Gianfranco Poggi


(doi: 10.2383/36427)

Sociologica (ISSN 1971-8853)
Fascicolo 3, dicembre 2011
Book reviews


doi: 10.2383/36427

This excellent book exhibits the same remarkable stylistic qualities of the author’s *Post-democracy* (2004) – a complex but well-organized argument; clear, forceful and persuasive exposition of many perceptive observations and sophisticated insights. It also shares the earlier book’s main intent: to enlighten the reader as to current, disturbing aspects of the basic structure of contemporary societies, masked to an extent by some apparently persistent arrangements of economic and political affairs, focused respectively on the market and on democratic institutions. The new book, published seven years later, broadens and deepens that argument by (as it were) taking advantage of the extent and the manner in which in the interval societies at large have been shaken by a massive and still on-going, global crisis.

The making and makings of the crisis, Crouch shows, are largely due to a phenomenon analyzed already in *Post-democracy*. For quite some time, but more significantly in the last decades of the Twentieth century and in the first of the new millennium, fundamental public policy has ceased to emerge from open-ended confrontations between opposing political parties, all expressing contrasting demands and sentiments and recurrently ascertaining their respective standing in the national population via competitive elections. Policy is now largely result of the persistent, more-or-less covert collusion between on the one hand the political class as a whole, which largely pursues interests entirely of its own, mostly shared across party lines; on the other the more commanding economic forces, ever more empowered by the central significance the society at large attributes to processes of production and distribution of wealth.

Crouch impressively documents and analyzes this basic phenomenon, pointing out, for instance, the ways in which (in particular) large corporations directly and compellingly influence or indeed shape public policy. They no longer do so mainly through their lobbying activities, but over the last few decades have been carrying out, to use Simon Johnson’s imaginative expression, something amounting to a “quiet coup.” That is: in various way, during successive American administrations, personnel originally formed, selected, and mandated within and by Wall Street, and inspired by the tenets of neo-liberalism, managed to establish and exercise its sway over policy formation, both in Congress and the White House. Similar developments can be identified in other countries, as well as in the operations of very significant inter-national institutions.

Such developments progressed, at the national level, without visibly encroaching on the prerogatives of constitutional organs and without openly displacing parties from their official position as mediators between society and the state. The political class has accommodated itself easily enough to the ever growing significance of the economic and financial elites. It has established with them arrangement of various kinds which assist political personnel (including its high-bureaucratic component) in the pursuit of their own dominant concern: maintaining their position in the system of governance and the related privileges.
Some of those arrangements have been kept under wraps on account of their corruptive and sometimes criminal nature. Others, such as the financing of the politicians’ campaigns for re-election and assuring them of generous access to, and favorable treatment by, to the media, were intrinsically but not openly corruptive. In exchange for these advantages the political class has generally yielded to the demands of the prevailing economic forces, most signal in two crucial fields – taxation policies, which have basically blocked or “starved” governmental operations of a distributive nature; extensive revision of previous arrangements for public regulation of economic and financial activities. In the latter case, the key concession made by the political class to their economic and financial counterpart (and duly rewarded) was extensive de-regulation. All this again, very much in keeping with neo-liberal ideology.

The argument presented so far (faithful, I hope, to the incomparably more extensive, informed and sophisticated argument Crouch himself develops both in Post-democracy and the new book) is chiefly focused on the political sphere. In The strange death the focus shifts to the economic sphere, for it is here that, from a certain point on, the damaging consequences of the cozy accommodation between (to express it crudely) – politicos and fat cats – become explosively evident. First, taxation policies produced by that accommodation played a critical role (of course, together with other factors) in the marked increase in social inequality characteristic of the last few decades. Second, de-regulation and associated policies, by reducing massively the extent of public supervision and control over the economic sphere, authorized and handsomely rewarded intrinsically unsustainable practices of accumulation and deployment of wealth, particularly those amounting to a run-away financialization of the economy at large.

In particular, they increased the dimensions and the strategic significance of debt-credit relations between economic actors, and inspired the invention of, and the massive recourse to, new financial devices (generically named derivatives) oriented to securing actors against the risk element. These devices, however, are so complex and sophisticated that in practice they increase rather than reduce that very element. Two further phenomena – on the one hand the ever-increasing strategic significance of banking practices, (including some opaque to top banking personnel themselves), on the other hand globalization – rendered the economy at large increasingly unstable and unsafe.

