

## Review Essay

### In the Zone: On Quinn Slobodian's *Crack-Up Capitalism* and the Spaces of Political Economy

Crack-Up Capitalism: Market Radicals and the Dream of a World without Democracy. By *Quinn Slobodian*. New York: Metropolitan Books, 2023. 352 pp. Hardcover, \$29.99. ISBN: 978-1-250-75389-2.

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Reviewed by Robert Fredona and Sophus A. Reinert, with maps by Isabelle Lewis, data visualizations by Matthew W. Norris, and data provided by the Adrianople Group

Quinn Slobodian has established himself as a leading historian of neoliberalism. *Crack-Up Capitalism* continues where his *Globalists* left off, but shifts focus from visions of global ordering to the fragmentation of the world into special economic zones (SEZs). In Slobodian's provocative analysis, SEZs become a late neoliberal solution to the entrenched problem of democracy at the nation-state level. We follow Slobodian into the zone, thinking with him about the spatial dimensions of contemporary political economy. Although we problematize the disjuncture between *Crack-Up Capitalism's* group biography of market radicals and its analysis of zones as a global economic reality, our intent is not to critique Slobodian, but to use his new book as a jumping off point to foreground other possible frames for understanding the zone: a *longue durée* historical outlook that can help de-exceptionalize the zone as a phenomenon of late neoliberalism, a focus on the internal diversity and political possibility of the zone

The maps and data visualizations in this essay (and in the appendix of maps) were created by the cartographer Isabelle Lewis and by Matthew W. Norris, Vice President, Enterprise Software and Analytics, Art Institute of Chicago. They are based on 2021 data provided by the Adrianople Group, [www.adrianoplegroup.com](http://www.adrianoplegroup.com), which has curated the most accurate available (though not complete) global snapshot of special economic zones. An interactive map is available online at [www.openzonemap.com](http://www.openzonemap.com). We wish to thank the Adrianople Group for sharing their data with us and James Forster for his very kind help through the process. Finally, we thank Quinn Slobodian for his generosity and encouragement, and Sven Beckert, Mattias Fibiger, Julius Kirshner, Meg Rithmire, and Charlotte Robertson for reading drafts of this essay.

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form, and an emphasis on the causal link between the recent proliferation of zones and the ascendance of export-oriented industrialization as a global development paradigm.

**KEYWORDS:** special economic zones (SEZs), political economy, neoliberalism, globalization, export-oriented industrialization (EOI)

Had Quinn Slobodian's lively new book *Crack-Up Capitalism* appeared in the 1990s, it would have seemed to the unhealthily self-assured Anglo-American intelligentsia of the time like a dispatch from "Bizzaro World," a weird inversion of the narrative framework that shaped their world.<sup>1</sup> Instead of nation states peacefully coexisting in a single global economy and converging towards a happy mix of liberal democracy and economic freedom, the crack-up counter-narrative is about zones, not nation-states; about fragmentation, not convergence; and about the movement of mainstream capitalists and "market radicals" alike away from liberal democracy and towards authoritarianism.<sup>2</sup> But it has appeared in 2023 and is a book for—and of—our time.

The last four decades have witnessed a remarkable proliferation of special economic zones (SEZs). There are now more than 5,000 of these zones around the world, half of them in East and Southeast Asia. This proliferation—which Slobodian sees as a distinctive, revealing, and alarming phenomenon of late-stage neoliberalism—is the backdrop for *Crack-Up Capitalism*. What Slobodian puts center stage is "the dream of a world without democracy," mentioned in the book's subtitle. Structurally, the book interlaces brisk visits to a small sampling of zones—some obvious (like Hong Kong or Dubai), some more idiosyncratic (like Liechtenstein or the former Bantustan of Ciskei in South Africa)—with an impressionistic series of portraits of right-wing para-intellectuals that Slobodian dubs "market radicals." This approach, never systematic, sometimes eccentric, always insightful, allows Slobodian to get at something profound about the fragmentation of national and democratic sovereignty in the face of neoliberal capital's alkahest-like capacity for dissolving everything solid. And about the frightening feedback loop between that dissolution and the ideas of its Internet Age cheerleaders and crisis profiteers.

We count ourselves among Slobodian's admirers, but *Crack-Up Capitalism* is too important a book to simply praise. It demands critical engagement. We begin by suggesting that Slobodian's new book be read as an extension, even a continuation, of *Globalists: The End of*

<sup>1</sup>For an incisive take on the breakup of this framework, see Pankaj Mishra, "Grand Illusions," *New York Review of Books* 67, no. 18 (Nov. 2020): 31–32.

<sup>2</sup>Slobodian, *Crack-Up Capitalism*, 5, 7, and *passim*.

*Empire and the Birth of Neoliberalism*. We then proceed to outline, analyze, and add to *Crack-Up Capitalism*'s arguments and politico-historical ethic, highlighting continuities among empire, settler colonialism, and "the zone" as a space stripped of history; developing possible frameworks for making sense of Slobodian's market radicals; and problematizing his seeming inability to escape the shared fantasy of the nation-state or to formulate other than cryptic possibilities and left-wing commonplaces as alternatives to "the zone" as a space of democratic erosion. We then propose some possible intellectual revisions to Slobodian's project and to its powerful implications for future historical and theoretical work on both SEZs and metaphorical "zones." These conjectures are built around three questions. Though here necessarily formulated around Slobodian's particular approach in *Crack-Up Capitalism*, they are intended and should be read instead as open questions, as areas where future thought and research is urgently needed.

Is the zone, with historical analogs stretching back over centuries, less novel and, thus, less essentially distinctive of late neoliberalism than Slobodian suggests? Do his market radicals and their ideas align with, and are the zones he visits representative of, the global geography and practice of SEZs? And, finally, does Slobodian's keen focus on the pathological dimension of the zone unnecessarily preclude the possibility that SEZs can be a policy tool for achieving more broadly desirable economic outcomes and that the zone, as metaphor and reality, can even be a space for transformative democratic politics? We begin to sketch out some answers to these questions below, but our answers are at best provisional, and they represent a testament to the intellectually generative character of Slobodian's important new book.

*Crack-Up Capitalism* can profitably be read as a continuation of Slobodian's *Globalists*, which arrived in 2018 like a bolt from the blue and immediately established its author as one of our foremost historians and interpreters of neoliberalism as an intellectual project.<sup>3</sup> By then,

<sup>3</sup>Quinn Slobodian, *Globalists: The End of Empire and the Birth of Neoliberalism* (Cambridge, MA, 2018), on which see, among others, the review by Sophus A. Reinert in *Business History Review* 93, no. 3 (Autumn 2019): 613–619. Slobodian's analysis of neoliberalism has developed within a wider scholarly milieu that has highlighted the figures who created and the ideas that formed and were disseminated by the Mont Pelerin Society. It would be impossible to do justice to this literature here, but Slobodian's local context can be cautiously and partially traced across four important edited volumes: *Neoliberal Hegemony: A Global Critique*, ed. Dieter Plehwe, Bernhard Walpen, and Gisela Neunhöffer (London, 2006); *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective*, ed. Philip Mirowski and Dieter Plehwe (Cambridge, MA, 2009, rev. 2015); *Nine Lives of Neoliberalism*, ed. Dieter Plehwe, Quinn Slobodian, and Philip Mirowski (London, 2020); and *Market Civilizations: Neoliberals East and South*, ed. Quinn Slobodian and Dieter Plehwe (Brooklyn, 2022).

neoliberalism had become, for many on the left and right alike, a fuzzy sort of bogeyman hiding in every dark closet and under every bed, the source of every nightmare manifestation (and even quotidian annoyance) of the contemporary economic order, which had emerged either after Bretton Woods or somewhere in the 1970s. It had also become a label for a whole era, our own, and for a pervasive and transformative way of thinking, an economic rationality whose logics had, at least for a while, seemed inescapable and without alternatives. To the extent that a coherent doctrine was implicated in the neoliberal project, it was, at least in North America, almost invariably the supposedly “free market” principles of the Chicago School associated with economists like Milton Friedman and Gary Becker.<sup>4</sup>

A bright flashlight beam under the bed, *Globalists* illuminated neoliberalism’s origins in the lattermost years of the Habsburg empire and unearthed and recounted, up to the 1990s, the intellectual development of the first self-described neoliberals, those of the so-called Geneva School, consisting of thinkers, often tied to the Mont Pelerin Society or affiliated think tanks, and forming a relatively circumscribed group that included Wilhelm Röpke, Ludwig von Mises, Friedrich Hayek, and their intellectual heirs. These neoliberals, Slobodian showed, had no interest in “unfettered” markets. Instead of deregulation, their neoliberalism was a heightened form of regulation elaborated on a global scale. Instead of the microeconomic concerns of the Chicago School, theirs was the macro-est of macroeconomic concerns, the very nature of the world’s economic ordering.

The Geneva Schoolers viewed the global economy as a sublime and ineffable phenomenon, one that could not be quantified, described, or truly understood, but that had to be protected at all costs from mass politics, especially socialist and social-democratic politics, by erecting and defending a world fortress of capital-friendly institutions and regulations. The earliest neoliberals were imbued with lasting nostalgia for a Habsburg empire of their dreams, one that never truly existed but that they believed had successfully ruled a multi-lingual and multi-ethnic union through something like “double government,” in which property and economic governance (*dominium*) was walled off from, and unpolluted with, the concerns of political governance (*imperium*).<sup>5</sup>

<sup>4</sup>For an excellent overview, see the studies in *Building Chicago Economics: New Perspectives on the History of America’s Most Powerful Economics Program*, ed. Philip Mirowski, Robert Van Horn, and Thomas A. Stapleford (Cambridge, UK, 2011). Bernard Harcourt has also developed a stunning historical and theoretical critique of neoliberalism, with a special focus on its Chicago School variety, in *Illusion of Order: The False Promise of Broken Windows Policing* (Cambridge, MA, 2001), *The Illusion of Free Markets* (Cambridge, MA, 2010), and other works.

<sup>5</sup>Slobodian, *Globalists*, 10–11, 138.

For them, we might say, it represented a particularly eminent (and eminently comfortable) resolution of the epic tension between states and markets—resulting from the fact that we ostensibly inhabit a world of politically independent, yet economically interdependent, polities—that has so shaped global history in recent centuries.<sup>6</sup>

Even putting aside the merits of Slobodian's deep excavation of the Geneva School's ideas and the verve of his prose, *Globalists*, we believe, captured the imagination for two reasons. First, the book arrived amid what looked to many like the rapid disintegration of the neoliberal consensus in the schizophrenic moment of Brexit and Trump, and secondly, those ideas, scrupulously described on their own terms, resonated (and continue to resonate) so consistently with the world around us: a world not of free markets but of what Slobodian in *Globalists* calls "encased" markets, walled around with trade organizations, international treaties, commercial codes and arbitration courts, expanded intellectual property and investment protections; a world of increasingly mobile capital, radically diminished labor power, and shrinking spaces for democratic action; a world, put simply, where property often has more rights than polities and peoples.<sup>7</sup>

*Crack-Up Capitalism* picks up where *Globalists* left off, in the twilight of empire. Indeed, the 1978 Mont Pelerin Society meeting in Hong Kong, which played a central role in the last chapter of *Globalists*, provides a first bridge to the new world of zones. It was there that Milton Friedman and others found an exportable model, "a Portable Hong Kong" that could be realized anywhere in the world.<sup>8</sup> And, doubtlessly, much of the undeniable cachet of zones continues to derive from the creation, by the Chinese Communist Party in 1980, of a Hong Kong-inspired enclave in nearby Shenzhen, a sequestered territory in which established social and labor norms gave way to new rights of property.<sup>9</sup> But, this was only one of an array of such zones of experimentation with market forces and alternate forms of governance—from the Town and Village Enterprises (TVEs), with roots extending back perhaps even to the 1950s, to the Special Administrative Regions (SARs) and beyond—

<sup>6</sup>This was one of the core concerns of Istvan Hont, *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective* (Cambridge, MA, 2005), 155 and *passim*, but see already Thorstein Veblen, "The Passing of National Frontiers [1918]," in *Essays in Our Changing Order*, ed. Leon Ardzooni (New York, 1934), 387–389. For perspectives, see also Sophus A. Reinert, *The Academy of Fisticuffs: Commercial Society and Political Economy in Enlightenment Italy* (Cambridge, MA, 2018), 5, 14, 249, 260, 317–319, 383.

<sup>7</sup>Slobodian, *Globalists*, 2, 145.

<sup>8</sup>Slobodian, *Crack-Up Capitalism*, 23.

<sup>9</sup>*Learning from Shenzhen: China's Post-Mao Experiment from Special Zone to Model City*, ed. Mary Ann O'Donnell, Winnie Wong, and Jonathan Bach (Chicago, 2017).



Photo 1. Reality of the zone. The Liangjiang New Area in Chongqing, China. A model for development in inland China, this zone has benefitted from unprecedented preferential policies and tax breaks. (Photo courtesy of Meg Rithmire.)

that structured China's return to prominence on the world stage.<sup>10</sup> With over 1,300 zones, China currently has more zones than any other country and about one-quarter of all the zones in the world. (See Table 1 and Map 3. Data Visualization 2 shows the zones around Hong Kong.) In Slobodian's narrative, such zones have by today become vehicles for what can only be described as an augmented, if not transcendent, form of globalism.

Dubai, fantasized about by the Tories who had until recently been in power in the UK since 2019, has perhaps now overtaken Hong Kong as the most exciting prototype of "capitalism without democracy" available.<sup>11</sup> (Diminutive Dubai is home to at least twenty-six special economic zones, as shown in Data Visualization 7.) In one of the book's many deeply depressing anecdotes, Slobodian tells us that, for all the talk in the nineties about democracy and capitalism going together hand-in-hand, nation-branding consultants have discovered that

<sup>10</sup> Meg Rithmire, *Prekarious Ties: Business and the State in Authoritarian Asia* (Oxford, 2023), 18–19; Aihwa Ong, *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty* (Durham, 2006), 18–19, 96–118; Jean Chun Oi, *Rural China Takes Off: Institutional Foundations of Economic Reform* (Berkeley, 1999); Yasheng Huang, *Capitalism with Chinese Characteristics: Entrepreneurship and the State* (Cambridge, UK, 2008). On the strengths and limitations of thinking of SEZs as "Petri dishes for economic policies," see Lotta Moberg, *The Political Economy of Special Economic Zones* (London, 2017), 72.

<sup>11</sup> Slobodian, *Crack-Up Capitalism*, 199.

*Table 1*  
The Type and Management Type of Zones in the Eighteen Countries with the Most Zones

Country	Zone Type								Management Type				
	Charter City	Diversified Zone	Economic Revitalization Project	Export Processing Zone	Foreign Trade Zone	Free Trade Zone	Other Zone	Specialized Zone	Total	Private	Public	Public-Private Partnership	Total
China	11	738	1	438		95		23	1306	13	1286	7	1306
Philippines	4	138		25		63		607	837	744	61	32	837
United States of America		2			261				263		155	108	263
India	2	28		14		2		165	211	142	39	30	211
Vietnam		96		50		23		6	175	6	87	82	175
South Korea	3	79	1			20		36	139		137	2	139
France			93			1			94		94		94
Bangladesh		63		8				21	92	25	65	2	92
Dominican Republic		2		61		20		1	84	60	20	4	84
Thailand		9	1	49		9		5	73		22	51	73
Indonesia		45		8		4		11	68	6	12	50	68
Malaysia		15	6	11		29		6	67	3	41	23	67
Iran		45		8		1		7	61	20	39	2	61
Saudi Arabia						57		3	60	12	47	1	60
Japan	1	14	9	1		1	2	30	58	2	50	6	58
United Arab Emirates		6		3		19		22	50		49	1	50
United Kingdom			39			7		3	49	5		44	49
Nigeria	2	5	1	20		4		12	44	9	14	21	44
Grand Total	23	1285	151	696	261	355	2	958	3731	1047	2218	466	3731

Source: 2021 data compiled by the Adrianople Group.

neither tourists nor investors see much value at all in democracy. “Indeed, if one judged countries the way one judged companies . . . then Dubai won all metrics. What was a dismal Freedom House ranking compared to the world’s tallest skyscraper?”<sup>12</sup> The ubiquitous reliance on consulting firms with slick and simple answers to complex questions has increasingly come under attack, and Slobodian rightly warns against putting “a PowerPoint slide in place of understanding.”<sup>13</sup> “Where,” as the poet asked, “is the wisdom we have lost in knowledge? Where is the knowledge we have lost in information?”<sup>14</sup> Where now is the information we have lost in PowerPoint slides? Setting aside the agenda of its speaker, David Cameron’s 2008 critique of New Labour’s neoliberal approach to policy-making rings true on an almost global scale a decade and a half later, “in the name of modernisation, rationalisation and efficiency, we have been living under a regime of government by management consultant and policy by PowerPoint.”<sup>15</sup> Yet, Slobodian’s criticism is not that of a Luddite, a populist, or a conservative. It is, at its core, an historian’s critique.

