The Political Economy of ‘Democratic Capitalism’

I. A Brief Review of Yascha Mounk’s *The People vs. Democracy*

II. Turning to the Political Economy of Democratic Capitalism and Two Basic Questions: Can Democracy and Capitalism Survive Global Capitalism?

III. Wolfgang Streek on *Buying Time*: The Growing Contradictions of Late-Modern Democratic Capitalism
   A. A Brief Introduction to One of Europe’s Leading Political Economist
   B. The Basic Idea of Democratic Capitalism: The State Torn Between the Competing Logics of Two Distinct Social Forms
   C. Different Paths to Reconciliation:
      1. The Possibilities Opened by Post-War Growth: Class Compromise and “Embedded Economics”
      2. The Return to Normal Growth and the Institutionalization of Debt in Several Phases
   D. Crisis is not Exceptional Under Neoliberalism
   E. Different Kinds of Crisis and Their Resolutions
      1. Democratic Crises
      2. Economic Crises
         a. Inflation (1970s)
         b. Public Debt (1980-90s)
         c. Private Debt (c.2000-’08)
         d. Central Bank Debt + Stagnation (Present)
      3. Structural Incompatibility Leads to a Dialectical Theory of Crisis: The Solutions to One Crisis Become the Problems of the Next
      4. How They Reinforce and Compound Each Other
IV. Streeck’s Most Recent Work: *How Will Capitalism End?*
A. An Internal Perspective of Capitalism’s Crisis Tendencies
   1. The Definition of Capitalism and Its Intrinsic Instability
   2. Recent Transformations: Insecure Workers and Confident Consumers
   3. Motivational Crises in Coercive Capitalism
   4. Consumption Crises Result from Precarious Workers
B. Two Long-term Insoluble Problems
   1. Job Loss Due to Automation and AI
   2. Climate Crisis
C. The Loss of Political Legitimacy and Capacity to Mange These Crises
D. Streeck’s Prediction: The Social World of the Post-Capitalist Interregnum

V. Some Background on What Healthy Democracy Can Accomplish
A. John Maynard Keynes: Counter-cyclical Spending in the Domestic Sphere; Regulate the Mobility of Capital in the International (*The General Theory of Employment, Interest and Money*)
   1. For an Activist Regulatory Government to Damp Down Animal Spirits and Moderate Market Excesses
   2. The Bretton Woods Agreement and the Post-War International Economic Order
B. Karl Polanyi and the Idea of Embedding a Market Economy in Society (*The Great Transformation*)
   1. The Double-Movement of Unregulated Capitalism: Market Disorganize Society and Society Takes its Revenge
   2. Embedding a Market Economy by Partially ‘Decommodifying’ Three Critical Goods: (a) Labor, (b) Land and (c) Money
   3. The Limited Success of Polanyi’s Ideas
      a. Overly Optimistic About Capitalists Willingness to Accept Class Compromise in the Long-term
      b. Overly Consensual Model of Society (Nancy Fraser)
VI. *Can Democracy Be Saved from Global Capitalism?* Robert Kuttner's Important New Work
A. A Brief History of the Transition from an Embedded Economy to Global Capitalism and Its Consequences for Democracy
B. Accounting for the Success of Embedded Capitalism in the Post-War Miracle Phase (c.1947-1973)
   1. Bretton Woods and Limiting the Mobility of Global Speculative Capital so as to Enable Domestic Governance
   2. Strengthening Labor
   3. Regulating Capital
   4. Managing the Economy (especially but not exclusively the labor market)
   5. The Right Kind of Politics
C. The Dismantling of the Post-war Institutions: Neoliberalism as Ideology and Policy Platform

VII. Ideas for Resurrecting Embedded Economics and Democracy for the 21st Century
A. The Case for a Forward Looking Progressive Populism
B. The Need for US Leadership
C. Emblematic Policies
   1. Treat Finance as a Public Good
   2. Green Infrastructure on a Serious Scale
   3. Positive Nationalism and Global Rules
   4. Restore Regulation of Market Abuses
   5. Income, Wealth and Work
      a. Social Income
      b. Baby Bonds, Alaska Permanent Fund, etc.
   6. Reclaim the Public Realm
      a. Incremental Introduction of Medicare for All
      b. Lighten Student Debt Load

VIII. Concluding Reflections: The Right Kind of Progressive Populism for 2020 and Beyond