
 Book Review

Wolfgang Streeck
**Zwischen Globalismus
 und Demokratie. Politische
 Ökonomie im ausgehenden
 Neoliberalismus**

Suhrkamp, Berlin, 2021, 538 pp.

Wolfgang Streeck is a German sociologist who has become popular for his criticism of capitalism, particularly with his previous and rewarded books published in English – *Buying Time: The Delayed Crisis of Democratic Capitalism*, and *How Will Capitalism End?: Essays on a Failing System*. The book presented here is likely to receive the same attention as the previous ones, and hopefully will be translated into English as well. Streeck's thesis in the book is that the theory of capitalism requires a theory of the state. His attempt to shape a theory of the state thus begins with the relationship between capitalism and democracy.

Streeck's analysis juxtaposes the neoliberal project of "abolition of the nation state" and the establishment of "global governance" to the "plebeian populist" movements opposing it. According to him, populism is not the real opponent of the welfare state, but the "green-leftist post-industrial center of society" that became "sick" of "cosmopolitan illusion", thus advocating for the disappearance of the state for some form of "global governance". Streeck, similarly to Ralph Dahrendorf,

believes that democracy is historically and institutionally tied to the state. Therefore, very provocatively, yet with arguments, he questions the project of globalization and the ideology of the neoliberal global class, which wants to subordinate nation states to the interests of the "world market", i.e. to "multinational corporations". At the heart of his analysis is the relationship of neoliberal ideology to the state, claiming that there is a paradox within this relationship. Namely, neoliberalism, on the one hand, despises the state, because it allegedly interferes with the free market, but at the same time, when it comes to protecting the interests of corporations, it strongly advocates state intervention. Streeck actually became the most critical of the German Social Democrats he belonged to, being an adviser to Schröder's "red-green" government as well. He does not hide his disappointment with that political position. This harsh taste, even contempt, can be seen in almost all of his sentences regarding "left-wing cosmopolitanism" that has been "placed in the service of financial capitalism". The "liberal left", according to Streeck, neglects the struggle between labor and capital, and puts moralizing and the struggle against "populists" at the forefront. His introductory chapter is concluded with the claim that the book should be seen as an attempt to "rehabilitate the nation state as an arena of democratic politics under capitalism".

The first chapter describes neoliberal ideology. Streeck considers neoliberal dogmas the causes of economic and political crises we experience today. The economic crisis manifests itself in the lack of serious economic growth despite the large amount of capital, while the weaken-

ing of the nation state is the cause of political crisis. Streeck attempts to prove his thesis regarding the economic crisis with a tabular presentation of the slower economic growth of Western economies, the accelerated growth of their government debt, including the state of assets of their central banks. The political crisis can be seen in the rise of “right-wing populist” parties and the declining of the citizens willing to vote at elections. In explaining the economic crisis, Streeck follows Larry Summers, who argues that capitalism is stagnant because it has abandoned Keynes’ teaching on the positive effects of state intervention. Streeck also wonders why the utopia of the world market, in which the function of the state has been reduced to serving corporations, has become the most influential economic ideology? There were no clear answers to these questions, but some answers should be sought, *inter alia*, in the student uprising of the 1960s, in the perception among the students that they are a distinctive class. On top of that, the answers can be sought in inflation, which has affected the whole world, rising unemployment, and, above all, falling profits. Streeck considers that these circumstances have prompted the search for an economic ideology that will enable the constant growth of profits, the search that ended up in neoliberalism presented as an expression of “natural laws”, although, as with any economic theory, it was in fact a demand for redistribution of political power that led to the collapse of classical democratic politics and corporate rule. Streeck supports this claim with several theses. The first is that center-right parties, while attempting to reconcile social traditionalism with capitalist moderni-

zation, sided with cultural modernization and abandoned traditional family politics. Second, such moves “left some of the cultural-conservative voters without a political homeland”. At the same time, the center-left parties gave up on social economic policy and lost some workers as their traditional voters, while urban voters, who have benefited from globalization, have switched to green liberals. The third thesis is that the right-wing and center-left parties have joined the “globalizing-united front” and lost their ideology so their voters could no longer attach themselves to some “collective social ideal”, only towards some current event. Fourth, and in fact crucial, is that globalization leads to depoliticization. As a result, a market adjustment policy was formulated, which was accepted by center-right and center-left parties, and thus “party conflict along the labor-capital axis” ceased to be an important political element. This, in turn, has led more citizens to turn toward “the leftist or the right-wing nationalist parties and movements”. Taking all these together, Streeck questions the politics of the European Union claiming that Habermas’s concept of “common European values” is simply too abstract, wondering why European values would be more important than French, Slovak, German, etc. Why should a “European solution” be sought for every problem? The answers to these questions constitute Streeck’s theory of democracy.

