

Can Capitalism Be Fixed? | The Nation

 thenation.com/article/culture/branko-milanovic-capitalism-alone

May 4, 2021

Diminishing Returns

A liberal economist tries to reckon with the state of capitalism today.

By [Alyssa Battistoni](#)

May 4, 2021

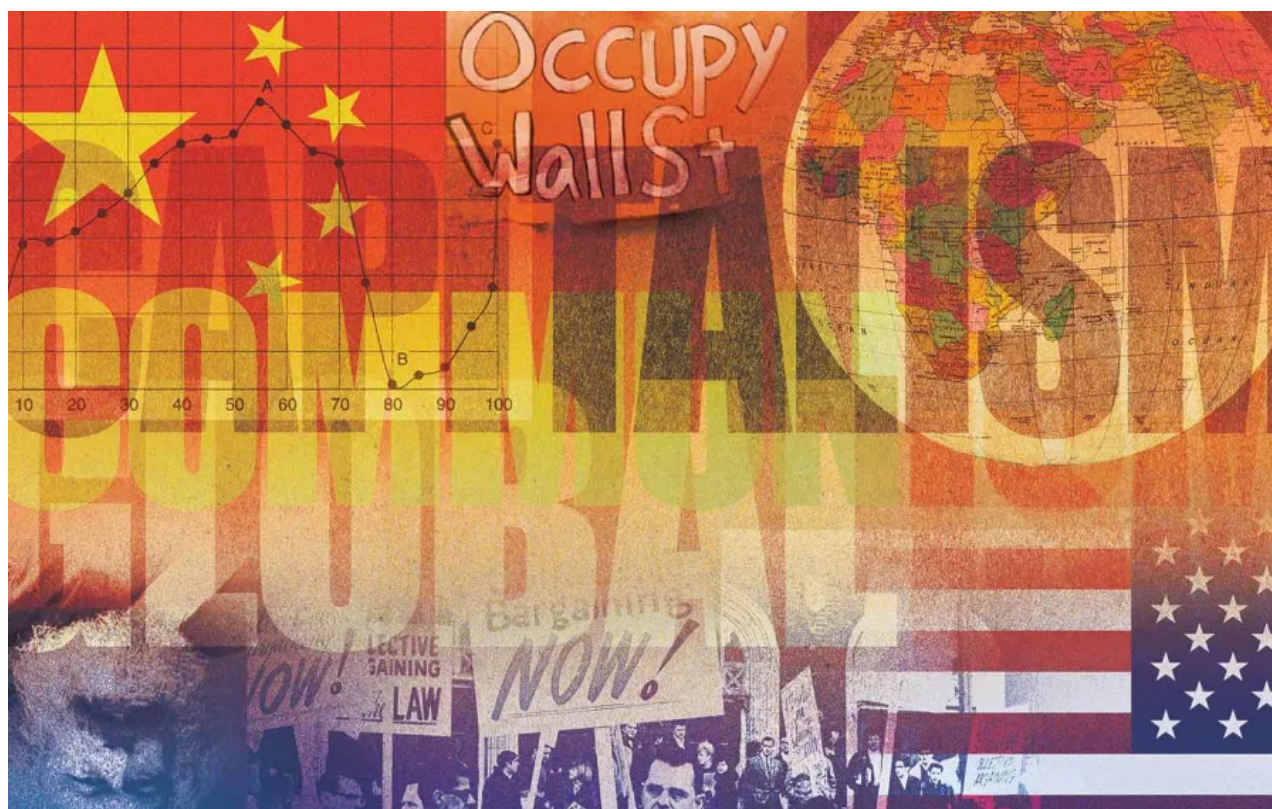


Illustration by Tim Robinson.

The 2008 financial crisis is widely credited with reviving the American left, from the tent cities of Occupy Wall Street to the proliferating chapters of the Democratic Socialists of America. Yet it is not just street protesters and millennial Marxists who have put capitalism under scrutiny: Liberal pundits and policy-makers have also become analysts of capitalism's ailments. Since Thomas Piketty's 2013 breakout hit, *Capital in the Twenty-First Century*, the publishing industry has churned out new books on capitalism, inequality, and economics at a furious pace. The past two years alone have seen the publication of Piketty's follow-up, *Capital and Ideology*; Gabriel Zucman and Emmanuel Saez's *The Triumph of Injustice: How the Rich Dodge Taxes and How to Make Them Pay*;

Heather Boushey's *Unbound: How Inequality Constricts Our Economy and What We Can Do About It*; and Anne Case and Angus Deaton's *Deaths of Despair and the Future of Capitalism*, to name just a few. Even capitalism's erstwhile champions now find themselves on the back foot: None other than globalization's manic hype man Thomas Friedman has turned to mea culpa, admitting that "we broke the world" by letting capitalism run too rampant. ("We"?)

