

The "liberal" Empire is Dying. Finally. | Dr. Andrey Ivanov

The end of US hegemony is also the last the last nail in the coffin of naive liberalism. Not the eloquent philosophies of Mill, Locke, or Tocqueville, but what 80 years of Hollywood bastardization made out to be the "fight for freedom". Today I speak with Andrey Ivanov, a strategy consultant in New Zealand and Podcast host. Andrey's Links: Business Games: <https://www.business-games.ai> Business Games on X: <https://x.com/BusinessGamesAI> Some episodes: <https://www.business-games.ai/home-teams-and-halos/> <https://www.business-games.ai/propaganda-at-its-most-innocent/> <https://www.business-games.ai/ny-times-disinformation-central/> Neutrality Studies substack: <https://pascallottaz.substack.com> (Opt in for Academic Section from your profile settings: <https://pascallottaz.substack.com/s/academic>) Merch: <https://neutralitystudies-shop.fourthwall.com> Donation: <https://neutralitystudies.com/donate> Timestamps: 00:00:00 Introduction and guest intro 00:00:21 Soviet roots and political shift 00:05:56 Market failure after 2008 00:14:18 Academic incentives and dogma 00:20:03 Ukraine framing and public belief 00:27:06 Media rewrites and war narratives 00:40:08 System logic behind US power 00:47:48 Rationality class and the state 01:00:00 Where to follow Andrey

#Pascal

Welcome back, everybody, to Neutrality Studies. My name is Pascal Lottaz, and I am joined today by Andrei Ivanov, a strategy consultant in New Zealand and occasional podcaster. Andrei, welcome. Thank you.

#Andrey Ivanov

Thank you very much, Pascal. I'm a longtime listener, first-time caller.

#Pascal

Well, thank you very much for calling in so that we can discuss you. Actually, we had a good exchange, and you described to me that there were a lot of experiences in your life that actually throw a very interesting light on what's going on currently in geopolitics — first and foremost, being born in Ukraine but now living in New Zealand and having a Jewish background. Can you maybe tell me what that journey of yours is about and how you understand where we are currently at in geopolitics?

#Andrey Ivanov

Sure. So I would like to probably specify that I was born in the Soviet Union because the part of Ukraine that I was born in wasn't really Ukrainian. It's south of Ukraine. I've never heard Ukrainian spoken on the streets anywhere. My grandpa is actually an ethnic Ukrainian from the middle of Ukraine. He had beautiful Ukrainian. I studied Ukrainian in school, but we all spoke Russian. And so, from where I'm from, the Ukrainians, like, we considered ourselves Soviet, I guess. And so I, since the breakup of the Soviet Union, and especially over the last 10 years, am probably reflecting more and more about that. I do think that I'm Soviet more than particularly Ukrainian.

In terms of my ethnic background, it's wide-ranging. There are Jewish roots, there are Ukrainian roots, there are very strong German roots going back all the way through Prussia to Mainz. And there was even apparently a French revolutionary who made his way to Russia way back when, who was somehow involved in the... And there's also some Romani background, apparently. So it's a very... Again, from the south of Ukraine, if you know anything about it, that part is sort of a melting pot of culture. So that's ethnic-wise. In terms of... Did you ask me about the political... Oh, right, geopolitics, right? So, okay. In terms of my political views, it was... It started off...

#Andrey Ivanov

Probably in a very liberal camp. And for a very long time, I was very much part of a liberal camp. The reason why we left Ukraine in the first place is that after the fall of the Soviet Union, everything started falling apart. And at that stage, conscription service was mandatory, and my parents didn't want me to be conscripted. And there were no prospects in the middle of the 90s in Ukraine. Well, I mean, it's even worse now. But even then, there were... And so my parents started looking at where to go, and we ended up in New Zealand. And I finished high school in New Zealand.

I went to university at Auckland University and studied economics, and very much got into, I guess, sort of a free trade liberal camp, which is the predominant economic theory that we studied. After finishing my first degree, I went to do my PhD in Germany at the University of Mannheim, and stayed in Germany for 10 years, mostly studying but then working as well. I graduated exactly at the time of the GFC, so in 2008, when the GFC hit. The Great Financial Crisis. Correct. Sorry, yeah, I'm using acronyms and...

#Pascal

Sorry, I just... nope.

#Andrey Ivanov

Yeah. Yeah. Yeah, exactly. So the global financial crisis of 2008 was basically right in the middle of it. And looking back at what we had studied and how we were taught, basically that shouldn't have happened. So when you're looking at the empirical evidence where the theory tells you that something shouldn't happen, but the empirical evidence tells you that you're in the middle of it, you

start revising the theory behind it, you know, to explain that empirical evidence. And so I started looking at alternative schools of thought. And I was familiar a little bit with the Austrian school and Keynesian and so on. But, you know, classical was the predominant one that we studied. And then I started looking at various... yeah, what could explain that. And that has been my journey ever since. But I left academia, so it wasn't my journey professionally. It was kind of more like a hobby of mine. I left academia to become a strategy consultant.