The second chapter deals with Edward Gibbon and Karl Polanyi’s theories of the state. Both authors argue that each state is essentially determined by its relationship with other states. Streeck points out that the EU, as a centralized “big state”, simply cannot be considered a democratic

project, but only a market and technocratic one. Moreover, insisting on centralization leads to conflict between the center and the periphery, and the failure of the whole European project. For Streeck, the main theorist advocating the centralization of Europe is Habermas. He compared his idea of the EU to Hayek's idea of a world federalist state. Although Hayek claimed that the purpose of his "world state" was to establish "world peace", it was in fact a justification for "neoliberal market expansion". Furthermore, Streeck points out that the "cosmopolitan" leftists sided with "globalist liberalism", actually supporting the idea of "Hayek's global state". They do not see that there is no global society, but that societies have borders within which they produce identities.

The third chapter deals with the link between the nation state and democracy. According to Streeck, the liberal thesis of the need to establish "global governance" and a "cosmopolitan world government" essentially advocates for the US-run empire. It is an empire that likes to call itself the "international order" and has the task of "spreading global neoliberal capitalism". He explains the contradictions and limits of neoliberal politics in eight theses. The first is that states are "in principle natural opponents of neoliberalism". The second is that "capitalism, especially global capitalism, is not a natural, but a social order", so it is defended via certain policies. The third is that neoliberalism and globalism, despite their hostility to the state, are in fact dependent on the state. The fourth is that neoliberal globalization is increasingly subordinating the state to the demands of the global market. The fifth is that the "transformation" of the state into a ser-

vant of the market requires a high degree of "capitalist state skill". Namely, along with globalization, forces that want to protect the nation state are growing stronger. The sixth is that the establishment of a global market and "global governance" necessarily requires a hierarchical international order. The seventh is that the spread of capitalism always relies on control from the imperial center and military power. Finally, the eighth thesis emphasizes that "empires, including capitalist-neoliberal empires, are generally unstable" because their need to expand constantly generates new costs. Streeck concludes that the concept of "global governance" cannot replace the state and that resistance to globalization and technocratic decision-making is growing stronger.

The fourth chapter analyzes the crisis of EU integration. Streeck argues that European solidarity is just an empty phrase. Namely, the data it brings have clearly shown that the EU center (France and Germany) is doing far better than the periphery. Moreover, Streeck claims that the EU is actually a new empire. However, he fails to prove that thesis. While it is clear that the center of the EU is steering the periphery, that does not mean that the EU is an empire. Every empire has a strong central government and an army, while this is not the case with the EU. Rather, it seems that the EU is the periphery of another empire, the US empire, or the global class (Ralph Dahrendorf) and its international financial institutions.

Finally, the fifth chapter is about how to end neoliberal hegemony and establish a "post-liberal politics". Streeck noted that his proposal for the decentralization of the EU and the strengthening of nation

states would face the moralistic rejection of “great-power universalists”, including those “cosmo-moralists” that favor globalization. He was right. Namely, after the publication of the book the thesis that globalization and democracy are incompatible met with the most opposition. In addition, the thesis that democracy is possible only through a decentralized system of nation states faced strong opposition too. It was obvious that his German colleagues do not accept his claim that even universal norms have been interpreted given the particular circumstances. Streeck relies on intellectual authorities such as Keynes and Polanyi to promote the idea of state protectionism with the regional cooperation of states, as a cornerstone of international peace, economic development and the restoration of democracy and its institutions at the nation-state level. His argument is well-founded along with the evidence of economic hardship and the crisis of liberal democracy, but Streeck himself is aware that his solutions contradict almost all global consulting recipes. Thus, in the preface he points out that he does not expect his theses to have practical consequences. The political class that could apply them has a completely different understanding of reality. Namely, in order for someone to accept Streeck’s theory, it must be accepted that the ruling ideology leads to a dead end, and that one can only get out of it by driving backwards, by returning to the state. It means the decentralization of the EU, the political control of corporations, the end of liberal moralizing, and the revival of democracy in the nation states. But who is ready for that? Most of society, especially the new middle class, is fascinated by the market. Freedom, equal-

ity and fraternity have been replaced by market, cost and competition. In Germany, in 2022, according to a public TV poll, only 4% of respondents were dissatisfied with their economic situation, despite the fact that 75% believe that wealth and prosperity are unfairly distributed. At the same time, the discussion of class society takes place mostly among the left-wing academia, the rules of neoliberal capitalism have become widely accepted, and corporate propaganda has spread political nihilism.

Streeck’s analysis does not state who would be the social and political subject of change. Yet, he remains reliant on the left wing not yet affected by the middle class, even finding some positive elements in the right-wing critique of the European Union, but in fact he acknowledges that without a new “historical break”, his proposals will stay ineffective. Nevertheless, it is a stimulating theory for thinking about the state, and the social, economic and political consequences of the ruling neoliberal ideology. Wolfgang Streeck has written an excellent book that has all the prerequisites to become a classic work, indispensable for understanding the economic, and therefore ideological foundations of modern capitalism.

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