Books in Review

Capitalism, Alone: The Future of the System That Rules the World

By Branko Milanovic

[Buy this book](#)

The growing body of liberal capitalism studies can be found throughout the academic disciplines, but it is most pronounced in economics, where a new cohort has loosened the formalist strictures of a previous generation and embraced a more historical and sociological approach. Instead of perpetually refining idealized and abstracted models, these economists ground their analyses in an accumulating mountain of empirical evidence documenting the growth of gargantuan fortunes at the top, the deteriorating health of those at the bottom, the decline of upper-bracket tax rates, and the stagnation of most people's wages.

Although its analyses and prescriptions are radical by the standards of the past few decades of Anglo-American politics, this work is hardly revolutionary. Yet it has forced many liberals to finally reckon with the features of capitalism that leftists have long lamented: the production of vast poverty amid obscene wealth, the convergence of economic and political power, and the proliferation of crises that disrupt the system's promised stability and undermine human health and happiness.

The economist Branko Milanovic has been a central participant in the debates of this emerging field, as well as one of its most idiosyncratic contributors. Born in Belgrade when it was part of Yugoslavia, Milanovic wrote his dissertation on income inequality in his home country long before it was a fashionable topic. He went on to research income inequality as an economist at the World Bank for nearly two decades before taking up a string of academic appointments; he currently teaches at the Graduate Center of the City University of New York. But he is not your typical World Bank economist: Milanovic knows his Marx and, though not a Marxist himself, has long insisted on the value of class analysis and historical perspectives to economics, while also dabbling in political-philosophy debates about distributive justice. His experience of life under actually existing socialism, meanwhile, gave him critical distance from the end-of-history narratives that were trumpeted in much of the West after the fall of the USSR—as well as from the end-of-the-end-of-history hand-wringing that has proliferated since 2016. The discourse, then, seems to be catching up to where Milanovic has been all along.

With several books to his name already, Milanovic's breakthrough came in 2016 with the publication of *Global Inequality*, as his longstanding research interests converged with the mainstreaming of the study of inequality. The book took stock of globalization's effects on income around the world and brought an international focus to what in many countries had been treated as a domestic issue. It garnered attention for its famous "elephant curve" graph, which showed that since 1988, the working and middle classes of emerging countries have made huge gains and the working and middle classes of the developed West have lost income—all while the rich around the world made out like bandits. The graph was notable not because it contradicted the conventional wisdom on globalization but because it presented stark and clear evidence of an oft-discussed trend. Milanovic argued, moreover, that the graph was not all bad news: While the working and middle classes of the North Atlantic were struggling, their peers outside the West were doing better than ever. Even if capitalism distributes prosperity unevenly, Milanovic observed, it remains a powerful engine for generating wealth.

Capitalism, Alone, his latest book, takes on still bigger game, offering an account of capitalism itself. This ambitious undertaking can perhaps be read as a tribute to Marx. "Whoever studies Marx," Milanovic wrote in 2018, "can never forget the grandiosity of the questions that are being asked." The point of economics is to understand the world as a whole. And for Milanovic, what is novel about capitalism today is that it spans the whole world. In previous epochs, capitalist societies coexisted with those that organized production differently: hunting and gathering, slavery, serfdom, subsistence farming, and, of course, the socialism of the Soviet Union. Since the latter's fall, capitalism has become not only the world's dominant economic system but, functionally, its only one.

Like his previous book, *Capitalism, Alone* blends empirical research with creative analysis, bringing an eclectic mix of Marxian class analysis and Weberian sociology to bear on economic data about inequality, corruption, growth, and migration. But where Marxists typically seek to delve beneath the realm of appearances to understand how capitalism really operates, Milanovic stays at the surface level, analyzing capitalism's effects as they appear in the data and developing typologies accordingly. For him, moreover, clarity about capitalism's defects does not translate into a call for its demise. In fact, Milanovic argues that no such thing will happen. He is not deluded about capitalism but rather reconciled to it. The book's philosophy can be summed up as: It is what it is.

Current Issue



[View our current issue](#)

Subscribe today and Save up to \$129.

Milanovic opens *Capitalism, Alone* with a definition of capitalism borrowed from Marx and Weber and likely familiar to most of his readers. Capitalism, in this account, is a system in which production is “organized for profit using legally free wage labor and mostly privately owned capital, with decentralized coordination.” This system has long existed, he contends, citing the Roman Empire and sixth-century Mesopotamia along with the more familiar examples of Italian city states and Dutch traders—an argument that runs counter to those made by many scholars of capitalism, who disagree on its precise starting point but rarely place it quite so far back in history. But today, instead of competing with or encroaching upon other forms of production, capitalism operates without any true competitors.

For Milanovic, then, the study of contemporary capitalism means recognizing internal differences within a unitary system. He identifies two main types: the meritocratic “liberal capitalism” of the West and the state-led “political capitalism” of China and a number of other countries. Like his brief history of capitalism, this schematic is both unremarkable in its generalities and idiosyncratic in its details. Notably, his use of “liberal” is not a reference to liberalism as it is usually conceived in terms of individual freedom, the rule of law, and democratic governance. Rather, his system of “liberal meritocratic” capitalism is loosely inspired by two of the possible distributive systems in John Rawls’s *A Theory of Justice*. The liberalism of Western capitalism, Milanovic argues, is found in the fact that goods are, at least in theory, distributed meritocratically and that social mobility is “liberal”—that is, aided by policies like inheritance taxes and free education so that individuals’ opportunities are not constrained by arbitrary conditions of birth. His analysis of political capitalism, by contrast, highlights the relationship between the political and economic spheres: In political capitalism, political power is used to achieve economic gains instead of the other way around.

