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Colin Crouch

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Colin Crouch : Making Capitalism Fit For Society before purchasing it in order to gage whether or not it would be worth my time, and all praised Making Capitalism Fit For Society:

0 of 0 people found the following review helpful. Four StarsBy Customernice read5 of 5 people found the following review helpful. Making the case for social democracyBy Jonathan GiffordThe central argument of Making Capitalism Fit for Society is that it is time for social democracy to promote its benefits more assertively in the face of what Crouch sees as the growing ascendancy of free-market neoliberalism.Crouch has some interesting things to say about neoliberalism, the most interesting of which is that the reality of neoliberal politics (I think we can take it that Crouch has the USA particularly in mind) is not, actually, neo-liberalism.Crouch identifies three kinds of neoliberalism. The

first, 'pure' neo-liberalism, seeks to establish perfect markets in all areas of life; the role of the state is limited but important, focussing on protecting property rights and ensuring that there is genuine competition in the markets which increasingly are relied on to deliver all of society's needs. The second form accepts that market forces in their pure form are not appropriate for delivering certain public goods or for dealing with 'externalities' (the unintended by-products of free market behaviour, such as pollution, for which the unregulated polluter may not pay the full 'social' cost). The third form is what, Crouch argues, currently passes for 'neoliberalism' in practice, but is in fact a kind of plutocracy, because huge amounts of wealth and power have been accrued by large corporations and a few individuals, the effect of which is to create 'a politicized economy very remote from what economists understand by a neoliberal economy.' 'Once it engages in politics,' Crouch argues a little later in the book, 'neoliberal economics loses its innocence.' His argument against the ability of markets to run every aspect of our lives are, essentially and familiarly, that there is seldom sufficient competition or information to create the conditions necessary for a perfect market and, as mentioned earlier, that markets are bad at delivering public goods and at dealing with negative externalities. Crouch is interesting on the subject of the growing tendency to outsource public services to private companies, by way of example. In fact, he argues, very few organisations are involved in tendering for these services, and the main field of expertise of the successful companies is their knowledge of how to win government contracts. Such contracts then typically run for a substantial period of time, since it would be disruptive to change providers too often. The result is an effective monopoly, and there is an inevitable tendency to re-appoint the established incumbent when the contract is up for renewal. Not very 'free market' at all, then. Private contractors are more able to pay very low wages than the state, for which this is politically difficult, allowing proponents to argue that the outsourcing has lowered costs to the benefit of the public. But the state often ends up subsidising these low wages through tax credits and other subsidies paid for by the tax payer. It is uncertain, argues Crouch, that such outsourced services are genuinely more cost-efficient than a state-run service. Crouch is, of course, on especially strong ground when discussing the effects of limited or absent regulation on financial markets. We've all seen where that led, and we've all helped to pick up the tab for the bankers who made themselves extremely rich by taking excessive risks, threatening the global economy and requiring a publically funded bail-out. I also liked Crouch's highlighting of the fact that the conditions imposed by the European Union, the IMF and the OECD when bailing out failed economies - such as Greece - tend to insist on the kind of unregulated, free labour markets that do not actually exist in reality in other, non-failed economies. Crouch suggests that neoliberalism is a 'one size fits all' solution, based in essence on the role of corporations and the maximisation of shareholder value, whereas social democracy can embrace and encourage a far healthier variety of solutions: mutualism, cooperatives and the funding of enterprises by (ideally small) banks rather than by the stock market, a form of funding that was common when the industrial revolution was catching hold in nineteenth-century Britain. Crouch's philosophy is summed up by his call for 'widespread use of markets where possible and useful, but a willingness to check, regulate and offset their effects where they threaten to destroy some widely shared goals and values.' It is hard to argue with that (unless, of course, you are a neoliberal of the first kind). It is a little ironic that Crouch himself acknowledges that social democrats can be seen as fitting into the category of 'neoliberalism of the second kind', which leaves one wondering whether we are indeed 'all neoliberals now' after all, in which case Crouch's argument for the desperate need for 'assertive social democracy' would seem a little Quixotic: social democracy is alive and well, and disguised as a form of neoliberalism. And I suspect, in fact, that many neoliberals (especially 'neoliberals of the third kind') would argue that we are, in fact (and unhappily so, as they would see it) actually 'all social democrats now.' The book is not an easy read - not in the sense that the concepts are difficult to grasp, but in the sense that Crouch, perhaps inevitably, does tend to assume that the reader is just as enthralled by the detail of the argument as he himself is, and his writing style tends towards the academic. I did find my mind wandering on several occasions - to such interesting topics as 'those windows are a bit dirty; I really should give them a good clean.' Crouch is a heavyweight sociologist and political scientist, and this book will make an important contribution to the debate which will be mainly held, one imagines, between political scientists, economists, policy makers and people made of sterner political stuff than I. One final comment: Crouch does tend to write about 'us' and 'them'; he implies that 'people' need to be defended, not just against unfettered market forces, but against business in general, which is implied to be rapacious, immoral and untrustworthy. It is not impossible to hope that corporations - which are led, managed and staffed by 'us' - will, as seems to be happening, become increasingly conscious of their social obligations and even a force for good. Crouch does talk about other, better forms of organisational structure, but it seems a little old-fashioned to argue that the classic shareholder-owned corporation is, in effect, inherently malicious. To give an example of Crouch's apparent stance: 'Of course general product advertising does much to give giant corporations a popular friendly image that they would not enjoy if the public saw them just as vast accumulations of wealth and power.' 1 of 1 people found the following review helpful. An argument for social democracy By Mitchell R. Alegre In "Making Capitalism Fit for Society," Colin Crouch argues that there is a need for assertive social democracy. Crouch makes clear that social democracy differs from socialism. While socialism seeks to replace capitalism with state control of the economy, social democracy accepts the market and private ownership as the best way to conduct most economic business. However, markets are unable to meet all societal goals. There is a role for government within

