

Crisis and no end? Re-embedding economy into life and nature

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Abstract: There is no end of the crisis in sight. Even more, the long nightmare of forcing Greece onto its knees during the first half of 2015, using banks instead of tanks, shows the contempt for mankind by established superior powers when it comes to defending their interest in a Hobbesian war, irrespective of subsequent human tragedies. A more detailed and radical analysis is needed, allowing a change of the structures underlying the current situation. One point in question is that the European tragedy was and is part of a global drama. The discussion of main paradigms as growth, nationality, statehood and the like have to be at the heart of any debates, questioning their validity. A radical shift is needed, aiming at a proactive and provocative re-interpretation of the future.

Keywords: political ecology, structural crisis, societal change, globalisation, five giant tensions, social quality

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1. Four Theses as Introduction

The four theses are stated as follows:

(i) Discussing the current crisis remains trapped in old tracks — often looking at the glass, asking if it is half-empty or half-full, at the end being oriented on re-establishing a status-quo ante. However, when talking about a structural crisis, the question must be whether the glass is actually completely broken. Thus the debate on the crisis cannot be reduced on looking at the dramatic consequences, in particular the ‘social costs’. The point in question is the crisis of North-American hegemony and its accumulation regime, related living regimes and national and international regulatory mechanisms and the related modes of life.

(ii) If the crisis of the hegemonic system (Mahnkopf, 2010) is seen as a matter of power of ideas, it should also be emphasised that neoliberalism reflects a one-sided interpretation of objective conditions and not simply a matter of well-meaning values. Recognising that hegemonic strategies reflect objective conditions allows elaborating sound counter-proposals beyond re-discovering limits of growth and claiming new morals. A courageous utopia derives from analysing the objectively given conditions of productive forces and real potentials.

(iii) ‘Limits to growth’ are not simply negative constellations; it is necessary to consider the wider context, allowing to understand the *limits of growth* in the context of the related ongoing *limits to limitations*. We are talking about increasing inequalities, much more extensive than usually issued: It is still the question of the (lack of) access to basic resources; these are global problems, increasingly returning to the countries of the hegemonic centres.

(iv) Politics are always made for an uncertain future — risks should not result in paralysis nor should they lead to excessive adjustments. The orientation has to include matters of the mode of living which are always located in and are part of the environment.

The underlying thesis is that global capitalism reached near-to-complete hegemony. Thus, various advantageous factors that existed previously, that offered main push and pull factors for capitalist development, ceased to exist. Against this backdrop, the contribution elaborates a structure-oriented crises analysis, making it necessary to look at the processes of rebalancing the world order. This leads to a further step in proposing the emphasis of varieties within the one capitalist world, an understanding standing against the notion of varieties of capitalism. Though this leads to uncertainties within the ruling classes, which are then addressed, the contribution will later outline some unresolved tensions. Proposals will be presented on this basis, allowing for moving beyond crisis management strategies.

2. Crisis or What? Proposal for a Long-term, Structure-oriented Assessment of the Crisis

Crisis analysis, even on the political left, ignores too often that the current situation is not simply one in which economically strong countries stand against economically weak countries. Instead, we are facing a complex, relational field of tensions: those at the top standing against those at the bottom, class struggle from above simultaneously on the national and the international level, often veiled by managerial and technical explanations — and by supposedly religious questions. Another point to be seen is that the intensification of the class struggle within the EU is part of rebalancing power on the global geopolitical level, namely the aspirations of establishing global domination within a new unipolar world-order.

On the side of capital we do not find a uniform picture. One question is — again — whether the entire ruling classes are really winners and what roles the different ‘margins’ play — though there is one ruling

class, this is by no means a homogenous block.¹ An important question is concerned with the different positions within this class — details are certainly of great importance when it comes to the assessment and the subsequent and proposals for developing ‘policies for the future.’²

Of course, even structural crises are nothing extraordinary, but more the norm of capitalist development. However, we are currently experiencing a far more complex constellation, which will be briefly looked at in the following, mentioning at least some key issues.