Today's liberal capitalism, Milanovic argues, must be distinguished from two earlier strains of capitalism: the "classical" capitalism of the 19th and early 20th centuries and the "social democratic" capitalism of the mid-20th century. He derives these categories not from an assessment of their underlying distributive principles or how their industries were organized but from a set of empirical features. In classical capitalism, capital was highly concentrated and received a rising share of income; those who owned capital were rich, married one another, and transmitted their benefits to their children. In social democratic capitalism, this maldistribution was at least partially checked, with an increasing share of income going to labor and with rich people less likely to marry one another as social mobility rose. Although liberal meritocratic capitalism in Milanovic's account has retained some elements of the social democratic compact—access to public education, however attenuated, and taxes on inheritance that limit the intergenerational transfer of wealth—it is in many ways a return to the conditions of classical capitalism and the acute inequality that characterized it.

Milanovic surveys a range of explanations for this change, most of them familiar. He observes that a decline in the cost of capital, particularly computing power, has made it efficient to replace labor with technology, while the decline of labor unions, and with them labor's bargaining power, has resulted in a decreasing share of income going to labor. He also observes a shift in social and cultural mores: In the period of classical capitalism, the wealthy were often idle, living off capital income alone, but in the period of liberal meritocratic capitalism, the owners of capital tend to have high-paying jobs. Likewise, through "assortative mating," people of similar wealth and educational status marry one another and confer these advantages on their children, not only passing on their wealth but investing in their human capital. As a result, the novel social and economic patterns of liberal meritocratic capitalism have reinforced the wealth of the already wealthy and stunted intergenerational mobility. And if that weren't enough, the rich exert influence over the political process to advance policies that further solidify their position.

Support Progressive Journalism

If you like this article, please give today to help fund *The Nation's* work.

What makes the inequality of liberal meritocratic capitalism particularly slippery, Milanovic writes, is that a number of its features appear "morally acceptable" to many. Liberal meritocracy's beneficiaries rule through "economic power and ideological domination." They do not need to violently suppress the lower classes; their status is legitimated by social norms, including their ability to pay for an elite education that confirms their intellectual superiority.

This phenomenon is at the heart of Piketty's recent doorstopper *Capital and Ideology*, which both explores and condemns ideological justifications of inequality. But Milanovic is more ambivalent about the work that norms do. People should be able to get rich by working, he argues, and it's better to have hard-working wealthy people than a leisure class. The tendency for people to marry those of similar education and income levels reflects little more than the "greater participation of women in the labor force, social norms that value paid work, and a preference for partners who are similar to ourselves." He

acknowledges that these norms have pernicious side effects—the fact that people who receive income from capital also work for money makes it harder to hike tax rates, for example, since today's wealthy are seen not as parasites but as people who have earned their money. But rather than interrogate these beliefs, he simply notes them in passing as one of the many barriers to change.

Milanovic points out plenty of others. In his view, the social democratic tool kit of the past—unions, mass education, high taxes, social transfers—will not suffice to fix the current state of income inequality. Service workers are difficult to organize and are unlikely to attain the power of unions in the heyday of manufacturing. Mass education has hit a “ceiling” and is likely to deliver diminishing returns to a new generation of young people. High taxes and social transfers have also become “politically difficult” to achieve in a globalized economy without risking capital flight—and in any case, as Milanovic notes, the large middle class of rich countries now looks upon such transfers skeptically, unconvinced that it will benefit from them. Perhaps most significantly, a new wave of “economic migration” presents a challenge to welfare states, one that threatens to send them into a vicious cycle of cuts. (I'll return to this shortly.)

For Milanovic, then, liberal meritocratic capitalism describes a system in which a small elite has managed to entrench its position even though equality of opportunity is ostensibly the norm. In defining political capitalism, he shifts gears, setting criteria focused not on an empirical analysis of the ruling elite but on the system's form of governance.

Here Milanovic turns to Weber for his baseline definition of political capitalism: a system in which actors use “political power to achieve economic gains.” As an ideal type, its key features are an efficient bureaucracy, absence of the rule of law, and the autonomy of the state. In the absence of democratic mechanisms, state legitimacy stems from the ability to deliver growth; if growth falters, other aspects of the system may come into question. Growth is managed by a technocratic and meritocratic bureaucracy, yet laws are arbitrarily applied, ignored, or modified in pursuit of the goal of adequate growth. Corruption is “endemic to political capitalism,” at least to a point: Taken too far, it damages the growth that legitimizes the system in the first place or increases inequality to a point that delegitimizes the bureaucracy that manages it. The real aim is not to plunder the system but to retain control over it. Whereas liberal democratic states have largely been captured by capitalists, political capitalist states are autonomous insofar as they alternately encourage and rein in the private sector according to the national interest.

