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From Frankfurt to Cologne: On Wolfgang Streeck and the crises of democratic capitalism*

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Wolfgang Streeck,

Buying Time – The Delayed Crisis of Democratic Capitalism

(Verso, 2014)

The 2008 crisis has sparked a comeback for the big questions within mainstream social science. During the last 20-30 years, empirically-oriented social science scholars have been uneasy employing the term ‘capitalism’ – typically opting for more de-politicized terms or typologies such as ‘economy’, ‘markets’ or ‘welfare regimes’. Although Piketty’s (2014) *Capital* is a superior work of economic history, the fact that his findings were deemed sensational also illustrates the shortcomings of mainstream social science: its typically ahistorical outlook prevented it from observing what critical scholars have long argued are simply the cumulative implications of an inherently inequality-producing system. Wolfgang Streeck’s (2014a) book *Buying Time – The Delayed Crisis of Democratic Capitalism* signals a potential comeback for not only (the study of) capitalism but also crisis theory within the broader academic field. The book is self-consciously placed at the intersection of the famous Institut für Sozialforschung in Frankfurt and the respected Max-Planck-Institut für Gesellschaftsforschung in Cologne. From the Frankfurt side, Streeck gathers theoretical-analytical ammunition by revisiting a forgotten strand of critical/neo-Marxist theory of the 1970s that emphasized the capitalist state’s tension-filled and crisis-inducing twin functions of legitimation and accumulation (O’Connor 1973; Habermas 1975; Offe 1984). From the Cologne side, Streeck (now Emeritus Director) gathers theoretically-informed empirical ammunition: cross-country OECD data is neatly arranged to verify/illustrate a key trend or mechanism. Undoubtedly, Streeck’s ‘crisis of democratic capitalism’ analysis has stirred a great deal of productive attention, not only in Germany – as for example witnessed through Jürgen Habermas’ explicit engagement with Streeck’s book and their highly noticed debate concerning the future course of European integration (see Streeck 2014b; Habermas 2015) – but across the Western world.

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As in Streeck's influential New Left Review article of 2011, *Buying Time* (2014a: 32-46) presents a particular causal sequence involving three crises (or near crises) of democratic capitalism since the end of the postwar settlement, accompanied by three monetary remedies or 'stopgaps' intended to 'buy time' by smoothening the underlying tensions causing the crises without ever canceling them permanently. The first stage of the crisis sequence appears in the late 1960s where – amidst lowered growth rates and a rising degree of strikes, union militancy and antagonistic distributive demands etc. – *inflation* served to pacify conflicts (see also Streeck 2011: 10-12). In the second stage, a cross-country rise in *public debt* appears as a way of temporarily remedying the effects on public finances stemming from the turn to disinflation and monetary discipline. Again, 'time was bought' (Streeck 2014a: 40) through superficial monetary remedies. In the third stage, from the 1990s and throughout the 2000s, we see budget consolidation practices appearing through deregulation, privatization, financialization and, importantly, the promotion of *private debt* (Streeck's third stopgap) – what Crouch (2009) has termed 'privatized Keynesianism'.

Buying Time also uses OECD data to show that the fiscal nature of the state has changed since the 1970s: the tax state (*Steuerstaat*) gradually transformed into a debt state (*Schuldenstaat*), in which 'a large, possibly rising, part of its expenditure' is raised 'through borrowing rather than taxation' (Streeck 2014a: 72). Now, after the 2008 crisis-induced explosion of public expenditure/debt, the 'consolidation state' has appeared – an entity that has found its near-sublime institutional expression in the multi-level 'European consolidation state', which acts as a regular 'liberalization machine'. In this view, the 'Hayekian blueprint of a liberalized capitalist market economy' (Streeck 2014a: 112) reveals the European integration project as a pivotal force behind the European neoliberal transformation. Importantly, according to Streeck (2014a: 58), the postwar period of democratic capitalism institutionalized two 'competing principles of distribution', namely 'market justice' and 'social justice'. In this way, *Buying Time* situates the current/recent economic turmoil within a particular post-1970s sequence of crises and financial stopgaps, each of which were ultimately triggered by the principled antagonistic relationship – the 'very old tension' (Streeck 2014a: 57) – between democracy and capitalism.

