, to speculate with their stimulus checks, rather than taking to the streets to ensure the final triumph over childhood poverty, promised by the American Families Plan. And then, opium talk: If they were not investing, perhaps they were ingesting; most social scientists attribute the sudden increase in opioid use and mortality during the pandemic to "social isolation" or "treatment disruption," but at least one study, although not asserting a causal link, notes that short-lived upticks occurred in "drug-related mortality" after stimulus checks appeared in the mail (Gupta, Nguyen, Wu, and Simon 2022). Of course, like everywhere, price inflation ate away at Biden's popularity among working people.

Bidenomics simply did not win back Trump voters. Trump is the kind of politician that elicits emotional attachments from supporters that do not easily change (was it just too late to reach many of these people? Does decrying "neoliberalism" matter to MAGA?). Finally, despite Build Back Better's capitulation to corporate interests, Biden still bled business support. His administration's attempt to regulate high finance met with nuclear-level responses from the Wall Street lobby (who found favor in the courts). Just the slightest murmur about eliminating tax loopholes on financiers' salaries, or simply the word "antitrust" on Lena Kahn's lips, threw significant portions of Wall Street and Silicon Valley into the camp calling for Trump's restoration – liberal democracy's fate be damned.

It is tempting to speculate about counterfactuals. What if, in early 2021, the Democrats would have made the American Families Plan its top priority? It polled well, and there are far more parents in the US than there are aspiring workers at semiconductor manufacturers or aspiring drivers of US-produced electronic vehicles scheduled to roll of 2030s assembly lines. What if Putin had not invaded Ukraine, contributing to the highest 2022 spike in price inflation? What if Biden had turned to deal with the surge in illegal immigration across the Mexican border earlier? What if Biden had not run for re-election, or the Democratic Party had not been the kind of outfit to even let him try? And we must ask of course: What if Biden had done more to tackle the opioid addiction crisis, made worse by the socially isolating lockdowns that liberals and their anointed experts called for (during the pandemic, more Americans under age 45 died of opioid overdose than COVID), but also by the proliferation of fentanyl, much of it trafficked across the Mexican border (Centers for Disease Control 2025)? While Operation Warp Speed arrested COVID's ravaging of the elderly and the sick, with no corresponding public health initiative to combat it opioid's ravaging of its targeted population grew only worse, throwing more support to Trump (Williams 2024).

These questions are all worth considering. For someday with the benefit of more hindsight some historians will look back and emphasize what Bidenomics presaged. Nonetheless, from our present the fragility of Bidenomics is attested to by the ease with which Trump has rolled most of it back. The green subsidies are gone, replaced by chants of "burn, baby, burn" and "drill, baby, drill." Crypto is being cut loose from the Biden administration's cautious regulatory ties. To hold up Biden's original American Families Plan alongside Trump's Big Beautiful Bill of 2025, which viciously cut US social spending to favor the wealthy, is to induce vertigo. For now, it is back to tax cuts for the wealthy, more asset-price appreciation, and even greater Trumpian assaults on liberal democratic institutions. Build Back Better was a blip, before another blip, Bidenomics, before Trump's return to power.

Global conjuncture?

Commanding the headlines during the first year of his second administration has been Trump's "assault" on the international economic order. Early domestic initiatives quickly faded. Elon Musk's attack on the feder-

al bureaucracy through DOGE (Department of Government Efficiency), for instance, turned up little savings, a mere $2 billion (Riedl 2025). Its main effect was to contribute to the ongoing demoralization and politicization of the US federal bureaucracy – no minor matter. Trump's foreign economic policies include his violent crackdown on illegal immigration, but even here the politics, if ugly, are largely symbolic. Above all else, there has been Trump's barrage of proposed, and even some enforced, tariffs. Inspired by Trump, Bidenomics was willing to qualify US support for global free trade. The second Trump administration looks to be up to something entirely different. But what exactly, when set in the long sweep of US worldwide economic hegemony (see Johnson 2025)?