Milanovic's argument about political capitalism, which draws on his past research on socialist economies, is also partly genealogical. While his account of the development of liberal meritocratic capitalism follows a familiar trajectory, he identifies political capitalism as the outgrowth of communism. Communism, he maintains, is hard to understand within what he describes as the teleological narratives advanced by both liberals and Marxists. Marxists have traditionally thought that capitalism was a necessary stage on the way to communism: Capitalism would develop the forces of production, which communists would then seize and put to use for the benefit of all. Liberals, meanwhile, expect “linear progression towards richer and freer societies.”

Yet in Milanovic's view, neither the Marxist nor the liberal account offers a satisfactory explanation for the rise and fall of communism: The rise presents a problem for liberals, the fall for Marxists. Moreover, neither account is well-suited to explain the "specifically Third World" path to development, instead assuming that such countries will simply follow the trajectories of the developed West. Milanovic's approach is to invert the traditional Marxist view: He contends that communism acted as a way station to capitalism rather than the other way around. Communism, he writes, was "a social system that enabled backward and colonized societies to abolish feudalism, regain economic and political independence, and build indigenous capitalism," noting that communist movements in Asia, Africa, and Latin America did the work instigated by bourgeois revolutions in the West, with the added challenge of overthrowing not only feudal powers but colonial ones. Once in power, communist parties built infrastructure, educated populations, and developed extensive bureaucracies—all of which ultimately paved the way for capitalism once the Cold War ended.

One might note that it is strange to describe a system in terms of what it gave way to, which after all is easier to see in hindsight. But Milanovic's point is that communist societies modernized under the control of powerful states, many of which have retained an authoritarian stamp even after their transition to capitalism.

From these broad brushstrokes, Milanovic outlines a set of empirical features with which to identify systems of political capitalism: They are characterized by single-party rule and political structures that emerged after an anticolonial independence struggle, usually a violent one. In some of these states, a left-wing party stewarded the transition to capitalism. It is not entirely clear what these criteria have to do with communism's evolution into political capitalism, and Milanovic doesn't explain, which is particularly striking given that this definition of political capitalism is notably constructed so as to exclude the former Soviet Union. In fact, Milanovic asserts that only 11 countries fit his description: China, Vietnam, Malaysia, Laos, Singapore, Algeria, Tanzania, Angola, Botswana, Ethiopia, and Rwanda. Although these countries share some historical trajectories, the huge variability among them (not all, for example, were communist) raises questions about how useful a category political capitalism is as Milanovic has constructed it. More generally, the fact that most of the world's countries do not fit into either of his categories suggests further limitations to this scheme for parsing capitalism. How should we understand Russia and Brazil, India and Saudi Arabia?

Join *The Nation's* Books & the Arts newsletter

Please enter your email below and subscribe to our bi-weekly collection of the best of the Books & the Arts.

In any case, of the political capitalist states Milanovic identifies, only China receives sustained attention. Unlike in the West, he observes, in China wages across all strata have risen significantly over the past several decades, but as in the West, the wealthy have rocketed ahead of the rest. So far, however, they have yet to become a "class for themselves" acting politically to advance their economic power; the state stands ready to keep them in check and maintain its control.

Will this change? Will Chinese capitalists, that is, seek to take over the state as they have in Europe and the US and implement something more like liberal capitalism, under which they will no longer be subjected to arbitrary state power? And will China seek to export its mode of capitalism to the rest of the world, as the US has sought to do? Milanovic thinks it unlikely—but what is certain is that China will play an increasingly significant role in the future of capitalism and the international institutions shaping it.

Indeed, although Milanovic purports to be analyzing the two major strains of capitalism today, *Capitalism, Alone* is best understood as a book about two countries: the United States and China. Its publication comes during what appears to be the early stages of a transitional moment. As talk of a “new Cold War” between the US and China intensifies, his argument that both are part of the same capitalist system has important implications. What, after all, would a cold war between two capitalist powers look like? Will economic interdependence curb political confrontation, or vice versa?

Disappointingly, Milanovic says little about how liberal and political capitalism interact within the now-total global system. Instead, he focuses his discussion of capitalism’s current dynamics on what he sees as the key feature of globalization—greater mobility for both capital and labor—and the political challenges that result. Here, the upshot of Milanovic’s distinctive blend of normative political theory, empirical economic analysis, and ostensibly pragmatic policy recommendations becomes most concrete and its limitations most apparent.

Milanovic approaches the political dynamics of migration very much as an economist. He describes the disparities in income and welfare state provision between poor and rich countries as a “citizenship premium” (a term introduced in *Global Inequality*). Nationalism is not simply an affective phenomenon, he argues, but an attempt to hold on to a source of rent: Citizenship is “a joint monopoly exercised by a group of people.” Although citizenship is a valuable asset, it is for the most part not a marketable one. For now, at least, it is mostly distributed politically, through control over borders and documents.