Buying Time refreshingly revives long-forgotten critical theories – addressing the big issues – and combines this with empirics to provide a historically-driven analytical framework. Going against the 'varieties' literature of the 1990s/2000s (Esping-Andersen 1990; Hall & Soskice 2001), *Buying Time* (see also Streeck 2012a) explicitly seeks to analyze the perennial endogenous attributes cross-cutting otherwise varying mature capitalist democracies. While the book's risky interdisciplinary scholarly undertakings are usually avoided within the mainstream arena, Streeck unproblematically combines insights from, notably, political science, sociology, and economics. While such moves may seem less radical for some critical theorists, Streeck should be applauded for firmly expanding the scope of his previous more neo-corporatist work on industrial relations, and, whether reluctantly or not (Ronzoni 2015), breaking with his earlier more 'optimistic' social democratic attitude towards capitalism. *Buying Time* constitutes a major contribution to the critical study of contemporary capitalism. Streeck offers us a highly distinctive and formidable style of empirically informed analysis. Scholars of (critical) social theory are thus well advised to not only take the book seriously but also, somehow, critically engage with it.

In the following, we shall, in all modesty, commit ourselves to such a task by critically diagnosing *Buying Time*'s analytical framework. As we shall argue, despite the book's obvious qualities, the analytical framework that Streeck sets up to diagnose the post-1970s period remains underdeveloped and at times possibly inconsistent. More specifically, the book seems marked by a relatively undertheorized conception of the state and the historically situated nature of its political legitimation. This finds expression in two interrelated ways. Firstly, in generally identifying neoliberalism with 'self-regulating markets' and the 'rollback of state intervention', *Buying Time* tends to misconstrue, or at least underemphasize, the 'state-crafting' logic integral to the neoliberal project (Wacquant 2012). Secondly, as opposed to (what Streeck

terms) the ‘Frankfurt crisis theories of the 1970s’ (2014a: 14), which refers in particular to the works of Jürgen Habermas, Claus Offe and James O’Connor, Streeck’s alternative democracy versus capitalism approach unfortunately tends to a priori equate democratic politics with ‘social justice’ – an analytical inflexibility which makes the book less able to analytically construe the post-1970s reconfiguration of state legitimation. As we shall argue throughout the review, Streeck’s diagnosis could have been considerably strengthened had he explicitly applied the basic analytical framework of the Frankfurt crisis theories. By not directly taking on board their state-oriented ‘legitimation-accumulation tension’¹ (from now on LAT) approach – instead opting for Streeck’s own democracy versus capitalism scheme – *Buying Time* unfortunately foregoes a valuable analytical opportunity: the crisis-oriented state-theoretic scholarship of the 1970s might have infused the book with a firmer conception of statehood and state legitimation.

Two specifications are in order. Firstly, the aim of this engagement is obviously not to criticize Streeck’s impressive work for its own sake but ideally to compliment it by emphasizing its blind spots and pointing to possible ways of deepening, and thus ultimately strengthening, the framework. Arguably, such an analytical exercise – which necessarily entails also thinking against and beyond *Buying Time* – seems particularly productive in light of Streeck’s (2014a: xv) honest admission that the book ‘[travels] light in terms of theory’. Secondly, the analysis conducted here is fairly selective. Rather than focusing on Streeck’s brilliant analysis of the post-crisis period and the possible political-strategic remedies – i.e. chapter 3 of the book dealing with the EU-animated ‘consolidation state’ and chapter 4 which more speculatively ‘looks ahead’ – we shall mostly examine *Buying Time*’s basic analytical framework, which is used to explain the post-1970s period of neoliberalism and the events leading up to our current predicaments (chapter 1 and 2). Thus, we shall focus on first getting the basic diagnosis right.

Neoliberalism as state-crafting

Streeck presents ‘neoliberalism’ as a major organizing force of the post-1970s crisis sequence. He sees ‘neoliberal reform’ as absolutely integral to the transformation from the tax state to the debt state. Although Streeck (2014a) does not provide a clear-cut definition of the ‘neoliberal revolution’ (32) – neoliberalism is, as Mudge (2008: 703; c.f. Flew 2014) says, of course ‘oft-invoked but ill-defined’ – he nevertheless explicitly identifies neoliberalism with ‘self-regulating markets’ and ‘economic liberalization’ (20, 4), ‘privatization and deregulation’ (40), the ‘rollback of state intervention’ and ‘the return to the market as the prime mechanism of resource allocation’ (28), less ‘government intervention’ (39), a ‘liberalization agenda’ (45), a ‘deregulated finance industry’ (159). Or, in the context of the more sublime European consolidation state, neoliberalism is perceived as ‘Hayekian market liberalism’ (189). Importantly, this particular understanding of neoliberalism, which typically alludes to its programmatic and ideological dimensions, tends to associate this phenomenon with a state that is largely rolled-back, hollowed out or reactive.

