FRAMING THE ISSUES AT STAKE
Western capitalism in transition: global processes, local challenges

Capitalism is not merely a way of organising production and consumption based on the private ownership of the means of production, driven by alleged natural human behaviour (selfishness, self-interest) and aimed at maximising profit. The sociological understanding of capitalism defines it as a model for the structure of the whole of society, where economic momentum is ‘only’ one of the aspects of such a structure.

In this introduction we draw an interpretative framework of the dynamic of capitalism based on Karl Polanyi’s theory of the embeddedness of the ‘economic’ in the ‘social’. As Polanyi maintains, economic processes (i.e. the production of what is necessary for the subsistence of human beings) are made possible by a specific combination of political, cultural and economic institutions. This combination is always in a dynamic equilibrium as societies go through a constant and restless process of change during which social institutions are recombined into novel forms and constellations. This process, however, is neither homogeneous nor linear, and is very much influenced by the role the different institutions play, their complementarities and their synergistic effects. Indeed, this mix affects the direction and speed of change; the winners and losers and the overall patterns of inequality that stratify different societies (Milanovic 2016).

Following Polanyi, and the use that Enzo Mingione has made of Polanyi’s work in recent decades (1991, 1997 and in this volume), we argue that changes in capitalist societies are characterised by a dynamic double movement. During periods of predominance for market-driven mechanisms in the allocation of resources, economic relations tend to dis-embed from their social foundations, meaning that the logic of economic behaviour is separated from its roots. This separation is not sustainable in the long run, and in causing various negative consequences, it triggers a counter-movement that gives momentum to a phase of re-embeddedness of economic activities into a stronger societal steering framework. It is within this double movement
that we think we can understand how socio-economic tensions arise, how capitalism is transformed, and how social change is produced.

This introductory chapter is organised into four parts. The first part illustrates the social foundations of capitalism and puts forward the argument that there is a constant tension between dis-embedding and re-embedding mechanisms of economic activity into a less commodified society. The second part deals with the transformations that Western capitalist societies are undergoing, and how the double movement operates. We highlight how the socio-economic and institutional complementarities that characterised post-war capitalism created relatively integrated socio-economic regimes, which have been inherently challenged since the 1970s. The third part addresses the relevant role played by the increased mobility of capital, labour and goods in this process, underlining their crucial destabilising impact on contemporary fragmented capitalism. We will not make predictions about the directions of change or even the end of capitalism. Capitalism has proved to be very flexible and adaptable to the most diverse situations (Peck and Theodore 2007; Wallerstein et al. 2013; Calhoun et al. 2016). We interpret the double movement that is occurring in contemporary Western capitalisms as a framework for understanding and reading the essays included in this book. The fourth part addresses the structure of this volume, and explains how the different chapters are related and how they can be framed in the Polanyian double movement.

The social foundations of capitalism and the double movement

The radical innovation of modern capitalism lies in the fact that – for the first time in history – the ‘social’ is subjected to the logic of the ‘economic’, both ideally and empirically. Polanyi framed this issue in a very clear way, building a complete theoretical explanation of the exceptionality of eighteenth-century English capitalism. According to Polanyi, in western Europe the previous economic systems were organised either on the principle of reciprocity or redistribution, or on a combination of the two. In this framework, the production and distribution of goods was secured through social and/or political arrangements (e.g. habits, rituals, law, religion and family), and gain was not prominent. The economy was embedded in social relations and markets were not self-regulating. With modern capitalism,

Instead of the economy being embedded in social relations, social relations are embedded in the economic system [...] society must be shaped in such a manner as to allow that system to function according to its own laws. This is the meaning of the familiar assertion that a market economy can function only in a market society. (Polanyi 2001: 60)
Like any other socio-economic system, capitalism – as a specific solution to the problem of the subsistence and reproduction of human beings – needs specific institutions to work, from a legal system that enforces private property, to a monetary system, to norms that regulate markets where goods can be traded and prices fixed following the mechanisms of demand and supply. Capitalism must be supported by, and integrated with, organised behaviours, that is, institutions that frame almost all aspects of society and of its actors (Fligstein 2001; Block and Somers 2014: ch. 4). Since the establishment of the rule of law (Costa and Zolo 2007), these institutions have been a prerogative of nation-states.

