

Two Transitions

A series of essays on geopolitics, the climate crisis and collective safety in a multipolar world.

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Introduction

The world in which the US was unrivalled as a political, economic and military power is over. The transition towards a multipolar order, and the rise of China, is undeniable. As we enter this era of global restructuring, the means of sustaining life on earth are under threat from a fossil fuel economy perfected under US leadership. This environmental crisis has produced the spectre of a second, unrealised, transition: towards an energy system compatible with the Earth's atmosphere, water and soil and its capacity to support human flourishing. ¹

Amid the transition in world order, the US is upending its former relationships with the systems governing trade, aid, military power, energy and nuclear non-proliferation that it constructed. Whereas before, the US aimed to both dominate and lead the world system — using coercion and consent — it is decoupling from the institutions of the postwar order it built and leaning more on the unveiled use of economic and military force. When combined with the escalating impacts of the climate crisis, both within the US and globally, this strategic orientation threatens to spur a chaotic and violent unravelling.

As the relative power of the US declines and domestic inequalities grow, Washington and New York elites have started to attack the system of global trade that once underpinned their power. This system made the US the world's savings account, giving it unmatched access to capital, while American consumers could buy cheap goods produced by exploited workers elsewhere. The fundamental imbalance of global trade and finance is now being cast by policymakers as a rip-off for America. Politicians seeking to rebalance trade deficits on US terms are willing to inflict economic pain on their voters in a vain attempt to restore domestic manufacturing while also imposing costs on allies, self-defined adversaries and the world economy alike.

Long a tool for soft power and geopolitical leverage, the US has recast foreign aid as inefficient bureaucracy. As a prominent target of the so-called “Department of Government Efficiency” (DOGE), the Trump administration has portrayed aid — which has accounted for about 1 per cent of federal spending in recent decades — as emblematic of waste and abuse.

The hard power of the US state is being deployed against both geopolitical rivals and allies. Following Russia’s invasion of Ukraine, the US has pressured European states to expand their military spending without heed to their precise needs or prior budgets. This has diverted fiscal resources from social provisions and towards US-based military contractors. Conflict with Russia has offered a parallel opportunity to channel US natural gas exports towards Europe.

Meanwhile, through its support for Israel’s genocidal assault on Palestine, Washington has abandoned any pretence of adherence to international legal architecture. In overseeing Israel’s policies of mass starvation, ethnic cleansing and bombardment of tents — to name a few of its daily horrors — the US has decided to use military power without even perfunctory recognition of multilateral institutions. The withdrawal of pretence beckons even darker possibilities. As the Colombian president Gustavo Petro has argued, “genocide and barbarism [against] the Palestinian people is what awaits the exodus of the peoples of the South unleashed by the climate crisis.”

This reliance on military force to dominate the world order builds on decades of devastating interventions by the US and its allies in the Middle East. When accounting for their economic, health and environmental impacts, US-led wars in the wake of 9/11 are estimated to have killed in excess of 4.5 million people. Military intervention, financed through trillions of dollars in US military spending, brought chaos rather than control.

Despite the Pentagon’s unparalleled spending, material constraints and chaotic outcomes indicate fractures in this recourse to military force. Shortages of artillery shells in Ukraine are compounded by the exposure of missile defence systems lent to Israel. Partnership with Tel Aviv has led the US to pursue destabilising strikes on Tehran and perhaps even to permit a strike on Qatar, a close ally. The strike on Iran carried profound consequences: the US supported a military assault by a nuclear-armed state on a non-nuclear state in the middle of non-proliferation negotiations. This was an attack on the system that had helped the US limit the number of rivals able to acquire nuclear arsenals.

Just like the transition in world order, the transition in energy systems is uneven, halting and chaotic. While the addition of renewables to the fossil economy is underway, the hydrocarbon foundations of human life are entrenched; indeed, fossil fuel use is still expanding. This is separate, yet connected, to the restructuring of world order. China, the chosen strategic rival of the US, has used its planning capacity to develop world-leading industries in nearly every part of the green economy. Green industrial leadership, plus the vast scale of China's energy consumption, make it the hinge point of any successful global energy transition.