#Pascal

You know, I'm glad that you said that when the empirical evidence contradicted the theory, you actually looked over the theory and started doubting the theory and not empirical reality, because some economists do the opposite. I will never forget that article in *The Economist* that said Japan's debt crisis is so bad that it even breaks the laws of economics. You people... you people really, I mean, theory over everything, theory over any kind of empirical evidence. But okay, let's put that one aside. So when we look at the way that, especially within economics, like neoclassical economics, but also neoliberal—the neoliberal mindset actually approaches the world—what was it then that you thought had to be revised once you came out of this 2008 crisis that kind of crushed the certainties that we thought we had before?

#Andrey Ivanov

Uh, markets don't work, and uh, ironically, that's uh, that's a, um, uh, it is actually a well-known fact in economics. It's just people kind of hand-wave around it. So if you look at, uh, I mean, the very fundamental thing is this free market primacy. And ironically, we are taught in Economics 101 the conditions under which that would work and deliver some sort of, you know, beneficial outcome. First of all, the beneficial outcome that people are looking at is efficiency. It's not, you know, and it's Pareto efficiency. So first thing is, economists look at efficiency, not at any real result, but at a result where something is called Pareto-efficient, when you cannot make anybody better off without making anybody else worse off.

#Pascal

Yeah, the Pareto efficiency.

#Andrey Ivanov

Yeah, so you can easily have a situation where there is literally one person owning everything, and then everybody else, like 8.5 billion people, are slaves. And that would be Pareto-efficient because you wouldn't be able to improve the lot of anybody else without making that one guy worse off.

#Pascal

Right. That's in the definition itself, right?

#Andrey Ivanov

Yeah, exactly. So the first thing is to understand that the whole premise of what we're talking about is measuring the wrong thing. It starts from there. The second point is that even to achieve that, free markets would be best if they satisfied somewhere between nine and a dozen very restrictive assumptions: perfect information, no transaction costs, many, many traders from both sides, so no monopolies, and so on and so forth.

#Pascal

Perfect foresight. Every actor in the economy knows exactly what the price is going to be tomorrow. Everybody. And that's just assumed to be normal. Hey, very brief intermission because I was recently banned from YouTube. And although I'm back, this can happen anytime again. So please consider subscribing not only here, but to my mailing list on Substack. That's pascallottaz.substack.com. The link's going to be in the description below. And now, back to the video.

#Andrey Ivanov

Yeah, and it's not only that. It's also like, as far as perfect information goes, it's not only that you know something. It's that the other person knows that, and you also know that the other person knows that, and you know that the other person knows that you know that, and so on and so forth. It's like kind of to infinity, and it never happens. And so if you relax even some of those assumptions, markets fail. And there are people like Joseph Stiglitz who have got the Nobel Prize by showing the failure of markets. And there's Akerlof as well. And so they show that, in particular, if you relax the perfect information, or even symmetric—okay, so you're maybe not perfect, but you need symmetric information.

As soon as you have asymmetric information, things fail. Oh, externalities are another big one. So, for the markets to work and for the prices to convey all you need to know, you have to have no externalities. You have to have all the benefits and all the costs of doing something—of consuming something or producing something—internalized into those prices. If you have an externality, like secondhand smoking, right? When you smoke and there are people in the room, you paid for smoking and you assume the cost of smoking, but you're also poisoning others. They have not participated in that transaction at all.

And so therefore, the price of smoking does not reflect that. The price of cigarettes does not reflect that externality. And we're going to have climate change and lots of other things, like pollution, as a negative externality of production. As soon as you do not internalize those things, markets fail. So

actually, interestingly enough, we have a situation where, in the real world, markets almost never work as intended because you never have perfect information. You have dominant players. You have basically a kind of monopolization. And over time, the concentration of industries gets worse.

So you tend to have more monopolies now than you had 100 years ago. So basically, recognizing that that part of economic study is much more important than the free market absolutism led me to kind of start thinking about various other alternative explanations. And eventually, I came across the writings of Marx and Lenin, and they kind of resonated, and they seemed to fit the empirical data much better in terms of explaining how the economy actually works than anything else. And then through that, I started getting more interested in what Marx was writing. And actually, one of the fundamental things that they recognized—and ironically, Marx was responding to the economists of his time and the classical economics—and so Smith and Ricardo were also writing about classes.

And they were also writing... So actually, a lot of stuff that Marx was writing, he was borrowing from Smith and Ricardo. And... so it's not even like, you know, completely a cuckoo that came out of nowhere. It was actually very much a development of the economic thought of the time. And one other thing that, to me, where neoclassical economics fails, while, let's say, Marxist writings actually reflect reality more, is that neoclassical economics kind of assumes that economy and politics are two separate things, and the economy sits outside of politics. So while in neoclassical economics we do acknowledge that, uh, let's say, monopolies are bad, right, for, uh, in terms of, you know, they basically abuse their economic power and they screw the consumers—okay, so that's economics 101 in any economics—so what they then say is that, well, that's okay.