However, it appears evident that really existing markets or capitalism systematically relies on (and has in fact always relied on) an active ‘strong state’ framework (e.g. Bonefeld 2013) – a basic insight that *Buying Time* also hints at a few times (see below) and Streeck increasingly seems to accept (see Streeck 2015a). Moreover, it seems equally clear that the neoliberal transformation – despite rhetoric, national differences, distinctions between the 1980s and the 1990s (Peck & Tickell 2002) etc. – has been underpinned by an overwhelmingly ‘re-regulatory’ logic of change (Vogel 1996; Cerny 1997). Given that ‘neoliberal reform’ remains the main organizing force/process of *Buying Time*’s narrative, it could have reflected more deeply on the distinction between neoliberalism as a programmatic ideology of laissez-faire capitalism and ‘actually existing neoliberalism’ as a form of ‘market-conforming state-crafting’ (Wacquant

2012). Moreover, the book's treatment of neoliberalism would have greatly benefitted from a discussion of the ideational distinction between, notably, the more 'weak state' Chicago school view of the state and the more 'strong state' German Ordoliberal programme – i.e. the two 'faces' of neoliberalism (Gamble 2006; Foucault 2008). While Streeck seems to identify Friedrich Hayek with neoliberalism par excellence this does not necessarily clarify *Buying Time's* position, since Hayek, arguably, belongs neither purely in the 'Chicago', 'Ordoliberal', 'Austrian' etc. school.

To be sure, Streeck a few times explicitly alludes to a strong state conception. For example, at one point he remarks that '[i]t has been shown many times that neoliberalism needs a *strong* state' (2014a: 55-57, original emphasis). Also, citing Polanyi, Streeck (2014a: 175) at another point explicitly mention *laizze-faire* as 'planned *laizze-faire*' when discussing the possibility of devaluation. But, unfortunately, *Buying Time* does not really elaborate on these fairly sporadic comments and, most importantly, does not integrate them into its analytical framework. It is therefore unclear how to meaningfully square this conception with the book's explicit operationalization of neoliberalism as deregulation, privatization and the rollback of state operations.² Even though Streeck actually provides us with a rather extensive empirical account of the fiscal sociological transformations of the state, it remains a peculiar entity, a kind of black box in his analytical framework. Because *Buying Time* (1) relies on Streeck's own democracy versus capitalism approach, rather than the state-oriented LAT framework, and (2) does not really engage with the extant theoretical or historical-sociological literature on the state, we are unsure of the structural dynamics of the state. On the one hand, Streeck's (e.g. 2014a: 18) professed action-oriented framework seems to reject explicitly structuralist or functionalist accounts of the state, capital, capitalism etc. On the other hand, Streeck's actual description of the state many times invokes an implicit structural logic. For example, Streeck (2014a: 81, emphasis added) argues that the debt state '*must* in relation to its *Marktvolk* take care to gain and preserve its confidence, by conscientiously servicing the debt it owes them'. Similarly, at times, the post-crisis (European) consolidation state seems to be greatly overpowered and taken over by transnational capital and/or an EU technocracy.

Arguably, from a state-oriented perspective the confusion regarding the relationship between the state and (the rhetoric of) neoliberalism seems to be connected to an insensitivity to the historically differentiated modes of state-crafting (see also notably du Gay & Scott 2010). For example, one may understand the so-called shift from 'government to governance' (Rhodes 1994, 1996) as largely, to use Offe's description (2009: 555, emphasis removed), the 'state-organized unburdening of the state'. Similarly, the so-called regime of 'privatized Keynesianism' precisely illustrates the outsourcing/displacement/depoliticization techniques of the state: as Streeck's own empirical examination (at least implicitly) indicate, the regime of privatized Keynesianism relied on the active political-regulatory promotion of household debt-taking. Although largely empirically acknowledging this, *Buying Time* would have greatly benefitted from a deeper and firmer analytical appreciation of actually existing neoliberalism: by perceiving neoliberalism as a form of state-crafting, one for example avoids mistaking state-crafting processes of depoliticization for the effective expulsion of the state – a potential confusion that may imply a failure to observe the nation-state as one of the main proactive drivers of neoliberal reforms.³

According to Streeck (2014a: 13-14, 2; c.f. 2015a: 364), the kind of repressive organized 'state capitalism' that underpinned the analyses of the early Frankfurt School members, and partly the later Frankfurt-based crisis scholars, was either not a correct conception from the beginning, or, in any case, undermined in the 1980s by capitalism's/capital's shift towards 'deregulation, privatization and market expansion'. In this way, *Buying Time's* particular reactive conception of neoliberal statehood unfortunately prevents it from analytically construing the proactive state-crafting dynamics of the post-1970s period – that is, it foregoes the productive opportunity of perceiving the 'neoliberal turn' as an, at

least to some extent, state-facilitated historically and institutionally reconfigured continuation of organized state capitalism.