The proportion of variable capital (simplified ‘labour costs’) of the total capital is decreasing (tendency of the organic composition of capital to fall). This is of course a contradictory process, since the ‘servicialisation’ suggests a different pattern: services are inherently labour-intensive and here rationalisation is limited.³ In any case, the ‘inner colonialisation’, as already mentioned especially by Rosa Luxemburg, is also a matter of a further shift in the composition of capital. In addition to the proportions of constant and variable capital, we have to look more closely at the qualitative character of the respective shares. It becomes clear, especially in this instance, that the analyses made for industrial capitalism have to be revisited, without discarding them completely.

Another socio-economic aspect (being result and cause) needs to be taken into account. Looking at the development of income, we can generally assume a tendency of an increase of the overall amount of variable capital, going hand in hand with a decrease of income (notwithstanding the enormous growth of wealth, i.e., the concentration of high income in the hands of a ‘relevant minority of the population’).⁴ At the same time we see a shift in the structure of qualification as the actual qualification is lowering⁵; this

¹ Actually at least Marxist class theory never saw classes as homogenous in the strict sense.

² German history gives apt evidence for how dramatic such differences can be — and even if the historical process had always been complex and contradictory, an important facet of the truth is that German fascism was mainly a result of the representatives of heavy industry, whereas light industry favoured at least initially other internal and external strategies. We cannot really compare the current situation with that of the 1920s and then the 1930s, but we are surely standing at a crossroads where the decision has to be taken going beyond looking for mechanisms that are limited by solely aiming on overcoming the current crisis.

³ When looking at the wider context, such as the debate about quality of development, it is interesting that rationalisation changes always ‘content’ as well — often the provision of more or different services is a consequence of shortcomings of earlier service provision.

⁴ The reference to the one percent is a little bit misleading: though the statement is in principle correct, i.e., correct in highlighting that there is only a small number exercising control it lets us overlook that the number of rich and very rich people is increasing. Still, even if taken literally we find actually a frightening figure here too. According to an OXFAM-issue briefing titled *Wealth: Having It All And Wanting More* (Oxfam, 2015), ‘in 2014, the richest 1% of people in the world owned 48% of global wealth, leaving just 52% to be shared between the other 99% of adults on the planet. Almost all of that 52% is owned by those included in the richest 20%, leaving just 5.5% for the remaining 80% of people in the world. If this trend of an increasing wealth share to the richest continues, the top 1% will have more wealth than the remaining 99% of people in just two years, as shown on Figure 2, with the wealth share of the top 1% exceeding 50% by 2016.’ (Oxfam, 2015, page 2)

⁵ This is not necessarily reflected in the degree obtained.

also means the decrease of available employment on the upper echelons of the qualification scale. In other words, there are more jobs at the lower end of the qualification ladder than in the middle or at the top. Then, the worsening of the overall situation appears to be an improvement for those who are traditionally marginalised. As wrong as it is to say that the rising tide lifts all boats, it is also as correct to say that one may feel better if the boat is sinking than one does if one is thrown overboard.

3. From Europe to the World⁶

Looking at the overall balance of the composition of capital, we see a change of the patterns of the international division of labour: the rich global north is not anymore standing simply against the poor global south. Instead, we see two lines: The rich global north still stands against the poor global south.⁷ At the very same time wealth and poverty in the north and in the south are emerging not least in qualitative terms in new ways (Draibe, 2010). This is not simply a question of new inequalities; importantly (and largely not analysed) we face a shift in the capital structure. In simple terms, as far as the centre-periphery theory was more than an analytical tool and reflected in actual fact, at least partly, the distribution of different departments across space⁸, we are today dealing with a system, that is characterised by a mix on both sides. This means that within national economies and also on the global scale, some borders are blurring.