In *Crack-Up Capitalism*, it is the British, not the Austro-Hungarian, empire that looms large. In addition to Hong Kong and Dubai, Slobodian devotes chapters to Singapore and London’s Canary Wharf. Undergirding much of the book is the idea that artifacts or anachronisms of empire have been repackaged as alluring economic models and shipped around the world, even shipped back home. The West once exported colonies; now, it reimports them as internal colonies, as zones.<sup>16</sup> Canary Wharf, which happens to contain five of the ten tallest skyscrapers in the UK, is Hong Kong on British soil. And the critique of these zones is often a critique of colonialism’s settler ideology and of America’s frontier ideology, which imagined the rest of the world as *terra nullius*, free to be claimed and transformed, even though occupied by indigenous populations, “white hands drawing value from supposed wasteland.”<sup>17</sup> All zones are dependent on, and often parasitic of, their hinterlands and our shared global ecosystem; “the remora attached to the side of the whale shark of the state.”<sup>18</sup> In addition, these zones are

<sup>12</sup> Slobodian, 183.

<sup>13</sup> Slobodian, 218. For very convincing recent cases against consulting firms, see Walt Bogdanich and Michael Forsythe, *When McKinsey Comes to Town: The Hidden Influence of the World’s Most Powerful Consulting Firm* (New York, 2022), and Mariana Mazzucato and Rosie Collington, *The Big Con: How the Consulting Industry Weakens Our Businesses, Infantilizes Our Governments, and Warps Our Economies* (New York, 2023).

<sup>14</sup> T.S. Eliot, *The Rock: A Pageant Play* (New York, 1934), 7.

<sup>15</sup> Quoted in Mazzucato and Collington, *The Big Con*, 92.

<sup>16</sup> Slobodian, *Crack-Up Capitalism*, 42–43 and *passim*.

<sup>17</sup> Slobodian, 106.

<sup>18</sup> Slobodian, 221. See, for a similar argument, Angus Cameron and Ronen Palan, *The Imagined Economies of Globalization* (London, 2004), 105, 109.



also always bumping into the impossibility of stripping away geography and its human past, of making a “landscape,” as Omolade Adunbi similarly has put it, that is “completely devoid of history.”<sup>19</sup> The most meaningful truth about zones, Slobodian tells us in the end, is that they are inhabited: “There is no such thing as a blank slate.”<sup>20</sup> Slobodian, who enters his own narrative more than once, describing childhood experiences in Lesotho and Vanuatu, brings the point powerfully home:

my great-grandfather, a Métis man of mixed Indigenous and European ancestry born in Montana, was ejected with his family from the lands of the American West as an illegal squatter. The bison herds his own father had hunted for trade and survival were dead, and families like his were left to gather bones for sale as fertilizer. The frontier was not a land of freedom for them.<sup>21</sup>

On this point, India’s history with export processing zones (EPZs) and SEZs might well have served as another case for Slobodian, since there, land acquisition to build zones recently became an issue of nationwide contention (see Map 5 and Data Visualization 4).<sup>22</sup> Although the earliest EPZ appeared in India in 1965, it was the success of China’s zones that inspired India’s policies over the last two decades, policies that took shape through public legislation profoundly affected by “politics,” such that the major SEZ bill, delayed due to elections and a change in government, only slowly made its way to being passed by both houses of parliament. The establishment of SEZs required the acquisition of land by means of the doctrine of eminent domain, not unlike what was codified in 1894’s Land Acquisition Act, a piece of British colonial legislation, another artifact of empire.

Indians rose up in protest, against kicking farmers and other rural laborers and small owners off their land, and their government employed sometimes brutally repressive measures against them before ultimately, and under increasing democratic pressure, drafting and

<sup>19</sup> Omolade Adunbi, *Enclaves of Exception: Special Economic Zones and Extractive Practices in Nigeria* (Bloomington, 2022), 190.

<sup>20</sup> Slobodian, *Crack-Up Capitalism*, 236.

<sup>21</sup> Slobodian, 217, but see also 95 and 100.

<sup>22</sup> S. Ananthanarayanan, “New Mechanisms of Imperialism in India: The Special Economic Zones,” *Socialism and Democracy*, 22, (2008): 35–60. See also, for an excellent introduction to the problem, Laura Alfaro and Lakshmi Iyer, “Special Economic Zones in India: Public Purpose and Private Property (A),” *Harvard Business School Case 709-027*, revised Oct. 2012, followed by Laura Alfaro, Lakshmi Iyer, and Namrata Arora, “Tata Motors in Singur: Public Purpose and Private Property (B),” *Harvard Business School Case 709-029*, revised Oct. 2012, and Laura Alfaro, Lakshmi Iyer, and Rachna Tahilyani, “Land Acquisition in India: Public Purpose and Private Property (C),” *Harvard Business School Supplement 714-023*, revised May 2015.

enacting a new Land Acquisition Act with more transparency and fairer compensation for the displaced.<sup>23</sup> The Comptroller and Auditor General's 2014 report on the performance of India's SEZs painted a dismal picture of lagging infrastructure development, underutilized land, and unmet foreign investment and local employment goals, declaring the whole program "a major transfer of wealth from the rural populace to the corporate world."<sup>24</sup>

In a similar spirit, *Crack-Up Capitalism* really tells two stories. One surveys the proliferation and growing importance, more as models of governance than tools of economic policy, of special economic zones and other zone-like spaces around the world. The other story presents a rogues gallery of thinkers, whom Slobodian dubs "market radicals," often minarchists (advocating for a minimal state) or anarcho-capitalists (advocating for no state at all), who have over roughly the same period been articulating new models of (non)governance based on political fragmentation and social dissolution and, not at all surprisingly, on profiting from them. These crisis profiteers are the spurious offspring of the Geneva School neoliberals and, Slobodian seems to suggest at various places throughout the book, the bastard half-brothers of just about every mad strain in the American new right.

The relationship between these two stories is only occasionally clear and straightforward, and rarely if ever anything like causal. It is more often left vague and tenuous, especially in light of the incredible number and diversity of zones, and the historical circumstances of their creation, compared to the more circumscribed group of radicals that Slobodian portrays. It is clear that he sees the visions being articulated by market radicals as morbid symptoms, but he never clearly diagnoses the disease. As a consequence of Slobodian's approach, the zone, slipping between metaphor and reality, described in allusive and occasionally portentous prose, sometimes threatens to become an empty signifier, leaving the reader, or perhaps even encouraging her, to interpret the world's thousands of zones singularly in the light of the ideas of the market radicals. Without the right telescope, a binary star can appear to be a single heavenly body. In the case of neoliberalism writ large, it is easy to see how the deliberate ideology described in *Globalists* interacted with the aims of self-interested private actors and accommodating governments to produce a particular kind of global ordering. Here, it is much harder to see. Ronen Palan noted that, "to the best of

<sup>23</sup> For context, see the essays in *Power, Policy, and Protest: The Politics of India's Special Economic Zones*, ed. Rob Jenkins, Loraine Kennedy, and Partha Mukhopadhyay (Oxford, 2014).

<sup>24</sup> Quoted in Rohini Mohan, "Modi's Seized Earth Campaign," *Foreign Policy*, 26 May 2015.

[his] knowledge, a direct link between the neoliberal globalization theories and the offshore economy has not been established.”<sup>25</sup> Slobodian does not establish such a link in *Crack-Up Capitalism*, at least not a clear, causal, or one-way (theory informing practice) link. Instead, he provocatively and powerfully sketches out a cluster of overlapping and crisscrossing similarities—“family resemblances” in Wittgenstein’s sense—among Geneva-school neoliberalism, a selective subset of special economic zones, the ideas of the “market radicals,” and large swathes of the right-liberal and far-right intellectual ecosystems. Even if it is fuzzy around the edges, once this likeness is seen it cannot be unseen.<sup>26</sup>

Little can be said in favor of Slobodian’s “market radicals,” except that they are often surprisingly honest. And Slobodian revels in letting them speak for themselves. At the very start of *Crack-Up Capitalism*, for example, he quotes a 2009 essay titled “The Education of a Libertarian” by right-wing venture capitalist and on-again, off-again Trump ally Peter Thiel: “I no longer believe that freedom and democracy are compatible. The great task for libertarians is to find an escape from politics in all its forms.”<sup>27</sup> More than honesty, though, this quotation suggests impunity. There are apparently no third rails left when it comes to capital’s disdain for democracy. And just after the spoken big truth comes the unspoken big lie: Thiel and his fellow libertarians do not really want to escape from politics but to use politics to their advantage, to take it over.

Slobodian is at his best when he is painting the portraits of the market radicals with broad and biting brushstrokes, while also highlighting the perfect details. Thomas More famously said that the devil, being a “proud spirit cannot endure to be mocked.”<sup>28</sup> But, Slobodian’s market radicals have outdone the devil and become unmockable, occupying a territory somewhere between serious and playful that is also somewhere beyond good and evil. Closer to serious

<sup>25</sup>Ronen Palan, *The Offshore World: Sovereign Markets, Virtual Places, and Nomad Millionaires* (Ithaca, 2003), 70.

<sup>26</sup>Carlo Ginzburg, in one of his most brilliant essays, “Family Resemblances and Family Trees: Two Cognitive Metaphors,” *Critical Inquiry* 30 (Spring 2004): 537–556, suggests the importance of studying the fuzzy edges.

<sup>27</sup>Slobodian, *Crack-Up Capitalism*, 1. We have briefly touched on Thiel’s thought before, in Robert Fredona and Sophus A. Reinert, “Leviathan and Kraken: States, Corporations, and Political Economy,” *History and Theory* 59, no. 2 (2020): 183–184, where we also venture the Norwegian sea monster called the Kraken as a symbol of the tentacular economic actors and forces bringing about the increasing disintegration of the nation-state as an ideal type.

<sup>28</sup>Thomas More, *A Dialogue of Comfort Against Tribulation*, in *The Complete Works of St. Thomas More*, volume 12, ed. Louis L. Martz and Frank Manley (New Haven, 1976), 155, ll.11–12 (spelling modernized). This snippet from More has been very widely quoted, perhaps most famously as one of two epigrams at the start of C.S. Lewis’s *The Screwtape Letters* (London, 1942).

we find Stanford economist Paul Romer suggesting that Canada turn Guantánamo Bay, home to America's notorious (and shamefully still in use) prison, into a charter city and commercial hub.<sup>29</sup> Closer to playful we find Milton Friedman's son David pretending to be a twelfth-century Berber and extolling the virtues of medieval Iceland as an experiment in anarcho-capitalism. At some of his medieval reenactments, Slobodian tells us, David "introduced something called the Enchanted Ground, an area sectioned off by a golden rope and a sign reading WITHIN THESE BOUNDS THE TWENTIETH CENTURY DOES NOT EXIST."<sup>30</sup>

Slobodian emphasizes the element of shared or "joint fantasy," of cosplay and LARPing (live action roleplaying), in the politics of these market radicals. In a LARP, players, sometimes in costume, physically embody their characters and interact with fellow player-characters like actors without a script. It is remarkable how commonly "LARPing" is now invoked in discussions of politics, especially online politics, occurring apparently outside the rapidly-shrinking milquetoast core of "mainstream" American liberalism.<sup>31</sup> Usually, "LARPing" is employed disparagingly to suggest either mere escapism or ironic playacting, but anxieties about players taking their games too seriously have long pursued the roleplaying hobby.<sup>32</sup> One early set of commercial LARPing rules tellingly included the caveat "It's only a game . . . You and the rest of the players are doing this for fun. Taking things too seriously . . . will spoil everyone's enjoyment."<sup>33</sup> Such a warning could well be affixed to the conjectures of Slobodian's market radicals: "They invite us to

<sup>29</sup> Slobodian, *Crack-Up Capitalism*, 191.

<sup>30</sup> Slobodian, 128.

<sup>31</sup> See, for one recent example, Rosie Gray, "How Bronze Age Pervert Built an Online Following and Injected Anti-Democracy, Pro-Men Ideas into the GOP," *Politico*, 16 July 2023, accessed 12 Dec. 2023, <https://www.politico.com/news/magazine/2023/07/16/bronze-age-pervert-masculinity-00105427>. QAnon is also often said to include LARPing elements; see Daniël de Zeeuw and Alex Gekker, "A God-Tier LARP? Qanon as Conspiracy Fictioning," *Social Media + Society*, 9, issue 1 (Jan.–Mar. 2023), accessed 12 Dec. 2023, <https://doi.org/10.1177/20563051231157300>; De Zeeuw and Marc Tuters, "'Teh Internet is Serious Business': On the Deep Vernacular Web and Its Discontents," *Cultural Politics* 16, no. 2 (2020): 214–232.

<sup>32</sup> Best known is the moral panic that surrounded Dungeons & Dragons, a "tabletop roleplaying game" rather than a LARP, in the US in the mid-1980s; see Joseph P. Laycock, *Dangerous Games: What the Moral Panic over Role-Playing Games Says about Play, Religion, and Imagined Worlds* (Berkeley, 2015). The contemporary cultural significance of the roleplaying game is hard to quantify or to overestimate. Jon Peterson's work is essential, especially the monumental *Playing at the World: A History of Simulating Wars, People, and Fantastic Adventures, from Chess to Role-Playing Games* (San Diego, 2012), but also *The Elusive Shift: How Roleplaying Games Forged Their Identity* (Cambridge, MA, 2020).

<sup>33</sup> Richard E. Dansky, *Mind's Eye Theatre: Laws of the Night: Rules for Playing Vampires* (Stone Mountain, GA, 1996), 14. LARPing has come a long way since. The cutting-edge of LARPing as a (usually non-profit) collaborative art form is found in the so-called "Nordic Larp" style pioneered in Finland, Denmark, Norway, and Sweden; see the essays in *States of Play: Nordic Larp Around the World*, ed. Juhana Petterson (Tampere, Finland, 2012).

speculate but to do so concretely—to play for real.”<sup>34</sup> As is often true in *Crack-Up Capitalism*, which jumps from zone to zone and radical to radical, Slobodian does not dwell long enough on this insight, especially since “play[ing] for real” seems to be implicated in so much of the internet culture of the alt-right, but the observation is nonetheless incisive.

It is tempting to see in much of the political LARPing of the present a “malaise of modernity,” a pathology linked to what Charles Taylor has called our “Age of Authenticity,” either as another species of self-expression or as a rejection of the authentic itself.<sup>35</sup> “How,” David Foster Wallace mordantly asks in one of his essays, “is one to be bona fide iconoclast when Burger King sells onion rings with ‘Sometimes You Gotta Break the Rules?’”<sup>36</sup> When rebellion has itself been fully commodified and coopted, a LARPed iconoclasm may seem to some to be the only authentic option left. Something like this may be lurking beneath the youthful reactionary chic of the twenty-first century, but it only partially explains the market radicals of *Crack-Up Capitalism*. Even if Slobodian’s “play[ing] for real” calls to mind the famous Balinese cockfight described and theorized by Clifford Geertz, there is nothing “deep” about the market radicals’ play. In “deep play” both parties to a wager are, as Geertz put it, “in over their heads” and wager notwithstanding the irrationality of doing so from a perspective of utility.<sup>37</sup> For the market radical, “play for real” is often remarkably shallow play, with the marginal utility of “winning” far outweighing the marginal disutility of “losing.” There is a similar paradox at play in the phrase “venture capitalism,” where little to nothing in a Geertzian sense is ever actually ventured.<sup>38</sup>

Slobodian’s market radicals trade in *disruptive ideas*, on the model of the late Clayton Christensen’s “disruptive technologies.”<sup>39</sup> The venture capitalist, Harvard MBA, and crypto enthusiast Chris Dixon once recapitulated Christensen’s idea as “The next big thing will start out looking like a toy.”<sup>40</sup> For the market radical, the wager is that the next

<sup>34</sup>Slobodian, *Crack-Up Capitalism*, 128.