The Age of Chaos saw new economic relationships between the US and the world. After WWII, the US, like most world economic hegemons before, became a net exporter of capital and goods, spreading US culture with them. Meanwhile, under the umbrella of the 1944 Bretton Woods Agreement, admissible national capital and currency controls created some degree of room for non-US economies to industrialize. The Bretton Woods system was always fragile but entered terminal crisis in the early 1970s. An interregnum followed, which saw global speculative runs on the US dollar, the world reserve currency since 1945 and, after 1971, no longer pegged to gold. In part, Volcker rolled out the weapon of the high interest rate in the US to salvage the global value and preeminence of the US dollar.

Post Volcker shock, novel global configurations emerged. Call it a US world economic hegemony 2.0. The US now became a net importer of capital and goods. Enabled by the surge in private and public debts, Wall Street achieved new heights of global financial dominance, the US dollar reigned supreme and US Treasuries solidified as the world's great dollar-denominated reserve asset, and the US consumer market became the consumer market of last resort for the world's export-led manufacturers – soon enough, including Chinese low-wage manufactures. One scours the historical record for precedents (Maier 2006). The post-1982 US became the first world economic hegemon to systemically import, rather than export, capital and goods.

One may choose which end of the stick to pick up, when understanding the logic of US world economic hegemony across the Age of Chaos. Was it trade – the US trade deficit? Or was it finance – US capital imports? From an accounting standpoint, they are the same stick. If not by equal exports, then US imports must be financed by imports of capital. So must US budget deficits be financed, which because of global demand for US Treasuries as reserve assets has been far easier for the US to do. Thus, the double "exorbitant privilege" of the US dollar. US citizens have enjoyed a level of personal consumption and national public debt unimaginable anywhere else.

What cries out for explanation is the endurance of this global economic configuration across the twenty-first century. Many thought Bush's feckless war in Iraq would begin to unravel US global primacy. It did not. The 2007–8 global financial crisis, whose ground zero was Wall Street? Nope. Trump's election in 2016? Not that either. Trump's election in 2024... So far the structure of US hegemony has held.

No doubt, Trump and his policy team have a critique of US empire 2.0, most forcefully articulated by Stephan Miran (Miran 2024). The focus is on trade. Trump's obsession with "winning" or "losing" bilateral trade balances may be uninformed by global macroeconomics. But Trumpists are not wrong to insist that world trade creates winners and losers, and that some of the relative losers of the past decade – opium talk – have resided within US borders. Unlike what neoliberal ideology promised, the market did not just make things all work out for everybody.

The question becomes, can Trump through his chaotic tariff policies remake the international economic order, and if so towards what end exactly? As a benchmark, most commentators insist Trump is attacking the post-WWII international economic order, because of its abstract commitment to free trade. But it makes more sense to contextualize his actions in the post-1982 era, to see Trump as trying to weaponize the post-1982 US consumer market, to achieve "wins" for the US. This has led to some punishing new tariffs, on countries like Indonesia, Brazil or India. Nonetheless, more opium talk: In the effort to score "wins," as Nic Johnson writes, "Trump's trade war is better explained not as an economic endeavor but as a culture war" to restore a lost sense of American pride (Johnson 2025). Prophecies of imminent worldwide economic collapse by liberal commentators because of, say, 10 percent tariffs, were foolhardy. The real question is whether, after Trump's trade wars, the US consumer market will retain its global primacy. We shall see. At this writing, Trump has yet to install new tariff regimes with respect to the US's three leading trading partners: China, Canada, and Mexico. In my view, Trump is far more likely to smash up the old order than to inaugurate a new global economic one. That task will await future administrations, should they pursue it.