The shifts of the income and of the capital structures are closely interwoven; the income gap is growing, and actually takes a form of a pair of scissors with asymmetrical blades. At the same time the capital structure appears in new forms:

- (i) Continuously increasing concentration and centralisation,
- (ii) Emergence of an ‘entrepreneurial reserve army’, i.e., a ‘stable pool’ of small and medium-sized enterprises on which large international enterprises establish their ‘empires’,
- (iii) Emergence of a group of ‘new freelancers’; though highly diverse, their economic and life

perspective is generally characterised by precarity and/or the fact that people belonging to this group lost the links to traditional forms of social integration and securitisation,

- (iv) The group of the old small and medium entrepreneurs in very different positions, which remains an essential part of the overall structure.

Of course, the role of banks, or generally speaking the financial sector, is significant — until recently a macroeconomic equilibrium, understood in very broad terms, had been possible by shifting costs in time and space. This is a process in which banks played an important mediating role, maintaining at least the appearance of such equilibrium (one could use the metaphor of banks being the doors which kept light out of the darkroom). However, with the given excess money, which cannot be profitably invested, the financial sector does not continue to be a facilitator; instead it is a quasi-autonomous sphere.⁹

We also see massive shifts in the sphere of consumption. The increasing importance of loans needed to finance the consumption of private households characterises as well the gradual preparation and factual emergence of financialisation. At the same time we see an underlying shift of major significance in which wage labour is further decoupled from the social process. As much as the importance of the various departments of the overall economic process shifts towards the financial sector, the perspective of living and working shifts to a secondary level of securitisation; what had been initially a matter of financing consumption, becomes increasingly a matter of circular (re)production.

4. Variety Within the One Capitalism

These patterns are not fundamentally new, and it has to be noted also that we are talking about nationally, regionally and globally contradictory tendencies. We may say that the new character is given by the fact of an intensification of the individual aspects — new is surely the more determined and overt character of the bonds. It is essential that the previously existing conditions, establishing at least seemingly equilibria,

⁶ Of course a crucial distinction as the EU is not Europe, though it frequently claims to be the only relevant geographical European region.

⁷ leaving aside that part of this global south is geographically located in the east.

⁸ Department I: production of means of production; Department II: Production of consumables – so far we find this in the work of Marx’s classification; Department III, following Luxemburg: financial services; I think a Department IV should be added, this can be seen as non-mediating service

⁹ In this context it should not be overlooked that the end of Bretton Woods meant by and large the loss of control over monetary and fiscal policy. This means also a shift in the control, the ‘strong economies’ losing some of their power, the ‘weak economies’ gaining some control. However, this has to be qualified by emphasising that this shift is taken back again by imposed austerity commitments which mean a return to violent dispossession.

do not exist anymore; in other words, the supposed normality was actually exceptional.

Central are (i) the ending of spatial and temporal asynchrony — thus limiting the possibility of externalising problems, (ii) a relatively high degree of alignment of the composition of capital, thus limiting the ‘varieties of capitalism’, and (iii) the perverting pressure on the ratio of the different types of income: mass incomes are not sufficient to ensure sufficiently profitable demand¹⁰. High incomes are above a threshold that is convertible into purchases,¹¹ but at the same time this particular section of high incomes increases immeasurably, expressing a further point, namely that these private incomes are in tendency increased to an extent to which capital is converted into private assets. On the other hand, because of the lack of resources, the lower and middle income groups are coming under further pressure to make ends meet. They are ‘balanced’ by (small) loans, which at most warrant some short-term mitigation of the pressure. But problematically it increases the weight in the medium- and long-term perspective, not least by the accumulation of loans and interest.

Against this background, two aspects are of particular importance when it comes to the analysis of crises and considering the further development. After the first most disturbing though ‘focussed’ shock, triggered by the collapse of Lehman Brothers, the situation became increasingly confused. What was initially seen as a tip of the iceberg named ‘general global crisis’, had gained increasingly different faces, which were often discussed independent from each other or even posed against each other. Though undoubtedly many important points were made in the analysis of individual aspects, they frequently resulted in false incrementalist conclusions.