<sup>35</sup>Taylor, *A Secular Age* (Cambridge, MA, 2007), *passim* but especially 473–504.

<sup>36</sup>David Foster Wallace, “E Unibus Pluram: Television and U.S. Fiction,” 21–82, in *A Supposedly Fun Thing I’ll Never Do Again: Essays and Arguments* (New York, 1997), 68.

<sup>37</sup>Clifford Geertz, “Deep Play: Notes on the Balinese Cockfight,” in *The Interpretation of Cultures: Selected Essays* (New York, 1973), 433.

<sup>38</sup>On the development of venture capitalism, see Tom Nicholas, *VC: An American History*, (Cambridge, MA, 2019).

<sup>39</sup>Clayton Christensen, *The Innovator’s Dilemma: When New Technologies Cause Great Firms to Fail* (Boston, 1997).

<sup>40</sup>Chris Dixon, “The next big thing will start out looking like a toy,” blog post, 3 Jan. 2010, accessed 12 Dec. 2023, <https://cdixon.org/2010/01/03/the-next-big-thing-will-start-out-looking-like-a-toy>.

big thing will start out looking like a LARP. And the business they hope to disrupt is the modern state. The market radicals seem suspended in an enchanted zone somewhere as far from “modernity” and “progress” as possible, but between a deeply misunderstood usable past—e.g., their praise of Somalia’s traditional customary law called *xeer*, or of the Germanic *wergeld* or “man-price” system—and a speculative post-“crisis” cyberpunk future, a speculation that may or may not also serve as a survival guide and investment advice.<sup>41</sup>

Slobodian himself also routinely tries to make sense of our world by looking to science-fiction novels, by authors like William Gibson, Masande Ntshanga, Lionel Shriver, Neal Stephenson, and Bruce Sterling. Why should this be? Everyone involved seems haunted or exhilarated by the question that Slobodian asks, ventriloquizing Milton Friedman: “What if the era when the nation-state dominated political aspirations . . . was no more than a blip?”<sup>42</sup> A question that might be profitably rephrased as “what if the political aspirations of the nation-state-dominated era relied on a shared fantasy of what the nation-state was and what it was for?” Or rephrased again: “what fantasies, if any, can we still share in what the traditionalist philosopher Roberto Calasso called, in a frighteningly keen phrase, *l’innominabile attuale*, the unnamable present?”<sup>43</sup>

In previous essays, we suggested that the multiplicity of vectors of economic and political sovereignty in the early modern world merited the moniker “Baroquepunk.”<sup>44</sup> Slobodian’s invocation of science fiction to make sense of the goings-on of globalization now suggests the need for a more sustained attention to both the baroque and punk dimensions of political economy past, present, and future. The long twentieth century’s shadow might be shorter than the long seventeenth century’s. As the story of the Dutch East India Company (VOC) reminds us, after all, the “sovcorp,” or “sovereign corporation,” is as old as the publicly traded company itself, and later centuries have seen scores of actors (private, corporate, national, colonial, imperial, sometimes all of the above) who would have put even the daringest of Curtis Yarvin’s (AKA Mencius Moldbug’s) Dark Enlightenment dreams to shame.<sup>45</sup>

<sup>41</sup>Slobodian, *Crack-Up Capitalism*, 121–123, 128, 214.

<sup>42</sup>Slobodian, 15.

<sup>43</sup>Roberto Calasso, *L’innominabile attuale* (Milan, 2017).

<sup>44</sup>Fredona and Reinert, “Leviathan and Kraken,” 177, and especially note 38; Sophus A. Reinert, “Rivalry: Greatness in Early Modern Political Economy,” in *Mercantilism Reimagined: Political Economy in Early Modern Britain and its Empire*, ed. Phil Stern and Carl Wennerlind (Oxford, 2014), 348–370; Reinert, *Academy of Fisticuffs*, 329 note 19.

<sup>45</sup>Concessions still take on decidedly state-like forms: for one example, see Sophus A. Reinert, Sarah Nam, Sisi Pan, and Eric Werker, “ArcelorMittal and the Ebola Outbreak in Liberia,” *Harvard Business School Case 9-718-029*, revised Mar. 2018; and, for a similar

In 2007, as America's vision of a remade Middle East was vanishing, Moldbug had visions of his own: "Imagine," Slobodian summarizes, "if Dubai could do an IPO."<sup>46</sup> To which, Moldbug added a variation: "If we let the Maktoums run, say, Baltimore, what would happen?"<sup>47</sup> These are boomerang ideas. They go out into the world and come home again. Worse, they may be mischievous *tulpas* which, having been thought into being, can no longer be controlled by those who thought them.<sup>48</sup>

Are we, with apologies to Robert Zemeckis, moving "back to the future" of empires private as well as public? Are we slowly awakening from a brief dream when, in the "imagined communities" of the Western democratic nation states, the *demos* was unaware of its own fragmentation? Is the process of perforation speeding up? Or slowing down? We are certainly spinning, but we don't know if the forces moving us are centripetal or centrifugal? As Slobodian keenly points out, "globalization . . . binds us together while it tears us apart."<sup>49</sup>

Unlike the market radicals, Slobodian offers no predictions, nor any investment advice. He is content to offer cryptic possibilities. "The [computing] cloud floats because the underclass holds it up," he writes at one point. "Time will tell if they drop their arms one day and make something new."<sup>50</sup> And he ends the book playing on the Hong Kong protesters' adoption of Bruce Lee's motto, an expression of

historical case, Marcelo Bucheli, *Bananas and Business: The United Fruit Company in Colombia, 1899–2000* (New York, 2005), followed by Geoffrey Jones and Marcelo Bucheli, "The Octopus and the Generals: The United Fruit Company in Guatemala," *Harvard Business School Case 805-146*, revised Oct. 2022.

<sup>46</sup>On Yarvin's imperial ambitions, see Slobodian, *Crack-Up Capitalism*, 185. On the Dutch East India Company, see Sophus A. Reinert and Robert Fredona, "The Dutch East India Company (VOC)," *Harvard Business School Case 732-002*, revised 2022. On the theme of corporate sovereignty, see also Philip J. Stern, *The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India* (Oxford, 2012), and *Empire, Incorporated: The Corporations that Built British Colonialism* (Cambridge, MA, 2023), as well as Andrew Phillips and J.C. Sharman, *Outsourcing Empire: How Company-States Made the Modern World* (Princeton, 2020), Steven Press, *Rogue Empires: Contracts and Conmen in Europe's Scramble for Africa* (Cambridge, MA, 2017), and Michel Gobat, *Empire by Invitation: William Walker and Manifest Destiny in Central America* (Cambridge, MA, 2018).

<sup>47</sup>Mencius Moldbug, "A Formalist Manifesto," 24 Apr. 2007, accessed 12 Dec. 2023, <https://www.unqualified-reservations.org/2007/04/formalist-manifesto-originally-posted>.

<sup>48</sup>We have in mind here the *tulpa* as it has entered the Western imagination, especially through the spiritualist-explorer Alexandra David-Néel's *Magic and Mystery in Tibet* (London, 1931): see Natasha L. Mikles and Joseph P. Laycock, "Tracking the Tulpa: Exploring the 'Tibetan' Origins of a Contemporary Paranormal Idea," *Nova Religio: The Journal of Alternative and Emergent Religions* 19, no. 1 (2015): 87–97. For a memorable exploration of the *tulpa* in the context of one of the gated communities so central to Slobodian's *Crack-Up Capitalism*, see *The X-Files* episode "Arcadia," season 6, episode 15, 1999, written by Daniel Arkin and directed by Michael Watkins.

<sup>49</sup>Slobodian, *Crack-Up Capitalism*, 7.

<sup>50</sup>Slobodian, 223.

the ancient concept of *wu wei*: “Be water,’ they said, and faced down sixteen thousand rounds of tear gas. What this might mean might only be discovered in the process of becoming.”<sup>51</sup>

Until the book’s closing pages, when the 2019 Hong Kong protests take center stage, closing the book’s Hong Kong loop, the closest thing to a clear image of resistance to the zone that we get in *Crack-Up Capitalism* is an all-too-brief glimpse of “red London” and the “prefigurative politics” of the Greater London Council between the 1981 election of Ken Livingstone and its dissolution in 1986.<sup>52</sup> Slobodian is, here, right to stress the inadequacy of talking about a struggle between “the state” and “the market”: as he lucidly puts it, “Thatcher’s government,” which abolished the GLC, “and the GLC were both part of ‘the state’. Where they differed was in their conception of what the state was for.”<sup>53</sup> Those who talk about rolling back the state are always really talking about using the state to support different priorities. Hence, Slobodian’s “particularly revealing moment” when “escape from politics” libertarian Thiel, advising a recently-elected Donald Trump on cabinet appointments, floated as a possible FDA commissioner the name of Balaji Srinivasan, advocate of “exit” (in Albert Hirschman’s terms and secessionist terms) from the American state, prophet on the model of Edgar C. Whisenant (who confidently predicted the rapture would occur in 1988, 1989, and 1993), and bitcoin inflation-crisis profiteer. “It seems the only thing better than exiting the state would be taking it over.”<sup>54</sup>

This boomerang goes from neoliberalism to secessionism and back. Indeed, one of Slobodian’s essential takeaways is that zones are “always tools of the state, not liberation from it.”<sup>55</sup> But, Srinivasan and a few other moments aside, this takeaway must often be inferred or teased out by the reader before the final reveal at book’s end. Regrettably, the story of Sam Bankman-Fried’s plan to buy the island-nation of Nauru and make it a “bunker” in which members of the Effective Altruism movement could “wait out the apocalypse” broke too late for Slobodian

<sup>51</sup>Slobodian, 239. Lee’s motto was widely disseminated via the short-lived 1971–72 American television series *Longstreet*. Those seeking its origin and meaning should turn first to Bruce Lee’s handwritten essay “The Tao of Gung Fu: A Study in the Way of the Chinese Martial Art,” 16 May 1962, published in John R. Little’s collection, *Bruce Lee: Artist of Life* (North Clarendon, VT, 2001), 2–12. Lee quotes, at p. 6, a translation of Lao Tzu’s *Tao Te Ching*: “The natural phenomenon which the gung fu man sees as being the closest resemblance to wu wei is water: Nothing is weaker than water, /But when it attacks something hard/Or resistant, then nothing withstands it, /And nothing will alter its way.”

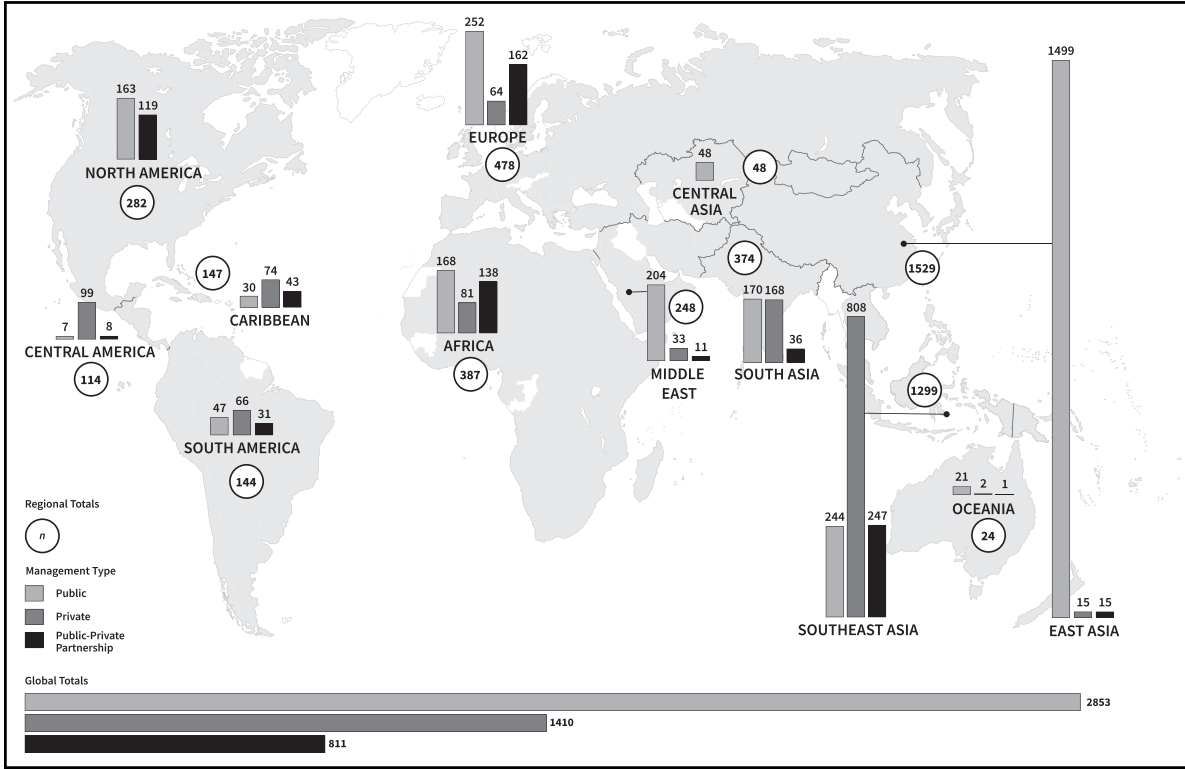
<sup>52</sup>Slobodian, *Crack-Up Capitalism*, 47.

<sup>53</sup>Slobodian, 48.

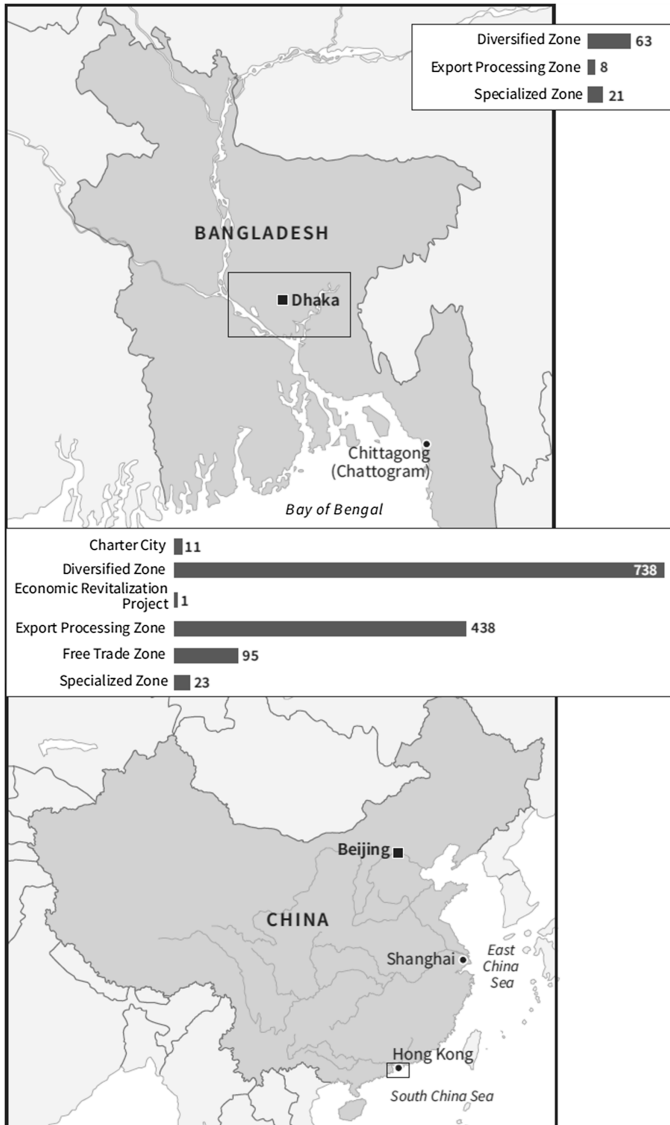
<sup>54</sup>Slobodian, 221; Albert O. Hirschman, *Exit, Voice, and Loyalty: Responses to the Decline of Firms, Organizations, and States* (Cambridge, MA, 1970).