On the basis of this economic analysis, Milanovic makes a political argument: As long as there are differentials in national income, labor will move in its pursuit of higher wages. But this movement, he adds, will always be contested. As living standards, wages, and welfare benefits decline in the West, the working classes of the developed world will seek to protect what remains of the premium they receive for being citizens of a wealthier country, and they will often do so not just through protectionist policies but by trying to keep others out.

Closed borders are Milanovic’s worst-case scenario. They are bad for migrants, but they are bad, he argues, for most other people too. He would prefer that labor and capital move freely, and he is genuinely opposed to the injustice of an international system in which accidents of birth determine most people’s fate. But if he is a cosmopolitan, Milanovic also styles himself a pragmatist. Since he accepts that the backlash to migration is inevitable, he also argues that we must accept some demands that the mobility of labor be restricted. If not, an even greater backlash against globalization might occur.

Milanovic doesn't seem to seriously consider the opposite approach—restricting capital while letting labor move freely. But his analysis also suffers from a weakness of much so-called realism: It advocates policies based on a set of assumptions about what the working classes prefer in terms of labor mobility and migration, while also assuming that those preferences are fixed in advance rather than shaped through politics itself.

What emerges from these assumptions is a draconian proposal: Pending an age when technology makes it possible for people in one part of the world to work in another without actually moving, he argues, states should create a “tiered” system of citizenship and rights. To preserve the preferential status of current citizens, migrants should not receive the full “citizenship premium”; rather, they should have a “curtailed” set of economic rights. This tiered system of legal migration, he continues, must be paired with a strict border policy that would end illegal migration entirely—what Milanovic bluntly describes as a “ruthless cracking down on excess migration.”

If this sounds familiar, it is because most countries already utilize multitiered immigration systems along the lines that Milanovic prescribes. The United States, for example, grants different rights and privileges to different groups of workers. People with H1-B visas for “skilled” but temporary work are eligible to stay in the country for three to six years, while those with H2-A visas for short-term, usually seasonal agricultural labor may be authorized to stay for as little as a month—and that is to name only two of the 20 categories of temporary workers recognized in the United States. Meanwhile, green card holders can reside here permanently but are subject to deportation if they are convicted of certain crimes. And while they are technically eligible for some public benefits, a regulation introduced under the Trump administration was intended to prevent those who might eventually draw on government assistance from receiving green cards in the first place. Only naturalized citizens receive all the benefits of those born citizens.

This system treat migrants as a source of more or less disposable labor for the companies on which they are dependent, leaving them vulnerable to employer abuse, and it effectively allocates more privileges to the better-off. But if this hierarchy of rights is indefensible morally, it also fails to achieve Milanovic's purported aim: The existing tiered system has not diminished anti-migrant politics. And Milanovic's proposal to, in effect, retain the existing system while hardening borders—that is, to accept a rightward swing on immigration policy—is arguably more likely to fuel anti-migrant flames than to douse them.

In any case, immigration restrictions have not protected the citizenship premium that Milanovic claims is at the core of anti-migrant politics, and putting more of them in place is not likely to either. Migration is not the reason for capital flight, and closing borders does not restore unionized manufacturing jobs, as Milanovic surely knows. His ostensible pragmatism, then, simply reinforces an ideology that scapegoats migrants for the actions of capitalists. Any egalitarian politics must seek to challenge this “common sense” rather than concede to its mistaken premise.

The tone of matter-of-fact compromise with an unsatisfying and dysfunctional status quo that Milanovic proposes in the context of migration pervades *Capitalism, Alone*. Where the globalization literature of the 2000s was exultant with promise, Milanovic's book frankly admits the limitations of actually existing capitalism and resigns itself to making the best of things. Milanovic anticipates criticisms from those who find his portrait of capitalism uninspiring: "Isn't this state of affairs a plea for change in the socioeconomic system?" Or to put it more sharply, is this really the best we can do? Doesn't this chronicle of the rapid increase of inequality and iniquity, of self-justifying elites and self-dealing bureaucrats, nativism and corruption, cry out for something better? And yet his answer to such questions is an old one: There is no alternative—or a bit more precisely, capitalism is the worst system, except for all the others.

"Capitalism has a side of lightness and a side of darkness," Milanovic declares. The light side is the side of *doux commerce*, what Montesquieu described as commerce's tendency to inculcate kinder, gentler behavior. The dark side is its encouragement of competitive and acquisitive tendencies. A sales agent may be friendly, but don't be fooled—no one is here to make friends. The pursuit of money is fundamentally amoral at best. As Marx said of the Dutch colonialists' engagement in the slave trade in Java, "*Das ist der doux commerce!*"

But while we might wish that economic life were more pleasant, Milanovic thinks we should face reality. Capitalism has channeled our private vices into public benefits, directing human acquisitiveness into forms of competition that increase our overall well-being. All we can really do is soften it around the edges. "Capitalism," he argues, "has successfully transformed humans into calculating machines endowed with limitless needs." We may be disturbed by the way these calculating tendencies have burrowed into our private lives and eroded our moral commitments, as many left-wing critics of commodification are, but we have chosen to participate, and now there's no going back.