5. Paradise Lost – Emerging Uncertainties Amongst the Ruling Classes

There had been, and still is, the simple statement that ‘in the season of resurrection, it’s fitting that he’s with us once again — bearded, prophetic, moralistic, promising to exalt the humble and cast down the mighty from their thrones. Yes, that’s right; Karl Marx is back from the dead’ (Douthat, 2014). So indeed: ‘Marx is alive’ (Günther, 2008) and the suggestion that ‘Karl Marx is going mainstream’ (Jeffries, 2012)

is not really surprising. Still, the general optimism of mainstream economics and the recourse to the traditional means of ‘modern market economies’ had been indeed increasingly under pressure, while this did not result in a principal transformation of thinking. Still, it is worthwhile to highlight some recent examples.

(i) The International Monetary Fund (IMF) highlighted in January 2014 the dramatic worsening of inequality, stating that “*high income inequality can be detrimental to achieving macroeconomic stability and growth*”.

(ii) According to the German Spiegel magazine (Böcking and Dieckmann, 2014), the leading German economic research institutes left behind, to some degree, the otherwise prevailing affirmative role, positioning themselves against policies of strict fiscal consolidation.

(iii) We find as well a critique from another side, namely a review from Christine Lagarde, who can surely be seen as somebody who represents an organisation that carries a lot of responsibility for the political and economic failures, before the proceedings of the annual meeting of the IMF and the World Bank:

Lagarde (underlined) that public investment is in the longer term also good for state budgets. This could be not only growth-friendly but also friendly when it comes to the development of debt. ‘The members have to show a much higher financial commitment, directed towards increasing today’s growth and tomorrow’s growth potential’. Lagarde writes in a strategy paper on the occasion of the event. (Spiegel Online, October 9, 2014)

Of course, one must wonder, reading in the same article that

Finance minister Schäuble (...) intends to look at the possibility of strengthening German investments.

(iv) Earlier we read that the IMF outlines the danger of a new economic crisis. The following reasons were given:

*a risk of stagnation within the Eurozone ...
[the risk emerging from] geopolitical crises such as the one in Ukraine and in the Middle East ...
A possible overheating of the financial markets ...
... especially in large economies under-investment and too little is done for the demand.*

¹⁰ The core of the process is of course not securing demand as matter of satisfying needs.

¹¹ ‘Too rich to spend it all’

[the] urgent need for structural reforms. (Spiegel Online, October 7, 2014)

(v) All these reflect the discussions at various levels. Thus we see that Marco Buti, EU Director General of the DG Economic and Financial Affairs, welcomes the reader of the European Economic Forecast for fall 2014 with the clear and disillusioned statement:

After just a year of moderate growth, the momentum of the EU economy began to slow in spring 2014. In the second half of this year, GDP growth in the EU is set to be very modest, while in the euro area it will almost stagnate. Among the largest Euro area member states, we see growth increasing in Spain where unemployment remains very high, growth coming to a stop in Germany after a very strong first quarter, protracted stagnation in France, and contraction in Italy. (Buti, 2014)

(vi) Even if it is indeed too late and the damage is immense; and even if ‘we have known it for a long time and also talked about it’, it is remarkable that self-criticism has reached the top actors (only) now:

The International Monetary Fund’s internal watchdog has criticised the fund’s call for austerity in 2010. The move reopens a heated debate among policy makers about the merit of raising taxes and cutting public spending after the financial crisis.

In a review of the IMF’s response, the independent evaluation office praised the fund’s international lending role but attacked the policy advice it gave in 2010 for governments to start cutting their budget deficits. (Harding, 2014)^[15]

One has to add that such self-criticism has reached once again, and such late insight is not historically unique — and thus we may tend to push them aside. Still, it is more appropriate to try turning it into something positive. The underlying investigation is certainly sufficiently supported by the results of various evaluations. The report stems from the Independent Evaluation Office of the IMF (2014).

These and other various comments on the economic development, economic policy and the indicated uncertainty should not be underestimated. Although currently the spectre haunting Europe seems to be largely invisible, the devil stands behind every corner.

