the world works. Some of this confusion is down to what Hannah Arendt called 'the tragedy of the nation-state' which is the overinvestment in a political form that usually fails to live up to promise in practice" (p. 166). But can we really say that superpowers are the ones to blame for the revival of classical definitions of geopolitics? Partly. Most of them act as Empires, and therefore there is that gap between nation-state-logic and empire-state-of-mind (or actions). We live in the reality of *rough superpowers* of middle-range possibilities, trapped in the past while hidden geopolitics overlap and intervein, leading them towards one-step-behind dynamics. And, as Agnew says: "There can be no singular national-geopolitical victors in a world of hidden geopolitics at the planetary scale" (p. 169). The obsolete mechanisms of action and conceptualizing the nation-state as the only actor offer little help in vivid realities of parallel worlds we live in and in the layered levels of existing battlefields. All those battlefields are primordially geopolitical, but not all of them admit it – indeed, they try to hide it! This is the reason why geopolitics sometimes remains well-hidden and the reason why the term will continue to be misinterpreted, misused, and overused.

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Book Review

Carl Benedikt Frey
When Progress Ends: Technology, Innovation, and the Fate of Nations

Princeton University Press, Princeton and Oxford, 2025, 529 pp.

Carl Benedikt Frey is already an important author. His work on technological change and labour market effects of automatization and AI is quite influential and broadly cited. He is, in fact, one of the preeminent authorities on the subject. His new book, *When Progress Ends: Technology, Innovation, and the Fate of Nations*, was published in September 2025 and is best understood as a further development of ideas from his influential 2019 book *The Technology Trap*.

The book contains an immense wealth of information on technological progress in large economies and their crucial transformative periods. The central thesis is simple enough. The kind of progress that requires constant incremental breakthroughs requires decentralization and absence of overly pressing overarching control. However, the kind of progress that requires a massive implementation, or scaling, of new technology benefits from a different institutional footing. It needs a strong bureaucratic control and state capacity in fostering a focused development. Both tendencies therefore have a crucial role to play in maintaining progress. This

thesis clearly contrasts this book with several narratives present in literature. One of them states that new progress is dependent on political freedoms (in 2024, Acemoglu, Johnson and Robinson were awarded the Prize in Economic Sciences in Memory of Alfred Nobel largely for developing, operationalizing and arguing this view). On this basis one can expect continued success of western democracies but a slowdown in China. This also conforms to Frey's first argument, but his second argument provides a necessary and welcome addendum. Frey suggests both USA and China are stagnating and are on a downward spiral.

To show why, Frey dedicates four hundred pages to analysing crucial historical examples of technological predominance. He starts in the golden age of Song-dynasty China, during which crucial technologies like the compass and movable type printing appeared, and paper, shipbuilding, iron and ceramics thrived. These capabilities far exceeded those of high-middle-ages Europe which was its contemporary. Frey argues that the Chinese technological lead was a result of centralization, and that it was a response to the demand created by an autocratic rule of the state. However, by the 14th century, China was losing its technological edge, and in the centuries that followed, China would diminish economically and fiscally. These long-run trends were triggered by various decisions and processes: the prohibition of overseas trade for centuries and exogenous events like the Mongol conquest. However, the underlying cause was the inability of the bureaucratic elite to reform, showing the inherent danger of centralization. In contrast, Europe emerged due to the decentralization and competition of many political entities within the same cultural space. This combination would eventually be conducive to the Enlightenment and even the Industrial Revolution. Frey also reiterates his arguments from *The Technology Trap* according to which the political will to allow a disruptive technological change was crucial to the rise of England and Europe in general. The Prussian/German challenge to the industrial capacities of England was another exercise in the benefits of centralization, as the German top-down bureaucratic control led the way in a successful catch-up growth. Frey also points to late 19th and early 20th century Japan, France and Russia to show the sometimes elusive role of bureaucratic capacity. France was able to rely on the state for massive critical investments, Russian state capacity was used to undermine the fledgling private sector, while Japan of the Meiji period managed to enact reforms conducive to catch-up growth. However, such growth requires scientific breakthroughs that are more likely to happen somewhere else. America was the country which supplanted Britain as the land of technological breakthroughs by the turn of the century. America was decentralized, lacked a strong federal fiscal capacity, and therefore relied on relations with the private sector for much of the early infrastructure. Overall, American institutions demonstrated resilience and adaptability, including diverse periods like trustbusting (causing less concentration), greater economic concentration due to the needs of the war economy, or complex compromises like the Cold War approach to advanced research trough ARPA, with concentrated funding and talent, but also relying on a decentralized network of universities to maintain its momentum. In the years that

followed World War II, Western Europe, Japan and Korea relied on licencing technologies from USA for their growth. This was another successful period of catch-up growth favouring concentration and planning. More extreme examples of the two tendencies in the post-war era are provided by the Soviet Union and China. As was the case with his analysis of the US, Frey also follows the ebb and flow of centralization in the two countries (including decentralization efforts like the Sovnarkhoz system and the special economic zones). Modern China is a particularly important case as it stands on the threshold between catch-up growth (favouring centralization) and a massive and continued innovation growth spurt (favouring decentralization). Frey suggests that the current political concentration is consistent with the historical ways in which progress may come to an end. According to this view, China would enter another stagnant period – like the one of the Ming and Qing dynasties. However, China has also reached an extremely advanced AI-driven stage of development enabling a level of control and surveillance hitherto undreamed of. The future is unpredictable, but we may be reaching a technological threshold in which the bucking of a long-running pattern may be possible.

The value of Frey's book is in its use of economic history to successfully argue the existence of a symbiotic relationship between institutions and innovation. The former are very broadly understood political-economic institutions (centralization/decentralization tendencies), while the latter is a crucial part of development and growth. Frey shies from presenting this in clear cyclical terms, but his argument hinges on the ability of institutions to adapt to the cyclically changing demands of the phase of technological development – in turn requiring bureaucratic top-down control and decentralization. His book therefore fits well not only with institutional literature, but also with literature on the systemic cycle and new economic geography. It can and should be read broadly in the context of social sciences. Frey's style is clear and concise, his message is clear, and his topic urgent. The book is meticulously researched and masterfully presented. It is one of the most important books on development published this year.

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Book Review

Viktorija Car, Marta Zorko (editors)
The Digital Environment and Small States in Europe. Challenges, Threats, and Opportunities

Routledge, London and New York, 2026, 242 pp.

The book *The Digital Environment and Small States in Europe: Challenges, Threats and Opportunities*, edited by Viktorija Car and Marta Zorko, provides a comprehensive overview of the relation-