To illustrate his point, Milanovic considers the calls for more leisure put forth by heterodox economists like Kate Raworth and basic income advocates like Rutger Bregman. Though well-intentioned, such proposals are little more than fantasies, he insists. Individual people who adopt lives of greater leisure will find themselves falling behind their hard-working peers, while nations that attempt to set shorter work weeks will find themselves overtaken economically, to the point that the citizens of richer nations will buy the very land out from under them. Although Milanovic does not address the socialist revival within the world of liberal meritocratic capitalism directly, his response would presumably be the same—that socialism can succeed only on a global scale. Here, as elsewhere, many on the left would agree with the diagnosis: Although change must begin somewhere, capitalism ultimately must be challenged globally. But Milanovic thinks it is simply an "impossible task" to convince enough people to withdraw from capitalism and the commercial delights it offers. In short, efforts to opt out of the incentive structures of global capitalism, whether at the level of an individual, a community, or a nation, are futile. Like it or not—and you are justified in the latter—capitalism is here to stay.

A few pages before the book's abrupt end, Milanovic does offer a few suggestions as to how this world can be made more tolerable, commerce more *doux*—at least in liberal capitalist societies, which might yet evolve into a “people’s capitalism” or an “egalitarian capitalism.” Capital, he argues, could be equalized through changes in tax policy that encourage the middle class to hold more high-yield financial assets; measures could be taken to increase employee stock ownership; there could be a wealth tax. Intergenerational opportunity, meanwhile, could be evened out by erasing the disparities between public and private schools.

Many of these ideas are fine as far as they go, and some have already been championed by left-leaning politicians. Others, like the encouragement of middle-class asset ownership, have long been policy. But they are hardly adequate to address our contemporary economic and social crises, and in any case they do little to solve the political problems that Milanovic has identified. Why is a wealth tax, for example, not doomed by capital flight or competition, as those aiming for greater leisure would be? If the rich dominate politics to the extent he suggests, how would such policies be implemented in the first place? If class conflict between labor and capital really is at the heart of how wealth is distributed, as Milanovic declares from the start, how can it be ameliorated through such mild tweaks?

Oddly, for a book centered on capitalism’s future, climate change appears only briefly. Milanovic addresses the fate of the planet across which capitalism has spread on precisely one page, where he dismisses what he calls the “lump of raw materials and energy fallacy”—the fear that we will run out of raw materials. Not to worry, he soothes: As any given resource becomes scarce, its price will rise, driving technological innovations that either use it more efficiently or substitute something cheaper and more abundant in its place.

This analysis of the economics of natural resources has been the standard response to concerns about resource use since the 1930s. Yet it completely misunderstands the ecological problem we face today: not that we will run out of raw materials, but rather that we will destroy the ecological functions that keep the planet habitable. The problem with oil is not that we do not have enough of it, as theories of “peak oil” suggest, but that we have too much: If we use all known reserves, we will destroy the conditions of life as we know it. The ecological resources that are growing scarce, meanwhile, are those that have no price and that do not appear to have technological substitutes.

To ignore climate change is not only irresponsible but indicative of the larger limits of Milanovic’s project. It is folly to think that one can reform capitalism without considering the changes reshaping the earth itself. Climate change will not bring capitalism to an end—at least in the immediate future—but it will drastically alter the conditions under which it operates and present grave new challenges for both liberal and political capitalism. Moreover, climate change is merely one example of the fact that capitalism does not actually exist “alone” on a planet that operates according to its own rules. We are right now living through another such example: the Covid-19 pandemic. So if the legitimacy of

political capitalism depends on growth and stability—and it seems to me that the legitimacy of liberal capitalism does, too—then capitalism itself faces a rocky road ahead, one that inheritance taxes alone will not smooth.

The turmoil of Covid-19 and the economic mayhem it set in motion are extraordinary but also portentous: They offer a glimpse of future trends. Further increasing the stock portfolio of the middle class will do little to halt ecosystemic breakdown, extreme weather, and emergent disease. Capitalism in all its varieties will be hard-pressed to respond to these supposedly “external” threats; legitimacy will rely not only on sheer growth but on the ability to protect populations from life-threatening catastrophes and disease, not least so that growth can eventually continue in some form.

The two great crises of the 21st century—the 2008 financial crash and the Covid pandemic—have revealed the centrality of the state to today’s global capitalism. Central banks have propped up asset prices and prevented a nosedive into depression despite an unprecedented plunge in economic activity, itself caused by public edicts. Governments, meanwhile, have undertaken unprecedented fiscal stimulus to boost demand. Indeed, contra the small-government paeans of the 1980s and ’90s, the future of capitalism now looks brightest in places where states play a more active role in managing the economy, whether tilting the scales toward solar power or managing emergent public health crises. This new terrain calls for greater attention to the political dimensions of capitalism and the evolving role of different kinds of states—whether the Fed’s outsize power to shape financial markets, China’s remaking of the world’s physical infrastructure, or the European Union’s massive regulatory apparatus.

