

Capitalist Pandemonium

by Éric Monnet

In a new book, Robert Boyer offers an analysis of the economic and political consequences of the pandemic that counter to irenic claims about the advent of a new world. His geopolitics of capitalisms takes a worried view of the conflicts between states and multinational corporations.

Reviewed: Robert Boyer, *Les capitalismes à l'épreuve de la pandémie*, Paris: La Découverte, 200 p., €19.

The first lockdown, in the spring of 2020, sparked some speculation and hope that a new world was about to emerge. In the media and intellectual journals, those whose work had not been deemed essential and whose timetable was not reduced to homeschooling were able to take the time to develop arguments about the fatal blow that the epidemic – and above all the unique social and political reactions it sparked – had supposedly inflicted on capitalism. By the winter, very few people were still daring to make such statements.

In the autumn, Robert Boyer published a short, dense but lucid essay which already openly took an opposite stance to those analyses that heralded a radical political, economic and ecological rupture. “Logically, if the emotion sparked by Covid-19 were to prove enduring, then the pandemic could mark the moment of a realization which new approaches to development have already explored, but which has long been delayed: striving towards wellbeing should be the cornerstone of our societies. In the rest of this book, however, I temper this prognosis, since the past has not been obliterated by Covid-19” (p. 14-15).

The book's main argument is that the pandemic has sped up two trends that have been underway since the beginning of the 20th century. These are, on the one hand, the development of what the author calls "platform capitalism", which offers digital and logistical services that can be accessed remotely and is structured oligopolistically around a handful of key players who take benefit from exceptional returns to scale from these activities. On the other hand, we have seen the increasing rise of "a myriad of state-impulsed capitalisms", a trend that is mainly characterized by the increased prerogatives of nation-states in the economic sphere. As soon as he spells out his argument, Robert Boyer anticipates the critique that will doubtless be directed at it: is there not a contradiction between the advent of a platform capitalism that largely draws its strength from the internationalization of activities, and the supposed return of the economic power of nation-states?

Geopolitics of Capitalisms

This contradiction only makes sense if we remain hostage to a free market vulgate that draws a radical theoretical opposition between nation-states and private enterprises. In reality, platform capitalism is itself partly the product of the power of nation-states, and even of conflicts between them. This is clearly the case for China, which has its own platforms (in particular the BATX: Baidu, Alibaba, Tencent and Xiaomi) that are opposed to those built up in the United States within an ecosystem that has partly been structured by public investment in defense and security (the GAFAM: Google, Amazon, Facebook, Apple, Microsoft). Above all, it is misguided to view these two developments within a solely national framework. Major international corporations are instruments of power for some nation-states. They threaten the sovereignty of other states, which then react by attempting to reclaim certain prerogatives. The great strength of the current dynamic of capitalisms is, then, the "concentration of information, capital, profits, economic power that is convertible into power over weak nation-states" (p. 16). It follows that the great challenge posed by the existence of these different capitalisms is that of international relations. What the author is eminently interested in and worried about is the difficulty of establishing multilateral rules and organizations in such a world. Far from opposing platform capitalism and the power of nation-states, he suggests that we should rather study how their interactions will structure international political and economic relations.

The European Union: the Weak Link in the Chain of New Geopolitical Relations

China combines to an extreme degree a system of political control by a “party-state” and the stimulation of domestic entrepreneurial initiative by decentralizing administrative activity and banning the use of major foreign digital platforms. This political and economic model has come into head-to-head competition with that of the United States, to such an extent that one can “imagine a division of the world into two zones, respectively influenced by the United States and China in terms of commercial relations, technical standards and international currencies” (p. 132). According to the author, the existence of different types of capitalism necessarily implies asymmetrical power relations between states. All states do not have the ability to oppose these multinational corporations or to issue public debt essentially without limitations, nor to have a level of production that can largely satisfy domestic demand. The losers in this new balance of power include countries that export raw materials. Their economic and geopolitical power has been considerably reduced by the United State’s policy of energy independence (as a result of the exploitation of shale gas) and by the slow-down in Chinese growth. Energy rentier capitalism (Russia, Saudi Arabia, Algeria etc.) is thus faced with an unprecedented crisis. As for “transnational platform capitalism”, it is faced with an explosion and convergence of all forms of inequality which, while they do not directly threaten technological innovation, risk giving rise to profound political destabilization. “Strongly state-impulsed capitalism” (China) has, for its part, demonstrated a strong – and partly unexpected – ability to adapt to the global shocks of 2008 and 2020, and currently benefits from a considerable power of seduction as far as other countries are concerned in Asia, Africa or Latin America. According to Boyer, the capture of information by political authorities could however eventually discourage new technological initiatives there.