We don't have to fix that problem inside economics because we have a regulator, and the regulator sits on the political side. And because politics is, you know, basically we have a democracy, the regulator will... First of all, the government will pass the laws in order to constrain the competition or the abuse of competition by the monopolists. And second of all, the regulator will also then implement those laws perfectly, and there is no subject for corruption or anything like that. So that's why when you run around in the neoclassical world, you're saying, well, the markets are working perfectly fine, and if they don't, we can fix that with democracy.

And this is bullshit, because clearly we have lobbying, right? It's even institutionalized in the US. So today we have influence where the monopolies then influence the politics. And so the laws that get passed have nothing to do with actually, you know, protecting the population as such. It's very much class-driven. It's very much driven for the benefit of, you know, very few people. And we even have academic studies that are published in prestigious journals which show that. So there is a study from 2014 that I can reference once I look at my notes, which says exactly that. And that is... Yeah, go on.

#Pascal

No, I have no... You know, the fascinating thing is that in academia, actually, a lot of these mechanisms are well studied. I mean, it's not as if the entirety of Western academia is blind, not at all. These studies exist, and these links are being looked at. But the fascinating thing to me is that then, despite all of this evidence being there in economics and also in international relations, you know, we have a lot of very, very good, very useful studies—Siddhita Kushi and so on—who study all the wars and military interventions of the United States. All of this is there.

But the fascinating thing is it then doesn't translate into changes in the curriculum of how we teach that stuff. Right? We still end up teaching, like, Economics 101 and macro and micro under the neoclassical economic theory. We still, like, chase students for four years through these schools of thought that, you know, on an advanced level, most people start debunking in a lot of places. And same for international relations. How do you explain that to yourself, that at the end of the day, despite the research being there, we still end up with a pretty dogmatic view of the world in how we teach the stuff that we think is fundamental in order for students to go forward?

#Andrey Ivanov

Incentives and so, like, as an economist, I always look at incentives—who has the incentive to do what. And I'll get back to your point. I'll just read this bit about—so there was a study by Martin Gilens and Benjamin I. Page, which was titled *Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens.* And what they said is—just read a little bit from their abstract—“Multivariate analysis indicates that economic elites and organized groups representing business interests have substantial independent impacts on U.S. government policy, while average citizens and mass-based interest groups have little or no independent influence.” Okay.

#Pascal

Yeah. Welcome to democracy. Exactly.

#Andrey Ivanov

So the—no, okay. In terms of incentives, there are two levels of incentives there. First of all, in research, there is actually an incentive to go against the dogma because that's how you get published. You either show something where you support some finding from 10 years ago—you say, you know, okay, it still holds with the current data, right—or you take some big something from some time ago and you go, no, actually, I'm smarter than you because here I give a counterexample, and so I show that it's exactly the opposite, right. And you get invited to conferences, and you get published in A-list journals, and you make a career, right.

Okay, so that's why within academic study, you can have quite a bit of heterodoxy. However, when it comes to writing curricula and financing that—who finances that? What is the incentive? Okay.

Well, the most funding for the universities—actually, no, let me rephrase. All funding for the universities comes from three things: central government, basically the government, which, as we just discovered, is captured by the business elites, right? Or there are chairs or research projects, or even sometimes teaching projects, which are financed by wealthy individuals or companies. And again, Raytheon is not going to finance a Marxist course, okay? So it's just not going to happen.

#Pascal

Or...

#Andrey Ivanov

I guess the third level of funding is the university just has some public partnership, and they just make something or contribute to something and sell IP or whatever. Okay, but basically, who's going to finance the heterodox—let's say, heterodox economics?

#Pascal

Nobody. So they still exist.

#Andrey Ivanov

There are several places in the U.S. that actually do teach that. And there you are back to, like, there's—I think University of Arizona, which teaches or something, you know—but basically some obscure places which do tremendous work. But they're not the primary drivers of graduates who then go into policymaking. And so you do end up having this sort of incestuous relationship between the top universities in particular, driving a particular curriculum, especially for the undergrads and sometimes for graduate students, who then go and... which is all financed by central banks and other banks and other companies and whatever, and central government, which then go and work for those places. So they have—again, they have no interest in... nobody inside the system who is working inside the system, no matter what the system is, is going to be interested in jeopardizing that system, because nobody is going to be cutting the branch on which they're sitting.

#Pascal

Which then creates this situation where we in the political West, as Richard Sakwa calls it, have a lot of brilliant students and graduates and PhDs. And we also have well-educated people who went through primary and secondary school. But they're all... we all went through kind of the same kind of shaping, right, with the boundaries often of what can be known or in what kind of way it can be understood, right? The framework that we are given is pretty darn strong, right? And what does that lead to then? Or, you know, something that fascinates me is that so many people in the political West actually have a very, very strong framing of what's happening in Ukraine. And it is very, very

government-obedient, right? It's obedient to Berlin, obedient to Paris, obedient to Washington, their interpretation of what's happening. Sorry. Can you speak to that? Yeah.

