

Scarcity, Legitimacy, and the Century That Broke the World

The defining political catastrophes of the twentieth century are often explained as moral failures, ideological madness, or national pathologies. Communism failed because it was dishonest. Fascism failed because it was evil. Liberal capitalism prevailed because it was free, rational, and humane.

This explanation flatters the present. It is also dangerously incomplete.

Ideas do not seize power in a vacuum. They take hold when material conditions render existing systems illegitimate—when ordinary people conclude that the rules governing their lives no longer correspond to effort, dignity, or survival. When that break occurs, ideology becomes a vehicle, not a cause.

The twentieth century was not uniquely violent because people became worse. It was violent because legitimacy collapsed repeatedly under conditions of engineered scarcity, concentrated ownership, and systemic humiliation.

To understand how close we may be to repeating that pattern, we must abandon moral shortcuts and confront the mechanics.

Scarcity Is Not the Same as Poverty

Human societies have endured poverty for millennia without descending into total political rupture. What breaks systems is not deprivation alone, but the perception that deprivation is imposed, unnecessary, or selectively enforced.

Scarcity becomes politically explosive when it violates expectation.

Peasant societies expect hardship. Industrial societies expect improvement. When industrial productivity rises but living conditions stagnate or regress, the social contract fractures invisibly at first, then all at once.

Scarcity, in modern systems, is rarely absolute. It is managed. Who owns land, who controls access to capital, who absorbs risk, and who bears volatility—these are design decisions, not natural laws.

The twentieth century was defined by repeated failures to manage this transition responsibly.

Russia: Revolution Was a Response to Legitimacy Collapse, Not Theory

The Russian Revolution is commonly portrayed as an ideological uprising inspired by Marxist thought. In reality, Marxism succeeded in Russia precisely because the existing order had already forfeited legitimacy.

Tsarist Russia combined feudal land relations, extreme inequality, weak institutions, and brutal repression with the pressures of industrialization and total war. The peasantry did not revolt because they wanted

collective farms; they revolted because land was concentrated, food was scarce, and authority no longer protected them.

Communism offered:

- land redistribution,
- industrial modernization,
- moral certainty,
- and a replacement narrative for a collapsed religious and imperial order.

It promised not abundance, but justice.

Its fatal flaw was not its critique of exploitation, but its solution: abolishing private ownership entirely, especially of land and housing. In doing so, it erased autonomy, privacy, and choice— the basic conditions of human dignity.

Housing under communism became functional but joyless. Multiple families shared single flats. Kitchens and bathrooms were communal. Domestic life became exposed, regulated, and depersonalized. Equality existed, but at a permanently constrained quality of life.

The system did not fail because people rejected fairness. It failed because legitimacy cannot survive without choice.

Germany: Extremism Followed Humiliation and Debt, Not Speech

Nazism is often treated as a moral aberration, a warning about free speech or propaganda. This framing avoids the harder truth.

The Nazi movement existed long before it gained power. It remained marginal until economic collapse rendered the existing order indefensible.

Germany after World War I was a traumatized society: millions of dead, a defeated military class, territorial loss, foreign debt, and an economy dependent on external capital. The Treaty of Versailles humiliated the nation, but humiliation alone does not create totalitarianism.

The Great Depression did.

When American loans were withdrawn and debts called, unemployment exploded. Breadlines appeared. Middle-class security evaporated. The Weimar government proved incapable of protection.

At that moment, legitimacy collapsed.

The Nazis did not win because of persuasion. They won because they offered:

- order instead of chaos,
- dignity instead of shame,

- belonging instead of precarity.

Jewish success in finance and industry—real but vastly overstated—became a visible symbol of a system that appeared rigged. The Rothschilds were not the cause of collapse, but they were legible. When systems fail, legibility becomes guilt.

This is not an argument about antisemitism as belief. It is an argument about how societies under stress seek identifiable explanations when abstraction fails.

Nazism was not inevitable. It was conditional.

Extremes Thrive Where Ownership and Stability Vanish

Communism and fascism differed radically in ideology, but they shared a common substrate:

- concentrated ownership,
- widespread insecurity,
- and collapsed legitimacy.

Neither movement emerged in societies with broad-based ownership, stable housing, and predictable futures.

This is the detail often missed: people radicalize not when they are poor, but when they are trapped.

Housing occupies a uniquely dangerous position in this equation. It is not optional. You can defer consumption. You cannot defer shelter.

When housing becomes unstable, shared, transient, or inaccessible, family formation collapses. Privacy erodes. Long-term planning disappears. Risk tolerance vanishes.

This is why historical critiques of communism focused so intensely on housing conditions. Shared flats were not merely inconvenient; they symbolized the erasure of domestic autonomy.

It is striking—and alarming—that similar conditions are re-emerging under modern branding, presented not as failure but as adaptation.

Scarcity as Governance

Modern societies rarely acknowledge that scarcity can be a governing mechanism.

Debt enforces discipline. Housing enforces compliance. Precarity discourages dissent. These are not conspiracies; they are emergent properties of systems optimized for extraction rather than stability.

When essential goods are financialized—housing, healthcare, education—systems drift toward pressure maximization rather than value creation.

This is not capitalism functioning well. It is capitalism without guardrails.

The last century demonstrates what happens when societies refuse to correct this drift early.

