CHAPTER 4

The Return of the Individual

The smallest conceivable social organization is that of a Robinson Crusoe on his island. Individuals are the atoms of society. Does it mean that organizations' trend toward downsizing necessarily implies a trend toward increased individualism? Facts proved that the answer is yes.

All the intellectual and political transformations that occurred everywhere since the late sixties can thus be considered as the materialization of the transformations undergone by all the organizational structures: not only the almost anarchist precursory student demonstrations against the administrative authorities but also the democratic reforms that have toppled the authoritarian regimes—one after the other—from the early seventies onward.

PRECURSORY AND ANARCHIST MOVEMENTS

In the late sixties, student discontent was on the increase in rich countries. They were a good illustration of the individual's revolt against social authorities and established institutions. These were anarchist movements against the bureaucratic order that often tried at first to situate themselves politically—with much difficulty and confusion—

in the traditional early-century divide between the "revolutionary" Left and the "conservative" Right. But for once, they also sometimes criticized the so-called Leftist bureaucracies, that is the state's power in communist countries and the mass communist parties in capitalist countries.

It had all started in Berlin in 1967 with spontaneous student demonstrations. Admittedly, for a few years U.S. students had been expressing their opposition to the Vietnam War and the national military service, and also for a few of them to the racial discrimination against African Americans, particularly in the southern states. The opposition to war and the protection of civil rights, especially those of the Blacks, corresponded to an universal fight for individual rights against the existing society. This is true of all generations but in those years the turmoil was much more intense.

In 1968, riots opposed the students—and sometimes the teachers—of Berkeley and Columbia to the "regents," the deans of these universities. Then, in May, some 150 leftist demonstrators protested in Paris against the working conditions and selection methods of the new University of Nanterre, a Paris suburb, with the support of several hundred sympathizers. One week later, the crisis spread to all the universities and ended in the "Commune of the Sorbonne," an explicit reference to the insurrection of the Paris Commune in 1871. At that time, it was a revolt against the rulers which had caused the defeat of France in the war against Germany. The 1968 revolt was against public authorities, which were accused of having caused the failure of higher and secondary education, and consequently of the students.

During the following weeks, the student unrest spread to the United States and Europe, disrupting life in universities and giving a hard time to the authorities, which often gave in and resigned.

But this phenomenon spread broader than universities and capitalist countries. In July 1968, the Soviet invasion of Czechoslovakia aimed at punishing the Czech leaders who had tried to affirm their independence, which was deemed dangerous and unbearable by the

Russian occupying forces. Pacific but determined resistance arose in the streets. Jan Palach, a student, set fire to himself, like the Vietnamese bonzes who protested against the American occupation.

In 1969, the massive strikes in Poland confirmed the role of protest leader, Lech Walesa, the future president. The same year in August, riots in Belfast put Bernadette Devlin forward. At the same time, fundamentalist terrorism developed in the Middle East.

Anarchists vs. Bureaucrats

The common characteristic of all these events of varying importance was the anti-authority revolt, the decisive role of small groups and individuals and the direct and militant initiative which brought the collapse of the traditional political apparatus. An ideology of protest tried to develop beyond the existing logomachy. It was an anarchist ideology, advocating individual liberty and spontaneous order, and refusing submission to the great hierarchical organizations, armies, universities, governments and centralized bureaucracies. To be spontaneous and express one's own aspirations was the order of the day.

Much logically, the Communists, the greatest supporters of bureaucratic and centralizing organization, were those who aborted the revolution by helping the conservative government. And this is not on a simple whim that Cohn-Bendit especially gibed at the "Stalinian crooks": the Communists were the greatest advocates of hierarchical organization and bureaucratic discipline.

It was not very surprising that the revolt spread so much in France given the extreme centralization of the Napoleonic, military-like, hierarchy that governed universities. Extreme bureaucratic rigidity inevitably leads to occasional but profound collapses. When it collapses, extreme centralization can only be replaced by anarchy, as there is no legal framework that can manage organized decentralization.

The same was true in Germany, where the revolt against the especially heavy hierarchies manifested itself in extreme violence with

the atrocities of the "Red Army Faction." A degree of violence that can only be compared to that of the anarchist movements of the late nineteenth century, a period where large hierarchical organizations—both public and private—developed and gained influence.

Beyond the iron curtain, the Prague Spring of 1968 was further evidence of the depth of the nonviolent popular revolt against the Russian army and centralized communism. A revolt that was more individualist and Libertarian than nationalist or economic.