Doing so will require approaching the role of the US in the global economy from the angle of finance, not just trade. As I see it, it is the structure of global capital that creates the conditions in the first instance for US trade balances, although both empiri-

cally and theoretically an inconclusive debate rages about whether trade or finance is the genuine driver of the characteristic elements of post-1982 US hegemony (emphasizing trade is Klein and Pettis 2020; emphasizing finance, Bank for International Settlements 2022 and Levy 2025b). More opium talk: The debate has its parallel in academic debates over the dynamics of early modern global trade, so driven by Chinese demand for silver, the world's great monetary base and reserve asset before opium imports took over and the world went on the British gold standard (Levy 2025b, 200–27). So far, following in Bidenomics' footsteps, the second Trump administration has not dared touch global financial relationships. The US dollar has declined somewhat in value across 2025, while gold has soared, but remains nonetheless near historic highs. US capital markets are still great draws for global capital and continue to set valuation records. Despite vintage fears of "bond vigilantes" the US has had little trouble yet finding a global market for US treasuries. Again: Continuity so far.

With that said, it is worth speculating that it might be possible to see the rise of a US hegemony 3.0, whose defining characteristic would be the propping up of the current global economic order by non-US actors – especially non-US private and public owners of wealth, still committed to the US dollar's global role. By definition, hegemony functions by the cooptation of those who are subordinate to it. But are not the lines of co-optation at risk of becoming blurred, if not reversed? US hegemony is sustained, despite Trump's antics, or anything else, come what may. So far, global wealth has largely shrugged at Trump's illiberalism, or the steady ramping up of his assaults on US liberal democratic norms. There are simply far too many foreign asset managers yearning to invest in US dollar-denominated assets, and too many states enjoying the benefits of protection under the umbrella of the US military, for US hegemony to melt away. There are also still too many teenagers throughout the world learning English by watching bad shows on Netflix. American culture strikingly exhibits the point at hand. Much more so than its macroeconomy, American culture suffers from a Great Repetition, indicated by Hollywood's recycling of the same film franchises (the global market share of American films has declined over the last decade). Yet, Hollywood still predominates. Netflix's #1 show may be a Korean drama, Squidgame, and K-pop may dominate global music – but even then, it is still dwarfed by the singular American phenomenon of Taylor Swift (born in Reading, Pennsylvania, a region with high rates of addiction to opioids.)

Not only US hegemony 2.0 but also 3.0 contains novel historical characteristics, in its relation to the global scale. Because of that scale, we should not necessarily expect a smooth transition among state hegemons, like what transpired when British world hegemony gave way to American after WWII. Today, perhaps global logics are more capable of holding international relationships in place (Bright and Geyer 2002). In economic governance, nowhere is this more apparent than in the *de facto* role of the US Federal Reserve as a global central banker (Choi et al. 2022). All this provides good reason to be skeptical of the possibility, perhaps indulged by Trumpists and surely indulged by Putin, of a coming world order divided among regional "spheres of influence" controlled by the Chinese, the Russians, and the Americans. Far more likely, should the current global order completely unravel, would it be to see a fossil fuel powered US face off against a green energy powered China. No matter what happens, ultimately the key thing to watch is what happens between the US and China.

What would it take, then, for there to genuinely be a real transition to a new age of American capitalism, if not something else altogether? One thing that I think is different in the US today compared to 2008, even 2020, is the now robust, confident body of scholarship on capitalism and political economy – across theory, empirical research, and innovative policy proposals. It will be a rich resource, the next time a political caesura opens. One can only speculate about what might happen, domestically, should the apparent abolition of the US business cycle through central bank ingenuity ever prove fleeting and a sharp US economic downturn occur. Before COVID, the post-2009 US business cycle expansion was already the longest on record, and without the pandemic likely would still be continuing. In the next crisis, might aspects of Bidenomics, or even Build Back Better, return to US domestic politics? Or the thrust of the American Families Plan, implicit in the COVID relief legislation signed by both Trump and Biden? What about climate change-induced planetary crises? Could they reach a tipping point? The argument of *Ages of American Capitalism* was that transitions in past ages was largely determined by those moments when the state managed to finally get out in front of capital, in the course of events. This time around, the future of US capitalism may also hinge upon choices made outside US borders about the future of US global hegemony. Until then, the US opioid crisis – like opium in the Qing twilight – remains not so much a herald of transformation as a symptom of crisis without resolution.