Even though some forms of market exchange can be traced back in every stage of history and in every kind of economic system, as Polanyi and his colleagues show (Polanyi et al. 1957; also Neal and Williamson 2014: vol. 1), it is only from the mid-eighteenth century onwards that the market system becomes a form of social organisation. Since then the history of Europe, and then of the Western world, has been punctuated by the double movement, that is, by processes of innovation and adaptation of social institutions in reaction to the spread of the market economy and to its destructive consequences on social and political life. Polanyi interprets this reaction as a defensive practice by social and political institutions. Political parties, trade unions, religious and secular organisations and citizens’ associations all aim at steering, guiding and correcting market forces and re-embedding economic activity in an attempt to make commodification sustainable.

From the second half of the eighteenth century to the end of the nineteenth century, the spread of the market principle as a regulatory mechanism required the complete abandonment of the ‘old’ societies’ legacies based on individuals’ membership of various social formations. Whether the guild, the village, or even specific family arrangements, the abandonment of the moral and legal obligation of the ‘community’ to take care of its members characterised this process. This shift has often been described through the history of enclosures (Marx 1887: ch. 27; Polanyi 2001; McCloskey 1972; Thompson 1991), a process that between 1760 and 1820 abolished the system of open fields that was crucial for the subsistence of people in pre-industrial society. The right to exploit natural resources owned by the community was based on membership of that community (Hall 2014). The transition to industrial capitalism required the overcoming of these traditional rights, the mobility of individuals, and their ‘liberation’ from traditional bonds and transformation into salaried workers (Thompson 1991). It is through this process that the atomised social actor, functional to the logic of capitalism, was created, and the whole society was subjected to the market principle.
Yet this is not enough to create a market society; to put it in Polanyi’s words:

The free market needs an enormous increase in continuous, centrally organized and controlled interventionism, free markets could never have come into being merely by allowing things to take their course. Laissez-faire itself was enforced by the state. The thirties and forties of the XIX Century saw not only an outburst of legislation repealing restrictive regulations, but also an enormous increase in the administrative functions of the state, which was now being endowed with a central bureaucracy able to fulfill the tasks set by the adherents of liberalism. Liberalism meant the replacing of parliamentary action by action through administrative organs. (Polanyi 2001: 145)

According to Polanyi, the complete supremacy of the market principle was a *unicum* in human history, and created such vast and profound problems that ‘society’ – mainly through social mobilisation and political class action – had to react in order literally to survive. A counter-movement emerged in a spontaneous way, from the grassroots, to react against the market principle (2001: 147). Polanyi does not refer so much to how this counter-movement is formed or to how social and political mobilisation varies in different contexts and with different cultural, political and economic ‘resources’ (Burawoy 2003: 221). He defines the double movement in general terms as

the action of two organizing principles in society, each of them setting itself specific institutional aims, having the support of definite social forces and using its own distinctive methods. The one was the principle of economic liberalism, aiming at the establishment of a self-regulating market, using largely laissez-faire and free trade as its methods; the other was the principle of social protection aiming at the conservation of man and nature [...] using protective legislation, restrictive associations, and other instruments of intervention as its methods. (Polanyi 2001: 138–9)

It is in the second stage of the double movement that laws protecting salaried workers and other welfare policies were introduced, re-embedding the economy into society, that is, into redistribution and reciprocity as principles that organise society. This process was not isolated from more general social changes that shaped society during the spread of capitalism – such as the development of the nuclear family based on the male breadwinner, or the culture of consumerism – which supported the capitalist expansion (Mingione 1991).

If we look at capitalism as a social system adopting a long-term perspective, the double movement is the result of the constant tension between pressures of the dis-embedding of economic relations on one side, and attempts to re-embed them into social arrangements on the other. All social
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systems go through complex dynamics of change; with the advent of the market society these pressures emerge out of the intrinsic logic of capitalism and how it works, in particular the process of commodification that it entails. Commodification tends to dis-embed economic activities from their social foundations, and economic behaviour is supposed simply to follow the logic of maximum profit as the outcome of the sale of commodities. Every element that plays a role in the production process must be commodified, therefore labour, land and money must be considered as commodities. However, as Polanyi maintains:

labor, land and money are obviously not commodities; the postulate that anything that is bought and sold must have been produced for sale is emphatically untrue in regard to them. [...] Labor is only another name for a human activity which goes with life itself, which in its turn is not produced for sale but for entirely different reasons, nor can that activity be detached from the rest of life, be stored or mobilized; land is only another name for nature, which is not produced by man; actual money, finally, is merely a token of purchasing power which, as a rule, is not produced at all, but comes into being through the mechanism of banking or state finance. None of them is produced for sale. The commodity description of labor, land and money is entirely fictitious. (Polanyi 2001: 75–6)