<sup>55</sup>Slobodian, *Crack-Up Capitalism*, 236.

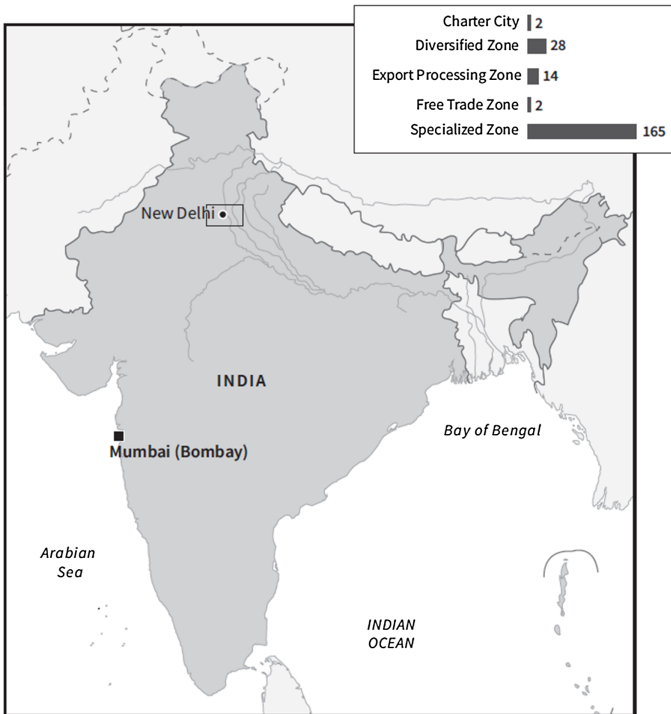




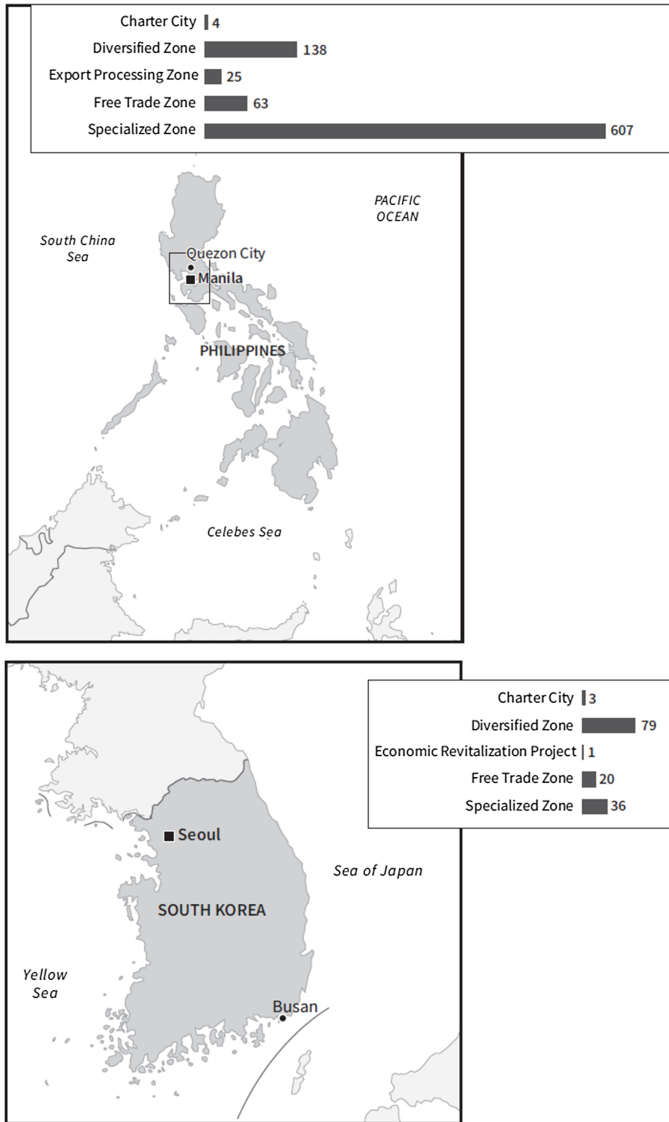
Map 1. Global and regional zone totals by management type. Cartography by Isabelle Lewis. (Source: all maps are based on 2021 data compiled by the Adrianople Group.)



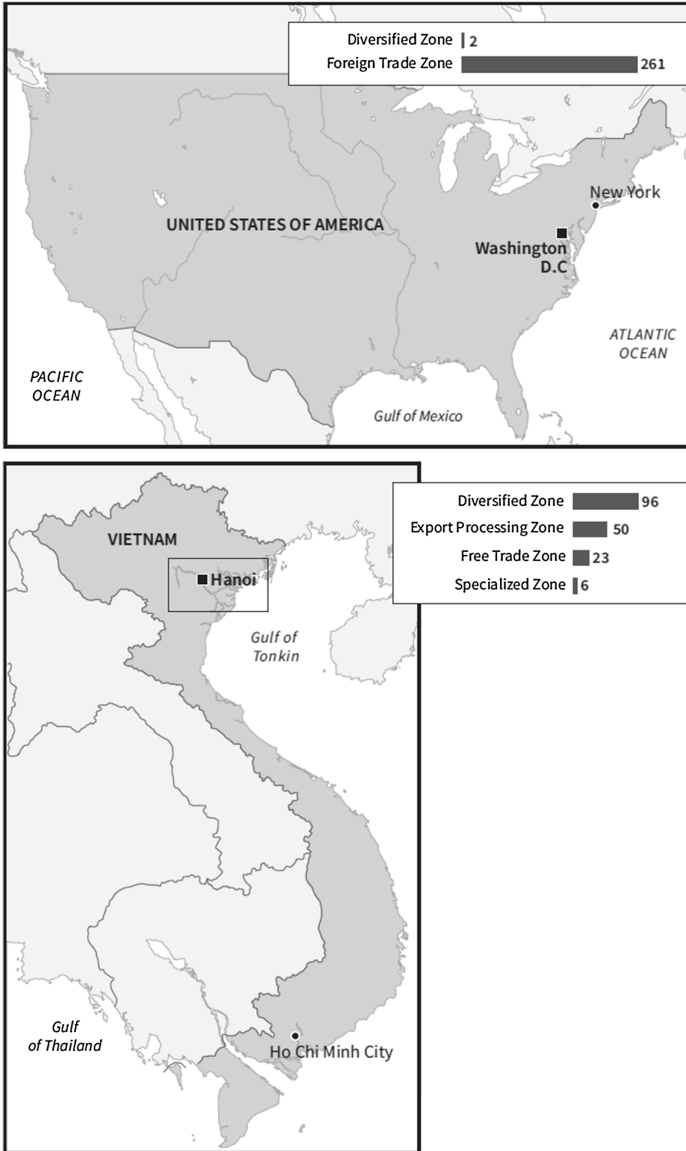
Maps 2-3. Bangladesh and China, showing country zone totals by type. Cartography by Isabelle Lewis. The areas inside the rectangles are visualized in detail in Data Visualizations 1-2.



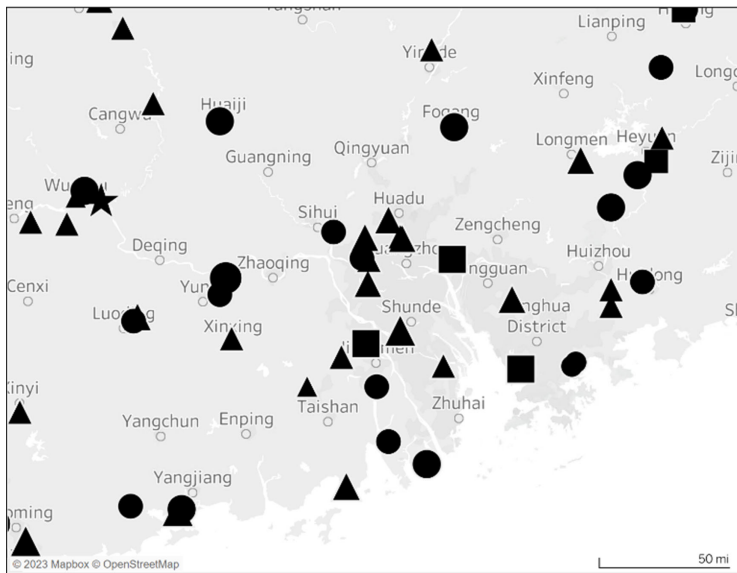
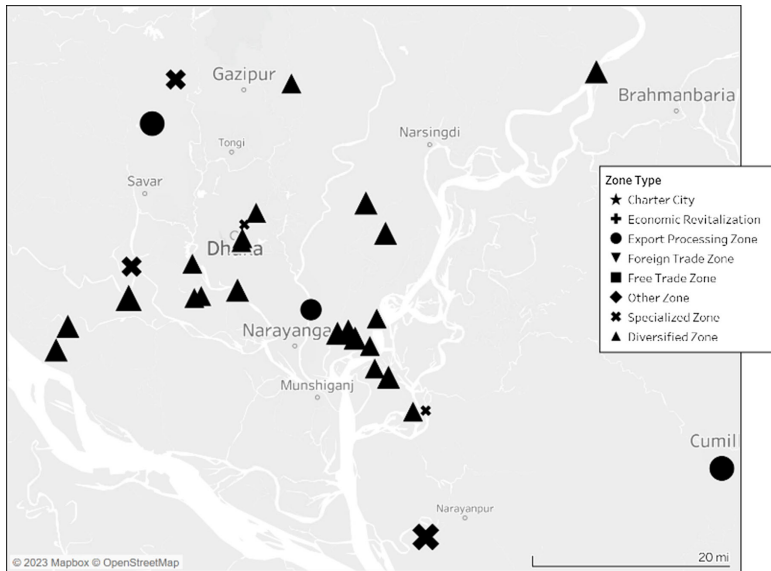
Maps 4-5. The Dominican Republic and India, showing country zone totals by type. Cartography by Isabelle Lewis. The areas inside the rectangles are visualized in detail in Data Visualizations 3-4.



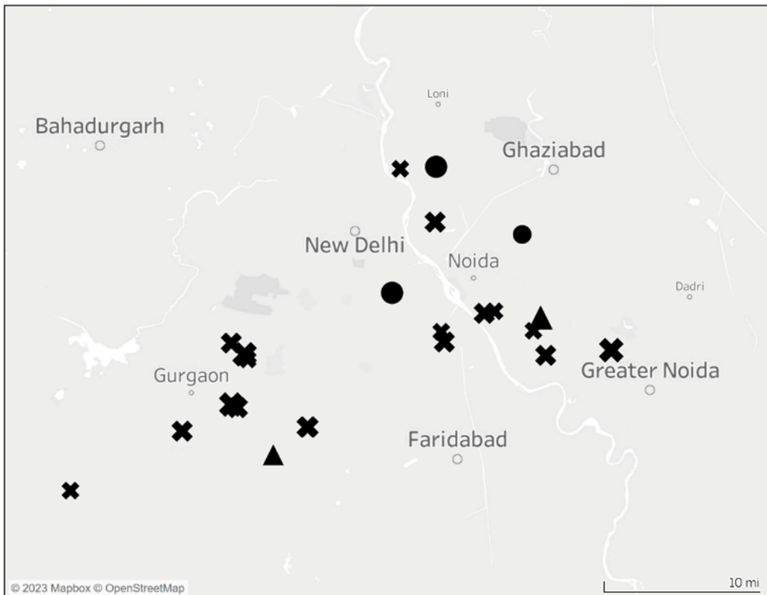
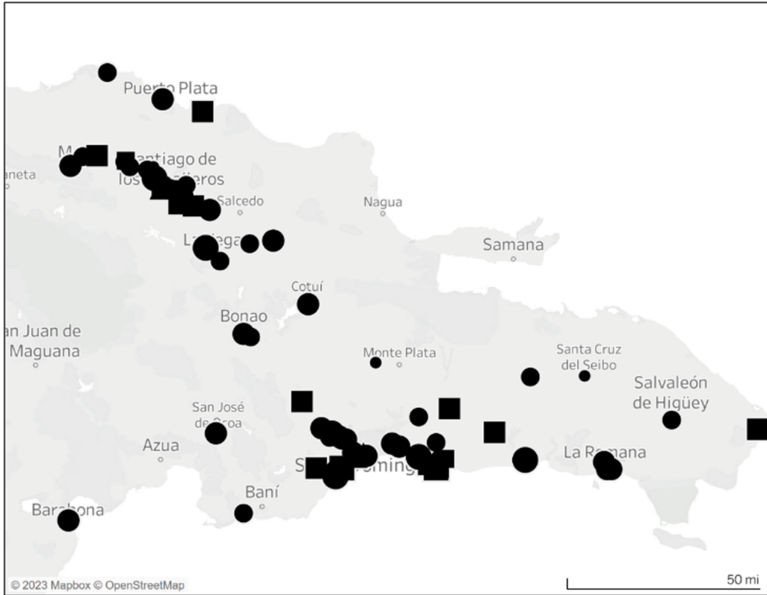
Maps 6-7. The Philippines and South Korea, showing country zone totals by type. Cartography by Isabelle Lewis. The area inside the rectangle on the map of the Philippines and all of South Korea are visualized in detail in Data Visualizations 5-6.



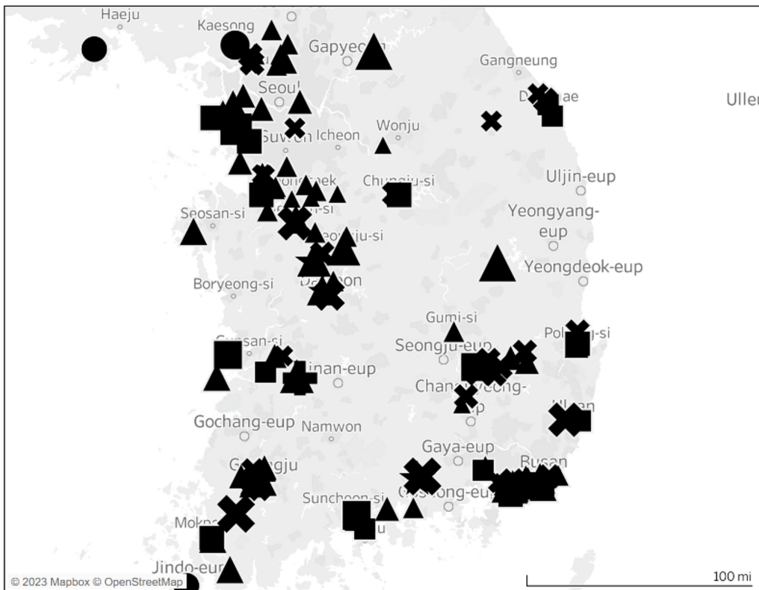
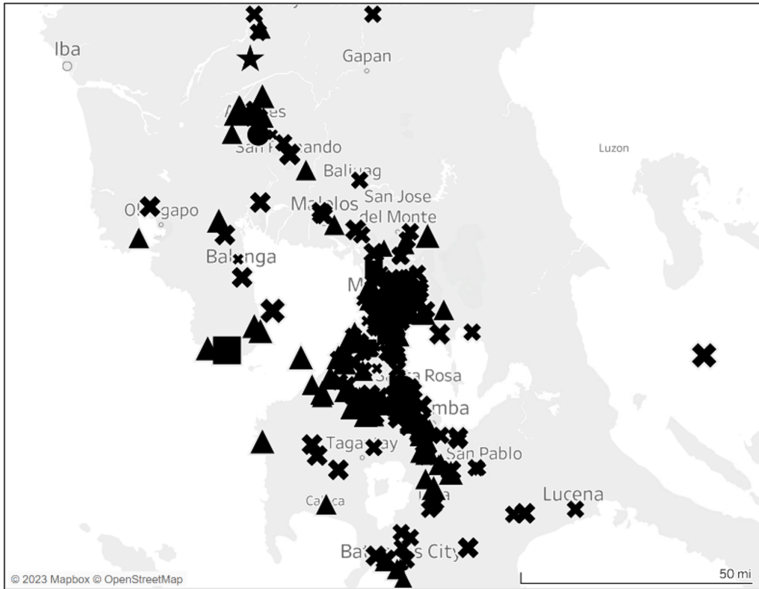
Maps 8-9. The United States and Vietnam, showing country zone totals by type. Cartography by Isabelle Lewis. The area inside the rectangle on the map of Vietnam is visualized in detail in Data Visualization 8.