The European Union thus appears to the author to constitute a weak link in the chain of these new geopolitical relations. Its defense of a “democratic capitalism at the service of its citizens” has partly allowed it to avoid China’s slide into authoritarianism and the United States’ slide into inequality, but it currently suffers from a worrying technological dependence on foreign countries, and European political coordination was too insufficient and came too late for it to have demonstrated the superiority of the democratic model during the pandemic. The pandemic only accelerated trends that had already been underway for at least a decade.

In a worried chapter devoted to the European Union, Robert Boyer nevertheless does still hope that it can turn things around. This requires overcoming great difficulties, and above all finding a political coalition that will enduringly sustain the very existence of the European Union and its expansion. The author rejects the idea that budgetary transfers between countries could be an adequate solution to the crisis that the European Union is undergoing. While such transfers have helped it to overcome transitory economic shocks, they cannot provide the matrix for a European innovation policy. What is required is a long term budgetary and industrial policy, both in order to resist platform capitalism through technological innovation, and to respond to the need for a strong state that has been revealed by the pandemic. This is essential in order to respond to what Robert Boyer views as “the major contradiction that has been tearing societies apart since the 2000s: they have become extremely economically and financially dependent on each other in an interconnected world, but an increasing fraction of the population aspires to regain all the attributes of national sovereignty” (p. 145).

Crises and Institutions

The lucidity of Boyer’s argument is remarkable. It is hardly a surprise coming from one of our most astute theoreticians and observers of contemporary capitalism or, to be more precise, of the different capitalisms that exist today. For several decades, the work of Robert Boyer has allowed us to reflect on the coexistence of different forms of capitalism, without seeing these as mere stages in an inevitable progress towards market capitalism. Robert Boyer’s comparative advantage in relation to his colleagues is thus undeniable when it comes to analyzing the mechanics of our current world, in which Chinese capitalism plays a prevailing role and where, more generally, we observe major differences between social and economic reactions to the epidemic between different continents and countries, deepening already existing trends. Most economists, he writes, are poorly equipped “to analyze the process of accumulation that is at the heart of the dynamic of capitalisms” (p. 17). The political economy of capitalisms as theorized by Robert Boyer (also called “regulation theory”) has also developed a specific approach to crises that aims to understand them not as regularities of capitalism that are repeated identically, but on the contrary, as moments of rupture defined by unique articulations between social, political and economic processes. According to Robert Boyer, what history can teach us based on the

consequences of the current pandemic is not so much an assessment of the average economic consequences of past pandemics, but rather an understanding of the unique and unprecedented developments that the economy has undergone over the past few decades.

What is to be done?

Boyer has an unrivalled ability to relate his analysis of capitalisms to geopolitical issues. But this is an analytical book, not one that makes political suggestions. Even the last chapter, on “ways out of the crisis”, is rather vague in this regard. It consists of a measured discussion of the various economic mechanisms that might be at work in years to come, and of the conditions that might enable various reforms. Robert Boyer sings the praises of nation-states acting as architects, fashioning indicative plans that allow for the long-term coordination of private investments – but he recognizes that the role of such a nation-state would require a “revival of trust” that is currently lacking in Europe. He demonstrates the importance of public debt to limit the damages caused by the pandemic and explains why issuing this debt was not an inflationist measure, but he holds back from giving a prognosis on how inflation might develop and the public debt be managed: “nobody to this day knows how this adventure will end. We must expect surprises as great as the one constituted by the eruption of the coronavirus” (p. 171). Boyer makes several references to the analyses of Bruno Amable and Stefano Palombarini (*The Last Neoliberal: Macron and the Origins of France’s Political Crisis*, London: Verso Books, 2021) to support his claim that the formation of a hegemonic political block is one of the conditions necessary for the viability of a socioeconomic regime and of a type of capitalism, but he does not provide an overview of the possible alliances or political strategies this might imply.