References

Alattar, Laith, Matt Messel, and David Rogofsky. 2018. "An Introduction to the Understanding America Study Internet Panel." *Social Security Bulletin* 78 (2): 13–28.

Allen, Jonathan, and Amie Parnes. 2021. *Lucky: How Joe Biden Barely Won the Presidency.* New York: Crown.

Atkeson, Andrew. 2023. *The Impact of Vaccines and Behavior on U.S. Cumulative Deaths from COVID-19.* NBER Working Paper No. 31525. Cambridge, MA: National Bureau of Economic Research, August.

Arteaga, Carolina, and Victoria Barone. 2024. "Democracy and the Opioid Epidemic." Working Paper. https://viquibarone.github.io/baronevictoria/OpioidsDemocracy_ArteagaBarone.pdf.

Avalos, F. 2025. "The Global Drivers of Private Credit." *BIS Quarterly Review,* March.

Autor, David, David Dorn, and Gordon Hanson. 2019. "When Work Disappears: Manufacturing Decline and the Rise of Opioid Mortality in the United States." *American Economic Review: Insights* 1 (2): 1–18.

Baker, Peter. 2018. "How Trump's Election Shook Obama: 'What if We Were Wrong?'" *New York Times,* May 30.

Bank for International Settlements. 2022. "The Global Dollar Cycle." In *Annual Economic Report 2022,* 1–24. Basel: Bank for International Settlements, June 26. https://www.bis.org/publ/arpdf/ar2022e.htm.

Bernanke, Ben S. 2004. "The Great Moderation." Remarks at the Meetings of the Eastern Economic Association, Washington, DC, February 20. Board of Governors of the Federal Reserve System.

Blackwill, Robert D., and Jennifer M. Harris. 2016. *War by Other Means: Geoeconomics and Statecraft.* Cambridge, MA: Belknap Press of Harvard University Press.

Blyth, Mark, and Nicolò Fraccaroli. 2025. *Inflation: A Guide for Users and Losers.* New York: W. W. Norton & Company.

Braun, Benjamin, and Brett Christophers. 2024. "Asset-Manager Capitalism: An Introduction to Its Political Economy and Economic Geography." *Environment and Planning A: Economy and Space* 56 (2): 546–57.

Bright, Charles, and Michael Geyer. 2002. "Where in the World Is America? The History of the United States in the Global Age." In *Rethinking American History in a Global Age,* edited by Thomas Bender, 63–100. Berkeley: University of California Press.

Business Roundtable. 2021. "Business Roundtable Statement on Build Back Better Framework." *Business Roundtable,* October 28. https://www.businessroundtable.org/business-roundtable-statement-on-build-back-better-framework.

Carey, Lachlan. 2023. "Green Industrial Strategy." *Phenomenal World,* May 20.

Case, Anne, and Angus Deaton. 2020. *Deaths of Despair and the Future of Capitalism.* Princeton, NJ: Princeton University Press.

Centers for Disease Control and Prevention (CDC). 2025. "Understanding the Opioid Overdose Epidemic." Accessed October 2025. https://www.cdc.gov/overdose-prevention/about/understanding-the-opioid-overdose-epidemic.html.

Cheney, Kyle, Heidi Przybyla, John Sakellariadis, and Lisa Kashinsky. 2024. "'The Threat Remains': Trump's Path to Overturning a 2024 Defeat." *Politico,* October 20.

Choi, M., L. Goldberg, R. Lerman, and F. Ravazzolo. 2022. "The Fed's Central Bank Swap Lines and FIMA Repo Facility." *Federal Reserve Bank of New York Economic Policy Review* 28 (1) (June): 94–116.

Chotiner, Isaac. 2023. "How the U.S. Lifted Children Out of Poverty and Then Threw Them Back Into It." *The New Yorker,* September 20.

Christie's. 2021. "Beeple's *Everydays: The First 5000 Days* Sells for $69.3 Million." *Christie's*, March 11. https://www.christies.com/features/beeple-everydays-the-first-5000-days-11510-7.aspx.