In the United States and the United Kingdom, two liberal economists, James Buchanan and Nicos Devetoglou, tried to take stock of these events which were particularly puzzling for academics of liberal and conservative origins. They published *Academia in Anarchy: An Economic Diagnosis* (Basic Books, 1970), an essay in which they vehemently condemned the destruction of academic institutions that they considered as the guarantors of a certain individualism and of fundamental liberties. And the word "anarchy" that they used in the book's title was the most appropriate, as it meant the most radical reaction possible against the hierarchical order, including that of the large universities, the only organizations with which the students were really familiar, apart from military institutions for a few of them.

In fact, the lack of an organization model likely to replace the large hierarchies called for anarchy. Giving a sociological explanation of the May 1968 protests in France, Raymond Aron stressed that conceptual weakness:

> In the absence of a model that fulfills our aspirations, these bouts of fever essentially appear as being negative, nihilist or destructive. Which model could fulfill the revolutionaries' aspirations given the Soviet model is super-bureaucratic? The true revolutionaries of May 1968 believed in direct democracy, as they were in a sense more anti-soviet than anti-capitalist. However, they presented themselves as Marxists, which is paradoxical given a planned society could hardly be less bureaucratic than a semi-liberal capitalist society. Admittedly, in the latter, there is a bureaucracy within each company,

> a state bureaucracy. But a planned society leaves even less room for liberty, people and initiatives.[1]

He was indisputably right, but the subsequent developments, which he could not foresee, then showed that there was nevertheless another conception of social organization, and that there could be a de-bureaucratization and de-hierarchization of the Soviet planned society and of the Western semi-bureaucratic or semi-liberal societies.

Such was the fully justified goal of the revolts of the sixties. They heralded the great return of individualism, liberalism, and markets. All those elements were compatible despite the misunderstanding that appeared in Europe, and especially in France, where individualism was thought to be anti-capitalist. The great tragedy of the "revolutionaries" of that time was that they could not rely on a coherent vision, an alternative ideology as they were—and many still are—obsessed by the traditional divide between "the Right" (favorable to both capitalists and bureaucrats but which advocated markets and individual initiatives), and "the Left" (favorable to both the wage earners and the bureaucrats but which only trusts bureaucratic mechanisms). As they were opposed to the markets, they were eventually rejected by the bureaucratic hierarchy they hated.

That is what makes the success of the Green Party ambiguous today, as it relies on different demands but expresses the same rejection of large organizations. Yet they should note that, although their opponents are mainly the large industrial firms that pollute the environment, these companies can equally be a public company (a nuclear plant) or a private company. The hostility to capitalism, which is expressed through a condemnation of the markets, is mainly due to the fact that the previous period gave the example of a capitalism of large organizations, reducing the role of the market and its individualistic and decentralized functioning.

1. Raymond Aron, *The Elusive Revolution: Anatomy of the Student Revolt*, Praeger Publishers, 1969, p. 47.

Until then, and since the defeat of the fascist regimes, student revolts had resolutely presented themselves as supporters of left-wing parties and ideologies—supporters of the Communist regimes. The domestic protest thus joined force with the external attack of the Soviet empire against the western capitalist-dirigistes regimes.

But with the new anarchist movement, the target changed radically. Political and economic powers, together with political and social authorities, were all lumped together, regardless of their ideologies.

So what did the protesters denounce? A certain organizational mode of the societies that gave a greater importance to the economy and to the markets, or on the contrary the one that gave priority to the community and the political authorities? All the organizations and authorities, all the social powers were a priori suspect. The protesters' ideal was a society of individuals free from any coercion.

The common myth that inspired the anarchist movements was that of the "revolution," on the model of 1917 or 1789. It had the advantage to challenge the authorities, the mandarins, the bourgeois, but also the Communist regimes and their allies, the western left-wing parties, a criticism which had never been heard before. And that myth followed from a romantic conception, which gave to the active individual an excessive role in the social changes. He was supposed to be able to deflect the course of history, just as the governments divert—through constraint and concerted engineering—the course of rivers. This is the myth of the king-individual, the all-powerful individual.