Our new era demands diagnoses of the upheaval of global politics, economics, energy and security to orient movements that centre the safety of the planet and the working-class people that form most of its population. To help progressives navigate the ruptures engendered by these two transitions, the essays in this series analyse the transformation of our world order and potential strategies for collective safety in a warming world. In this introduction, we contextualise the energetic foundations of US empire and the connections between geopolitical transformation and climate breakdown, before previewing how this series diagnoses the global conjuncture and pathways toward a safer collective future.

The World Fossil Empire Made

The world the US built is powered by fossil fuels. As this fossil fuel economy has been restructured over time — from coal to oil and from the global dominance of Western corporations to a multipolar system led by national oil champions like Saudi Aramco — understanding its history has become essential to analysing today's transitions.

While coal was the fuel of nineteenth century British hegemony — powering domestic industries and imperial expansion by steamship — oil became the fuel of American power from the early twentieth century onwards. As a result, the US started to vie for control of the Middle East's oil reserves in collaboration with European empires in the wake of the First World War. [2](#) This bolstered the strength of US oil-producing companies and of its naval fleet, which was transitioning away from coal. As Adam Hanieh charts in an essay in this series, twentieth century US strategy in the Middle East combined the use of military force, economic coercion and the pursuit of regime change, such as the coup

against the democratically elected Mossadegh government in Iran, which had sought to nationalise oil assets.

Through their political and military control of the Middle East, the US, Britain and France created a system that allowed their oil companies to coordinate the global production and price of oil. This set the price of oil produced outside the US, the world's leading oil economy, at the price of a barrel from Houston plus the cost of shipping. As a result, political, military and economic coercion made US oil production profitable while ensuring that Western firms could also make a killing from production overseas. The interests of US corporations, government and military were thus united in seeking to control the world's oil reserves. As Hanieh describes, this interest became stronger in the wake of the Second World War as oil developed into the world's most important industrial input, commodity and financial asset, as well as its primary energy source.

In the 1970s and 1980s, oil and the wealth it produced was essential for the restructuring of the world economy following the legal independence of much of Asia and Africa from European empires. During these decades, the US used the oil wealth of Saudi Arabia, its primary Gulf ally, to invest in Wall Street and the US military industry. In the wake of the announcement in 1969 of the “Nixon Doctrine” of arming surrogates, US arms sales surged — a process that Peter Peterson, then chairman of Lehman Brothers, described as resolving the “petrodollar problem.” This transfer of oil wealth was even used to prop up the arms industries of US allies, with Margaret Thatcher's long-term agreement to sell fighter jets to the Saudi monarchy in 1985 forming an essential crutch for the UK's military aerospace industry. Oil has remained central to US power even as the fabric of empire has transformed, from the direct control of territory to the use of allies, such as the Gulf monarchies, to house military bases that form an 800-strong network across the world.

A Transition Without Guarantees

As the world again enters a new era, the global energy system desperately requires transformation. Despite decades of warnings about the risks of climate change, primarily driven by the extraction and combustion of fossil fuels, the US is now the largest oil and gas producer in world history. This dizzying growth trajectory has also seen the US become the world's leading fossil fuel exporter — less than two decades after it was a net importer — as a result of bipartisan

energy policy, low interest rates and fracking. US hydrocarbon production has more than offset growth in renewable capacity that was briefly kickstarted by the Inflation Reduction Act before being stopped in its tracks by the current administration's Energy Dominance agenda.

Meanwhile, China has used its planning capacity and industrial policy to secure leadership of the world's green industries. From renewable energy to the design and manufacturing of electric vehicles, China is a green industrial powerhouse. Despite its continued use of coal to generate electricity, China may have peaked its greenhouse gas emissions while maintaining economic growth. This presents a new challenge for the US: its rival is the hinge point of global decarbonisation. Successive US administrations have met this with bellicose rhetoric, trade restrictions on material inputs to the green economy and an imperial attempt to secure the supply of “critical” minerals needed for green industries.