Christophers, Brett. 2024. *The Price Is Wrong: Why Capitalism Won't Save the Planet.* London: Verso.

Chu, Amanda, Alexandra White, and Rhea Basarkar. 2024. "Delays Hit 40% of Biden's Major IRA Manufacturing Projects." *Financial Times,* August 11.

Coppins, McKay. 2024. "This Is Not the End of America." *The Atlantic,* November 1.

Diamond, Larry. 2015. "Facing Up to the Democratic Recession." *Journal of Democracy* 26 (1) (January): 141–55.

Dikötter, Frank, Lars Laamann, and Zhou Xun. 2004. *Narcotic Culture: A History of Drugs in China.* Chicago: University of Chicago Press.

Elrod, Andrew Yamakawa. 2024. "What Was Bidenomics? From Build Back Better to the National Security Synthesis." *Phenomenal World,* September 26.

Feher, Michel. 2021. "Another Speculation Is Possible: The Political Lesson of r/WallStreetBets." *Progress in Political Economy,* February 5.

Gabor, Daniela, Ted Fertik, Tim Sahay, and Daniel Denvir. 2023. "Defining Bidenomics." *Phenomenal World,* September 2.

Ghosh, Amitav. 2024. *Smoke and Ash: Opium's Hidden Histories.* New York: Farrar, Straus and Giroux.

Glancy, David, et al. 2024. "The 2023 Banking Turmoil and the Bank Term Funding Program." *FED Working Paper* No. 2024–45. Washington, DC: Board of Governors of the Federal Reserve, June 12.

Greenwood, Robin, Toomas Laarits, and Jeffrey Wurgler. 2023. "Stock Market Stimulus." NBER Working Paper No. 29827. Cambridge, MA: National Bureau of Economic Research (March 2022, revised January 2023).

Grunwald, Michael. 2009. "Inside Obama's Bank CEOs Meeting." *Politico,* April 1.

Gupta, Sumedha, Thuy D. Nguyen, Patricia Wu, and Kosali I. Simon. 2022. "Did COVID-19 Stimulus Checks Fuel the Opioid Epidemic?" *NBER Working Paper* No. 29675, January.

Harris, Jennifer, and Jake Sullivan. 2020. "America Needs a New Economic Philosophy. Foreign-Policy Experts Can Help." *Foreign Policy,* February 7.

House Democratic Budget Committee. 2020. *Reexamining the Costs of Debt in an Era of Low Interest Rates.* Washington, DC: House Budget Committee, January 8.

Hudson, T. J. et al. 2017. "Pharmacoepidemiologic Analyses of Opioid Use among OEF/OIF/OND Veterans." *Pain* 158 (6) (June): 1039–45.