A deeper engagement with state theory and state history, would also have allowed Streeck to better disentangle some of the less productive implicit conceptual identifications made in the book. For example, *Buying Time* seems to unproblematically associate democracy with politics – an identification that also finds expression in its often used notion of ‘democratic politics’.⁴ Also, a more stringent unpacking would have emphasized how Streeck’s general positing of a dualist opposition between democracy/politics/statehood (based on social justice) and capitalism/economy/markets (based on market justice), tends to lose sight of the causally emergent and historically varying institutional-organizational distinctiveness of the state. Thus, from the perspective of statehood – as opposed to the perspective of capitalism – we may briefly identify three (highly stylized) historical stages, which each signal either a predominantly negative or positive stance towards popular sovereignty and political inclusion.

(1) The gradual emergence and entering into the system of so-called externally mobilized European socialist or social democratic ‘mass parties’ in the mid/late 19th and early 20th century (e.g. Duverger 1954; Manin 1997; Scarrow 2006; Krouwel 2006; Bardi et al., 2014: 238–239), which arguably helped to fiscally include underprivileged constituencies (e.g. Lindert 2004), at first represented a largely unwelcomed intrusion and potential threat to the established state system.

(2) Gradually, the mass party type (and the representative party system more generally) came to confer legitimacy on the state – as well as enhance, what Mann (2003) would call, its ‘infrastructural’ powers – by instituting an ‘electoral mode of consent’ (Beetham 1991: 150), and thereby helped to offload questions of legitimation to a separate arena of party politics, governments, parties in office etc.

(3) The later post-WW2 development towards the nation-state-oriented ‘catch-all’ party (Kirchheimer 1966) and the depoliticized ‘cartel-party’ (Katz & Mair 1995; Mair 2013) implies a situation in which states and ruling governments – the two being increasingly inseparable, constituting a ‘state-party cartel’ (e.g. Kirchheimer 1957; on this, see Krouwel 2003) – increasingly take a negative stance towards certain types of non-efficient, socially progressive or non-fiscally-oriented political inclusion (while simultaneously discursively praising democratic principles).

In this historical light, we seem to be back to square one: while political inclusion has for a long period served to democratically legitimate statehood, the pre-democratic bourgeois state sought to restrict political sovereignty and the post-1970s mode of neoliberal state-crafting seeks to sediment a technocratic or market-oriented type of will-formation. As the two symptomatic cases of China and Singapore illustrates, it seems that contemporary (Western or non-Western) ‘competition states’ (Cerny 1997) prefer technocracy over (egalitarian, socially progressive) participatory democracy. We may then ask: to what extent is *Buying Time* actually responding to some of the observed effects of the historically varying logics of (capitalist) state-crafting rather than, as the book argues, a principled tension between democracy and capitalism?

Unpacking democratic capitalism

As mentioned, *Buying Time*'s very productive empirically informed diagnosis of the 'neoliberal turn' is underpinned by an analytical framework which points to the crisis-inducing contradictory relationship between democracy and capitalism. Arguably, this dualist democracy versus capitalism approach is itself underpinned by the general positing of an opposition between politics and economy. In *Buying Time*, politics is based on different principles than that of the economy; when launched successfully, the former typically helps to constrain otherwise unhindered and raging economic activity. Moreover, as mentioned, politics is often used synonymously with democratic will-formation, as expressed through Streeck's frequent reference to 'democratic politics'. But, as Streeck undoubtedly is aware, it is problematic, both historically and analytically, to oppose politics and economy. Historically, not only did statehood and capitalism co-evolve, the consumer revolution, property rights regimes and the setting up of early stock markets etc. were all to a non-trivial extent state-facilitated. Analytically, institutional/regulatory politics ('capital-P') – which is typically the sense in which *Buying Time* understands the term – may structurally speaking easily be utilized for furthering and deepening marketization and commodification – and in the post-1970s period this has arguably systematically been the case. In this context, *Buying Time* could have been more nuanced in its presentation of politics as sometimes almost a form of anti-capitalism. Interestingly, the supposed antinomy of politics and economy does not match many of *Buying Time*'s own empirical findings, its sporadic acceptance of a strong state framework, nor Streeck's (2012a: 2) insightful and more integrative social-theoretical work, which argues that capitalism should be studied as 'a system of social action and a set of social institutions'.