Data Visualization 1–2. Location, type, and scale of zones around Dhaka and around Hong Kong. Data visualized by Matthew W. Norris. The legend included here applies to visualizations 1–8 and the relative scale of zones is consistent within each visualization. (Source: all data visualizations are based on 2021 data compiled by the Adrianople Group and built on open data maps freely provided by OpenStreetMap® and its contributors under the Open Data Commons Database License.)

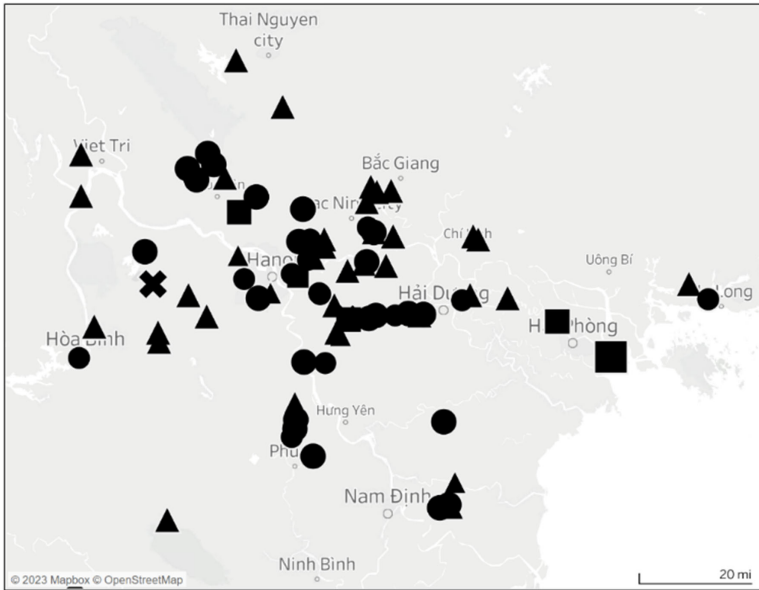
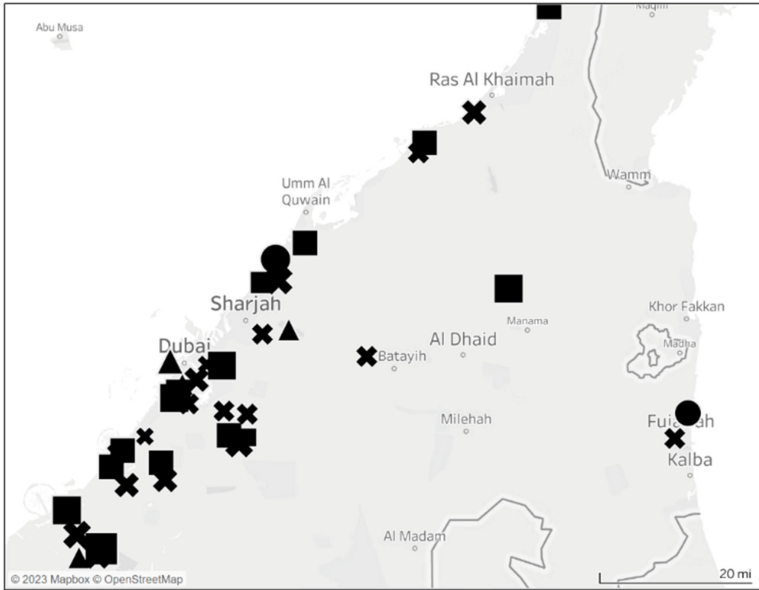


Data Visualization 3–4. Location, type, and scale of zones in the Dominican Republic and around New Delhi by type. Data visualized by Matthew W. Norris.



Data Visualization 5–6. Location, type, and scale of zones around Manila and in South Korea. Data visualized by Matthew W. Norris.





Data Visualization 7–8. Location, type, and scale of zones in Dubai and around Hanoi. Data visualized by Matthew W. Norris.

to include. In a memo crafted by the fraudulent Bitcoin guru's brother, Gabriel Bankman-Fried, it was hoped that "sensible regulation around human genetic enhancement" could be implemented on Nauru, adding that there might be "other things it's useful to do with a sovereign country, too."<sup>56</sup> Slobodian observes that "there is no exit from the earth," but that nonetheless remains the explicit dream for space entrepreneurs like Jeff Bezos and Elon Musk.<sup>57</sup> Unsurprisingly, the baroque debate between Hugo Grotius and John Selden over whether oceans should be "open" or "closed" has already been cast onto the practically infinite reaches of the cosmos.<sup>58</sup> As Matthew Weinzierl and Mehak Sarang recently noted, "the commercial space age is here."<sup>59</sup> Capitalism's own "spatial turn," its turn towards *outer* space, is already a literal reality and it may be just a question of time before globalism goes interglobal.<sup>60</sup>

<sup>56</sup> Faustine Ngila, "Sam Bankman-Fried Wanted to Buy the Nation of Nauru to Wait Out the World's End," *Quartz*, 21 July 2023, accessed 12 Dec. 2023, <https://qz.com/sam-bankman-fried-ftx-nauru-court-case-money-laundering-1850662899>. On Nauru, see Sophus A. Reinert, Dawn Lau, Courtney Basanovic, and Julie Kheyfets, "Nauru: Paradise Lost," *Harvard Business School Case 719-009*, revised 2022.

<sup>57</sup> Slobodian, *Crack-Up Capitalism*, 77, 162. See also Sarah Scoles, "Forget Earth: In Space, Libertarian Ideas Are Thriving," *Wired*, 12 Dec. 2019, accessed 12 Dec. 2023, <https://www.wired.com/story/forget-earth-in-space-libertarian-ideas-are-thriving/>; and Douglas Rushkoff, *Survival of the Richest: Escape Fantasies of the Tech Billionaires* (New York, 2022).

<sup>58</sup> Eytan Tepper, "Structuring the Discourse on the Exploitation of Space Resources: Between Economic and Legal Commons," *Space Policy* 49 (2019): 5; Anthony E. Cassimatis, *Public International Law* (Oxford, 2021), 339. For a prehistory of the Grotius-Selden debate, see Robert Fredona, "Angelo degli Ubaldi and the Gulf of the Venetians: Custom, Commerce, and the Control of the Sea before Grotius," in *New Perspectives on the History of Political Economy*, ed. Fredona and Sophus A. Reinert (London, 2018), 29–73.

<sup>59</sup> Matthew Weinzierl and Mehak Sarang, "The Commercial Space Age is Here," *Harvard Business Review Digital Articles*, 12 Feb. 2021, accessed 12 Dec. 2023, <https://hbr.org/2021/02/the-commercial-space-age-is-here>.

<sup>60</sup> It is by now a trite but long-standing trope that "Something like an interglobal war would be needed to give any genuine meaning to the trite phrase of human brotherhood," as Herbert W. Schneider put it in 1960 in *Morals for Mankind (The Paul Anthony Brick Lectures)* (Columbia, MO, 1960), 50. The 1986–87 comic book series *Watchmen* (New York, 1986–87), by Alan Moore and Dave Gibbons, gave this trope a suitably dark twist in the plan of Adrian Veidt (Ozymandias) to save humanity from nuclear war by faking an alien invasion of New York City. Interglobal trade is unlikely to spread human brother- and sisterhood throughout the universe. This is strongly suggested by the rapacious and warlike experience of global trade on earth; Sophus A. Reinert, *Translating Empire: Emulation and the Origins of Political Economy* (Cambridge, MA, 2011); Robert Fredona and Sophus A. Reinert, "Epilogue," *New Perspectives on the History of Political Economy*, 393–395. Although the Enlightenment trope that trade would tame human belligerence still has its die-hard supporters, they were bolder in the 90s. See, for an essential late-90s version, Thomas L. Friedman, *The Lexus and the Olive Tree* (New York, 1999). At the time the present essay was written, contrary to Friedman's "Golden Arches Theory of Conflict Prevention," two "McDonald's countries" (Russia and Ukraine) were very notably at war. On earlier commercial legends, including that of peace through trade, see Robert Fredona, review essay of Francesca Trivellato, *The Promise and Peril of Credit: What a Forgotten Legend about Jews and Finance Tells Us about the Making of European Commercial Society* (Princeton 2019), in *Business History Review* 94, no. 3 (Autumn 2020): 637–652. The cosmopolitan myth has

The nearest thing we get to a happy ending in *Crack-Up Capitalism*, though only a very local one, comes in Slobodian's discussion of Próspera, a private city and ZEDE (Zone for Employment and Economic Development) off the coast of Honduras, when the election of Xiomara Castro casts doubt on the zone's continuing survival: "the old-fashioned mechanism of popular elections creaked its levers," Slobodian writes, "and democracy took its revenge."<sup>61</sup> If the right dreams of secession, however, the left has long dreamt of dropping out. And, increasingly, both are drawn like moths to the flame of "burn it down." Slobodian briefly mentions the "failure of the hippie settlements of the 1970s," and it seems important, in addition to the "market radicals" he so deftly describes, to also note the fantastical nature of much anti-market escapism.<sup>62</sup> Our contemporary obsession with the piratical exit is an utterly bipartisan fetishism, and it is not clear that the historical and contemporary fantasies of James C. Scott and the late David Graeber have been any less cherry-picked than David Friedman's Viking-libertarian phantasmagoria.<sup>63</sup>

The zones that Slobodian chooses to highlight are often, though not always, states or state-like, think Singapore or Liechtenstein rather than, say, FTZ#27, the foreign trade zone operated near Boston by the Massachusetts Port Authority.<sup>64</sup> Each of Slobodian's chapters brings us to a new locale. Some, like Dubai and Singapore, are already well known. Others much less so, like the "Bantustan" of Ciskei established in South Africa in 1981, an EPZ with the trappings of a pseudo-nation, like its own stamps and flag. In Slobodian's telling, Ciskei, reincorporated into post-apartheid South Africa in 1994, was essentially a sweatshop protected by police violence, an exemplary case of his thesis that in the zone freedom for business relies on the absence of political freedom.<sup>65</sup> In his classic *The Offshore World*, now two decades old, Ronan Palan observed how many zones, frequently diminutive and idiosyncratic, have learned to exploit "their oddity for pecuniary gain."<sup>66</sup> In the cases Slobodian treats,

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survived in many quarters of academia and the media; for a recasting of cosmopolitanism, see Sophus A. Reinert, "Cosmopolis: Empire and Capitalism," *Eighteenth-Century Studies* 51, no. 1 (Fall 2018): 19–25.

<sup>61</sup>Slobodian, *Crack-Up Capitalism*, 199.

<sup>62</sup>Slobodian, 207.

<sup>63</sup>See Reinert, *The Academy of Fisticuffs*, 264–267 and Reinert, "The Origins of the Developmental State: The European Experience," in *The Oxford Handbook of State Capitalism and the Firm*, ed. Mike Wright, Geoffrey T. Wood, Alvaro Cuervo-Cazurra, Pei Sun, Ilya Okhmatovskiy, and Anna Grosman (Oxford, 2022), 66–70.

<sup>64</sup>"Conley Terminal Foreign Trade Zone," *Massport*, accessed 12 Dec. 2023, <https://www.massport.com/conley-terminal/about-the-port/benefits-of-shipping/foreign-trade-zone>.

<sup>65</sup>Or, as he dryly puts it, "some kinds of economic freedom depend on political disenfranchisement": Slobodian, *Crack-Up Capitalism*, 82.

<sup>66</sup>Palan, *The Offshore World*, 112.

“oddity” would almost have to be a euphemism. *Crack-Up Capitalism* is sometimes more like an infernal atlas than an academic monograph. Reading it, we were reminded of the closing scene of Italo Calvino’s 1972 novel *Invisible Cities*, when Kublai Khan, flipping through his own great atlas, comes at last to “the maps of the cities that menace in nightmares and maledictions: Enoch, Babylon, Yahooiland, Butua, Brave New World.” What is the point of it all, the Khan asks, if inferno awaits us at the end? It does not await us, Marco Polo tells him, it is already here.<sup>67</sup>

And zones are indeed already here. More than 5,400 of them according to Slobodian, going by a variety of names—free ports, SEZs, FTZs, EPZs, enterprise zones—and coming in many shapes and sizes, from a single office building or factory or warehouse to an airport to a technology park to a whole city, island, and more.<sup>68</sup> (Between 2019 and 2021, the Adrianople Group, a Richmond-based research and consulting firm focused on SEZs, mapped 5,074 of them worldwide.<sup>69</sup> See Map 1 and Table 2.)

What they have in common is that they are carved out and demarcated areas within a country’s borders—though on occasion they are technically very small countries themselves, nested in larger regional economies—where the rules for production, finance, and trade are friendlier to business, especially foreign business and investment, than those that ordinarily prevail. They are quintessentially, in Adunbi’s fortunate locution, “enclaves of exception.”<sup>70</sup> This usually means privileged access to state facilities, lower duties, streamlined customs procedures, generous foreign exchange policies, tax incentives, and looser labor regulations. As Corey Tazzara has rightly observed, in an important essay that bridges the historical phenomenon of the free port and the modern SEZ, “special economic zones are one of the dirty secrets of modernity.”<sup>71</sup> Both of Tazzara’s *mots justes*, “dirty” and “secret,” can be worth emphasizing. SEZs are often opaque, as most spaces of exception are, and even invisible for a reason.

They represent, in a meaningful sense, the practical apotheosis of the world system’s structural incongruity between politically-independent and economically-interdependent communities. Though often Lilliputian in size, nodal points of exception play a downright

<sup>67</sup> Italo Calvino, *Invisible Cities*, trans. William Weaver (New York, 1974), 164.

<sup>68</sup> Slobodian, *Crack-Up Capitalism*, 3.

<sup>69</sup> For additional information about the Adrianople Group and their mapping project, see Adrianople Group, “About Us,” accessed 12 Dec. 2023, <https://www.adrianoplegroup.com/about-us> and “Open Zone Map,” accessed 12 Dec. 2023, <https://www.adrianoplegroup.com/zonemap/about>.

<sup>70</sup> Adunbi, *Enclaves of Exception*, 2–3.

<sup>71</sup> Corey Tazzara, “Capitalism and the Special Economic Zone, 1590–2014,” in *New Perspectives on the History of Political Economy*, ed. Reinert and Fredona, 75.

*Table 2*  
Zones by Region and Type

<i>Region</i>	<i>Charter City</i>	<i>Diversified Zone</i>	<i>Economic Revitalization</i>	<i>Export Processing Zone</i>	<i>Foreign Trade Zone</i>	<i>Free Trade Zone</i>	<i>Other Zone</i>	<i>Specialized Zone</i>	<i>Grand Total</i>
East Asia	15	831	11	455		116	2	99	1529
Southeast Asia	4	326	10	157		159		643	1299
Europe		78	157	104		98	1	40	478
Africa	8	45	21	199		70		44	387
South Asia	5	131	1	42		3		192	374
North America		2	8		272				282
Middle East	1	86		19		103		39	248
Caribbean	4	11		81		42		9	147
South America		11	5	41		81		6	144
Central America	4	3		49		45		13	114
Central Asia		34		2				12	48
Oceania	1	1	1	1		13		7	24
Grand Total	42	1559	214	1150	272	730	3	1104	5074

Source: 2021 data compiled by the Adrianople Group.

Brodingnagian role in the world economy. The precise size of their role has never been accurately or adequately measured. A specific kind of zone, the tax haven, has, however, increasingly been the subject of detailed attention, and the picture that emerges only strengthens and extends Slobodian's case.<sup>72</sup> Gabriel Zucman estimated in 2015 that 8% of the world's financial wealth was then in tax havens, a number that reached north of 30% when considering the wealth of Africa, and 50% looking at that of Russia and the Middle East. A recent IMF study further suggests that \$15 trillion out of the total \$40 trillion in worldwide Foreign Direct Investment (FDI) in 2019 took the form of "phantom FDI" into tax havens.<sup>73</sup> The distributional consequences are staggering, with tax avoidance done through so-called "international financial centers" by US firms alone costing the government \$130 billion a year.<sup>74</sup> As a group, low-income countries are assumed to lose no less than \$200 billion a year to tax havens— in other words, substantially more than the \$150 billion or so they receive each year in development assistance.<sup>75</sup> Indeed, UNCTAD has suggested that the value of illicit capital flows from the African continent, which tendentially involves tax havens, nearly matches the combined annual inflows of foreign development assistance (FDA) and foreign direct investment (FDI).<sup>76</sup> At the same time, the argument is often made that the legal protection offered by tax havens safeguards and facilitates FDI, particularly into emerging markets.<sup>77</sup> In 2013, for example, the UK-based charity ActionAid estimated that nearly 50% of all FDI into emerging markets went via tax havens, up from only 19% in 2009.<sup>78</sup> Nothing suggests these numbers are any smaller today.