#Andrey Ivanov

Can you specify the question again? Sorry, I got somehow distracted by the noise. It happens.

#Pascal

It's fine. So the question was, like, these frames that we are getting, right, through education and so on—the way that we can understand the world in the political West—how is it that so many people then apply these very rigorous kinds of frames of reference to also the war in Ukraine, or now the Iran war, where you obviously see that there are problems in the narrative? There are obvious, obvious mistakes, but still a large part of the population—60, 70 percent—actually is just willing to brush away these obvious problems and just apply the frames that are given by Berlin, Paris, and Washington.

#Andrey Ivanov

I think it goes back to us being human and all the invisible biases that we have and various deviations from the quote-unquote rationality. You have echo chambers. You have people with... you have groupthink, right? I mean, how was the... I think the, if I remember correctly, Bay of Pigs disaster invasion was basically one of the prime examples of groupthink. So you would have, you know, very, very smart people in the room coming up with a really bad decision. Why? Because they were not able to—none of them, nobody basically—was able to be strong enough to just provide an alternative view or contradictory view to the consensus of the group.

And it even gets to the point where you start censoring yourself. So you've got a number of different ways. But for the vast majority of the people, they would not... Let me start putting it differently. I have gone personally myself from being like a mid-core Ukrainian nationalist—basically, Russian is my first language, Ukrainian is not—but I was claiming that, you know, yeah, we should make everybody in Ukraine speak Ukrainian, because even though the vast majority—by far the vast majority... So here's another—this was a little bit of an aside—which Gallup ran a poll in 2009 or something, not so long ago.

And because there are many polls in Ukraine about what's your primary language, okay? But what Gallup did is they offered—they didn't actually ask that question, or maybe they did—but more importantly, they offered two types of questionnaires. They offered a questionnaire in Ukrainian and they offered a questionnaire in Russian. And they let people self-select which questionnaire they wanted to reply to. Okay. And it's a representative poll across all of Ukraine. Somewhere around 83% of the people chose the Russian questionnaire.

#Pascal

To use the Russian questionnaire, even if they then said, yeah, Ukrainian is my primary language or whatnot. Yeah, yeah, okay.

#Andrey Ivanov

Which is consistent with my experiences of Ukraine. It's different now, but although I still keep in touch with some people, I have relatives there. But my experience is, as I said, like growing up, I basically never heard Ukrainian spoken. And yes, I'm from a Russian-dominant part, but even traveling through Ukraine, I hardly ever heard it spoken. And another thing is my best friend, again, in 2009, who was my best friend from childhood. We are on different sides of the barricades in this particular conflict, and we don't speak any longer. But... so his wife works for USAID, which is, you know, no surprise why he holds the positions that he holds.

But he said that in 2009, he was working for one of the sociological organizations, like research institutes in Kiev, that they were commissioned. So that's my recollection of that, okay? So they were commissioned back then by an NGO to run a study of the attitudes in Ukraine about certain things in the relationship with Russia. And one of the things that they found was that something like 63%—and I think that was all of Ukraine, but it might have been specifically in the east, I'm not sure, I'm not sure—but a large percentage, basically more than a majority of Ukrainians, if given a choice to join Russia tomorrow, they would vote yes. And they presented this study back to the NGO that asked them, that commissioned that study. And the NGO said, yeah, we can't publish that.

So that was the end of that study. It was unpublished. But because it was a prime research institute that specializes in such questions, I have no doubt that that was indeed the case. And as I say, he's actually taking a different side in this conflict. So anyway, approaching this conflict from that point of view... my being where I was, A, I didn't expect a war in 2022. And when it happened, it hit me really hard. And I started, because I couldn't actually do anything about it, the only thing I could do was research. So I started researching stuff. And I specifically avoided Russian media because I didn't want to be biased by the narrative, propaganda, whatever. So I actually started looking at Western media, and I researched a lot.

I probably spent like, you know, 40 hours a week outside of my job, not sleeping all that much, but doing that for many, many... Oh, that was also the post-COVID years and so on. So, you know, the work wasn't really all that much there anyway. So I spent... And I tried to launch my podcast, which, for different reasons, and prior to that, I was working a lot on that. And then I basically pivoted because this took a lot of kind of emotional capital. And I spent months of effectively full-time work investigating this, analyzing the changes in the Western media.

So I basically took, like, New York—I had a New York Times subscription at the time—so I looked at the way that they were presenting the narrative back in 2014 versus through to 2022 and how they

changed, right? So basically that was my type of analysis where I go, okay, you cannot really say that that's propagandistic or anything because I'm showing you the quote-unquote respectable media, you know, the same publication and how they changed talking about stuff. And especially, like, such a drastic change after February 2022 that it cannot be like you were either writing some bullshit prior to that or you're writing bullshit now.