6. The Continuity of Crisis Analyses

Hans-Werner Sinn, looking at the ‘sacred cow’ of the growth-oriented competition, is clear:

Competition is one of the fundamental conditions

under which the invisible hand can act whereas monopolies and oligopolies exploit consumers and restrict output. (Sinn, 2014)

To ensure this supposedly indispensable competition, even government intervention is accepted from this unexpected angle:

The left uses the term neoliberalism as an insult. They are starting from the assumption that neo-liberalism is the doctrine of deregulation of the economy and the suggestion of the state as night watchman. This is not correct. ... It comes from Alexander Rüstow, who declared in 1932 at the annual meeting of the Association for Social Policy the end of the old liberalism and demanded a new liberalism with a strong state that would establish a solid legal framework for enterprises. (Sinn, 2014)

In fact, maintaining the old terminology and concepts prevents us from recognising the largely changed conditions, as well as the orientation on new perspectives. In addition to the various truncations of the analysis — focusing on one, though often important aspect and neglecting the relational character — it is obvious that the simple indication, credited to Einstein, namely that ‘we cannot solve our problems with the same thinking we used when we created them’, was simply ignored. The following aspects are central.

6.1 Hegemonic Systems

Usually debates are focussed on securing national competitiveness and growth. However, adherence to the principle of nationality should be even for conservative economic policymaking obsolete. Globalisation has today, both with regard to its extent and to its character, reached a level that requires a shift in thinking. ‘We Are One World’ is no longer just an ideological demand for the recognition of the rights of ‘the other’. The current stage of interconnection requires rethinking of the concept of globalization — the conventionally associated understanding of centre-periphery relations has become in some ways questionable, even though massive imbalances continue to exist. In addition to re-aligning the world order we have to take into serious consideration the changing character of semi-peripheries, the development towards a unipolar world, and also at the same time the tendencies towards a multi-polar world, the orientation on regionalisation as a mechanism discarding efforts of domination, the attempts to establish counter-hegemonies, etc.

6.2 Growth-mania

Growth is apparently still unquestioned. This is true even if one includes the report by Stiglitz *et al.*, presented in 2009 by the Commission on the Measurement of Economic Performance and Social Progress. The report emphasised the need to consider not only the growth rates of GDP, but also other factors, namely ‘quality of life’ and ‘sustainable development and environment’, as matters of societal progress. These were placed alongside the ‘classical topic’ GDP. Thus GDP growth remains unquestioned and universal while additional factors are only considered as side-aspects — alternatives are seen, but remain underdeveloped within the debates on immediate actions Herrmann and Frangakis (2014) briefly discussed on this from a perspective of political economy.

This confirms two concerns. We cannot speak of an end of the crisis and there will be no way out of the crisis as long as the underlying mechanisms are not challenged, namely the reduction of complex political and economic relationships on an understanding of society as mechanical settings, suggesting that consumption equals prosperity and welfare and require more growth of commodity production, more wage labour, quasi-automatically resulting in more prosperity. Both the suggested chain and the suggested perception of wealth and prosperity are not fully grasped in this understanding.

6.3 Disembedding

The new, structural dimension of the crisis refers essentially to the disintegration of the different areas. Economy and economic activities are established as relationship of capital and as such this social construct, anchored in power relations, is forcefully separated from the metabolic process between humans and the rest of nature. This aims arguably on enforcing an artificial equilibrium. As such it is removed from complex social relations and vice versa; social relations are redefined and only valued as much and as long as they are geared to maintaining this utilitarian circularity. Or one may say that since capitalist relations are social relations, their current socio-political form expresses a complete perversion. Even competition takes on a new, further perverted form and transforms itself into infantilised, egomaniac, autistic, irrational *hominem solvi*.