Similarly to the opposition between politics and economy, Streeck's supposed contradiction between democracy and capitalism, while highly productive in terms of the book's empirical examination, seems slightly analytically precarious. Whether democracy bases itself on, or serves to institutionalize, social or market justice depends on factors that are largely external to the party-political democratic form. The outcome of the democratic (party-political) process of will-formation depends on the historically specific status of, and dialectical relationship between, the logic of state-crafting and the political-administrative system and the prevailing normative setup of the citizenry/electorate. Since the relative strength and importance of these two dimensions has varied immensely throughout the history of representative democracy, the connection between (party) democracy and capitalism is both analytically and historically non-linear and contingent. Above, we have already sketched, in a stylized manner, the historically varying relationship between statehood and (representative) democracy. But what about the normative setup of the electorate? Have we not seen a gradual post-1970s transformation of the normative foundations of the citizenry, arguably endogenously instituted through the general commodification of time, art, consciousness, and ordinary life etc. in a manner akin to what was pessimistically examined/prophesized by Adorno, Fromm and Marcuse and analyzed more recently by for example Zygmunt Bauman (e.g. 2000)? If so, this would seem to problematize Streeck's rather linear analytical connection between democracy and social justice. We may pursue this point further by comparing Streeck's democracy versus capitalism framework to the alternative Frankfurt-based LAT approach of the 1970s.

As already mentioned, as an ingenious core exercise of *Buying Time*, Streeck empirically recasts the Frankfurt-based crisis theories for the post-1970s period. Streeck should be applauded for historically recasting these theories and assessing how they hold up empirically given the benefit of having experienced the last three-four decades of neoliberal reforms. But, unfortunately, *Buying Time* does not engage as directly with the theories as one might have hoped for. Instead of applying the LAT framework of Offe (1984), O'Connor (1973) and Habermas (1975), Streeck relies on his democracy versus capitalism framework. Directly applying the LAT framework of the Frankfurt-based crisis scholars might have benefitted Streeck in (at least) two ways. Firstly, if he had used the key categories taken up by these

scholars, namely ‘legitimation’ and ‘accumulation’ – and placed these two categories within their predominantly state-theoretic frameworks – he would have been better able to analytically capture the state-crafting logics underlying the neoliberal turn and overcome the strong-and-weak state ambiguities of *Buying Time*’s conception of neoliberalism, as discussed above. The idea that a ‘strong state’ framework would underlie market order was absolutely integral to the neo-Marxist crisis theories of the 1970s. For example, for O’Connor (1973) the ‘capitalist state’ systematically engaged in ‘social capital expenditure’; for Offe (1984) ‘administrative recommodification’ was for example increasingly necessary in order to smoothen or secure expanded capital accumulation, and so on.

Secondly, the ‘legitimation’ and ‘accumulation’ function categories already developed by these scholars – rather than the more popular pair of (liberal) democracy and capitalism (or liberalism), which in the 1970s/early 1980s was preferred by e.g. Wolfe (1977) and Bowles & Gintis (1982), and now Streeck – are better able to travel across time and space and allow us to see the capitalist private-property economy as merely one mode of state accumulation, and to see representative democracy as merely one historically contingent mode of ‘electoral’ legitimacy (Beetham 1991: 150). Contrary to Streeck’s democracy versus capitalism setup, which due to its particular conception of neoliberalism tends to a priori equate democracy with the principles of ‘social justice’, the ‘legitimation-accumulation tension’ vocabulary thus principally allows for the possibility of different types or sources of state/government legitimation: democratic (‘input’), ideological/nationalist, bureaucratic/legal, performance-based (‘output’) etc. With a bit of theoretical tweaking, this conception of the twin functions of the state – legitimation and accumulation – also allows us, at least in principle, to better understand the Chinese mode of ‘authoritarian capitalism’: The Chinese state, while not relying on a Western combination of a private-property economy and a representative electoral democracy, seeks to maintain/maximize both (a largely output-oriented form of) political legitimacy and (a non/quasi-liberal form of) fiscal accumulation. Moreover, rather than having to set up a more fixed antinomy between politics/democracy and market justice, this conceptual repertoire of the 1970s allows for a historical reconfiguration of the normative order/principles underlying the legitimacy activities of neoliberal state-crafting in the direction of a market ethic, commodification etc.