Milanovic’s account of capitalism today is most useful in gesturing toward a comparative analysis of capitalisms, detached from the liberal teleology of the past three decades. Yet for all his criticisms of an earlier era of liberal economics, he too seems stuck in the globalization paradigm of the 1990s; a more smoothly connected world remains his lodestar. He has worried recently that the pandemic, by leading countries to place restrictions not only on migration but on travel and trade, will derail progress toward that goal. The pandemic has surely made global value chains appear more vulnerable and will no doubt lead to forms of restructuring. And tensions between capitalism’s core powers—the United States and China—have intensified dramatically. But globalization is not likely to be reversed altogether.

Milanovic is not wrong in saying that “no challenger appears in sight” or that it is hard to imagine a serious one emerging, even in the face of the current crisis. But this should be worrisome even to capitalism’s defenders. Capitalism’s most serious challenges may be those that are the product of its own success—what Marxists might call its contradictions. *Capitalism, Alone* demonstrates the limits of studying capitalism’s empirical effects without a theory of how the system actually works—or especially, how it doesn’t.

Most Popular

'All We Need Is Some More Courage From the World'

2

A Nightmare of Terror Across the Landscape of Palestine

3

'It's Like a Black Hole': ICE Has Been Holding Kids in Indefinite Detention

4

AOC and the Making of Millennial Politics

5

Larry Krasner—and the Future of the Criminal Justice Reform Movement—Is on Tuesday's Ballot

Trending Today

 revcontent.



Doctors Stunned: Mole & Skin Tag Removal Has Never Been Easier (No Surgery)

Essential Health



Women Only: Stretch This Muscle to Stop Bladder Leakage (Watch)

Patriot Health Zone

- [Criminal Justice](#)
- [Cities](#)
- [Police and Law Enforcement](#)

Larry Krasner—and the Future of the Criminal Justice Reform Movement—Is on Tuesday’s Ballot

The Philadelphia prosecutor who’s opposed police violence and mass incarceration faces an intense challenge backed by the police union.

By [John Nichols](#)

May 14, 2021

- [fb](#)
- [tw](#)
- [mail](#)
- [Print](#)



Philadelphia District Attorney Larry Krasner. (Mark Makela / Getty Images)

When Larry Krasner was elected as Philadelphia district attorney four years ago, [he promised](#) to bring “transformational change” to an office—and to a criminal justice system—that, he said, “has systematically picked on poor people, primarily black and brown people.”

“If you, like us, believe it’s time to end the death penalty,” the veteran civil rights lawyer told the crowd that packed into the city’s William Way LGBT Community Center. “If you believe it’s time to end mass incarceration. If you believe it’s time to stop making prisoners of poor people by using cash bail. If you are sick and tired of government stealing grandma’s house when she didn’t do anything wrong. And if you have no intention of helping Trump’s immigration agenda. We hope to hear from you.”

Krasner heard immediately, as his multiracial, multiethnic supporters erupted in cheers that echoed across the country. Declaring victory in his own race and in the national campaign to change the approach of prosecutors, he announced, “This is what a movement looks like.”

►  Top Articles :: ► ► ►



[Read More](#)



And Farouca, immigrant worker in California, is reunited with her 10 year-old daughter Melissa, who crossed the border from Guatemala in April. She gave border agents her mother's phone number and was able to join her mother in





The Fierce Prophetic Vision of Poor Women Skip Ad



The movement is bigger now. Progressive prosecutors have been elected in Los Angeles, San Francisco, Austin, Chicago, Boston, and dozens of other cities—in many cases with a boost from billionaire [George Soros](#) and national advocates for criminal justice reform. More may be elected this year in contests such as the race for Manhattan district attorney. But the progress that's been made, in Philadelphia and all those other cities, can only continue if the advocates for “transformational change” retain control of DA offices.



MORE FROM John Nichols

[Trump's Obsessive Attacks Won't Silence Ilhan Omar's Defense of Palestinian Human Rights](#)

May 13, 2021

[Chuck Schumer: 'I Believe That Democracy Is at Risk and We Cannot Fail'](#)

May 12, 2021

[Republicans Love Hypocrites, and Elise Stefanik Is the Hypocrite Du Jour](#)

May 11, 2021

[Author page](#)

It is for that reason that Krasner's reelection campaign, which faces its biggest test in Tuesday's Democratic primary, is a political test that has local *and* national ramifications. If Krasner wins the primary, which is tantamount to victory in the overwhelmingly Democratic city, the assessment will be that this movement is here to stay.

If Krasner loses, however, foes of bold reforms will be emboldened as they promote a backlash politics based on the fearmongering claim that progressive prosecutors have made cities less safe. And cautious Democrats who have blamed progressives in general, and “Defund the Police” messaging in particular, for the party’s setbacks in 2020 congressional races will, almost certainly, use the result to argue for retrenchment.

The stakes are so high because Krasner has been so outspoken in his criticism of police violence and prosecutorial misconduct, and so ardent in advancing reforms that have made his office a national model for reformers.