Admittedly, many have objected that this conception was totally immature. But, although the activists spoke with childish words, it seems they well understood that the transformations underway would change dramatically all the societies. It is interesting to note that the former wave of anarchy took place at the very beginning of the modern period, at the end of the (chronological) nineteenth century and at the start of the first twentieth century. In other words, at a time

when the society coagulated into a group of centralized organizations: large states, empires, bigger-than-ever firms, trusts and cartels.

Today, it appears in retrospect that the late sixties somewhat marked the apogee of that system. On the world level, there only remained two empires, two superpowers engaged in a more or less latent conflict, while the most profitable firms were also the largest, like Ford or General Motors, state education ministries or even IBM. The big bosses of the world were chairmen of conglomerates, a type of organization that blossomed in the sixties. The standardization methods introduced by Ford in the early century were still in place. Large centralized organizations spread quickly in both the public and private sectors. These large organizations drove growth and sustained the post-war prosperity. The wealth they produced enabled the advent of the consumption society, and above all, the mass consumption of standardized products that Ford advocated for economical reasons, because of their efficiency.

That is what the students broadly "revolutionized" against, as they could not find more accurate words, ideas and targets. They mainly criticized the "mass" aspect of consumption, roughly saying: "If consumption implies being absorbed by an hierarchic, mass society, then given the level of well-being we have already reached, we prefer to renounce to further consumption and gain freedom and individualism."

Commentators focused on the opposition to consumption in general while most of the students' critics concerned mass consumption. It was not an elitist critic of the society either, as some people believe, but only an individualistic critic, with everyone heading their own direction with this slogan in mind: "do your own thing."

Manufacturers got it right, as they managed to fuel ever-increasing sales by offering a very large range of products, given this seemed to be what the population was looking for. There was no renunciation of consumption as a whole but everyone could obtain the variety that enables an individualization of the ways of life. And indeed today, the

same basic car model is available in 36 variants, while the number of manufacturers has been increasing in the world.

An Elusive Revolution?

Commenting on the developments of that "elusive revolution," Raymond Aron strongly underlined its anarchist leanings: teachers and students asked the supervision authorities for "true autonomy," "hierarchies, which had always been too rigid in France, suddenly collapsed and were supplanted by egalitarian illusions" and "the only ideology of the student demonstrators [. . .] was to refuse all disciplines. They claimed to follow the anarchist principles, a so-called ideology that was obviously incompatible with the organization of a modern society," and all the practices of the general meetings of the faculties, the scenes of the psychodrama at that time, showed that there was "a symbolic opposition to the apparatus, the administration and bureaucracy."[2]

This is the essential reality that the philosopher and historian has not understood, the opposition to the extreme centralization in all contemporary societies. He indeed assumes that the bureaucratic order of the time was the only possible order in a modern society. So that when he denounced the lack of realism of the anarchistic student protest—which makes good sense—he prevents himself from understanding the legitimacy of the critic that the students direct at a society whose hierarchical system is no longer adapted to the new conditions of the present time.

If revolution is elusive as Aron suggests, it is because its target is ill-defined, which makes its plan wild. The aim is not simply to replace a team of rulers by another at the head of the state but rather to change the world without organizing a substitute power.

In the absence of an alternative or a constructive proposition, the

2. Ibid.

authorities can easily denounce the protesters' irresponsibility, take things in hand again and refocus on serious matters, but not without having somewhat soothed the minds with increased public spending and a few nominal reforms for show. In the United States, the end of the Vietnam War contributed to isolate the student protesters and the former GIs, who were marginalized. In France, the movement was partly taken over by the non-Communist Left, and used to weaken its rivals and partners, the Communists.

Yet the realities that had triggered this international movement did not disappear, and the developments continued in an unexpected but much deeper way than the failure of the anti-authority movements had suggested.

The collapse of communism, the disintegration of large businesses and the political separatisms affected the great pyramids of our time. Individualism made a comeback and large organizations collapsed. Finally, the student protesters were at the origin of a new mutation of which famous liberals like Aron or Buchanan had grasped neither the depth nor the impact, although they had perfectly understood the weakness of the anarchist movement.

And, yet, it is the same individualist aspiration that was at the origin of the triumph of democracy, the crowning achievement of the transformation of the second twentieth century.

THE TRIUMPH OF DEMOCRACY

The three last decades of the century indisputably saw the triumph of democracy worldwide. Whereas the first twentieth century saw the endless proliferation of authoritarian regimes—which all had similar principles and organizational structures despite their declared intentions to describe themselves as "left-wing" or "right-wing," the former emphasizing the interest of the masses and the latter those of the state—the second twentieth century saw their crisis and the collapse of most of them.