<sup>72</sup>Ronen Palan, *The Offshore World*; Palan, Richard Murphy, and Christian Chavagneux, *Tax Havens: How Globalization Really Works* (Ithaca, 2009); and Gabriel Zucman, *The Hidden Wealth of Nations*, trans. Teresa Lavender Fagan (Chicago, 2015).

<sup>73</sup>Jannick Damgaard, Thomas Elkjaer, and Niels Johannesen, "The Rise of Phantom Investments," International Monetary Fund, Sept. 2019, accessed 12 Dec. 2023, <https://www.imf.org/en/Publications/fandd/issues/2019/09/the-rise-of-phantom-FDI-in-tax-havens-damgaard>.

<sup>74</sup>Zucman, *The Hidden Wealth of Nations*, 35–36.

<sup>75</sup>Nicholas Shaxson, "Tackling Tax Havens," International Monetary Fund, Sep. 2019, accessed 12 Dec. 2023, <https://www.imf.org/en/Publications/fandd/issues/2019/09/tackling-global-tax-havens-shaxon>.

<sup>76</sup>Junior Davis, Milasoa Chérel-Robson, Claudia Roethlisberger, Carlotta Schuster, and Anja Slany, eds., *Economic Development in Africa Report 2020: Tackling Illicit Financial Flows for Sustainable Development in Africa* (Geneva, 2020), 25.

<sup>77</sup>See, for example, Chris Jones, Yama Temouri, Karim Kirolos, and Jun Du, "Tax Havens and Emerging Market Multinationals: The Role of Property Rights Protection and Economic Freedom," *Journal of Business Research* vol. 155, Part B (Jan. 2023), accessed 12 Dec. 2023, <https://www.sciencedirect.com/science/article/abs/pii/S0148296322008384>.

<sup>78</sup>ActionAid, *How Tax Havens Plunder the Poor* (London, 2013), 8, accessed 12 Dec. 2023, [https://actionaid.org/sites/default/files/how\\_tax\\_havens\\_plunder\\_the\\_poor.pdf](https://actionaid.org/sites/default/files/how_tax_havens_plunder_the_poor.pdf).

That said, broadly conceived, zones may have been less an exception than the norm of economic life throughout most of the history of civilization. The transition from “markets” understood as sites of periodic exchange to “the market” as a form of social organization, Karl Polanyi’s “great transformation” giving rise to what eighteenth-century theorists like Adam Smith would call “commercial society” and others subsequently have identified with “capitalism,” is a relatively recent development in economic history.<sup>79</sup> Furthermore, it is one which has tended to result from the strengthening of a state’s ability to regulate territory, not from its weakening. Even in a comparatively developed area like eighteenth-century Lombardy, to name just one example, the political economist Cesare Beccaria, perhaps best known as the Enlightenment’s premier critic of capital and corporal punishment, himself legislated and observed the regulatory transition from a society with markets to a market society firsthand over a period of about two decades. There was very little spontaneity about the ordering he helped bring about, but that process, too, began with a zone—a time and a space for permitted, protected, or encouraged exchanges—that eventually came to encompass the wider territory of the polity.<sup>80</sup> “Free trade,” as we understand it, is always a choice of policy, never an absence of policy.<sup>81</sup> From this perspective, bazaars, markets, and fairs were zones of normalized exception that often contained the seeds of their own sublimation. As the French political economist Turgot observed in his famous article “*Foire*” [i.e., commercial fair] in the *Encyclopédie*, “far from being a proof of the flourishing state of commerce, [great fairs] can exist, on the contrary, only in states where commerce is embarrassed.”<sup>82</sup> Looking out from Turgot’s or Smith’s exuberant moment, when the market *place* was apparently dissolving and market *society* emerging,

<sup>79</sup> Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, ed. Fred Block, with an introduction by Joseph E. Stiglitz (Boston, 2001 [original 1944]). On the debate over capitalism and commercial society see, among others, Reinert, *The Academy of Fisticuffs*, 11–15 and *passim*, as well as Michael Sonenscher, *Capitalism: The Story Behind the Word* (Princeton, 2022).

<sup>80</sup> Reinert, *The Academy of Fisticuffs*, 327–336.

<sup>81</sup> Harcourt, *The Illusion of Free Markets*, 242 and *passim*; Reinert, *The Academy of Fisticuffs*, 335–336.

<sup>82</sup> Anne Robert Jacques Turgot, “*Foire*,” in Denis Diderot and Jean Le Ronde d’Alembert, *Encyclopédie*, 28 vols. (Paris, 1751–72), vol. vii, p. 41, on which see Anne Concon, “*Foires et marches en France au XVIIIe siècle: définitions fiscales et économie du privilège*,” in *Fiere e mercati nella integrazione delle economie europee sec. XIII–XVIII*, ed. Simonetta Cavachiocchi (Florence, 2001), 289–98; Francesca Trivellato, “La fiera del corallo (Livorno, XVIII e XVIII secolo): Istituzioni e autoregolamento del mercato in età moderna,” in *La pratica dello scambio: Sistemi di fiere, mercanti e città in Europa (1400–1700)*, ed. Paolo Lanaro (Venice, 2003), 122–123.

it was seductively simple to begin to sketch the progress narrative that would later be boldly, but not indelibly, inked in as the reigning orthodoxy of the late twentieth century. From our own vantage point, we can more easily telescope both to the distant past and to the future we are already living, in which the illusory smoothness and uniformity of the nation-state and of global market society either has not yet been imagined or is giving way to a fragmented terrain of zones.

In the present, SEZs themselves have become so prevalent as to really be less “special” than “ubiquitous,” and, thus, “integral to” rather than “exceptional in” the structure of the contemporary world economy. Even the Thunder Dragon Kingdom of Bhutan, a pioneer in accounting for happiness rather than gross domestic product, which long has been praised for “keeping the undesirable aspects of modernisation at bay,” is in the process of establishing several.<sup>83</sup> Like Russian nesting dolls, some of the larger zones—such as the Canary Islands, literal embodiments of Vanessa Ogle’s “archipelago capitalism”—in turn host their own, smaller enclaves of even greater exemption.<sup>84</sup>

The zone is an economic and legal reality, but it is also, in Slobodian’s hands, something like a metaphor for growing voids and interstices in the map of sovereignty, a compelling way to talk about the dissolution of the social contract (with the concomitant promise of social life based on *actual* contracts) and about the fact that globalization has resulted in the perforation and fragmentation of spaces for democratic action just as it has literally perforated and fragmented the map of jurisdictions.<sup>85</sup> Perforation and fragmentation seem to imply a *status quo ante* when sovereignty was unpunctured and whole, smooth, and seamless within national boundaries. Yet, Slobodian knows well this was never the case, quoting legal historian Lauren Benton that “Empire . . . was ‘lumpy’, not smooth. The age of the nation was too.”<sup>86</sup> And Saskia Sassen has similarly observed that globalization was never as “flattening” as many would have liked.<sup>87</sup> The Westphalian model was an illusion, sovereignty has always

<sup>83</sup>“Introduction,” *The Druk Journal* 2, no. 1 (Summer 2016), accessed 12 Dec. 2023, <http://drukjournal.bt/bhutan-and-modernity-responding-to-change/>; Thibault Serlet, *The Future of Zones in the Land of the Thunder Dragon: How SEZs Can Help Revitalize the Economy of Bhutan in the Wake of the Global Pandemic* (Roanoke, 2021); Interview with Daphne Yeshi, 25 July 2023; Sophus A. Reinert, Thomas Humphrey, and Benjamin Safran, “Bhutan: Governing for Happiness,” *Harvard Business School Case 715-024*, revised 2019.

<sup>84</sup>Megan Maruschke, *Portals of Globalization: Repositioning Mumbai’s Ports and Zones, 1833–2014* (Oldenburg, 2019), 7; Vanessa Ogle, “Archipelago Capitalism: Tax Havens, Offshore Money, and the State, 1950s–1970s,” *American Historical Review* 122, no. 5 (2017): 1431–1458.

<sup>85</sup>Slobodian, *Crack-Up Capitalism*, 194–196.

<sup>86</sup>Slobodian, 35, quoting Benton, *A Search for Sovereignty: Law and Geography in European Empires, 1400–1900* (New York, 2010), 290.

<sup>87</sup>Saskia Sassen, “Spatialities and Temporalities of the Global: Elements for a Theorization,” *Public Culture* 12, no. 1 (2000): 219.



been an overlapping patchwork of agents and jurisdictions, manifesting what Aihwa Ong, in a sophisticated earlier contribution to the study of SEZs, has called “graduated sovereignty.”<sup>88</sup> Normative regimes have always been transplanted from one place to another. States have always used preferential treatment to achieve economic ends.

The proliferation of modern zones—and, more importantly, what they do, where they are, and when they appeared—reflects the growing dominance of “export-led growth,” alongside the decline of industrialization through import substitution (though the two historically were never mutually exclusive), as the global paradigm for development in the wake of decolonization.<sup>89</sup> Before the mid-70s, the fewer than a hundred SEZs that existed were government-operated and predominantly found in the industrialized world. Today, around half of all SEZs are privately operated and the majority of them are found concentrated in about a dozen countries in the developing world hoping to attract multinationals and increase FDI with the promise of frictionless access to low-cost labor in assembly-oriented activities. There are apparently still no privately-operated zones in North America, yet there are hundreds of them in the Philippines and Dominican Republic alone, two countries absent from *Crack-Up Capitalism*’s tableau (see Maps 4 and 6; Data Visualizations 3 and 5). One danger of treating the zone as a metaphor is that, in the absence of data, comparative in chronological and spatial terms, and of the politico-legal nitty gritty about the creation and operation of SEZs, we never really have a sense of how representative Slobodian’s provocative case studies are. And, as a result, we never know where we are in the historical arc of zonification.

But, is political economy only now reckoning with “the new entity of the zone”?<sup>90</sup> The “origins” of the modern SEZ are often traced back to an EPZ at Shannon International Airport in Ireland in the mid-1950s, itself a variation of the duty-free shop, and even to a “special economic zone” established by the US government on Staten Island in 1937.<sup>91</sup> But, in practice, special economic zones in the broader meaning of that

<sup>88</sup>Ong, *Neoliberalism as Exception*, 78.

<sup>89</sup>For relevant perspectives, see, among many others, William G. Tyler, “Growth and Export Expansion in Developing Countries: Some Empirical Evidence,” *Journal of Development Economics* 9, no. 1 (1981): 121–130; Erik S. Reinert, *How Rich Countries Got Rich . . . And Why Poor Countries Stay Poor* (New York, 2008); Thomas I. Palley, “The Rise and Fall of Export-Led Growth,” *Investigación económica* 71, no. 280 (2012): 141–161.

<sup>90</sup>Slobodian, *Crack-Up Capitalism*, 7.

<sup>91</sup>Slobodian, 85; Lotta Moberg, *The Political Economy of Special Economic Zones: Concentrating Economic Development* (London, 2017), 163; Cameron and Palan, *Imagined Economies*, 98; Palan, *Offshore World*, 119–120.



Photo 2. One stop service in the zone. A service center in the Thilawa Special Economic Zone on the outskirts of Yangon, Myanmar. With funding from major Japanese corporations like Mitsubishi, it is under joint public-private management. (Photo courtesy of Meg Rithmire.)

composite phrase have existed for much longer.<sup>92</sup> The Saite Dynasty of Egypt established Naukratis in the Nile Delta as an emporium to monopolize the Mediterranean trade of Egypt in the seventh century BCE.<sup>93</sup> In addition, when Rome wished to bring the entrepôt of Rhodes to its heels, it declared the island of Delos a “free port.”<sup>94</sup> In the 1570s the Medici Grand Dukes of Tuscany created a “free port” in Livorno that durably inflected the economic history of the Mediterranean and beyond, a kind of sixteenth-century Hong Kong for export, and proved a powerful example of how toleration, too, could be institutionalized through spatially-differential regulations.<sup>95</sup> Were these not, too, zones of exception from the economic norms that surrounded them, “cosmopolitan” nodes in growing webs of essentially borderless international movement and exchange?<sup>96</sup> “Capital,” as Fernand Braudel famously

<sup>92</sup>The essays in Corey Tazzara and Koen Stapelbroek, eds., *The Global History of the Free Port*, a special issue of *Global Intellectual History* 8, no. 6 (2023), will set a new standard for thinking about the phenomenon from the late sixteenth to the mid-twentieth century.

<sup>93</sup>Astrid Möller, *Naukratis: Trade in Archaic Greece* (Oxford, 2000).

<sup>94</sup>Moses I. Finley, *The Ancient Economy* (Berkeley, 1997 [original 1970]), 130.

<sup>95</sup>Corey Tazzara, *The Free Port of Livorno and the Transformation of the Mediterranean World, 1574–1790* (Oxford, 2017).

<sup>96</sup>For such readings, see the essays in *Roman Port Societies: The Evidence of Inscriptions*, ed. Pascal Arnaud and Simon Keay (Cambridge, UK, 2020), particularly Sabine Panzram, “Living Like a Cosmopolitan? On Roman Port Societies in the Western World,” 233–234.

quipped, “laughed at frontiers” in the Early Modern era no less than it does in our day.<sup>97</sup> Perhaps capital even does water one better. In Bruce Lee’s words, water “has no shape of its own but molds itself to the receptacle that contains it.”<sup>98</sup> Capital, as we see repeatedly in Slobodian’s stark narrative, molds the receptacle to itself, pitilessly remaking or unmaking both the map and the territory.

Following in his father David’s playfully libertarian footsteps, Milton Friedman’s grandson Patri was, Slobodian notes, a fan of the Burning Man festival held annually in Nevada’s Black Rock Desert, though he unsurprisingly rejected its principles of gifting and decommodification.<sup>99</sup> In 2014, it was reported that the Republican anti-tax crusader Grover Norquist had also attended and enjoyed Burning Man, and he presented its ethos in ecstatically neoliberal terms: “Burning Man is a bunch of people who think the government doesn’t need to be here . . . talk about Hayekian spontaneous order — this is, like, exhibit A.”<sup>100</sup> One festivalgoer to whom we spoke, Jason, a business consultant who attended Burning Man for the first time in 2019, shared some of Norquist’s sentiment: “It’s almost like a little experiment; it’s a test case to show that minimal government can work.”<sup>101</sup> But, Jason also declared that gifting is “infused in the atmosphere,” calling it “the whole experience” or “99% of the experience” of the festival. This pleasantly surprised him, since, as a self-described “skeptical consumer,” he “had not had much hope for how the gifting principle would work in practice” before he attended.<sup>102</sup> “Nothing is expected in return,” but, he explained, “you know you’ll get it back in some small or big way.” Monetary exchanges and commodification “would change it completely,” into

<sup>97</sup> Fernand Braudel, *Civilization and Capitalism*, 3 vols. (New York, 1979), vol. ii, 528.

<sup>98</sup> Lee, “The Tao of Gung Fu,” 6.

<sup>99</sup> Slobodian, *Crack-Up Capitalism*, 129. On the principles of Burning Man, see “The 10 Principles of Burning Man,” *Burning Man Project*, accessed 12 Dec. 2023, <https://nymag.com/intelligencer/2014/09/grover-norquist-goes-to-burning-man.html>. For a variety of perspectives on the Burning Man festival, see the essays in Lee Gilmore and Mark Van Proyen, eds., *AfterBurn: Reflections on Burning Man* (Albuquerque, 2005).