capitalist society. That role is to ensure that the collective needs of citizens not addressed by the markets are met. Crouch clearly explains the differences between the dominant neoliberal paradigm and that of social democracy. He discusses the strengths and weaknesses of each mindset. Crouch does not hide his dissatisfaction with the neoliberal approach to the economy. The book's purpose is to justify the need for social democracy. However, the book is not a mindless, emotionally-driven attack on neoliberalism. This book is for readers who want to understand the challenges of creating a form of capitalism that supports a more equitable society. Crouch writes for the thoughtful reader who is interested in living within a society that balances profit and people.

Capitalism is the only complex system known to us that can provide an efficient and innovative economy, but the financial crisis has brought out the pernicious side of capitalism and shown that it remains dependent on the state to rescue it from its own deficiencies. Can capitalism be reshaped so that it is fit for society, or must we acquiesce to the neoliberal view that society will be at its best when markets are given free rein in all areas of life? The aim of this book is to show that the acceptance of capitalism and the market does not require us to accept the full neoliberal agenda of unrestrained markets, insecurity in our working lives, and neglect of the environment and of public services. In particular, it should not mean supporting the growing dominance of public life by corporate wealth. The world's most successful mature economies are those that fully embrace both the discipline of the market and the need for protection against its negative outcomes. Indeed, a continuing, unresolved clash between these two forces is itself a major source of vitality and innovation for economy and society. But maintenance of that tension depends on the enduring strength of trade unions and other critical groups in civil society - a strength that is threatened by neoliberalism's increasingly intolerant onward march. Outlining the principles for a renewed and more assertive social democracy, this timely and important book shows that real possibilities exist to create a better world than that which is being offered by the wealthy elites who dominate our public and private lives.

"Crouch has offered another powerful contribution to the debate about the choices that we face." LSE of Books "A new book explains why attempts by western countries to 'ring fence' themselves against immigration are failing" John Moore, Morning Star "A lively argument, sometimes sour, sometimes hopeful, but always backed up by telling facts on the future of capitalist society." Richard Sennett, London School of Economics "Faced by a dominant neo-liberal ideology and stripped of a historic agent, social democracy needs to transform itself. Colin Crouch is unique in his ability to dissect the dilemmas and suggest positive strategies. Making Capitalism Fit For Society is the best book so far for anyone wanting to start the journey of renewal." Neal Lawson, Chair of Compass "A very good book with many thoughts for a more social policy in Europe" CLR About the Author Colin Crouch is Professor Emeritus at the University of Warwick, and the External Scientific member of the Max-Planck-Institute for Social Research at Cologne.