But both things cannot be true, because they had an article, I think in early February, saying something like Ukrainian nationalists could be a problem not only for the Russians, where they were saying that Ukrainian nationalists were basically threatening Ukrainian politicians kind of into war or away from, you know, avoiding conflict. And then they post a tweet in March saying Ukrainian neo-Nazis are a figment of Russia's imagination, okay? So both things cannot be true. You either have Ukrainian nationalists, which are a threat to peace, or they're a figment of Russia's imagination. Both of those things cannot be true.

So when you look at that, then I came to a particular conclusion of a particular, you know, kind of what I would consider a more objective view of the conflict, whereby I came to the conclusion that actually Russia's position is closer to the—like, they lie less, basically, is how I would, you know—both sides lie, but the Western side is completely delusional about stuff. But I've spent six to nine months effectively full-time researching this topic. Who has that time? Nobody. So when you have, like—and I've done that because I'm emotionally invested in that. If you do not do that, or like, you've got Ivan Katchanovski, who studied the—you know, again, that's his job. He's a researcher, and he researches this. That's what he does for a living. You've got various other people, so a lot of academics.

#Pascal

Nicolai Petro and others, yes.

#Andrey Ivanov

Yes, exactly. Normal people do not have the time, so they actually have to rely on some shorthand. And that shorthand is, especially in the U.S., unfortunately very partisan. You have people—so I actually wrote a little—my last bit in my newsletter is called *Home Teams and Halos*. Basically, I looked at some academic research into how voters increasingly rely on partisan cues from their favorite party. So, like, Democrats would listen to what Biden says, right? Or Obama. Maybe not so much for Biden anymore, but they definitely listen to what Obama says. Republicans—who the fuck knows—recently it's what Trump says, right? And so if you identify with this or that party, and if they tell you something—and in Ukraine's case—none of that affects Americans, really.

Yeah, so directly. So whatever somebody says, they would go and listen to that. And then also, I interviewed a U.S. professor who specializes in—Oliver Boyd-Barrett, by the way. I interviewed him a couple of years ago. He's a professor emeritus at Bowling Green State University, and he runs a

newsletter on such things called *Empire Communications and NATO Wars*. He specializes in war propaganda. He's a professor of media, and he got into that since, I think, either the first or second Iraq War. So he's got 20 or 30 years—he's emeritus now—but over the last 20 or 30 years, he specialized in war propaganda in particular. And he taught me a lot about how media participates in propaganda. And the title of this podcast episode is *Propaganda at Its Most Innocent*.

And propaganda at its most innocent is where you give, like, who you give airtime to. So, for example, in the Ukrainian conflict, Zelensky is front and center. He gives media interviews and so on. So a lot of people in the West are obviously under the mistaken—and it is a mistaken—opinion that Zelensky represents Ukraine, that what he says is shared by most Ukrainians. Nobody is going to go and interview somebody from Donbass who's just as Ukrainian, even more Ukrainian than Zelensky, but who is basically on the other side of the Maidan conflict. And going back to 2014, the Maidan coup—it was a coup—anybody who was against that coup is not going to be given airtime. And therefore, it's as if they don't exist.

You're seeing the same with Iran at the moment. Anybody on New Zealand TV who is interviewed is from the unhinged diaspora. And when they're talking about their relatives in Iran, it's always the relatives who went and did rioting during the—you know, it's like, oh, these people are just kind of waiting to be liberated and so on and so forth. Do such people exist? Yes. Are they the majority? No. In Iran, they're very much a minority. But these are the ones that are given airtime on New Zealand TV. And so you walk away with an impression that, oh my God, there's such a brutal regime, it's not supported by anybody, but people are just afraid to go out and, you know, so on—which is not the case. The same with Ukraine.

#Pascal

In this sense, like, the one thing that we really must give credit where credit is due to the political West is that it really managed to create a very, very organic propaganda machine, right? It's not only that the propaganda itself looks innocent, as you just said, and convincing. It's also that the people who do it are convinced that they don't do it, right? It's very honest. It's honest propaganda on both sides. And in that sense, it's then highly effective. Because if we contrast that with what we know about propaganda in the Soviet Union, we understand that a lot of people on the ground understood that what was in Pravda was more of what they were supposed to believe.

And, you know, people understood what the game was. And you could actually use that, right? Researchers actually used research on the Pravdas in order to deduce what the current political objective of the people in the Kremlin was, over and beyond what they themselves would say. So you could use that as a tool because you understood who understood what. But in the political West, we don't have that, right? We have honest liars and honest sheep that then create an honest bubble that still ends up being highly propagandized, right?

#Andrey Ivanov

Correct. Although we, in the 80s, I think, would very much be called dissenters, and, you know, my family was liberal. I was one of only two people in my class who didn't wear a red tie as part of the school uniform. And so I wasn't part of the communist youth group. Having said all of that, looking back at what we were told back then and looking at it objectively, like, having lived in the West for the vast majority of my life now, I'm like, that seems to have been more correct than what is presented in the West. Like, I gotta say that I think what we were told actually is closer to the truth than the alternative.