The author is nevertheless explicit regarding what he is calling for: an “anthropogenetic” mode of development, meaning one that promotes wellbeing and is founded on education, healthcare and culture. He relates this aim to his analysis of the different types of capitalism and to the way in which each one deals with healthcare, education and culture. Thus, if the European experience of the first lockdown might have led us to believe that the world was about to pay more attention to the health and wellbeing of its populations, we must however recognize that state capitalisms “can seize on healthcare as an instrument of legitimization” and platform and surveillance capitalism can “find in it a remarkable source of profits” (p. 94).

Borrowing the term “surveillance capitalism” from Shoshana Zuboff, he then suggests that this form of capitalism can characterize the encounter between profit-hungry multinationals and states whose power has been corrupted. The book thus ends on the evocation of a dystopia: a society in which surveillance is generalized, and which is governed by a small number of rich individuals.

Synchronization and Institutional Complementarity

This is thus a book about the multiplicity of possible outcomes. There are several different types of capitalism, and some of them have emerged strengthened from a crisis that no one had predicted. The future may take very different forms depending on the political choices that societies make. These may seem like extremely general propositions. But Robert Boyer’s method allows us to become aware of the necessity of thinking through these possible outcomes in order to guide political action. We are reminded here of the usefulness of regulation theory and the author’s previous texts for what he terms the “complementarity of institutional forms and arrangements”. Institutional arrangements differ from one historical period to the next, and one type of capitalism to the next. But some are more stable than others because they are based on a stronger complementarity between various social, political and economic institutions. With reference to J. M. Keynes, who he quotes frequently throughout the book, Boyer asserts that one virtue of these arrangements is that they reduce the uncertainty of economic agents. As well as institutional complementarity, Robert Boyer is striving for what he refers to several times as the “resynchronization” of social times or of the fields of economics and social life. Conversely, institutional incoherence (or lack of complementarity) or asynchrony increase uncertainty in economic behavior and destabilize the economy’s modes of regulation. This conceptual vocabulary reflects the holistic approach of regulation theory, which views the economy as a social body whose parts must work together and be synchronized so that the whole can function. Imagining different possible worlds, be they present or future, is thus a way of defining what institutional coherence is, or how an economy can function, with an appearance and aims that are potentially extremely different.

Ecological issues are not center stage in this book, but the author does return to them several times (above all in chapter 7), precisely from the perspective of the search for a political ideal supported by institutional coherence: “If we imagine an ideal mode of development that would take into account environmental constraints, it would be

ecology that drives the transformation of all institutional forms in order to ensure that they are coherent with the overall logic of the system: the economy becomes an instrument of ecology.” (p. 126) And he then shows us, step by step, that, despite some recent measures, economic logic is indeed still completely dominant. The dynamic of the consumption of private goods and their rapid renewal remain the ultimate criteria determining energy and employment policies. While the pandemic has been a wake-up call as regards the consequences of the damage we have done to the environment, and shown how putting a stop to economic transactions could avoid us causing this damage, it has also revealed how much our societies are prepared to spend lavishly in order to maintain our levels of production and consumption, and the jobs that depend on them. If the aim is to inverse this logic, then we must construct a fully different institutional coherence. While Robert Boyer does not present us with a plan of how to achieve this, he does draw up a list of the challenges involved. And, being suspicious of solutions that could only work on a local level, he returns ineluctably to the question of international relations and the conflicts between different types of capitalism.

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