By and large, then, the banking sector was the controlling element in the situation – a bubble, essentially – and its main beneficiary. There is some justice in the fact that that sector was also the earliest and most visible site of the damage caused by the bursting of the bubble. However, for that very reason, it also became the immediate beneficiary also of the huge effort undertaken by public authorities – early on and most visibly in the US and the UK – to spare unbearable disaster to the whole economy. They did this chiefly by securing the sector’s further operation through colossal salvage operations whose cost unavoidably is being and for a long time will be borne by the tax-paying public. (Where is the justice in that?).

This, as I see the matter, is the key phenomenon pointed up by the very title of Crouch’s enlightening new book. Here, the reference to neo-liberalism opens a prospect on the ideology which, as we have suggested, in various ways inspired the whole course of these recent and less recent developments. It argued not only on the feasibility but the necessity of states turning their back on policies pursued over decades of growth
and of rising general welfare, during which their policies had been largely inspired by various forms and components of neo-Keynesian thinking on macro-economic matters. In spite of the large-scale and enduring crisis which by rights should laid at the door of neo-liberalism, this utterly refused to lie down and die. Worse, it still constitutes the main mental framework with which numerous, centrally placed elite elements – within single countries, the EU, and numerous and powerful international agencies – continue to operate within both the political and the economic sphere. It’s as if the arsonists were put in charge of fire-fighting and of arranging the salvage and repair of damaged properties.

Again, I have tried to summarize Crouch’s main argument insofar as it narrates and explains recent events. I cannot do justice, within the space available, to other, more analytical components of that argument. I shall just mention his reasoned rejection of the conventional state vs. market view of the main dynamics of contemporary societies. Again, neo-liberal thinking has largely hidden a key phenomenon, the acknowledgment of whose significance would do much damage to its argument.

To wit: huge aggregations of economic power, where multiple and diverse forms of capital are allowed to function as single actors by virtue of their corporate status, play a decisive role in the contemporary social process. They do so within the economic sphere as well as in its relations with the political one. Their impact on the actual workings of the economic sphere could be labelled (rather inelegantly) a far-reaching (though not total) de-marketization of some critical moments of the creation and distribution of wealth. As the political sphere is concerned, the impact constitutes an equally far-reaching de-democratization of the processes of formation and implementation of public policy.

Crouch prospects a possible fourth actor – the civil society. This comprises in turn five major components: political parties, to the extent that their activities still serve to detect, articulate and bring to bear diverse, otherwise inchoate and neglected collective interests; religious bodies to the extent that they “challenge the usually economically driven priorities of polity and economy alike” and the commitment of the major actors to the acquisition and increase of social power; social movements which occasionally engage in campaigns which thematize broad collective concerns (not relating prevalently to the interest of the participants themselves) which would otherwise remain forgotten or totally marginalized; overlapping with these spontaneous aggregations, those formed and operating within the voluntary and charitable sector and chiefly oriented to a distinctively moral preoccupation with social solidarity; finally, the professions, insofar as they distinguish themselves from other occupational groups by actually inducing of their practitioners to orient their activities (otherwise guided primarily by significant bodies of sophisticated, hard-to-acquire saviors) also to distinctive and compelling social values.

See, however, how Crouch himself glosses the argument I just summarized: “The claims of all these components of civil society – the autonomous political party, the church, the campaigning groups, the voluntary body, the profession – are potentially dangerous. Those who claim to act ethically can be pursuing personal ambition, and even acting corruptly, just as much as any business person or politician. Groups campaigning for causes will include those who define exclusive communities as well as those with an inclusive mission. Even those who stake their claim on universalism may be dangerous when they claim monopoly over the interpretation of the universal (as the Catholic Church, the French revolution, and the Soviet state all did in their turn). Professions
insisting on the arcane nature of their knowledge are in a position to fool the public, or at least to engage in rent-seeking (extracting high fees) because customers cannot exercise intelligent market choice when, by definition, they do not share the knowledge that is needed to help them make a choice."

This is an impressive and, to my mind, most worrisome statement, suggesting, at any rate to myself, how little reliance one can reasonably place on the civil society so constituted playing a significant role as a monitor and critic of the ongoing negotiations and arrangements made by the other three actors (state, market, large corporations). Despite the conceptual merit of Crouch’s evocation of civil society as a fourth actor deserving of attention, alas I find it difficult to see it (as currently constituted) carrying out that role. In any case I cannot, here, give this aspect of Crouch’s argument the attention it deserves as an imaginative and morally inspiring part of the impressive book discussed above.

Gianfranco Poggi
University of Trento