#Pascal

I would find that fascinating if we came up with a couple of studies that would actually, you know, try to assess the claims about reality from, like, let's say, the 1960s Soviet Union and what we know today, and try to do a matching of what we find—of what actually empirically worked out and what doesn't. But that would go over and beyond. But it would be fascinating, yeah. No, but back to what you said about success, I'm reminded of this, uh, I think, anecdote from, uh...

#Andrey Ivanov

Chomsky's life—and Chomsky is a problematic figure, to quote. A fascinating one, though. Definitely fascinating. But that's not to say that he didn't do some positive things. I actually think that in my own development—and I've outgrown him—but he was the right voice at the right time to push me in the different direction of where I developed. So I think that actually we can both acknowledge his problematic relationship with Epstein and lots of other stuff, but also credit where credit is due and something. So anyway, he was being interviewed by somebody, like an editor of the New York Times or whatever, maybe BBC or CNN, and he was talking about how, you know, they are engaging in propaganda.

And the editor said, but, you know, do you really believe that, like, I am lying, you know, when I drive a particular agenda? And Chomsky said, that's not how it works. You, like... I'm convinced that you believe in exactly what you're saying. So it's very genuine. But you wouldn't be sitting here, like, you wouldn't have been promoted to this spot if you held any other view. So the fact that you are promoted into this particular spot already tells me, you know, a lot, which for me, it's again, it's about the incentives. It's about the systems. It's not about the individuals.

I actually wanted to—so the way we connected was when I listened to a lot of people on, like, some of the guests who I can respect certain views of, but then somebody says something, like Stas on the podcast, Krapivnik, on a couple of podcasts ago, said that the U.S., like Trump's cabinet, is not rational, right? And you had other people on the podcast. And again, it's not even about you. It's about, let's say, Judge Napolitano and his whole crew. And a lot of them—I do listen to them as well, and I respect what they're saying—but a lot of them are saying things like, you know, we moved away from, you know, it used to be this, but now it's this. And it's this because it's Caribbean,

whatever. There is never really an acknowledgment—or because of some individuals, right? Or because of some lobbying.

There is never an acknowledgment that the system is what it is and actually is designed to do exactly this. And that what looks like an aberration is actually not. And I see much more of the connective tissue of the U.S. foreign policy throughout the—well, since the fall of the Soviet Union, it is definitely different, but even prior to that. And it's different now than prior to that because there was a counterbalance. So I think the Cold War was actually more responsible because each side kind of feared and respected the other side. And while there were various conflicts in Vietnam and North Korea and so on and so forth, there was still, like, the rules of engagement were understood and there was a counterbalance. I think after 1991, there wasn't. But it's not that something changed.

It's just that there was—I mean, the only thing that changed was the lack of a counterbalance. It's not like people changed. The objectives of people didn't change. The objectives of the system, the system incentives, didn't change. Everything stayed the same. Dynamically, it culminated in Trump, but Trump isn't a decision-maker. He is a symptom of this whole thing. Yeah. And I would even claim that there was always going to be a Trump. It was always going to be a confrontation—call it Third World War, whatever. So there was always going to be an escalation. The Iran thing is not somebody woke up one day and decided to bomb Iran. None of this would have been possible without decades of preparation. It is a multi-decade strategy. The statistic itself is a humongous undertaking.

#Pascal

This is something that Brian Berletic keeps pointing out, right? It is maybe not the arrow of history, but it is the underlying system that all points toward that, and it works toward this, right? And my main question then is, like, what is the best, most fundamental layer that then explains the other layers? I think of it a little bit like an operating system on a computer, right? In order for us to use, whatever, some new AI app that we just installed—I mean, there are layers and layers and layers below that until you get to the kernel and so on in order to work.

And at the moment, when it comes to the operating system of the West, one of the fundamental layers that I think drives a lot of this is colonialism. But then there are the Marxist scholars who will say that colonialism itself can be explained as a function of capitalism. So if you use the class struggle and so on, you can actually explain how colonialism is part and parcel of how this system must work. And at the top end of that, the kind of, you know, the bug—or something that looks like a bug, like Donald Trump—is actually a feature of the entire system that keeps it running, right?

#Andrey Ivanov

Well, I've come to the, as I say, I've come to the conclusion that the class struggle actually explains a lot. And actually, it explains a lot and way better than something else. But we've covered the

economic side of it, right? And sort of like the predominant economic thought underpinning the West, which is the neoclassical economics, I think I've shown, to me, it's convincing that it doesn't work, right? All the theories are kind of Mickey Mouse theories that explain a reality which has nothing to do with our reality.

#Pascal

No, no, no. It explains the reality that must be believed in order for the system to work. It does that. So it fulfills that function, but it's not actually the underlying system. No.

#Andrey Ivanov

Oh, which reminds me, I spotted on X somebody advocating—and it was published, I think, in the Washington Post just the other day—where somebody was literally saying that we need to make everybody study economics because we have a problem that young people do not believe that capitalism works. It's like, yeah.