China holds another powerful key to humanity's collective future — its domestic energy demand means it accounts for nearly a third of global carbon emissions. Even though China will never match the historic emissions of the US nor its responsibility for the climate crisis, its policy decisions will be critical to the world's chances of climate safety. Despite its massive and continuing fossil fuel consumption, the scale of China's renewables development has been astonishing. China is set to build nearly 60 per cent of the world's installed renewables between now and 2030. In 2024 alone, China invested nearly US\$1 trillion in the transition — equivalent to what the US spent on its military and associated industries the same year.

Despite these interlinkages, the two transitions remain distinct phenomena. The US decision to remake the global balance of trade, analysed in this essay series by Mona Ali, is partly borne of an oligarchic response to domestic political pressure and a desire to capture profits from global supply chains. Moreover, the use of military power to compensate for the weakening of US leadership cannot be explained by navigating the climate crisis alone. US foreign policy elites retain an ideological commitment to “global primacy” and the use of force to maintain it.

What is undeniable is that the way US empire is being restructured so far adds to the existential threat of climate crisis — militarisation, a new Cold War and the formation of power blocs are not just distractions from the challenge of

decarbonisation but are themselves carbon intensive undertakings. Over the next ten years, additional emissions from NATO's military expansion will generate the equivalent of the annual carbon footprint of Brazil. In the immediate term, these processes also threaten greater conflict, competition and violence.

However, the refusal of the US from an attempt to lead the world through consent as well as force, weakens the exploitative institutions that have governed global trade and finance since the Second World War. As Mona Ali argues, this might inadvertently create opportunities for cooperation strategies by countries in the Global South. It may also produce opportunities to develop non-aligned politics and to design new international economic orders, ending debts imposed through centuries of colonialism. In this series, Raj Patel surveys attempts from below — by marginalised communities in the US as well as landless workers in the Global South — to navigate this moment of transition.

Not only has the US begun to abandon the trading regime that has underpinned its imperial power to date, but it has also adopted new forms of state capitalism that challenge the ideological impositions of institutions like the World Bank and IMF on countries across the world. This does not guarantee greater economic democracy or equality. In this series, Ilias Alami surveys the development of a new state capitalism amid the two transitions, arguing that state interventions have been designed to secure control of economic networks for geopolitical rivalry, from ports to industrial inputs for AI and renewable energy, and to accumulate wealth for the state's preferred corporate partners.

Washington's adoption of state capitalism has also accelerated the development of military technologies, including AI and drones, by new "defence tech" firms. This is a partnership between the US state, Silicon Valley and venture capital, nested firmly within the economic networks of the fossil fuel economy. In this series, Elke Schwarz examines how the UK government has begun to mimic the restructuring of the US military industrial complex around defence tech. Meanwhile, Tobita Chow situates the development of the new state capitalism within the context of Cold War competition between US and China — reading the formation of two competing political and industrial blocs as a multitudinous climate threat.

As it is currently unfolding, the transition towards a multipolar world is an elite, often explicitly anti-democratic project. Just as the energy transition remains

unrealised, the decline of US empire has not automatically led towards a more just order, but one based even more on domestic repression as well military and economic coercion. Within this moment of heightened geopolitical risk and tension, it is essential to articulate alternative politics that centre the safety of people and planet over accumulation and competition. Stephen Semler explores how the interests of the US working class are entwined with the transition away from empire and a drawdown of military spending. Meanwhile Rebekah Diski analyses how working-class institutions are responding to this transitional moment, arguing for a renewal of labour internationalism. Finally, Heidi Peltier examines the political coalitions that underpin the US military industrial complex and those that must be built to dismantle its global presence.

As these essays acknowledge, there is no guarantee that the world order that replaces US empire will be one of collective flourishing. That order must be developed, fought for and won. This series — and the broader research programme it introduces — offers a platform for analysis, ideas and proposals to help develop a world of collective and climate safety.

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1. We built on Melanie Brusseler and Mathew Lawrence's concept of "twinning transitions" in their essay on the transition towards a green and democratic economy. See Melanie Brusseler and Mathew Lawrence, "Twinning Transition: On the Green Mixed Economy", *Common Wealth*, 2024, available [here](#).
 2. Adam Hanieh, *Crude Capitalism: Oil, Corporate Power, and the Making of the World Market*, Verso: 2024.