<sup>100</sup> Quoted in Kevin Roose, “Grover Norquist Goes to Burning Man,” *New York Magazine*, 1 Sept. 2014, accessed 12 Dec. 2023, <https://nymag.com/intelligencer/2014/09/grover-norquist-goes-to-burning-man.html>.

<sup>101</sup> Interview conducted with Jason on 13 Sep. 2023. “Jason” is a pseudonym used to protect the interview subject’s privacy. Although volunteers provide most essential services at the festival, it should be noted that the site in the Black Rock Desert resides on federal government land and is under the primary jurisdiction of the US Bureau of Land Management. Of BLM personnel, Jason declared, “you don’t see them ever but the rumor is that they are undercover.” On the organization and planning of Burning Man, see Katherine K. Chen, *Enabling Creative Chaos: The Organization Behind the Burning Man Event* (Chicago, 2009).

<sup>102</sup> Decommodification and gifting have not eliminated innovation or competition, a point stressed by Jason, and in Nick Bilton, “A Line Is Drawn in the Desert: At Burning Man, the Tech Elite One-Up One Another,” *New York Times*, 20 Aug. 2014, accessed 12 Dec. 2023, <https://www.nytimes.com/2014/08/21/fashion/at-burning-man-the-tech-elite-one-up-one-another.html>.

something stratified and consumption-oriented like “Coachella or Lollapalooza with art.” Preparing to attend, he noted hyperbolically, is like “planning to go to the moon: a lot of planning and a fair amount of purchasing,” but the festival itself involved “no stress, no weighing of costs.” Unlike Norquist, though, Jason was not convinced that the anarchic elements of the Burning Man experiment were “scalable.” And in the end, the desert festival too was a kind of enchanted ground, a fleeting alternative to the “default world” imbued with what some Burners call “playa magic,” the prompt and serendipitous discovery of just what is needed to fulfill one’s needs or wants.

All of this points to an unanswered question: what, in the end, counts as a zone? Among the most emblematic of our age might be what are called “sacrifice zones,” geographical areas fundamentally defined by environmental alteration.<sup>103</sup> Or “shatter zones,” borderlands of instability between or at the edges of powerful states and empires. Whether such “shatter zones” are best understood as places of cultural disintegration and trauma or of cultural coalescence and freedom is, like so much else, a question of one’s political presuppositions.<sup>104</sup> Slobodian’s interest in *Crack-Up Capitalism* is in zones that are aligned with the undemocratic aims, broadly understood, of capital. Yet, SEZs and anti-democratic right-libertarian dystopias are far from the only exclusionary zones that have appeared in recent years. Militant occupations to stymie the construction of airports and other projects in France are known as ZADs (*zones à défendre*) and the police-free area of Seattle established in June of 2020 was the CHAZ (Capitol Hill Autonomous Zone), calling to mind the T.A.Z. (Temporary Autonomous Zone), theorized by anarchist Hakim Bey (as strange a figure as any in Slobodian’s book), which had also inspired London’s Carnivals Against Capitalism in 1999.<sup>105</sup> With or without the word, the environmentalists occupying sectors of the Hambacher Wald in Germany to protest mining there have apparently also established zones. Before the state evicted them in 2019, so had the collective responsible for XM24 (XM for “Ex Mercato”), an anti-fascist and pro-migrant center in Milan, which followed in a long left-wing

<sup>103</sup>Hugo Reinert, “Notes from a Projected Sacrifice Zone,” *ACME: An International Journal for Critical Geographies* 17, no. 2 (2018): 597–617.

<sup>104</sup>Compare Robbie Ethridge, “Creating the Shatter Zone. Indian Slave Traders and the Collapse of the Southeastern Chiefdoms,” 207–218, in *Light on the Path: The Anthropology and History of the Southeastern Indians*, ed. Ethridge and T.J. Pluckhahn (Tuscaloosa, 2009), with James C. Scott, *The Art of Not Being Governed: An Anarchist History of Upland Southeast Asia* (New Haven, 2009). Unsurprisingly, shatter zones have long played a role in both science fiction and roleplaying games; see, for example, the exuberant setting for Ed Stark, *Shatterzone: The Roleplaying Game*, boxed set (New York, 1993).

<sup>105</sup>Hakim Bay [Peter Lamborn Wilson], *T.A.Z.: The Temporary Autonomous Zone* (Williamsburg, 2011 [original 1991]).

tradition in Italy of building CSOs (*centri sociali autogestiti*). Even Occupy Wall Street had something of the zone in it. And Bhutan's Sakteng Wildlife Sanctuary, ostensibly established to protect the *migoi*, better known as the Yeti or Abominable Snowman, but undoubtedly also boosting the country's brand and foreign exchange reserves by way of high-end tourism?<sup>106</sup> Is Burning Man a zone? What about the spaces claimed by urban homesteaders or political squatters of almost every stripe? What about "free parties"? Raves and teknivals? The Jesuit reductions of the sixteenth and seventeenth centuries? Are they zones? "To understand the world economy," Slobodian writes, "we need to learn to see the voids."<sup>107</sup> What else might seeing the voids help us understand?

At the recent UN Global Indigenous Youth Forum at the Food and Agriculture Organization Headquarters in Rome, the NOMAD FoodLab of the World Reindeer Herder's Association—built like a traditional Sámi *lavvu*—was officially declared "indigenous land," on UN territory leased from the Italian state for a symbolic sum. It certainly had great symbolic power for hundreds of indigenous delegates from around the world, but it may also have been more concretely consequential. For, if ongoing plans to initiate trade deals between such indigenous territories become a reality, it could help pave the way for a new kind of zone: one which, through some of the very same kinds of loopholes and legal mechanisms that are driving crack-up capitalism, could empower rather than debilitate groups traditionally excluded from dignity and development.

Indeed, it is possible that Slobodian deep down is too committed to a return to the old politics of the era of the nation-state to see that the zone might be a space for self-determination and liberation as much as one of diminished democratic possibilities. What if, in the "process of becoming," in the unnamable present, the voids are the best or only places where true change can be modeled and lived? Gated communities, as much a part of the nineties as "end of history" triumphalism, appear throughout *Crack-Up Capitalism*. Though they are not, in a technical or jurisdictional sense, "economic zones," it is tempting to see in them the ineradicable kernel of what Slobodian understands as the zone: spaces that are literally encased, governed by their own rules, guided not by the principle of "one person, one vote" but by the principle "more property, more rights." But, sometimes what is true *in nuce*, or what works as a metaphor, does not help us grapple with a vast phenomenon in all its fullness or even with its most salient features.

<sup>106</sup> Reinert, Humphrey, and Safran, "Bhutan," 6.

<sup>107</sup> Slobodian, *Crack-Up Capitalism*, 4.



Photo 3. Indigenous sovereignty in the zone. The site of the second biennial UN Global Indigenous Youth Forum, which brought nearly 200 indigenous youth from around the world to Rome. (Photo taken in 2023 by Sophus A. Reinert.)

In a laudatory review of *Globalists*, Adam Tooze has imagined, and presented as a kind of counterpoint to Slobodian’s approach, what he calls an “anti-Hayekian history of neoliberalism,” one that would eschew “neoliberalism’s deliberately elevated level of discourse,” its “airy talk of orders,” in favor of studying the “tools of power and knowledge ranging from cost-of-living indicators to carbon budgets, diesel emission tests, and school evaluations” that form “real, actually existing neoliberalism.”<sup>108</sup> Though we are unwilling to draw as clear a dividing line between discourse and real existence (anyway employed by Tooze rhetorically), Tooze’s dichotomy suggests something important about the discontinuity and continuity between *Globalists* and Slobodian’s new book. Where *Globalists* remained more fully in the realm of discourse, *Crack-Up Capitalism* is constantly juxtaposing the scary talk of market radicals with real, actually existing zones. Yet, Slobodian the whole time dexterously sidesteps an “anti-Hayekian” history of zones in favor of a monstrously “post-Hayekian” history of “the zone.”

Slobodian and Dieter Plehwe have recently highlighted the “spatial diversity” of neoliberalism, and especially the autochthonous emergence and development of “market civilizations” in the Global South and East,

<sup>108</sup>Tooze, “Neoliberalism’s World Order,” *Dissent* 65, no. 3 (Summer 2018): 136.

in order to problematize ideas about neoliberal ubiquity, smoothness, and universality.<sup>109</sup> *Crack-Up Capitalism* is an extension, but, in a certain sense, also a rejection, of this program. According to the Adrianople Group's data for 2021, around 85% of all special economic zones are located outside of Europe and North America. In geographic terms, the vast majority of them are found outside "the Developed World," "the West," and "the Global North" (see Map 1 and Table 2). SEZs are generally found outside and Slobodian's market radicals—the majority of them English-speaking Europeans and Americans—largely live inside what Bob Jessop has called, in a phrase adopted by Slobodian himself, "the neoliberal heartlands."<sup>110</sup> We are not here presenting a facile criticism ("If SEZs are an Asian, Latin American, and African phenomenon, why are the voices we hear so consistently those of white Western anglophones?"). Instead, we are asking: does the striking discrepancy between the location of zones and of Slobodian's market radicals represent, in historiographical terms, a step backward toward a universalized Western neoliberalism? The market radicals in *Crack-Up Capitalism* seem to have a kind of tractor beam capable of catching real, actually existing zones and dragging them into their orbit.

Visiting the high-rise office building Aguada Park in the port of Montevideo, a "free trade zone" established with full custom and tax exemptions (under Uruguay laws 15.921 and 19.566), one walks into a start-up collective, where *mate*-drinking millennials mingle, park their bikes in the hallways, and together seek ways to leverage their relatively low-cost high-quality human capital in services.<sup>111</sup>

Entering ArcelorMittal's iron-mining concession in Liberia—half the size of Luxembourg and complete with private security, schools, and hospitals—one instead visits a veritable state within the state, one with capacities that in many ways supersede those of its host country. Both are special economic zones, enclaves of exception relative to their surrounding territories, but they are very different, express very different interests, and relate very differently to both democracy and political economy. Slobodian's frightening picture of the minarchism-

<sup>109</sup>Slobodian and Plehwe, *Market Civilizations*.

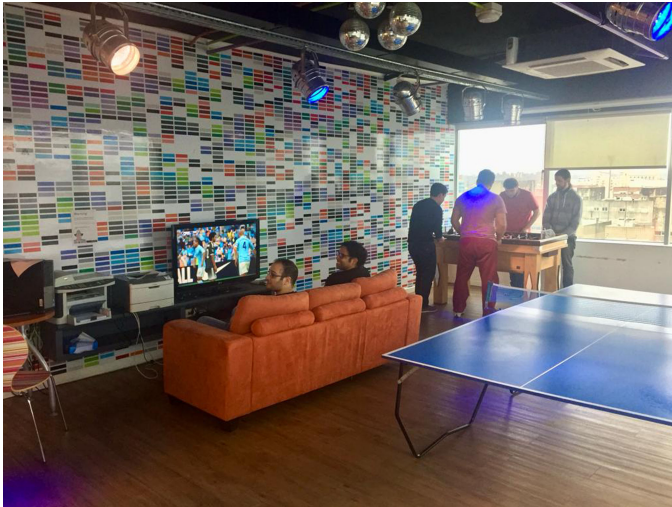
<sup>110</sup>Bob Jessop, "The Heartlands of Neoliberalism and the Rise of the Austerity State," in *The Handbook of Neoliberalism*, ed. Simon Springer, Kean Birch, and Julie MacLeavy (New York, 2016), 411; adopted in the introduction to Slobodian and Plehwe, *Market Civilizations*, 7–26.

<sup>111</sup>Aguada Parkk, "Free Trade Zones," accessed 12 Dec. 2023, <https://www.aguadapark.com/en/free-trade-zone/>; this zone does not appear in the Adrianople Group's 2021 dataset. The proliferation of zones, and their shifting legal status, may mean that no complete count of zones is possible and that the number of zones worldwide is higher than anyone presently has suggested.



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Photo 4. Operating a private railroad in the zone. An ArcelorMittal freight train bringing iron ore to the port of Buchanan in Liberia. (Source: jbdodane/Alamy Stock Photo, id: E7FE21.)



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Photo 5. Watching fútbol and playing foosball in the zone. Aguada Park zona franca, Montevideo. (Photo taken in 2017 by Sophus A. Reinert.)

inflected zone urgently invites a more comprehensive study of our world's broader spatial arrangements.

As the foregoing should make clear, *Crack-Up Capitalism* makes you think. It is a book of ideas. It is a provocative book. Much of its



provocation, however, comes from the rhetorical and critical interplay between its carnivalesque crew of anarcho-capitalists and its unrepresentative catalog of zones chosen for in-depth treatment. Slobodian does not intend to provide a systematic analysis of SEZs worldwide, and cannot be faulted for not doing so, but such an analysis would likely reveal SEZs as a complex and varied policy tool that, like most policy tools, has produced good and bad results and that can, at least in principle, be aligned with democratic and authoritarian politics alike.

Although there is often cronyism and corruption working behind the scenes of SEZs, and although the stated and openly discussed aims of legislation rarely capture the full scope of the motivations involved, it would be hard to fault the governments of the developing world for trying to achieve the kind of aims that SEZs are supposedly meant to achieve— attracting foreign investment, building infrastructure, generating employment, promoting services and exports—with the means that has apparently worked, and on a world-changing scale, in places like China and Korea. (For Korea, see Map 7 and Data Visualization 6. With some exceptions, including the United States, see Map 8, the countries with the most zones are found in the developing world. See Table 1. Alongside the Philippines, India, and the Dominican Republic, discussed above, Vietnam and Bangladesh, ranked fifth and eighth in the world in total zones, are exemplary. See Maps 2 and 9, and Data Visualizations 1 and 8.) On the other hand, Shahid Yusuf is right to warn that “few have succeeded in improving the growth prospects of lagging regions and lessening regional disparities” with this particular policy tool in recent decades. SEZs have become, for him, an “anachronism” that no longer can be expected to generate the growth they once did “in a few East Asian Countries.”<sup>112</sup>

At the same time, zones, tax havens, and the offshore economy continue to change, adapt, and grow in importance. Most of the evidence suggests that differential spaces will continue to shape the future of global economic life no less than they have its past. But, the nature and purpose of these spaces are surely not set in stone.<sup>113</sup>

<sup>112</sup> Shahid Yusuf, “It is Time to Do Away with Special Economic Zones,” *Center for Global Development Note*, Apr. 2013, 1, 9–10, accessed 12 Dec. 2023, <https://www.cgdev.org/sites/default/files/time-do-away-special-economic-zones.pdf>.

<sup>113</sup> A venerable tradition in economic thought has highlighted the importance of geographic concentration (and cumulative causation within concentrations) for the development of both industries and lagging regions; see, e.g., classic works by François Perroux, “Economic Space: Theory and Applications,” *Quarterly Journal of Economics* 64 (1950): 89–104; Gunnar Myrdal, *Economic Theory and Under-Developed Regions* (New York, 1957), and Albert O. Hirschman, *The Strategy of Economic Development* (New Haven, 1958). The failure of mainstream economics to model the importance of local geographic concentration was long ago acknowledged from within: Paul Krugman, *Geography and Trade* (Cambridge, MA, 1991), and Krugman, “Increasing Returns and Economic Geography,” *Journal of Political Economy* 99 (1991): 483–499. Similar ideas found new life in Michael Porter’s “clusters,” pithily defined in



Photo 6. Dreaming the zone. A utopian 3D model of a future Colombo Port City displayed at the Exhibition Center in 2018. (Photo Courtesy of Meg Rithmire.)

As Slobodian acknowledges and knows well, the ideas that have fostered the explosive growth of SEZs in recent decades are more those of a vast global cadre of consultants, lawyers, and development economists than of anarcho-libertarians. Though there are many points of connection between the two groups, these ideas predominantly remain more about exchange and export-led growth than about “exit.” Though reports of the death of neoliberalism are greatly exaggerated, there are reasons to be hopeful that the development paradigm in emerging economies is reverting by fits and starts back to earlier and saner ideas, ones that would make developing countries less and not more dependent on developed ones, more and not less competitive in the global economy. The extent to which zones of varying kinds may fit into that pursuit is far from a settled question. By almost always treating zones as morbid symptoms of a neoliberal disease, it is possible that

Porter’s “Clusters and the New Economics of Competition,” *Harvard Business Review* (Nov.–Dec. 1998): 78, column b, and in the so-called New Economic Geography, of which an historiographical overview may be found in Allen J. Scott, “Economic Geography: The Great Half-Century,” in *The Oxford Handbook of Economic Geography*, ed. Gordon L. Clark, Maryann P. Feldman, and Meric S. Gertler (Oxford, 2000), 18–48. On the “Krugmanian vice” of subsequently discarding such theoretical insights when it comes to real-world economic policies, see Erik S. Reinert, “Industrial Policy: A Long-term Perspective and Overview of Theoretical Arguments,” in *The Oxford Handbook of Industrial Policy*, ed. Arkebe Oqubay, Christopher Cramer, Ha-Joon Chang, and Richard Kozul-Wright (Oxford, 2020), 524–525.