In his book *The End of History and the Last Man*,[3] Fukuyama described the new weakness of strong states. He underlined that the crisis of the authoritarian states, that had become obvious to everyone with Gorbatchev's perestroika and the fall of the Berlin Wall, had in fact begun seventeen years earlier with the collapse of several authoritarian regimes in southern Europe: The regime of Caetano in Portugal and the regime of the colonels in Greece in 1974, the end of Francoism with the death of its founder in 1975, then Turkey and Latin America in the early eighties, first Peru in 1980 then Argentina at the end of the Falklands War in 1982, Uruguay and Brazil respectively in 1983 and 1984, followed by Paraguay and Chile at the end of the decade and Nicaragua in the early nineties.

Then the movement spread to Southeast Asia, with the Philippines in 1986, South Korea in 1987 and Taiwan in 1988. In 1990, De Klerk's government in South Africa announced the release of Nelson Mandela and the end of outlawing both the African National Congress (ANC) and the Communist Party, and launched the negotiation process that would later put and end to apartheid.

Like most of the commentators of these evolutions, Fukuyama thought they resulted from an autonomous ideological movement. He thus wrote:

> Both the Communist Left and the authoritarian Right were short of serious ideas to maintain the political cohesion of strong governments, whether they were monolithic parties, military juntas or personal dictatorships.[4]

He then mentions the degeneration that logically took place in authoritarian regimes when the terror regimes—to which nobody could escape—had to give a bit of leeway, with the state then losing the control of the civilian society. But he did not explain why those countries had to reduce the police and military terror, thanks to which

3. Avon Books, 1993.
4. Ibid., p. 64.

they had been able to supervise and control the whole society. According to him, it is only the historical progress of ideologies that lead to the victory of the "idea of liberalism" as it was faced with a decreasing number of rival ideas in the contemporary world. Thus, with enough hindsight, one could realize that the universal history of humanity had a general sense that would lead, despite temporary cycles and occasional reversals, to liberal democracy.

Fukuyama indeed admits that the current trend toward democracy might only be a cyclical phenomenon. And indeed, back in the late sixties, democracy was threatened in various regions of the globe. And we can also wonder whether the current crisis of the authoritarian regimes is not due to a most extraordinary chance that might not reoccur before long.

Indeed, the events of the last quarter century seem to support the cyclical interpretation the author showed in a table listing the liberal democracies in the world.[5] Latin America counted fewer democracies in 1975 than in 1955 and the world as a whole was less democratic in 1939 than in 1919.

Thus, out of 36 developed countries, the author counted 3 democracies in 1790, 6 in 1848, 14 in 1900 and 20 in 1919, but only 9 in 1940, 22 in 1960 and 36 in 1990. When he also took the developing countries into account, he reported a much later apparition of democracy—it was almost non-existent before 1960—and thus a sharp reinforcement of the trend toward democracy in the last decades.

But one must not confuse the long-term global trend toward democracy (when economic advances increase the living standards) with the democratic fluctuations seen during the century in countries already developed. In theory, democracy is linked to economic development. Not because the "democratic or liberal idea" becomes more convincing—as we pointed out in the previous chapter, when we mentioned the opposite trend that leads from democracy to totalitar-

5. Fukuyama, op. cit., pp. 74–75.

ianism—but because a hierarchical society with a centralized organization calls for an authoritarian mode of functioning in which individual liberties are an obstacle to the good functioning of the whole; on the contrary, a decentralized organization where downsizing and markets are the watchwords, requires a lot of independent individual decisions, that is an individualistic functioning based on personal judgments. These are also the prerequisites of democracy.

As, in a democracy, the government is controlled by the masses, all the members of the society regain the right to speak and the power that was monopolized by the center in the authoritarian regimes is redistributed to those members. From subjects, they turn into citizens. Each person is granted the right to inspect, censor and appoint the collective power instead of only being a tiny cog in the machine, subjected to the will of the top.

Democracy is thus the expression of a certain type of individualism, although it is ambiguous given that it consists in taking collective decisions—those of the governments, of the states—that will then be imposed on all the individuals, including the minorities.

Yet it is individualistic since it must necessarily grant the individuals rights so that they can exercise their power of control over the executive: civil law, political rights.