Krasner has shaken up the powerful DA’s office in the nation’s sixth largest city—in such dramatic fashion that the story has been chronicled in an acclaimed PBS documentary series, Philly D.A. He fired 31 prosecutors in his first week in office. He eliminated cash bail for people accused of many misdemeanors and nonviolent felonies. He announced that his office would no longer seek criminal charges against Philadelphians caught with marijuana. He initiated a review of sentences from past prosecutions, with an eye toward reducing jail terms. His Conviction Integrity Unit exonerated a score of innocent people who’d been jailed by his predecessors. He sued Big Pharma companies to make them take responsibility for harm caused by the opioid epidemic. He asked the Pennsylvania Supreme Court to declare the death penalty unconstitutional. And, when Trump tried to use federal troops to thwart Black Lives Matter protests in 2020, Krasner pushed back against what he decried as “the Stormtrooper tactics that have been used by federal law enforcement.”

Current Issue



[View our current issue](#)

Subscribe today and Save up to \$129.

He even threatened to jail federal law enforcement officers who assaulted demonstrators, saying, “My dad volunteered and served in World War II to fight fascism, like most of my uncles, so we would not have an American president brutalizing and kidnapping

Americans for exercising their constitutional rights and trying to make America a better place, which is what patriots do.”

That kind of talk made Krasner a folk hero for criminal justice reformers and civil libertarians. But it also earned him powerful enemies, including Fraternal Order of Police Lodge 5, Philadelphia’s police union. “Our officers have given us carte blanche to spend whatever we need to spend to be able to remove this cancer from the District Attorney’s Office,” FOP president John McNesby told *The Philadelphia Inquirer*, which this week reported that the FOP has “hoisted billboards and flooded mailboxes and airwaves in a bid to oust the incumbent. It’s helping fund a political action committee formed by retired cops that is the top spender in the race. It’s blaming Krasner for the soaring violence in the city—despite the fact that Philadelphia’s crime surge is in line with national trends. It’s even mobilizing Republicans to change their voter registration to Democratic so they can back [challenger Carlos] Vega in the May 18 primary.”

To highlight its argument that Krasner is “soft on crime,” the union—which represents 14,000 officers and retirees—has been parking a “Mister Softee” ice cream truck in front of the DA’s office.

Support Progressive Journalism

If you like this article, please give today to help fund *The Nation*’s work.

The focus on crime is at the heart of the assault on Krasner. The DA counters the attacks by noting, as he did in a debate this week, “In 50 major US cities last year the increase in gun violence was 42 percent. The increase in Philly is 40 percent, which is terrible. But what is happening is not unique to Philly.”

What’s really happening, argues Krasner, is that “the FOP and their candidate—my opponent—are weaponizing a national tragedy.”

Vega, a veteran prosecutor who was fired by the DA’s office when Krasner took charge, is also backed by former Philadelphia mayor and Pennsylvania governor Ed Rendell—who hired the lawyer as a prosecutor when he served as DA in the 1980s. The Rendell endorsement serves as a reminder that there are many Democrats who continue to resist the sort of reforms that Krasner and other progressive prosecutors are implementing. Indeed, the powerful Philadelphia City Democratic Committee refused to endorse Krasner for a second term, in a rare snub of a party incumbent.

More than two dozen Democratic ward organizations are backing Krasner, however, as are key unions such as Philadelphia’s AFL-CIO Council, SEIU Healthcare Pennsylvania, and District 1199C. Krasner also has the endorsement of the Guardian Civic League, the Philadelphia chapter of the National Black Police Association, *The Philadelphia Inquirer*, and prominent elected officials such as state Senator Vincent Hughes and Philadelphia City Council member Helen Gym.

Philly’s D.A.



Inside a Murder Trial in Krasner-Era Philadelphia

Ernest Owens

But Vega has gained the support of 15 ward organizations and a number of more conservative unions. So this is a real race. And it has been impacted by the coronavirus pandemic. In 2017, Krasner's Democratic primary and general election victories benefited from strong grassroots organizing that took his message to the doors, especially in the Black neighborhoods that provided him with substantial support. Even as the Covid-19 threat is being reduced by mass vaccination programs, the ability to "do the doors" has been hindered.

Krasner backers are making their case on TV, via the mails and social media, and with as much face-to-face canvassing as possible. They say he needs a second term to expand alternatives to prosecution, end overly punitive sentences, promote public health solutions to gun violence, and step up efforts to protect democracy from GOP voter suppression schemes. "When Larry ran for Philadelphia District Attorney, he promised that he would end our addiction to mass incarceration and reform an office that, for too long, let the powerful remain unaccountable. He has kept his promises—but there is more to do," argues Krasner's campaign. "A broken criminal justice system can't be repaired in four years. In his next term, Larry will continue fighting for this community and for a more equitable and less carceral criminal legal system that invests in people, not profit and power."

Trending Today

 revcontent.



Doctors Stunned: Mole & Skin Tag Removal Has Never Been Easier (No Surgery)

Essential Health



Women Only: Stretch This Muscle to Stop Bladder Leakage (Watch)

Patriot Health Zone

