

Wolfgang Streeck

Buying Time: The Delayed Crisis of Democratic Capitalism

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In this book, Streeck, a sociologist by training, constructs a provocative and powerful critique of neoliberal capitalism and the EU in its present form. Weaving together Marxist, Keynesian, and institutionalist ideas and concepts, *Buying Time* might remind readers of Varoufakis's *The Global Minotaur* (2011) or Patomäki's *The Great Eurozone Disaster* (2012), while nonetheless offering an original interpretation. Streeck's central thesis is that the history of Western capitalism since 1970 can be understood as a history of the revolt of capital against the social order of the 1950s-60s. Following a Polanyian (1944) 'laissez-faire is planned' line of argument, Streeck asserts that this revolt materialised into neoliberal policies, supported by governments 'buying time' for capitalism, through money illusion tactics: inflation, public debt, private debt spurred by financial liberalisation. Successful for a limited time, each of these eventually turned into hindrances to accumulation, needing to be transcended, always at the expense of the wage-dependent population.

The argument is presented over three main chapters. Chapter one combines a narrative of the current crisis as a triple crisis (of banking, public finances, and the real economy) with a critique of neo-Marxian Frankfurt School theories. The Golden Age of Capitalism, Frankfurt theorists believed, had created the preconditions for stable and prosperous growth, on account of the bargain struck between industrialists, trade unions, and governments, preventing further production crises, allowing only for legitimisation crises, if labour were to challenge this bargain. The main flaw in these theories, as identified by Streeck, is their failure to acknowledge capital as a class capable of strategic purpose, and to, therefore, recognise the possibility that capital, not labour, would cancel the postwar bargain.

Chapter two focuses on the debt crisis, analysed under a 'tragedy of the commons' framework. Mainstream explanations view public debt as a result of an extension of democratic politics to areas where it is not applicable, generating mass demands that exhaust the common pool of public finances. However, Streeck maintains that, if we are indeed facing a tragedy of the commons, this is because of the demands of capital, not labour. This is evidenced by the rise in inequality over the last decades, coinciding with tax cuts for the wealthy, and the observation that the steepest increase in public indebtedness occurred post-2008, after the rescue of too-big-to-fail financial institutions.

The debt state, chapter three argues, has altered the relationship

between capitalism and democracy, by instituting creditors, alongside voters, as a second constituency of contemporary governments, which has, since 2008, pushed for fiscal consolidation. Streeck goes on to present the evolution of the EU as a Hayekian project that prioritises market justice over social justice. This is followed by a warning that, if capitalist states fail to uphold at least an illusion of growth, democracy and capitalism must separate, with the most likely outcome being the finalisation of the Hayekian project. The opposite alternative, democracy without capitalism, would require nothing less than a complete reconfiguration of Western political economy.

Overall, *Buying Time* is a short, yet pithy and complex book, raising deep questions about the relationship between democracy and capitalism. By virtue of its emphasis on the inextricable links between history, economics, politics, and sociology, it appeals to a diverse, interdisciplinary audience. I particularly enjoyed the more subtle, secondary points Streeck makes, such as his recurring criticism of the Varieties of Capitalism literature as focusing unduly on the differences between capitalist countries and insufficiently on the parallels and interactions between them, as well as his observation that international political economy debates are largely insensitive to subnational dynamics, erroneously treating nations as homogeneous units.

Readers expecting an optimistic conclusion or quick solutions will be disappointed; the book is also not intended as an exhaustive or proportional discussion of the three interlocked crises—the debt crisis is given greater attention, whilst the banking crisis is described succinctly, without reference to the evolution of the originate-and-distribute model, for instance. For me, a minor point of criticism is that the author declares himself in favour of a European Bretton Woods, while being highly reproachful of the Gold Standard, seemingly unaware of the fallacies carried over from the latter to the former. This notwithstanding, *Buying Time* is an important and timely read for anyone concerned about the future of the EU and of democracy.

References

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