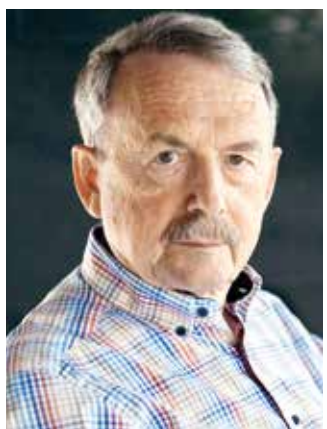


Capitalism has always been an unstable order



Wolfgang Streeck

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■ ■ In 2016, you published 'How Will Capitalism End?' as a collection of essays on "a failing system." What's your main point therein?

That all social systems are mortal. Where there is a beginning there is an end. Capitalism began in the seventeenth or eighteenth century and it is not the end of history. Also, historical transitions take time; there is likely to be a long period of confusion, indeterminacy, disorder, and "interregnum." Don't expect capitalism to end by someone declaring it ended, and from tomorrow on we shall have whatever, socialism or something else. I argue that there are indications that we are in a period of extraordinary instability, at the end of which capitalism, as we know it, will no longer exist. I also argue that we are unable to make precise predictions, for example, on when that period of instability will end.

■ ■ One might argue that capitalism has proven quite adept, time and again, in surviving threatening crises. Why do you think this time is different?

Capitalism was always an extremely unstable socio-economic order. It kept changing, through fundamental crises, and not only marginally. I emphasize the crises because the periods of stability were rare, short, and in-between. In Europe and the U.S., the thirty years after WWII were a time of exceptional stability, both political and economic. Even on the periphery of capitalism there were hopes for "modernization" and "development," integrated into a stable and peaceful international order. In my books, I have described the constellation of forces that made this possible. No such forces that could take their place are now in sight. This may make our time indeed different. Mind you that in the first half of the 20th century – the last time there was no obvious new center in a broken international political-economic order – three blocks, Japan, Germany, and the Anglo-American world ended up fighting a war that cost roughly 60 million lives, 25 million in the Soviet Union alone.



Streeck argues lack of an obvious center in a broken international political-economic order in the 20th century led to World War II.

■ ■ Democratic capitalism has lasted a long time, sometimes delivering astonishing results. What has been its point of balance? Why can't it sustain that balance?

Democratic capitalism is, or was, a highly contingent social order. It requires effective nation-states with a capacity for egalitarian correction of market outcomes, as well as a global regime regulating international economic exchange and the relationship between the capitalist center and its periphery. Interestingly, capitalism worked well only when there was one and only one capitalist lead-state, a center combining financial, economic, political, military, and cultural hegemony – beginning with Genova, moving on to Amsterdam, from there to London and, as a result of a worldwide war, to New York. Today, with the decline of the U.S., there is no such center anymore. Moreover, economic globalization has preempted national democracy as it has deprived nation-states of their capacity to redistribute; one result is the breaking-up of the post-war political party system and the rise of so-called "populist" parties that make the formation of stable democratic governments difficult if not impossible.

■ ■ Citizens apparently are consumers of the capitalist system whose consumption further fosters the system and whose needs are, to a large extent, defined and met by the system. Have they been perhaps unwittingly complicit in creating this system?

There was a time when consumer demand fueled capitalist growth. But for this, you need egalitarian corrections to the unequal income distribution that results from the "free play of market forces." This was what worked in the Keynesian era. Today, rising inequality limits demand for consumer goods, so capitalists invest their money in financial papers rather than industries with jobs for the masses; this makes for under-employment and a further cut in demand. Incidentally, capitalism wasn't always consumption-driven, and sometimes the consumers are not identical with the producers, or the workers; for example, they may be located in different countries.

■ ■ In that spirit, what is the citizen's responsibility or duty in the current conditions, which seem not to let them express and highlight their concerns even if they are capable of finding what they should be concerned about?



Streeck maintains that Western consumerist lifestyles cannot be generalized to all westerners, let alone to the whole humankind.

I don't want to decree responsibilities. On the global periphery it would be desirable for people to