Karl Polanyi pointed to the complex relationship. According to him, we are not simply dealing with a predominance of specific economic interests. Rather, it is a relational process, i.e., the totality of political-economic orientations and the redefined foundations:

The market pattern, on the other hand, being related to a peculiar motive of its own, the motive of truck or barter, is capable of creating a specific institution, namely, the market. Ultimately, that is why the control of the economic system by the market is of overwhelming consequence to the whole organization of society: it means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system. (Polanyi, 1957)

This is another expression for a tendency of changing the meaning of the economic process itself. The very principle of capitalist accumulation — and this is the only driving force of such new market economy — is generating profit. Neither the luxury consumption nor the general improvement of the living conditions stood at the centre, at most they had been ‘necessary by-products’. It has to be noted that does not necessary mean that this consumption has to take place locally but rather the opposite is advantageous — export always implies the possibility of keeping wages (i.e., potential purchasing power) low. In short, capitalist accumulation is the basis for a multi-layered development:

- (i) Shifting production from demand to supply orientation,
- (ii) Shifting from local to external demand, i.e., the emphasis of foreign trade,
- (iii) Shifting from production of consumer goods to provision of services,
- (iv) Increasing inner colonialisation (Marx, 1887).

Taken together, this means that the process of accumulation is increasingly reflexive — financialisation is a blatant expression. Production — and the association with real life, i.e., real people’s needs and problems in everyday life — appears nearly as a disruption of the self-referentiality of the financial system.¹² Pleas for green growth, a new green deal, social investment, local currencies, etc., are against this background and are highly problematic as they leave the conditionality of capitalist accumulation

¹² On the question of Reality becoming unreal see e.g. Herrmann (2014b)

unquestioned.

Marx highlights the connection between the political-economic dimension, the juridical control over the entire process of work/labour and the socio-cultural dimension by highlighting the complexity needed when discussing the right to work, stating ‘the first clumsy formula ... transformed into the *droit à l’assistance*, the right to public relief ... The right to work is, in the bourgeois sense, an absurdity, Behind the right to work stands the power over capital; behind the power over capital, the appropriation of the means of production, their subjection to the associated working class and, therefore, the abolition of wage labour, of capital and of their mutual relations.’ (Marx, 1850)

6.4 Prosperity as Happiness

Despite — and because of — these extreme shifts and divides as evidenced by massive inequality, retrenchment, restructuring and undersupply, we are facing a debate on lifestyle issues, well-being, quality of life and the like.

It has to be emphasised that these debates are in many instances moving into dangerous directions. As much as growth is over-emphasised, we see paradoxically a tendency to portray life as matter of good luck, suggesting that we all possess enough and the decision about lifestyle would be simply a private affair, depending on subjective sensations and free personal decisions. This notion does not change if it is linked to some calls for a new enlightenment for a wider understanding of rationality. It is equally problematic to refer to an ‘imperial mode of living’ (Brand and Wissen, 2012) without embedding its definition into a thoroughly understood framework referring to the objective development of the productive forces.

The process of disembedding and attempts of re-embedding concerns the entire economic process and all economic relations, not only the question of consumption. This calls for responsibility as cure. As much as relations of capital are social relationships, such move would only mean to ‘reverse’ the perspective, resulting in the definition of social relationships as relations of capital. This is not the topic of the pre-

sent contribution.¹³ One factor that is frequently neglected is the availability and utilisation of the existing productive forces. Therefore it would be wrong to emphasise a ‘new modesty’ and refer to the necessity of changing values and expectations. It is important to think about ways of exploiting the existing potentials in different ways. This refers in particular to the following societal pillars:

- (i) Socio-technical potentials,
- (ii) Social redistribution of the existing private wealth,
- (iii) Institutional redistribution of wealth from the private to the public sphere,
- (iv) Opening new legal dimensions, namely the right to self-determination of production¹⁴,
- (v) Control of banks, especially emphasising the commitment to sustainability and the link to the productive process.

Again, the following has to be considered — all these aspects have to be taken in conjunction and they have to be understood in the overall context. An important building block for further reflections is the four-in-one perspective presented by Frigga Haug. It involves ‘to redefine time, wealth and labour in new ways’.