The Counterfactual We Never Explore

History is often told as inevitability. But consider the counterfactuals that are rarely entertained:

What if post-industrial societies had prioritized widespread ownership instead of leverage?

What if housing had been treated as civic infrastructure rather than a speculative asset?

What if productivity gains had been paired with stability rather than debt expansion?

Unions, welfare states, and social democracy did not emerge because elites grew generous. They emerged because capitalism feared collapse. They were pressure-release mechanisms, not philosophical evolutions.

The tragedy is that these measures were treated as temporary concessions rather than structural foundations.

Entering the Post-Scarcity Era With Scarcity Thinking

We are now crossing a technological threshold humanity has never navigated consciously.

Automation, AI, robotics, and advanced logistics are collapsing the cost of production across entire sectors. Traditional labour is no longer the primary limiting factor in economic output.

This should be an era of abundance.

Instead, access to necessities is tightening.

When scarcity increases in an age of abundance, the cause is not technology. It is rules.

The danger is not that post-scarcity will eliminate work. The danger is that it will eliminate bargaining power while preserving extraction.

History shows what happens when productivity rises while dignity falls.

Why This Matters Now

What makes the present moment dangerous is not that conditions are identical to the twentieth century's worst periods. They are not. What makes it dangerous is that the underlying mechanics are reappearing in quieter, more technocratic forms, while the cultural antibodies that once resisted them have weakened.

In the past, legitimacy collapsed visibly. Breadlines formed. Factories closed. Armies marched. Today, collapse is procedural. It occurs through credit markets, zoning codes, asset pricing models, and algorithmic optimization. The suffering is slower, more individualized, and easier to deny.

But it accumulates.

Modern societies are once again asking large portions of their population to live with:

- permanent housing insecurity,
- delayed or abandoned family formation,
- rising debt for declining quality of life,
- and a future that feels smaller than the past.

The difference is that this time, the system insists it is working.

That insistence is corrosive.

When institutions repeatedly explain hardship as inevitable—while visibly rewarding those closest to the levers of extraction—people do not become radical overnight. They become cynical, detached, and increasingly open to explanations that assign blame clearly and emotionally rather than structurally.

This is how legitimacy erodes in advanced societies: not through revolt first, but through withdrawal of belief.

The Collapse of the Middle Future

The most destabilizing condition in any society is not poverty at the bottom, but the disappearance of a believable middle future.

When people cannot plausibly imagine:

- owning a stable home,
- raising children without constant stress,
- improving their position through effort,
- or passing something intact to the next generation, they stop orienting their lives toward the long term.

That is when social norms weaken, civic participation declines, and institutions lose moral authority even if they retain legal power.

This is already visible.

Birth rates are collapsing across developed economies—not because people reject family, but because housing and stability have become incompatible with it. Entrepreneurship declines not because people lack ideas, but because risk tolerance evaporates when failure means homelessness rather than inconvenience. Communities fragment because turnover replaces continuity, and temporary residence replaces stewardship.

None of this requires ideology. It emerges naturally when shelter is financialized beyond reach.

Financialization Has Changed the Stakes

What is new—and historically unprecedented—is the degree to which housing has been integrated into global financial systems.

Low-density homes are no longer just places to live or rent. They are balance-sheet instruments, yield vehicles, and collateral nodes tied directly to stock prices, pension funds, and international capital flows. Decisions about local shelter are now influenced by distant markets with no civic obligation to the people affected.

This changes the political risk profile entirely.

When housing becomes a financial product rather than a social anchor, volatility is no longer a side effect—it is a feature. And when volatility touches something non-optional, pressure accumulates quickly.

In earlier eras, elites feared revolt because revolt was plausible. Today, they often assume stability because revolt appears unlikely. That assumption may be the most dangerous difference of all.

History does not require pitchforks to repeat itself.

It only requires systems to lose legitimacy faster than they adapt.

Abundance Without Access Is a Powder Keg

We are entering a period where technological capacity is expanding rapidly while lived experience contracts.

Automation, AI, and advanced manufacturing are reducing the real cost of production. Entire categories of labor are becoming optional from a productivity standpoint. This should create surplus, leisure, and opportunity.

Instead, it is coinciding with:

- tighter housing access,
- longer working hours,
- declining real wages,
- and higher household leverage.

This inversion—abundance at the top, scarcity at the point of life itself—is historically unstable.

When societies experience scarcity amid genuine material abundance, people do not interpret it as misfortune. They interpret it as design.

And they are often correct.

The Risk Is Not Ideology — It Is Reaction

The lesson of the twentieth century is not that communism or fascism were persuasive ideas. It is that they were available reactions to systems that refused to self-correct.

When moderate, structural reform is dismissed as impossible, people do not become more reasonable. They become more willing to try anything that promises rupture.

This is why the present moment matters more than any single election, policy debate, or cultural dispute. The question is not which ideology wins. The question is whether legitimacy is restored before despair seeks simpler answers.

Modern societies are betting that fragmentation, surveillance, and distraction will substitute for stability.

History suggests this is a losing bet.

A Narrow Window

There are moments in history when systems can still be adjusted without violence, confiscation, or collapse—when change is disruptive but survivable.

Those windows do not stay open indefinitely.

The twentieth century shows what happens when societies wait until desperation outruns imagination.

The fact that catastrophe has not yet arrived does not mean the conditions are absent.

It means the pressure has not finished building.

This is why the present matters.

Not because we are doomed—but because we are not, yet.