



Current extraordinary instability will lead to end of capitalism as we know it

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.

ing 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?

I don't want to decree responsibilities. On the global periphery it would be desirable for people to organize in trade unions and progressive political parties, so that the capitalist center can no longer exploit them through terrible working conditions and wages on which one cannot live. They should also try not to be too fascinated by Western consumerist lifestyles, of life as presented on TV or on YouTube; they cannot be generalized to mankind as a whole anyway, and in the West the number of people that can enjoy them is on the decline.

The uppermost duty of citizens, I believe, would be defending or regaining local autonomy, build local bases of political power, invest in alternative forms of organization, like cooperatives, and of economic order, including the modernization of subsistence economies, especially subsistence farming.

Are there at least general outlines of an alternative system in sight?

Capitalism is not a closed "system", just as there is no unified rival system waiting in the wings of history that could be put in place wholesale once capitalism is removed. What we know is that we need to protect and preserve and reinvent locally based solidarity and cooperation, and that cooperatives are often a viable alternative to capitalist firms and modes of production. The rest is local struggles, local initiative, local inventiveness, and local experimentation.

What made you move from 'Buying Time' to 'End of Capitalism' within two years? Was there no more time for democratic capitalism to buy?

The original German version of 'Buying Time' was written in 2012, and the introduction to 'How Will Capitalism End?' was written in 2016; so we're talking about four years, not two. But the main themes of the second book are already present in the first. As to buying more time, I have a section in both books that deals with what I call "Phase IV" of the decline of the postwar capitalist order, beginning in 2009 after the global financial crisis. It is defined by the ongoing "quantitative easing" campaign of the central banks: their policy of creating fresh money as though there were no tomorrow. I suggest that just as inflation, public debt, and private debt had to be contained, money printing cannot go on forever – and indeed the central banks know it and try to get out of it. But then the stock prices might collapse. So, time is being bought again, with a new trick, but it can be done only within narrow limits, as always. Will there be a fifth fix to the crisis? We don't know. My line, 'How Will Capitalism End?' is: It's getting harder, the risks are increasing, and the search for

People across the globe should not be fascinated by the images of Western consumerism, which can be generalized neither to mankind nor even to all in the West

fixes will become more desperate. This is all one can predict without pretending to be a prophet – but this, I think, one can predict.

And there comes "Critical Encounters" your collection of book reviews, published in 2020. It looks to me like an experimental form. What distinctive opportunity does this different form of encounter provide for you as the author?

I hope not just for me but also for the reader. The kind of book reviews I like are the result of a deep reading of a book worth being taken seriously, one way or other, a book that offers ideas that strike you as a reader. A book review has the advantage that it can devote detailed attention to what an author is saying, and it allows for a profound critical or positive, hopefully constructive forward-looking engagement. In reviewing a book I learn about my own ideas on the subject, also because I can write them up in a more tentative, more essayistic way, not constrained by my limited capacities for carrying out systematic research. If one does it well, others may want to take up the one or other idea and examine it more closely. Of course, a good book review may also be useful for the author of the book.

Finally, does the impact of the COVID-19 pandemic tell us anything about the relationship between capitalism and democracy?

I think it is too early to tell. What I see is a lot of continuity in, for example, the growth of public debt, the shortening of supply chains and other developments toward de-globalization, the role of the state as a reinsurer for capitalist profit-making, the risks associated with ungoverned and probably ungovernable global systems of communication, etc. and, very importantly, the growing gap between rich and poor countries with respect to their economies and state capacities. We see even more than in the past that what matters for economic and social development is not primarily per capita income per se but the collective goods that a society can provide by extracting from capital a contribution to the well-being of ordinary people, like an effective health care or public education system, or simply clean running water, etc. Like the climate crisis, the lesson from the pandemic is that the people as citizens need to take back control over their states to protect themselves from the destructive effects of hyper-globalization.

By Mohammad Memarian*

The diagnosis may differ with vantage point, but many observers agree that something is deeply, and severely, wrong with capitalism. Climate change seems to threaten the whole world, historically unprecedented level of inequality is with us and on the rise, and far-right populist movements within democracies are gaining ground. Is capitalism doomed? Some think so.

"All social systems, including capitalism, are mortal," said Wolfgang Streeck, German economic sociologist and emeritus director of the Max Planck Institute for the Study of Societies in Cologne, in an exclusive interview with Iran Daily. For years, he has been arguing that capitalism is approaching its end, most notably in his three books: 'Buying Time: The Delayed Crisis of Democratic Capitalism', published in 2014, 'How Will Capitalism End? Essays on a Failing System', published in 2016, and 'Critical Encounters: Capitalism, Democracy, Ideas', published in 2020. "Capitalism worked well only when there was one and only one capitalist lead-state, a center combining financial, economic, political, military, and cultural hegemony. Today, with the decline of the U.S., there is no such center anymore," he said in a short exchange in which he touched upon his core ideas.

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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 17th or 18th 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," under a secular order of sovereign nation-states, integrated into a stable and peaceful international order. In my books, I have described the constellation of forces that made this possible. No such

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 postwar 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, ris-