Ioannidis, John P. A., et al. 2025. "Estimated Number of COVID-19 Mortality Averted Globally by Vaccination, 2020–2024." *JAMA Health Forum* 6 (7): e252223.
Johnson, Nic. 2025. "Breaking the Conveyor Belt." *The New York Review of Books,* April.
Kaplan, Greg, Georgios Nikolakoudis, and Giovanni L. Violante. 2023. "Price Level and Inflation Dynamics in Heterogeneous Agent Economies." NBER Working Paper No. 31433, National Bureau of Economic Research.
Katz, Josh. 2017. "Drug Deaths in America Are Rising Faster Than Ever." *New York Times,* June 5.
Keefe, Patrick Radden. 2021. *Empire of Pain: The Secret History of the Sackler Dynasty.* New York: Doubleday.
Khan, Lina M. 2017. "Amazon's Antitrust Paradox." *Yale Law Journal* 126 (3): 710–805.
Klein, Matthew C., and Michael Pettis. 2020. *Trade Wars Are Class Wars: How Rising Inequality Distorts the Global Economy and Threatens International Peace.* New Haven: Yale University Press.
Kliesen, Kevin L., and Matthew Famiglietti. 2025. "What's Driving the Surge in U.S. Corporate Profits?" *On the Economy Blog,* Federal Reserve Bank of St. Louis, April 18. https://www.stlouisfed.org/on-the-economy/2025/apr/whats-driving-surge-us-corporate-profits.
Koşar, Gizem, Davide Melcangi, Laura Pilossoph, and David Wiczer. 2023. *Stimulus through Insurance: The Marginal Propensity to Repay Debt.* New York Fed Staff Report No. 1065
Leber, Rebecca. 2025. "Biden Pulled Off a $370 Billion Miracle for the Climate. Where Did the Money Go?" *Vox,* January 24. https://www.vox.com/climate/391681/inflation-reduction-act-biden-ev-credit-trump-musk.
Leffler, Melvyn P. 2023. *Confronting Saddam Hussein: George W. Bush and the Invasion of Iraq.* New York: Oxford University Press.
Levitsky, Steven, and Lucan A. Way. 2015. "The Myth of Democratic Recession." *Journal of Democracy* 26 (1) (January): 45–58.
Levy, Jonathan. 2021. *Ages of American Capitalism: A History of the United States.* New York: Random House.
Levy, Jonathan. 2025a. "The Opacity of Hope." *Project Syndicate,* February 28.
Levy, Jonathan. 2025b. *The Real Economy: History and Theory.* Princeton: Princeton University Press.
Maier, Charles S. 2006. *Among Empires: American Ascendancy and Its Predecessors.* Cambridge, MA: Harvard University Press.
Mason, Jeff, and Jarrett Renshaw. 2022. "Biden Vows to Give Fed Chair Powell 'Space' to Fight Inflation." *Reuters,* May 31.
McAllister, William B. 2007. "'Wolf by the Ears': The Dilemmas of Imperial Opium Policymaking in the Twentieth Century." In *Drugs and Empires: Essays in Modern Imperialism and Intoxication, c.1500–c.1930,* edited by James H. Mills and Patricia Barton, 216. New York: Palgrave Macmillan.
McMahon, Keith. 2005. "The Fall of the God of Money: A Chinese Account of Opium Addiction." In *Dynastic Crisis and Cultural Innovations from the Late Ming to the Late Qing and Beyond,* edited by David Der-wei Wang and Shang Wei, 325–44. Cambridge, MA: Harvard University Press.
Miran, Stephen. 2024. *A User's Guide to Restructuring the Global Trading System.* Hudson Bay Capital Management, November.
Monnat, Shannon M. 2016. "Deaths of Despair and Support for Trump in the 2016 Presidential Election." Penn State Research Brief, December.
Naumovska, Ivana. 2021. "The SPAC Bubble Is About to Burst." *Harvard Business Review,* February 18.
Nichols, Hans. 2021. "Big Business Sharpens Attack on Build Back Better." *Axios,* November 10.
Obama, Barack. 2020. *A Promised Land.* New York: Crown.
OECD. 2025. "Reigniting Investment for More Resilient Growth." In *OECD Economic Outlook,* Volume 2025, Issue 1. Paris: OECD, June 3.
Peters, David J., Shannon M. Monnat, Andrew L. Hochstetler, and Mark T. Berg. 2020. "The Opioid Hydra: Understanding Overdose Mortality Epidemics and Syndemics Across the Rural-Urban Continuum." *Rural Sociology* 85 (3): 589–622.
Philippon, Thomas. 2019. *The Great Reversal: How America Gave Up on Free Markets.* Cambridge, MA: Belknap Press of Harvard University Press.
Politico. 2016. "Full Transcript: First 2016 Presidential Debate." *Politico,* September 27. https://www.politico.com/story/2016/09/full-transcript-first-2016-presidential-debate-228761
Pomeranz, Kenneth. 2010. "Their Own Path to Crisis? Social Change, State-Building and the Limits of Qing Expansion, c.1770–1840." In *The Age of Revolutions in Global Context, c.1760–1840,* edited by David Armitage and Sanjay Subrahmanyam, 189–208. New York: Palgrave Macmillan.
Popli, Nik. 2022. "A National Security Briefing Helped Pass the Chips Bill." *Time,* July 28.
Powell, David, Bryce Pardo, Priscillia Hunt, Rosalie Liccardo Pacula, and Bradley D. Stein. 2025. "Estimates of Illicit Opioid Use in the U.S." *JAMA Health Forum* 6 (6): e231234.
Rajan, Raghuram G. 2019. *The Third Pillar: How Markets and the State Leave the Community Behind.* New York: Penguin Press.
Riedl, Jessica. 2025. "The Actual Math Behind DOGE's Cuts." *The Atlantic,* May 8.
Rothstein, Jesse. 2023. "Labor Markets and Inequality in the Post-Pandemic United States." Working Paper. Berkeley: Institute for Research on Labor and Employment.
Schwartz, Herman Mark. 2022. "From Fordism to Franchise: Intellectual Property and Growth Models in the Knowledge Economy." In *Diminishing Returns: The New Politics of Growth and Stagnation,* edited by Lucio Baccaro, Mark Blyth, and Jonas Pontusson, 74–97. Oxford: Oxford University Press.
Stokes, Susan C. 2025. *The Backsliders: Why Leaders Undermine Their Own Democracies.* Princeton, NJ: Princeton University Press.
Sullivan, Jake. 2023. "Remarks by National Security Advisor Jake Sullivan on Renewing American Economic Leadership at the Brookings Institution." *The White House,* April 27.
Sukharevsky, Alexander, et al. 2025. *Seizing the Agentic AI Advantage: A CEO Playbook to Solve the Gen AI Paradox and Unlock Scalable Impact with AI Agents.* McKinsey & Company, June 13.
Summers, Lawrence H. 2022. "The Fed Is Charting a Course to Stagflation and Recession." *Washington Post,* March 16.
Time. 2008. "The New New Deal." *Time,* November 24.
Tooze, Adam. 2018. *Crashed: How a Decade of Financial Crises Changed the World.* London: Allen Lane.
Tooze, Adam. 2024. "Great Power Politics: What Was Bidenomics?" *London Review of Books,* November 9.
Vance, J. D. 2016a. *Hillbilly Elegy: A Memoir of a Family and Culture in Crisis.* New York: Harper.
Vance, J. D. 2016b. "Opioid of the Masses." *The Atlantic,* July 4.