In companies, democracy is represented by the demands of the shareholders who ask for a policy that will increase the value of their shares (their own target) against the managers' personal interests. It is a sign of de-hierarchization and of a development of financial markets. The same is true for the relations between the voters and the rulers, depending on the extent of the development of the political markets compared with that of the political firms that the state and parties are.

It follows that our interpretation of the democratic revolution that took place at the end of the cycle of the twentieth-century organization is based on the transformations introduced by the decentralizing revolution that we have just analyzed. The general downsizing of orga-

nizations and the subsequent weakening of individuals' hierarchical subjection enabled the restoration of the central role of individual decisions and judgments, the freedom of choice and consequently, the necessary freedom of thought which is its prerequisite.

It is this organizational cycle, which originated from the hazards of technological progress, that brought the renewal of the democratic and liberal revolution.

Thus, we can conclude with Fukuyama that if the general accumulation of wealth continues, markets are also very likely to develop further (as J.R. Hicks underlined[6]), and with it, liberties and democracy (as our analysis suggests). But if the hazards of technology lead in the future to renewed effectiveness of giant centralized and hierarchical organizations, then democracy and liberties may well decline again, even if wealth accumulation goes on. The second twentieth century thus appears as an exceptional and privileged period that will not necessarily last forever.

That is why democracy and markets are closely related. They are mechanisms for decentralizing decision-making, diffusing the decision and control powers[7] which become widespread when the economic and political markets develop, that is when the hierarchical organizations weaken and lose their importance within human societies.

THE CONTEMPORARY INTELLECTUAL DISARRAY AND THE NEED TO EXPLAIN HISTORY

Two major turning points punctuated the cyclic course of the twentieth century: the Communist challenge of the 1917 Russian revolution—that marked the end of the former liberal and capitalist civili-

6. *A Theory of Economic History*, Oxford University Press, 1969.

7. Eugene Fama and Michael Jensen, "Separation of Ownership and Control" and "Agency Problem and Residual Claims," *Journal of Law and Economics*, June 1983. And also Harold Demsetz, *Economic, Legal, and Political Dimensions of Competition*, North-Holland, 1982.

zation—then the collapse of communism with the second Russian revolution of 1989–1991. In both cases, these turning points occurred after the development of major technological revolutions: first, the centralizing and administrative revolution from about 1870 until the end of the nineteenth century, and second, the decentralizing and democratic revolution that has gained ground since the late sixties.

But today the collapse of one of the two protagonists of the political, economic and military clash between capitalism and socialism deprives us of the traditional framework that dominated all the debates about societies' organization since the Second Industrial Revolution. And the new reversal of all the previous trends that accompanies that collapse only makes that period even more obscure and enigmatic. If contemporary history is no longer based on the uncertain conflict between two nations and two opposed political and economic regimes, what are now the terms of the choices confronting modern societies?

And how could a system, whose flaws were constantly denounced and whose death had been announced since Marx's *Communist Manifesto* in 1848, recover and prevail over its rival—socialism—that most observers in the sixties still praised as obviously superior, morally and economically? In the same vein, several future economic Nobel-prize winners who taught and wrote in the fifties deemed that the dirigisme or state ownership was the only way to organize a national and international economy efficiently, as Andrei Shleifer reminds us:[8]

> Half a century ago economists were quick to favor government ownership of firms as soon as any market inequities or imperfections, such as monopoly power or externalities, were even suspected. Thus Arthur Lewis[9] concerned with monopoly power, advocated the na-

8. Andrei Shleifer, "State versus Private Ownership," *Journal of Economic Perspectives*, Autumn 1998.

9. W. Arthur Lewis, *The Principles of Economic Planning*, London: George Allan & Unwin Ltd., 1949, p. 101.

> tionalization of land, mineral deposits, telephone service, insurance, and the motor car industry. For similar reasons, James Meade[10] favored "socialization" of the iron and steel, as well as the chemical industries. Maurice Allais,[11] always a step ahead of his English-speaking peers, argued for the nationalization of a few firms in each (!) industry to facilitate the comparison of public and private ownership. At that time, privatization of such services as incarceration and education was evidently not discussed by serious scholars.
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> These comments by future Nobel Laureates were part of a broader debate over capitalism, socialism and the role of planning in a market economy, which raged in the 1930s and 1940s. . . . A remarkable aspect of this debate is that even many of the laissez-faire economists focused overwhelmingly on the goal of achieving competitive prices, even at the cost of accepting government ownership in non-competitive industries.

