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State Capitalism and Oligarchy: Is This the New Economic Order?



Today's global economy and political structure are undergoing a rapid and profound transformation. This shift is especially evident as the business world becomes increasingly independent of politics, signalling a new era with the strengthening of authoritarian regimes and the decline of liberal democratic systems.

In a 2011 article I wrote, I stated that "the global liberal economy and democracy are in **decline**, and the centralisation of authoritarian governments is rapidly increasing."

This view has become one of the key insights in understanding current economic and political developments.

The Contradictions of Capitalism and the Limits of a Regulated Economy

In that article, I highlighted that, although the free market economy appears very attractive in theory, there are serious problems in practice.

When we step back from the micro details and look at the core of the issue, the following reality emerges:

Testing capitalism through regulated economy and free markets reveals two fundamental problems.

First, since rules are designed to prevent unlimited wealth accumulation, power centres can bypass these regulations and manipulate them for their own benefit, corrupting justice.

Consequently, the rules intended to prevent economic powers from pursuing their own interests can sometimes create grounds for injustice.

Large companies align more closely with political leaders rather than compete in the market environment

Second, excessive legislation and legal chaos fundamentally weaken the reflexes and flexibility needed to conduct business. Due to overwhelming regulations, increasing added value and initiating new ventures become difficult, effectively hindering innovation and adaptability in the economy.

This situation pushes large companies to align more closely with political leaders rather than compete in the market environment.

The Collapse of Authoritarianism and Structural Reforms

All these developments are leading to an increasingly authoritarian and centralised state apparatus. Laws are constantly changing and becoming harder to follow; as I mentioned earlier, this encourages the business sector to make direct agreements with political leaders.

This situation delays structural reforms and weakens the competitive nature of markets. Instead of competing on equal terms, proximity to leaders has become a 'core' strategy in the existing system.

Concepts such as "capitalist electoral democracy" or the "capitalist electoral autocracy" observed in China and Russia have started to emerge

In this environment, where competition disappears and is replaced by 'benefit and closeness' communication, a new conservatism and authoritarian structure are gaining strength.

In this context, instead of "liberal capitalist democracy", **concepts** such as "capitalist electoral democracy" or the "capitalist electoral autocracy" observed in China and Russia have started to emerge.

According to this new understanding, as the

state's economic activities and influence on markets increase, the scope of action for market actors is narrowed or left at the leader's discretion.

The New Role of the State and Capital

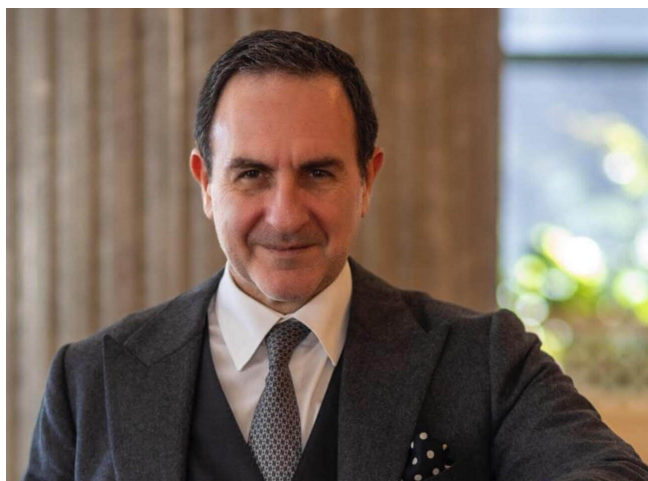
Another critical point I want to emphasise is the relationship between the state and capital.

Today, the influence of states on economic life is rivalling the independence of markets. Public authority moves in ways that can hinder or direct the development of capital, and this intervention encompasses both legal and arbitrary measures.

Under this new system, the capitalist class considers it illegal to support the existence of political elements opposing governments.

Foreseeing Technology and the Transition to Autocracy

Recall Aldous Huxley's 1950s statement in "Brave New World", where he predicted that "future powers will support individuals' talents but will not allow or will punish their use in politics." Today, with technological advances and surveillance systems, we see that this prophecy is coming true.



Big data, and artificial intelligence are transforming into tools for authoritarian regimes – Emre Alkin

In this era, digital technologies, big data, and artificial intelligence are transforming into tools for authoritarian regimes. Citizens' free wills are being constrained, their movement restricted, and both governments and large corporations can monitor every action, pushing ethical boundaries to control populations.

This environment paves the way for a new form of autocracy where "freedom to use and develop talents" is under state control — a kind of autocratisation.

All these developments support Huxley's envisioned dystopian scenarios. Analysing these processes correctly is crucial for formulating future policies and political choices.

The widely accepted reality is: "Sustainable development cannot be achieved without state intervention and citizen participation." However, current conservatism is hesitant about citizen participation.

Because making participation voluntary invites liberal approaches, the project of "capitalist electoral democracy" could become stagnant.

As a result, we see groups emerging with the mentality of "Do what I say, or I will leave you hungry," contrasting with the mindset of "Don't leave me hungry, even if it's small."

Perhaps the most significant debate in the coming years will revolve around whether "restriction of development and freedoms" is a step towards totalitarianism or a new balance.