Varoufakis, Yanis. 2011. *The Global Minotaur: America, Europe and the Future of the Global Economy.* London: Zed Books.
Venkataramani, Atheendar S., Elizabeth F. Bair, Rourke L. O'Brien, and Alexander C. Tsai. 2020. "Association Between Automotive Assembly Plant Closures and Opioid Overdose Mortality in the United States: A Difference-in-Differences Analysis." *JAMA Internal Medicine* 180 (2) (February 1): 254–62.
Wallace-Wells, Benjamin. 2022. "The Democrats' Midterm Challenge." *The New Yorker,* October 31.
Wallerstein, Immanuel, Carlos Antonio Aguirre Rojas, and Charles C. Lemert. 2012. *Uncertain Worlds: World-Systems Analysis in Changing Times.* Boulder, CO: Paradigm Publishers.
Wei, Shang-Jin. 2024. "The Global Implications of China's Stimulus Package." *Project Syndicate,* October 3.
White House. 2021. "President Biden Announces the Build Back Better Framework." *White House,* October 28. https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2021/10/28/president-biden-announces-the-build-back-better-framework/.
Williams, Paige. 2024. "Did the Opioid Epidemic Fuel Donald Trump's Return to the White House?" *The New Yorker,* November 6.
Wolla, Scott A., and Jane Ihrig. 2020. "COVID-19's Effects on the Economy and the Fed's Response." *Page One Economics,* Federal Reserve Bank of St. Louis, August.
Yellen, Janet L. 2022. "Remarks by Secretary of the Treasury Janet L. Yellen at the 2022 'Virtual Davos Agenda' Hosted by the World Economic Forum." *U.S. Department of the Treasury,* January 21.
Zelden, Charles L. 2020. *Bush v. Gore: Exposing the Growing Crisis in American Democracy.* Lawrence, KS: University Press of Kansas.