And Shleifer goes on citing Henry Simons (1934), Pigou (1938), Schumpeter (1942) and Robbins (1947). Of course, this was not true of Hayek, but he was for long rather lonely and marginalized. And Friedman, Stigler, Buchanan, Coase, North, Becker and Miller were to make their contributions on the topic a bit later, beginning in the '60s with Friedman's intellectual revolution, monetarist and capitalist, which was at the time deemed "extreme" by mainstream economists.

How indeed is it possible today to escape intellectual disarray when the classical liberals and socialists alike, who all claimed they knew what the best societal organization was, were proved wrong by history one after the other, some during the first twentieth century and the others during the second? Or is it that some were wrong and the others were right all the time but that it takes quite a while to prove them so? But in that case, how could half of the humanity have

10. James Edward Meade, *Planning and the Price Mechanism: The Liberal Socialist Solution*, London: George Allen & Unwin, 1948, p. 67.

11. Maurice Allais, "Le Problème de la Planification Economique dans une Economie Collectiviste," *Kyklos*, 1947, p. 66, quoted by Andrei Shleifer, op. cit.

been wrong so long? Or is it that both camps' definition of the ideal society was wrong? In both cases, it appears that misconception is proved to dominate human societies. Hence, the great skepticism about our ability to understand the order of these societies.

This was summarized very clearly by James Buchanan, one of the founders of the public choice theory. He refers to economic systems but his conclusion also applies to political systems:

> We are left therefore, with what is essentially an attitude of nihilism toward economic organization. There seems to be no widely shared organizing principle upon which one can begin to think about the operations of a political economy.[12]

That echoes the aforementioned reflection of Paul Krugman, according to whom the great question with the twentieth century is why three quarters of a century were spent supporting values hostile to markets and free trade, while the latter were on the contrary fully rehabilitated during the last quarter.

Economic liberal ideas, which had seemed definitively dead and buried, made a stunning comeback. The latter is difficult to quantify but unquestionable, as proved by the new tone of the political leaders who marked the eighties, Ronald Reagan and Margaret Thatcher, as well as by the broad recognition of the analyses of Milton Friedman (rewarded by a Nobel prize of economy). The same was true for several liberal economists, including Gary Becker and James Buchanan, after Friedrich Hayek.

Thus, the problem which now dominates the public debate is that of decentralization. Other evidence of this comeback is the striking similarities in decentralizing movements that affect both business management and political management.

It is true that during the first twentieth century even American and British democratic capitalism underwent the general movement of concentration of firms' productive apparatus that led to the devel-

12. "Socialism Is Dead; Leviathan Lives," *Wall Street Journal Europe*, July 19, 1990.

opment of giant companies, large trusts, conglomerates and to the increased weight of the centralized political power that resulted in corporatism. That clearly shows the universality of the factors in play. But today the reverse trend is also seen in the societies that remained rather decentralized. The return of the markets is accompanied by a challenge of the vast state apparatus. Indeed, democracies and markets are linked by the general and parallel evolution of public and private organizational structures. Both are mechanisms that decentralize decision making and diffuse the power of control.

The theoretical and practical acknowledgement of the complementarity between democracy and markets leads us today, in retrospect, to reject or at least moderate the indetermination that Schumpeter mentioned in *Capitalism, Socialism and Democracy*. According to him, the economic centralization of socialism does not depend on the political regime chosen and is not incompatible with a democratic regime. It is true indeed that some kind of economic centralization, mainly private or due to nationalizations, may have occurred in western democracies without pushing them into dictatorship. And, on that issue, the fears of Hayek have not been confirmed by subsequent developments: a greater intervention of the state in the economy does not necessarily, nor automatically, lead to the extremes of totalitarianism and serfdom. But this is because we dawdled on the way, so that the decentralizing revolution caught up with us while we were still in largely decentralized societies. On the other hand, the societies that came closer to full centralization had to abandon the idea of democracy and thus opt for authoritarian regimes. Economic centralization and political centralization necessarily merge when they are taken to their extremes.

These observations lead us to underline the fundamental unity of economic analysis and political analysis, and give the priority to the essential concepts of concentration or centralization of decisions and organizations. The great cycle of the twentieth century is to be un-

derstood within this common framework and we have described its general and deep consequences.

Yet, the reason for the ebb and flow of centralization must still be explained. Which factors determined the global movement of the organizations and consequently the fate of our societies?