Indeed, as hinted at above, such a reconfiguration seems to be precisely what has occurred during the last three-four decades. Arguably, rather than marking the unimportance of the legitimation function of the state, the neoliberal turn seems to have involved, as one of its main socio-ontological conditions of possibility, the relative institutional domination of a more (so-called) ‘performance-based’ mode of state legitimation.⁵ Such form of ‘output’ legitimation not only implies a generally increased focus on whether, to use Herbert Marcuse’s famous formulation, the system ‘delivers the goods’ but also, more specifically, an increasing popular attention to (so-called) ‘economic welfare’: everyday financial security, expanded economic growth, future consumption possibilities etc. In other words, to critically recompose the terminology (and historically resituate the prophecies) of the ‘legitimation-accumulation tension’ approach, we seem to be dealing with a form of *self-legitimizing (state) accumulation* (see also Cerny 1997; Brown 2005: 41-2, 143, fn. 6).

Interestingly, such a proposition finds support in Streeck’s own data, notably his treatment of the ‘privatized Keynesianism’ (Crouch 2009) case. It is hard to see how the pre-crisis accumulation of household debt could have taken place without having an underlying normative and socio-structural basis in the populace. Also Streeck’s (2011) own notion of monetary ‘stopgaps’ – which we may describe as output-oriented economic measures – implicitly promotes the perspective that we are, as stated, dealing with a new more generalized and normalized ‘performance-based’ mode of legitimation. Moreover, *Buying Time* (e.g. 31, 58-9, 61, 69, fn. 39) a few times even explicitly flirts with the possibility of a democratic normalization of market justice, although without clearly unpacking the implications of this for the framework.⁶ For example, Streeck (2014a: 31) at one point speaks of the post-1980s ‘cultural

tolerance of market uncertainty'. Also, Streeck (2014a: 59, emphasis added) signals his justified hesitation to univocally equate democratic politics with social justice when stating that 'politics, *to the extent* that it is driven by demands of social justice (...) confuses the market process, muddies its outcome'. While seemingly a sensible qualification, we are unsure what exactly to make of this 'to the extent' statement. Moreover, Streeck (2014a: 74-5) at one point recognizes the failure of democratic politics: 'democratic politics *contributed* to the formation of the debt state' (75, emphasis added). But if democratically-mandated political processes underlay the neoliberal turn, then *Buying Time's* equation of politics/democracy with social justice – and hence the principled opposition between democracy and capitalism – becomes analytically foggy.

That said, most often, unless sporadically qualified, when *Buying Time* refers to democracy or 'democratic politics' it effectively refers to socially progressive (i.e. egalitarian-redistributive) forces. For example, when Streeck (2014a: 61, 5, 177) speaks casually of 'democratic correctives', 'mass democracy', 'democratization' etc., he effectively identifies this with social justice. While Streeck in principle, through a number of casual qualifications, opens up for the possibility of democracy being infused by market justice (or perhaps social justice becoming coextensive with market justice), his analytical framework, and the practical examination informed by this, proceeds as if this is not a genuine possibility. This is in some sense understandable since the price to pay for not being able to a priori connect democracy to social justice may ultimately be that the analytical framework, the basic contradiction between democracy and capitalism, breaks down.

Also Streeck's (2014b; 2015a; 2015b) subsequent work on the same topic confirms his general analytical identification of democracy with socially progressive politics. Undoubtedly, as one footnote in a more recent article explicitly reveals, Streeck's (2015b: 59, fn. 10) notion of democracy is effectively identical to *social* democracy. Streeck seems to thus simultaneously (1) believe in the principle of popular sovereignty and collective will-formation and (2) associate this process of will-formation with a socially progressive content (e.g. 2014a: 173). While this is, of course, perfectly legitimate, it could be argued that democracy does not (and perhaps should not?) have a determinate content; although it may indicate how one should govern, democracy does not a priori determine what the issues, the content or the results etc. of this democratic will-formation will/should be (see also Ross 1946). What if, for example, the citizens vote for parties that lowers taxes for the higher strata? More generally: should the existence of a mass basis for neoliberalism not be considered democratic?

Of course, Streeck is certainly correct when arguing that the institutionalization of 'political voice' historically has served as a vehicle of socially-progressive fiscal inclusion (e.g. Lindert 2004). But the later party political development towards 'catch-allism' and the 'cartel-party' – implying, as stated, in Otto Kirchheimer's terms a 'state-party cartel' – has arguably served to constrain/reconfigure the principles of social justice. Streeck may of course, somewhat justifiably, counter that the conditions for his (social democratic) conception of democracy are not today fulfilled, given the currently hollowed out nature of party democracy. But whenever *Buying Time* speaks of democracy, we must assume (if we have not been told otherwise), that it naturally and effectively still refers to this really existing representative party-democracy. Moreover, and in any case, we are – understandably, given the limitations of any one book – not given many indications of how any currently unrealized version of (social) democracy might ever penetrate the institutionalized party-democratic constellation.