#Pascal

But that's, again, very honest. Yeah, no, exactly. But why do they believe it's like that?

#Andrey Ivanov

Does it have anything to do with their lived reality? Maybe every day they're seeing things getting worse, that they are living worse than their parents, and, you know, they can't access jobs and so on. It's like, no, no, no. In real life, everything is fine. They just need to be taught differently so that they understand that what they're experiencing is, in fact, the best of all possible worlds.

#Pascal

Yeah, and harder. We need to teach it harder so people understand what they believe. It's just like Tucker Carlson the other day, he really dismantled, you know, this kind of thing, like, what is a dogma today? He went into that question. He's like, yeah, this is it. We have the 2020s, you know, our modern version of indoctrination, and one of them is economics. The other one is what is and what is anti-Semitism? I mean, the country that cannot be attacked, right, that cannot be criticized, the religion that cannot be criticized. Like, those are the dogmas of the day, and they function sociologically exactly like the dogmas of the past. We just frame them in 2020s terms.

#Andrey Ivanov

So a couple of things that I wanted to introduce too—specifically, let's move to different... so, just to see my notes. So one thing is, I already—let's just run through them, and I think it will... it'll be

clearer about the things that I think we need to be pushing back on. So I think that every time somebody says something like, "These people are not rational," or something like, "We should get back to liberalism," maybe in its classical sense, or something like, "This is ridiculous behavior because it goes against American interests," right? Or, "It doesn't benefit the Americans," or, "It doesn't benefit, you know, X, Y, Z." I think we should—one should—push back against all of those things, right? Including, uh, the, uh, in geopolitics, the rationalist school by Mearsheimer. And, uh, okay. So let's, let's, let's go quickly through them. Um, I can go for longer, by the way. It's up to you. Yeah.

#Pascal

I have a hard stop at five past, but let's go. Cool, so we have 10 minutes.

#Andrey Ivanov

Uh, let's, uh, so rationality. Okay. So, um, people like, okay, so Stas says, oh, Pascal, if we're dealing with absolutely rational players—of course, of course, if we were dealing with rational players, this whole war wouldn't have started. Okay. So the definition of rationality is the... like, there are many, and whether you want the economic definition or some other, but if you look in economics, you get something like the decision-making process where individuals aim to maximize their subjective utility or benefit based on their preferences and available information. Okay, so if you believe that these people are irrational, that means that they're not maximizing their subjective utility or benefit based on their preferences and available information. Now, do we really think that these people who get into there are not maximizing their benefit?

Like, that's a ridiculous proposition. I think they're maximizing their benefit very well. It's just not the benefit that you think they should be maximizing, such as, you know, looking after the country and so on. But nowhere in that definition does it say that they should be looking after the country. Because who is the decision maker? What is their cost-benefit analysis? Like, do you really believe that these actors do not look after their own interests? Well, no, of course they do. I think they're hyper-rational. I think they're very rational. I think the biggest problem of all of this is that, yeah, so related to that, sentiments like "this war is not in America's best interest" are faulty because they completely confuse the point. America is not a decision maker.

#Pascal

Mm-hmm.

#Andrey Ivanov

Average American taxpayer, and I already cited the research, basically clearly suffers not only from this, but in fact from most American policies. But that still doesn't preclude these policies from being

passed. Why are they being passed? Because nobody gives a shit about the average American taxpayer. Yeah, absolutely.

#Andrey Ivanov

Because clearly, looking after her own portfolio was more important for her than passing laws that would benefit the average American taxpayer. So when it comes to war, no senior American official was ever prosecuted for war crimes and will not be. No president suffered consequences for any wars that they started.

#Pascal

Therefore, it makes perfect sense for them to go to war.

#Andrey Ivanov

Exactly. And many were celebrated. Barack Obama got celebrated, but he basically started the same. He bombed the same number of countries as Donald Trump in his second term. He is celebrated still. So you can even have a system where the vast majority—like, forget about the taxpayers, right?—the vast majority of businesses can suffer because, again, the vast majority of businesses in the U.S. are small and medium enterprises. Nobody gives a shit about them. When you have BlackRock that owns pretty much every single monopolist in the U.S., you only need to listen to very few, very powerful, very wealthy people, entities, or individuals, and it almost doesn't matter anymore.

Because in the US, they passed—I don't remember the name—but basically they passed a law equating companies to individuals, allowing them to lobby and finance campaigns. So it doesn't matter whether we're talking about large corporates or billionaires. Okay. So if powerful American interests benefit from US foreign policy and no government official will ever suffer the consequences of these decisions but will get the benefits, how can we say that these people are anything other than rational?

#Pascal

Yeah. No, no, no. You're absolutely right. I mean, your point is very, very well taken. Also, when it comes to Mearsheimer, every time Mearsheimer says it's irrational, it makes no sense. Actually, what he says is, this makes no sense under my understanding of how these people should work. So it's more of a crisis of rationalism or realist theory, offensive realist theory, or the theory of how we think that stuff works, rather than a crisis of rationalism.