The aim is not to arrive magically at new labour, but to redistribute the work that does exist. This means that we move towards distributing all human activities — the sphere of employment, the sphere of reproduction, the sphere of personal development and the sphere of politics — between all individuals in the same proportions. We start from a hypothetically working day of 16 hours. Within this time span, the four dimensions of life have ideally four hours each. This is not mechanically designed, measured with a stopwatch, but serves as a sort of guideline. (Haug, 2014)

7. Crisis Management or ‘Abolition of the Crisis’

The perversion of both, the crisis and the limited readiness to search for more ways that are more radical can be shown by a pun:

¹³ It should be noted that this is different to the common understanding of social capital.

¹⁴ Brand (2014) talks about the assertion of the 3rd generation of human rights, but fails to recognise that this 3rd generation is defined as a matter of protection; however, a new development requires developing rights that are guaranteeing effective self-determination. Discussions in Latin America about the relations between humans and nature/natural environment and the rights of indigenous people are of great interest — it is in many instances about new dimensions that cannot be fully grasped within the framework of the commonly accepted Western legal doctrine.

Excessive cheap production and low fare trade, being a major feature of quantitative growth strategies, are established on the strategies of sheep advertising and 'low fair production'. (Carvajal, 2006)

The obsession with growth is currently especially strong in combination with the search for alternatives to mainstream development. Looking at some examples may show the 'perversion of contradictions' or better to say the 'dialectic of perversion'; it is presented as 'green policies' when sheep are used as means to advertise growth. Even if the mentioned article in the *New York Times* is referring to advertising for hotels, one should still think of the environmental impact of travelling. Also, alleged 'justice and redistribution' goes hand in hand with actual exclusion; supermarkets with low-cost products secure mass-consumption, itself subject to hugely problematic working conditions, low wages and thus also a matter of exclusion.¹⁵ We witness the fission of the global working class on a new level.

Going beyond individual responsibility of relevant enterprises, the core of the issue is the overall structure which is still geared towards avoiding the real issues. For instance, the chief executive of the Association of the German Textile and Fashion Industry, Uwe Mazura, argues as follows:

Essentially, it is a question of sustainably improving the social and environmental conditions of the international clothing industry and the lives of people in the producing countries. We explicitly share this goal. However, only very few factories of the medium-sized German enterprises own the production plants themselves and utilise instead local producers for the fabrication of clothes. We are not the employer, but only purchasers. (Siems, 2014)

Displaying exploitation as a kind of social benefit, in this case of providing employment locally in the countries in question, is nothing new. Diversification and politics on corporate identity is known since a long time. This is surely important for developing the thinking about prospects further, not least as it highlights the need to think about new patterns of legiti-

mation.

As said, the economy towards service-provision and the subsequent inner colonialisation reached a new stage qualitatively. Though this is simply a matter of furthering capitalist hegemony, we can also see an existing potential for change. Probably it is not much of an exaggeration to conclude that we have indeed reached this crisis stage which Marx characterised already:

At a certain stage of their development, the material productive forces of society come into conflict with the existing relations of production or — this merely expresses the same thing in legal terms — with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an epoch of social revolution. ... No social formation is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society. (Marx, 1859)

Nearly reaching the state of complete global hegemony, the various advantageous factors of the preceding stages of a globally contested system (the definitive bipolar world, system competition, the conditions that allowed development of underdevelopment etc.) ceased to exist as push and pull factors for capitalist development.

Thus, we may look at the current situation and development in a more positive way. We are at a point that allows us to understand the context of the development of the productive forces and the relative stage and forms of socialisation. The underlying theory consists of several elements; on the one hand we can detect a set of potentials, on the other hand we face a set of necessities. Both will be briefly presented below.

The basic thesis is that we are dealing with a serious aggravation of development and moreover of the development model itself — the term crisis in its common understanding is too weak to actually grasp

¹⁵ The following quote provides apt evidence:

The specialist in research of trade, Weber, sees this in a similar way. He says 'The price battle is being carried out on the backs of the producers'. And it is done in a way that is not acceptable. 'The working conditions are disastrous.' For instance in Bangladesh, the main country for deliveries for the low-price segment, (female) workers have to work seven days per week, twelve hours per day, Weber reports.