In a way, *Buying Time* seems to partly agree with the above points about the reconfiguration of state legitimation when arguing that we have seen 'two surprises for crisis theory' (2014a: 10-20). Firstly, the 'financialization' of capitalism or the general extent of commodification was not, according to Streeck, immediately foreseen by 1970s crisis theory. Secondly, the expected 'legitimation crisis' – related to the growing illegitimacy of consumer-capitalism and the Keynesian welfare state (which increasingly

‘politicized’ itself through boosting/regulating capital accumulation and dampening negative market externalities) – never really materialized. According to Streeck, it was not the masses whose unsustainable expectations had exploded but actually the ‘revolt of capital’ (2014a: 3), which, ‘in the shape of its organizations, its organizers and its owners’ (2014a: 16), broke the postwar social contract. Indeed, as has also been indicated, the ‘Frankfurt crisis theories of the 1970s’ did in fact underestimate the political-economic power of the accumulation leg and overestimate the socio-cultural and socio-political saliency of democratic and social demands/claims (the legitimization leg).

However, the exclusive causal weight on the ‘revolt of capital’ (construed as an agent) stands in need of more explanation when confronted with the argument that, as *Buying Time*’s own data also seems to show, a main sociological condition of possibility for neoliberal democracy has been the gradual normative reconfiguration of the social ethic of the citizenry. Arguably, we can make such an argument without falling into the well-known trap of putting the (moral) blame on the electorate. Secondly, it is, once again, the case that Streeck’s productive empirical findings of a general financialization of capitalism/society sits less well with the core tenets of his analytical democracy versus capitalism framework. In the end, the reader is unsure whether *Buying Time* argues that the input-oriented legitimization requirements linked to democratic politics either (1) still exist (and are based on social justice) or (2) has disappeared (and are now based on market justice). Either way, as we have argued, the relative unimportance of a certain mode or institutional form of legitimization (based on e.g. ‘inputs’, social claims etc.) should not be taken to imply the unimportance of legitimization as such.

In a nutshell, *Buying Time*’s productive diagnosis of the post-1970s period is analytically tension-filled: while its empirically-driven examinations tend to implicitly emphasize the normative replacement of social justice for market justice, its analytical framework explicitly sets up ‘democratic politics’ as a socially progressive counterforce to capitalism. As we have argued, by directly applying the state-theoretic LAT approach of the 1970s, Streeck would arguably have been better able to meaningfully match his productive empirical findings with his (unfortunately) relatively underdeveloped analytical framework. Moreover, with regards to the question of the normative basis of the citizenry, a more direct engagement with the work of the first generation Frankfurt school scholars (such as Horkheimer, Adorno, Fromm and Marcuse), might have allowed Streeck to pay more attention to how the cultural penetration of consumer capitalism – which Streeck (2012b) has otherwise not failed to notice – serves to politically pacify citizens and alter the content and outcomes of democratic processes.⁷

Conclusion

Wolfgang Streeck’s impressive book – along with his New Left Review essays etc. – has received a great deal of attention, particularly within the various camps of critical or left-leaning scholarship. This attention is well deserved. Its integrative and interdisciplinary macro-societal approach is unique. Its empirically informed analytical examination of the post-1970s crisis sequence (and its various financial stopgaps), constitutes a major contribution to our understanding of the main OECD-wide politico-economic trends associated with the neoliberal revolution. Its uninterrupted moving back and forth between empirical examination and analytical construction, as well as its refreshingly potent writing style, is highly original. Its willingness to empirically and analytically retackle the big and principled ‘wicked’ problems and thus go beyond the typically more narrow focus of mainstream social science is refreshingly bold.

