

Capitalism Breeds Reckless Consumption and Starves the Public Sphere

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By Mark Karlin (</author/itemlist/user/45664>), Truthout | Interview



Our culture systemically devalues things that have no price, such as caring for others and political participation. (Photo: Michael Aston / Flickr (<https://www.flickr.com/photos/michaelaston/388570915/>); Edited: JR / TO)

*Is the entire system of global capitalism on the verge of collapse? Economic and political analyst Wolfgang Streeck makes the case that oligarchic rule, institutional corruption, declining growth and international instability are about to change the world as we know it. Click here to get your copy of his book *How Will Capitalism End?* by making a tax-deductible donation to Truthout.*

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Do we all bear some responsibility for the dominance of capitalism over democracy due to our unrestrained consumerism? The galloping consumption of progressives and conservatives alike extends to cars, bottled water, iPhones, large flat-screen televisions, fashion and more. Wolfgang Streeck explored this and other issues in the following interview with Truthout.

Mark Karlin: You cite the end of WWII as the time that capitalism and democracy became intractably enmeshed. How did it come to be that Western democracies came to assert that freedom could not exist without capitalism?

Wolfgang Streeck: The way I would put it is that they became temporarily reconciled through Keynes' discovery that economic growth can be stimulated by redistribution from the wealthy to the poor. But "intractably enmeshed" they were precisely not, as we have seen in recent decades when they were extricated from one another in the course of the neoliberal revolution. The pattern that emerged was what I call *Hayekian statism*: a strong state preventing democratic-egalitarian interference with markets, to allow the market to do its work -- redistribute according to market rules, i.e., from the bottom to the top.

The belief that freedom cannot exist without capitalism goes back to the 18th century when the rising bourgeoisie fought against feudalism, abolishing among other things, the guilds that organized economic activities as a quasi-feudal privilege. Fighting against feudalism was identical with fighting for free enterprise, with allowing private economic initiative in free markets. But this was only part of the story. Early capitalism included large chartered corporations and coexisted happily with slavery.

Later, in the 19th century, Marx and the socialists drew attention to the fact that in a capitalist society, only a tiny minority could be independent businessmen while the large majority had to be wage workers, subject to often dictatorial authority in their workplaces. Also, as capital became more and more concentrated, large private firms became political power centers in their own right, interfering in many different ways with both individual freedom, including freedom of enterprise, and collective democracy. By then at the latest, it became clear that freedom could exist only if capitalism was democratically regulated and controlled -- that capitalism would undermine freedom unless it was kept in its place by democratic institutions like trade unions, labor law, tax policy, etc.



Wolfgang Streeck. (Photo: Verso Books)

As a devil's advocate, let me ask how even many progressives who promote a severe modification or end to capitalism are avid consumers -- and unrestrained consumerism is what energizes capitalism, like blood to a vampire. In short, isn't it hard to put the brakes on unrestrained capitalism when many such advocates are active participants in the global society of consumption?

Yes. If we don't learn, or remember and allow ourselves to experience things that cost nothing -- activities that we and others, and we together with others, engage in for free -- [which] can be more rewarding than what we get or do for money, the beast will continue to rule us. The problem is that our culture systemically devalues things that have just value but no price, like caring for others, spending time together, community service, political participation -- and that there are hordes of marketing specialists that work very hard to convince us to substitute paid for unpaid work or pleasure.

You emphasize that capitalism needs to be examined more through the lens of sociology. Why is that?

See my answer to the preceding question. You rightly suggest, paraphrasing you in sociological terms, that contemporary capitalism is to a large extent driven by ever more demanding consumption norms -- meaning consumption of commercialized good and services. Production and enforcement of such norms in social processes of communication -- now typically organized by professional, profit-making agencies -- and sanctioning is a genuinely sociological theme. We must break up the standard-

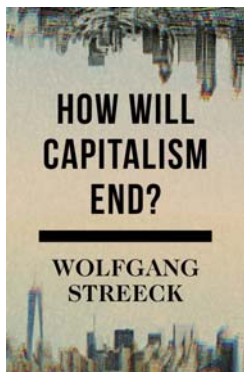
economic simplification according to which scarcity is an eternal condition because humans are anthropologically greedy: their propensity to consume being unlimited due to human nature. More than ever before, what we think are our "needs" are socially constructed.

What role has increased individual debt played in the current stage of capitalism?

Two roles. One, as wages began to stagnate and income distribution became increasingly skewed in favor of the rich, it has enabled households to keep up with rising standards of consumption (move on to flat-screen TV!). Two, debt is a powerful mechanism of labor market and workplace discipline; once you're in debt you must work harder and avoid disappointing your employer, so you remain employed and able to pay back your loan. An indebted worker is an obedient worker who will not be inclined to go on strike.

What do you consider has come to be a "normalized accident" of capitalism? Does the economic meltdown of 2008 in the United States represent such a term?

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 Is global capitalism as we know it on the verge of collapse?

A normal accident is one that can be expected to happen even though everything is the way it should be -- it doesn't need special circumstances to occur. For example, if you want to have nuclear power plants, you will have so-and-so many accidents per reactor year even in best of cases. In this sense, the general wisdom among central bankers and regulators in the early 2000s was that in a sophisticated, innovative financial system, there will always be bubbles that may explode any time. Since such bubbles cannot be prevented, it makes no sense to try and find out where one is developing. Fortunately, it was claimed, financial institutions had learned how to clean up after a bubble

had exploded, so not only had bubbles ceased to be a problem, but they could even be seen as useful market corrections. You can judge yourself how all this applies to 2008.

What do you identify as starvation of the public sphere resulting from the current state of capitalism on steroids?

Let me just give you a list: the privatization of public services and social provision; under-taxation of the rich, resulting in an under-financed public infrastructure; private philanthropy filling in for public provision, shaping what should be the exercise of public responsibilities according to the whims of billionaires who, on top of it, can deduct their philanthropic expenses from their taxes; distortion of the public discourse by oligopolistic, profit-oriented media concerns; private ownership of social infrastructures by global corporations like Facebook and Google, which monitor private exchanges for data collection and shape social relations so they can, to best effect, carry commercial advertisements; distortion of the political process by big money (lobbyism, exercise of "free speech" by corporations as under *Citizens United*) etc.

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