#Andrey Ivanov

So, and here we come to the point about, you know, what is a state? Yep. And so, I think this is a very, very important point that, again, liberals get wrong because they either treat a state as an actor, which it isn't. A state does not make decisions. Humans do, and they have their own agendas. Or they treat—so the classical liberal ideological view is that the state is some sort of neutral arbiter, right? That it's, you know, that there is a social contract and people are, you know, these are John Locke's ideas about the social contract, and that people allow themselves to be governed and so on and so forth, right?

And even, I think, Locke actually had a provision there that basically supported revolutions, like if your elites are not serving you, you must revolt, something like that. But I think Hume actually said he was against that. So if you look at that, right, then, yeah, you would believe all of this. That's the point. That's the point with every liberal who ever said, like, I don't, like, there's something wrong right now. In general, like, we—it would be—and that's the problem with the Russian liberals. It's a problem with kind of my generation and slightly older, who believed in all of that trash about, you know, who basically let Yeltsin effectively sell or even gift the resources of a huge country to foreign financial interests.

I mean, frankly speaking, even Putin is a liberal. He was just pushed by Russia's version of conservatives to do certain things, but his inclinations are the same sort of. And I think a lot of Russians would trash me for this, but his inclinations really are a kind of continuation of the Yeltsin stuff. I mean, the fact that it was a peaceful handover and he never prosecuted Yeltsin, I think speaks a lot. But, you know, again, Putin is like—he works within a system of multiple different forces. It's not just one person doing it.

#Pascal

Yeah. Yeah.

#Andrey Ivanov

So anyway, this liberal stuff is really problematic versus if you think about the Marxist view, which is that the nature of the state is basically that the state is a repressive tool for one class against another. And I think all evidence points to that. So the role in society, right? The liberal view is the limited safeguard for rights and property. So the state is the liberal's limited safeguard for rights and property. And the Marxist view is that it's a repressive tool for one class against another. So which of those, if you look at what's happening with ICE, if you look at, well, literally everything, which of those views is more consistent with reality?

#Pascal

If you look at Ukraine and how the state is now just a tool for funneling money into the pockets of some people while funneling the lower class, all of those pesky people who actually would like to

have peace, funneling them straight into the meat grinder where they then disappear and stop being there. And now the German state and so on is even going to help the funneling. It's beautiful. It's a beautiful machine that really turns out profits on the one end and meat and so on on the other. So everything remains quiet and silent and everything is good for these classes. Yeah, I mean, that does have a lot of explanatory power.

#Andrey Ivanov

So, if you think from that point of view, then I think a lot of actions start making a lot of sense. Even up to the point where, you know, European countries at the EU level, basically European business interests decided that individual states are kind of, you know, irrelevant or not interesting for them anymore, and they would rather act through the, you know, the supra kind of national thing. And so it's okay for business interests to—it's just like it was okay for business, or it was very useful for business interests to actually have a state during the rise of capitalism and after the Industrial Revolution, the rise of imperialism. British business interests needed the British Empire to go and do stuff in order to access markets and access resources.

And by the way, imperialism is one thing that I used to get wrong. It's not just about extracting resources somewhere. It's also, which is probably even more important, about accessing the markets. Once you go and become a monopolist in some market, like in the British Empire, New Zealand had preferential agreements using British technology. The same with India and so on. Every colony basically had to buy the advanced goods from the metropole and couldn't make their own decisions. So that access to markets was as important, if not more important, than access to resources.

So, once you find that states actually prohibit you from doing that, you start looking at institutions like the European Union. And so you can get rid of the, you know, kind of German statehood and whatever statehood. And I'm not even saying that, you know, I'm not like pro-state or anti-state. As I say, we just need to understand what it is and why it's important, or why certain powerful, usually financial interests behind that do something. And then it becomes really, really—I think a lot of things fall into place about why certain things are happening the way that they are happening.

#Pascal

So we have to continue this discussion in another podcast because I do have to leave. But the thing is that, no, like taking Marxism as the operating system, as the kernel of the operating system, might be the right point in order to understand and to integrate these viewpoints, including integrating Brian Berletic's argument about the trajectory of US force and so on as an underlying premise. Andre, we have to continue this discussion because I find it very, very important to go into this. People who want to follow you, where should they go?

#Andrey Ivanov

www.business-games.ai, which is mine, and there are lots of other links there to the podcast. Business Games is the name of the podcast, and they can also find me on X. Again, it's Business Games AI, I think.

#Pascal

I will make sure that you send me these links via email. I'll put them into the description box below, and then we will continue this discussion in a couple of weeks. Thank you very much, Andrei. I would love to. Thank you very much.

#Andrey Ivanov

Thank you. You're doing great work, by the way. You can't say that enough. I should have said that at the beginning, but I'm saying it now. Thank you.

#Pascal

No need for praise, but I do appreciate it. There's always a need for praise. Thank you, Andrei. Talk soon. Bye.