However, it remains an open question whether *Buying Time* is able to provide a coherent critical diagnosis of neoliberalism – that is, an analytically consistent framework for reinvigorating critical macro-social research on post-1970s Western liberal-capitalist democratic statehood. Our examination of the book has revealed a number of blind spots and discrepancies in the framework. Firstly, while at times alluding to a strong state conception, *Buying Time*'s analytical conception of neoliberalism – which explicitly associates it with 'self-regulating markets' and the 'rollback of state intervention' – largely overlooks the state-crafting dynamics underpinning this phenomenon. This makes the framework underemphasize the causal emergentism of the state: its co-evolutionary relationship to capitalism, the historically varying connection between statehood and (representative) democracy and the proactive state-crafting logics underpinning the distinctive strategies of depoliticization of the post-1970s period. Secondly, while at times both sporadically qualifying this and empirically demonstrating trends going in the opposite direction, Streeck's democracy versus capitalism approach tends to a priori equate democratic politics with 'social justice'. This analytical inflexibility – which might have been avoided had Streeck directly applied the state-based 'legitimation-accumulation tension' approach of the 1970s – unfortunately makes *Buying Time* unable to sufficiently analytically construe the post-1970s reconfiguration of state legitimation (in the direction of a generalized mode of self-legitimizing fiscal accumulation). In the end, the book is marked by a number of discrepancies between its empirically-driven examinations and its analytical framework.

While the Frankfurt-Cologne link allows Streeck to fruitfully combine empirically-oriented political economy and economic sociology with analytically-oriented social theory, *Buying Time* appears skewed: put rather popularly, and of course holding both ideal-typical intellectual sites in high esteem, it remains too close to Cologne and too far away from Frankfurt. Perhaps, an ideal (and thus unachievable) scholarly framework for diagnosing the post-1970s period might consist in somehow productively synthesizing the neo-Marxist state-oriented LAT framework of the 1970s, Streeck's undisputable intellectual capacities and knack for analytically-driven empirical examinations and the general pessimism (with regards to the socio-cultural status of the citizenry) of Horkheimer, Adorno, Fromm and Marcuse.

Thinking both with and against Streeck, this critical diagnosis of *Buying Time* has ultimately aimed at pointing to possible ways of strengthening the framework. We have tried to do this by unpacking the framework and deepening the book's relatively undertheorized conception of the state and political legitimation. A further analytical exercise, which unfortunately could not be conducted here, might consist in thinking through the implications of our above examination in terms of how to assess the quality of *Buying Time*'s conception of the Eurocrisis (and the Hayekian-neoliberal EU infrastructure) and the proposed political-strategic framework, which tentatively points to the '*national* organization of modern societies' as part of locating possible 'solutions' to our current malaise (2014a: 189, emphasis added).

Endnotes

¹ Although making reference to a slightly different and broader group of scholars, as well as addressing the theme more generically, Paterson's (2010) analysis of climate politics speaks of an 'accumulation/legitimation tension', or a 'legitimation-accumulation tension'. Here, we shall refer to the 'legitimation-accumulation tension' approach strictly in relation to the specifically state-oriented works of O'Connor (1973), Habermas (1975) and Claus Offe (1984), which spoke of the tension-filled twin functions/requirements of the capitalist state (or the 'political-administrative system') of securing both legitimation and accumulation.

² Interestingly, in a more recent article – which discusses Herman Heller's notion of authoritarian liberalism – Streeck (2015a) seems much more attentive to ordoliberal thinking and the intricate connection between (neo-)liberalism and the 'strong state'. However, it is unclear how this (largely newly discussed) understanding of strong

state neoliberalism fits with Streeck's conception of democratic capitalism, which largely associates neoliberalism with a reactive de-regulatory state-form. Moreover, even Streeck's (2015a: 362, 365) newer and relatively more nuanced Hellerian/Schmittian conception of authoritarian neoliberalism remains a bit too unrealistic: in the end, despite straddling the strong-and-weak state continuum, Streeck seems to conceive, through a Leibnizian analogy, the economy as a (once it has become politically constituted) 'self-equilibrating' system.

³ For example, Cerny's (1997) understanding of the 'competition state' is premised on the idea that the state is not merely implicated in processes of economic globalization but is itself, as a commodifying agent, the driving force behind, the main institutional promoter of, neoliberal reforms.

⁴ Whereas democracy typically accentuates the bottom-up dimensions of (popular) will-formation, politics arguably accentuates the more top-down dimensions of (state) power and governing. Using the term 'democratic politics' we are thus unsure which of the two inclinations has primacy.

⁵ On Chinese 'performance-based' legitimation, see Zhao (2009).

⁶ This cultural normalization of market justice is brilliantly implicitly elaborated on in Streeck (2012b). Importantly, though, this conception sits less well with, and is not incorporated into the logic of, *Buying Time's* overall democracy versus capitalism framework.

⁷ Early on, Streeck (2014: vii) explicates: 'I have (...) refrained from seeking specific links between what I have to say and what Adorno left behind'.

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