Without holidays and without maternity leave. The fact that the fashion is shifting major production capacities from China to Bangladesh has according to the expert mainly two reasons: Firstly, there the wages are ten times lower than in the People's Republic; on the other hand there are no significant environmental regulations. Especially the latter is shamelessly utilised. (Bohmann *et al.*, 2012; see also Herrmann, 2012) A further important issue is in this context the question of street traders.

this. This situation leads to real threats of internal and external violence and social emergencies. It also points out the need to elaborate and highlight existing possibilities. The orientation on the status quo ante, i.e., the unconditional restoration of the status quo ante means to hope for solutions from those conditions that are the very causes of the present difficulties.

7.1 Potentials

The potentials can be put into a nutshell by highlighting four aspects:

- (i) There is enough for all.
- (ii) Concepts and debates on well-being, *buen vivir*, quality of life and many similar notions and concepts indicate that all are frustrated.
- (iii) The existing resources are sufficient to move globally much further than simply securing existence.
- (iv) We have more than needed to satisfy just the needs and wants of a small group.

7.2 Necessities

The rupture between self-referential 'economic' systems and metabolism with nature creates increasingly limits. Whether we refer to expected catastrophes, see shock doctrines at work or use a more moderate analysis, it is obvious that we reached the limits of this type of economy. We need a fundamental reorientation, objectively and urgently.

Intergenerational equity and justice is another field requiring urgent attention. This is not only about having borrowed the world from our children, but also about the fact that pension systems, health care, education systems, etc. are structurally characterised by a short-term orientation, not offering financial or material perspectives for the future.

The erosion of peaceful global relations may remain within limits that make a new world war unlikely.¹⁶ However, there are countless acute conflicts recorded¹⁷. In this context, equally relevant are strives for re-regionalisation and re-nationalisation. At the end, all these movements are attempts to escape a 'perceived permanent conflict' and they are an attempt

to regain power and control. As such they mark a complicated relationship between different hegemonies within and across borders of identity: nations against nations, religions against religions, again and again allowing the blurring of borders and the blurring of the underlying core class interests (Poulantzas, 1975).

An increasingly urgent issue evolves around the so-called principle of governance, new approaches towards defining public and private, rights and obligations, formal and effective democratic rights, etc. As burdensome and limited as many of the traditional patterns of political regulation are, it must also be seen that the suggested governance and stakeholder principles are by and large only the application of the ideology of economic management in the political sphere. In this light we face a massive threat on democratic and rights-based features of (bourgeois) democracy, which may then turn into patterns of paternalist politics, policies and politics and resulting forms of charity (Herrmann, 2010).

We have to go beyond worrying about the five giant evils as presented by Beveridge (1942); instead, I propose focusing on five giant tensions: the overproduction of goods and the turn of goods into 'bads'; societal abundance versus inequality of access; abundance of knowledge and its misdirection towards skills; the individualisation of problems and their emergence as societal threat and the complexity of government and the limited scope of governance.

When referring to the four normative factors of the social quality approach, namely social justice (equity), solidarity, equal valuation and human dignity (Van der Maesen and Walker, 2012), we can easily see from the earlier presentation that both conditions and needs are present to further such project of social quality, not as normative undertaking but by way of following needs that are dictated by the system itself.

Conflict of Interest and Funding

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¹⁶ Although we should be aware that a global escalation is not completely unthinkable

¹⁷ For a short overview:

Among the total of 414 observed conflicts the political scientists see 45 highly violent conflicts, i.e., conflicts that are characterised by the widespread use of organised violence, and having serious consequences. According to the experts, 20 of these conflicts can be classified as war – due to their level of intensity. This high level had been also reached in 2011; the 'Conflict Barometer 2012' reports 18 as number of wars.

Although Europe was not affected by war during the last year, the conflict researchers observed an increase in the number of violent crises. The scientists saw the opposition conflict in Ukraine as well as newly emerging conflicts in Greece as examples. (Hartz, 2001); translation P.H.)

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