Slobodian needlessly rules out the prospect that zones might both be useful policy tools for achieving just and salutary ends as well as spaces for experiments in transformative democracy.

Zones and zone-like forms stretch far into the past and constitute part of the fundamental “lumpiness” of empire, suggesting much longer continuities that Slobodian downplays in favor of more recent colonial reimports and neoliberal disjunctures. His sample of zones, though evocative and insightful, is not representative, at least not in geographic or policy terms, of SEZs as an actually existing tool of economic governance. This sometimes obscures their comparative complexity and internal variety, their global ubiquity and the distribution of their densest geographic clusters, their policy history and their underpinnings in a particular moment in economic theory. As such, *Crack-Up Capitalism* succeeds more as an intellectual provocation than as a reliable Baedeker to our fragmented world. Yet, fully in line with Slobodian’s provocative analysis, there is no doubt that the explosion of SEZs in the late neoliberal era does represent a meaningful break with the past, both the more recent past of the triumphant nation-state, and the much longer pasts of empire and commerce. So Slobodian has, with an audacious economy of evidence and crispness of argument, called attention to economic zones as urgent subjects for historians and critical thinkers, and identified “the zone” as a—perhaps *the*—fundamental hermeneutic for making sense of the cracked-up present.

Whether one’s preferred approach is prudential or revolutionary, pragmatic or provocative, the first step in building a new economic order is seeing the cracks and voids in the old. Until they are seen, capital will remain “dark and impenetrable as night” and continue to move “like a thunderbolt.”<sup>114</sup>

ROBERT FREDONA, *Research Associate, Harvard Business School, Boston, MA, USA*

*Dr. Fredona is co-editor of New Perspectives on the History of Political Economy (2018) and author of numerous articles about Renaissance Italy and business history.*

<sup>114</sup>Sun Tzu, *The Art of War*, trans. Lionel Giles (London, 1910), vii, 19, p. 62. Our approach to Slobodian’s book has been admittedly idiosyncratic. We hope other scholars will provide sensitive readings of Slobodian’s *Crack-Up Capitalism* that engage with other important issues, among them the relationship of his approach to both the so-called “Spatial Turn” in many academic disciplines and to the increasingly important study of pluralism in legal history and theory.




SOPHUS A. REINERT, T.J. Dermot Dunphy Professor of Business Administration at Harvard Business School, Boston, MA, USA and Professor of History, Harvard University, Cambridge, MA, USA.

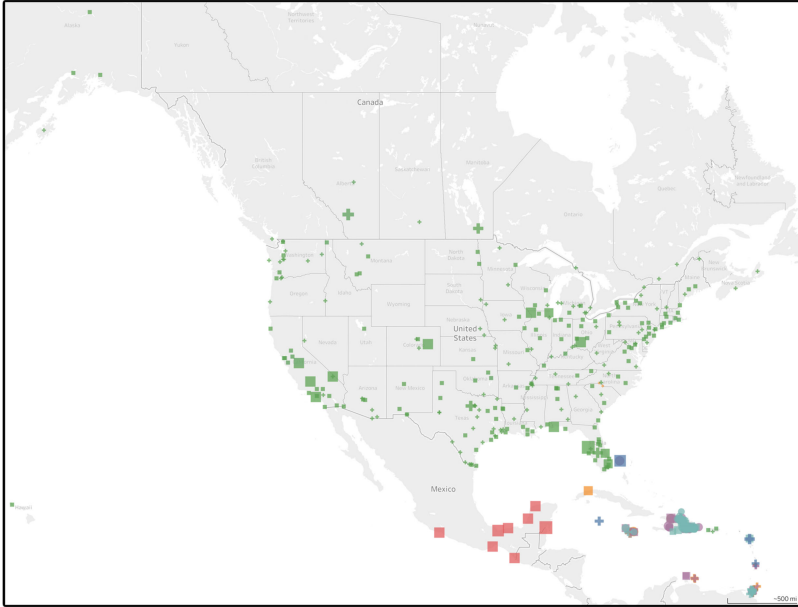
Professor Reinert is author of numerous cases, articles, and volumes on the histories of business, capitalism, and political economy. He is currently finishing a book on Viking Nazis.

## Appendix

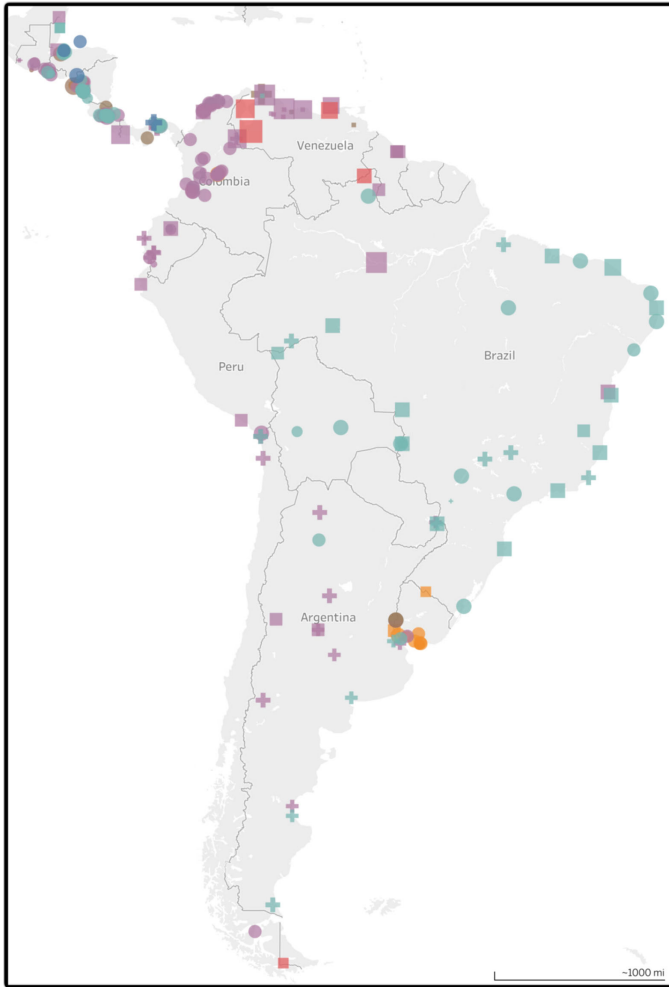
Based on 2021 data compiled by the Adrianople Group, the maps in this appendix show the location, type, management type, and relative size of the special economic zones in each of twelve global regions (North America, Central America, Caribbean, South America, Europe, Africa, Middle East, Central Asia, South Asia, East Asia, Southeast Asia, and Oceania). The Appendix maps were created in color and may be harder to interpret in the print version of this journal. We encourage readers to see the online version of this review essay.

Zone Type	
	Charter City
	Economic Revitalization
	Export Processing Zone
	Foreign Trade Zone
	Free Trade Zone
	Other Zone
	Specialized Zone
	Diversified Zone

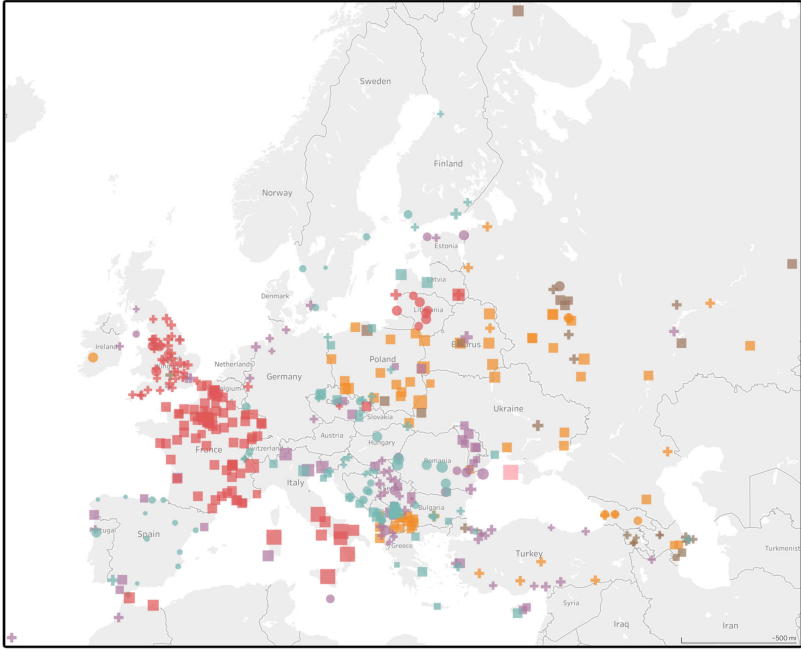
Management Type	
	Private
	Public
	Public-Private Partnership



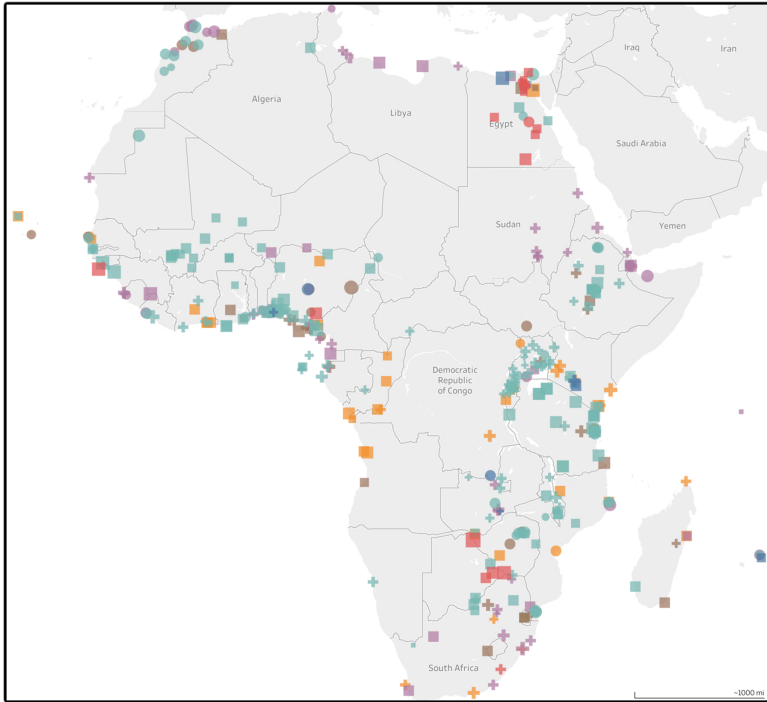
Appendix Map 1. North America and the Caribbean, showing the location, type, and scale of zones. The color-coding of zone types is uniform across all zone maps in the map appendix. The relative scale of zones is uniform within each map. All zones maps in the map appendix were visualized by Matthew W. Norris. (Source: all zones maps in the map appendix are based on 2021 data compiled by the Adrianople Group and built on open data maps freely provided by OpenStreetMap® and its contributors under the Open Data Commons Database License.)



Appendix Map 2. Central America and South America, showing the location, type, and scale of zones.

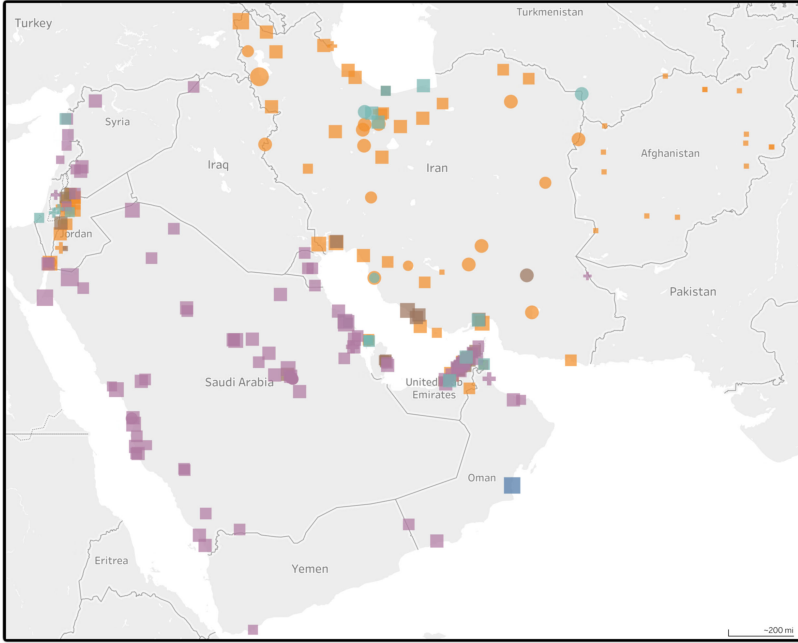


Appendix Map 3. Europe, showing the location, type, and scale of zones.

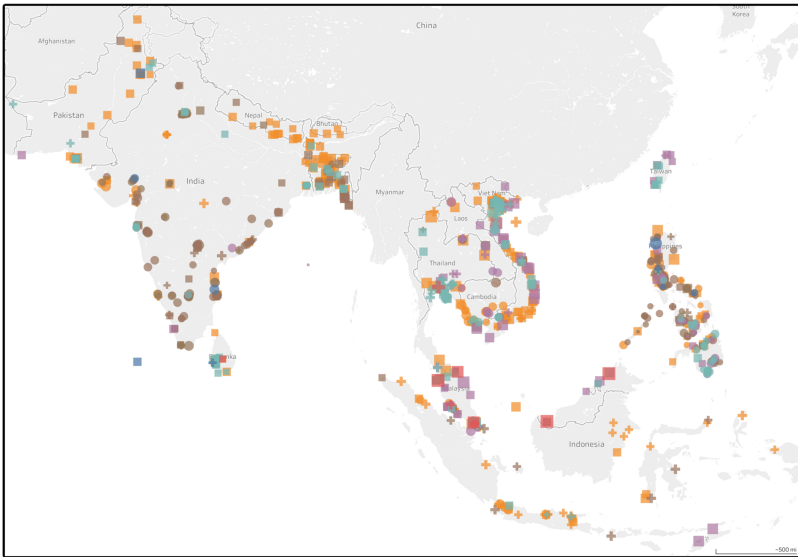


Appendix Map 4. Africa, showing the location, type, and scale of zones.

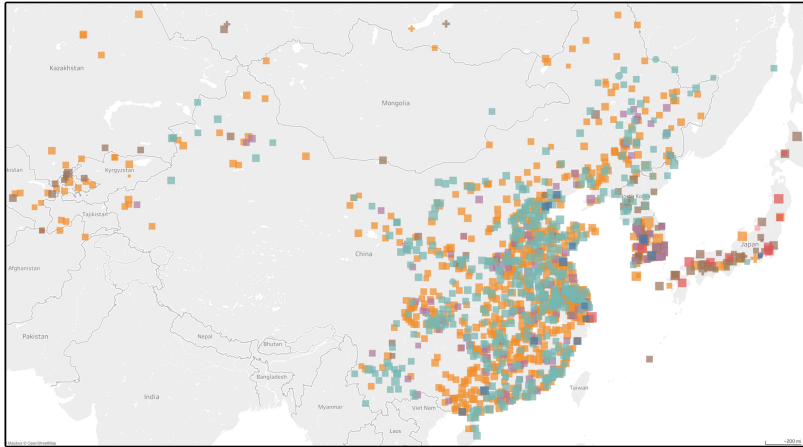




Appendix Map 5. Middle East, showing the location, type, and scale of zones.



Appendix Map 6. South Asia and Southeast Asia, showing the location, type, and scale of zones.



Appendix Map 7. Central Asia and East Asia, showing the location, type, and scale of zones.



Appendix Map 8. Oceania, showing the location, type, and scale of zones.