A pure, self-regulated, market society is a myth or a ‘stark utopia’ (Polanyi 2001: 73). The preconditions according to which the self-regulated market should work in order to keep up its promises of the best possible allocation of resources are not provided in human societies. It is the ideological argument in favour of weak, or even absent, public intervention in the economy that paves the way for its destructive effects on society. Polanyi himself clearly states that the market is a very efficient solution for the production and distribution of goods essential for human subsistence (Block and Somers 2014: 8–9). The point is that the market must be regulated through social and political institutions that coordinate the behaviour of individuals acting as economic actors. In fact, all social scientists maintain that human beings are not rational atomised actors; their actions are often orientated by non-economic motives such as values, prestige and habit. The economic value of their actions is often tightly intertwined with cultural or political purposes. The huge scientific literature on the varieties of capitalism (Hall and Soskice 2001), based on the comparative political economy approach, is one of the best examples in contemporary research of the importance of institutions in shaping the conditions for the economic action of social actors.
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In its long history modern capitalism has changed form several times. The ‘putting-out system’ (Kriedte et al. 1977) in the English countryside of the eighteenth century was very different from the Fordist industries based on huge plants with thousands of workers living in industrial cities of the twentieth century (Germani 1973; Castells 1970). Contemporary globalised financial capitalism is radically different again, dematerialising the production of wealth in today’s economic arrangements. The social institutions and their combinations (Hall and Soskice 2001; Granovetter 2017; Amable 2016), as well as the patterns of behaviour supporting the different models of capitalism and their socio-economic outcomes, have changed over time. These transformations were the result of a combination of changes in technology, forms of collective behaviour or forms of regulation/limitation of the pursuit of self-interest, the extension of markets both in terms of value chains and modes of consumption, social protection legislation (including regulation of labour) and family models (both structures and kinds of relations), beliefs and value systems. What we stress is that the functioning of capitalism triggers a societal reaction to its disruptive consequences that kicks off a double movement in order to make the overall system sustainable, both from an economic and a social point of view.

After the Second World War, with the dramatic experience of fascism and Nazism and the political challenge of communist countries, western European countries built a regulatory system aimed at making capitalism socially viable, politically stable and economically profitable. Indeed, it resulted in a unique equilibrium based on the combination of 1) a democratic political system for the regulation of social conflicts produced by class division (Dahrendorf 1959), including the legitimisation of trade unions; 2) a Keynesian approach to the public regulation of the economy, compensating for economic cycles; 3) a welfare state able to protect citizens from standard social risks (old age, unemployment, sickness); and 4) the ‘male breadwinner regime’ based on the gender division of care work and stable family wages (Lewis 1992; see also Mingione in this volume). This arrangement – based both on macro and micro factors – has been called ‘welfare capitalism’ by T. H. Marshall (1972), who also propounds its highly unstable character (see also Mingione in this volume). On the macro side we refer to well-known factors such as the unprecedented post-war economic growth driven by mass production and mass consumption, a very favourable demographic dynamic characterised by relatively high fertility and a smaller proportion of old people to young people, and a political and ideological climate that favoured state intervention in the economic and social domains (Flora 1986). On the micro side, that is, factors directly pertaining to the life of
individuals, we refer to increasing family income based on stable jobs, life patterns characterised by relatively stable and highly predictable transitions (e.g. to adulthood, to employment, etc.; see, for instance, Bruckner and Mayer 2005), and family roles based on the ‘male breadwinner–woman caregiver’ household model. The synergistic effect of these characteristics heightened the standard of living of large segments of the population in all western countries. Of course, social inequalities did not fade away; rather they were hidden by a growth that favoured all social classes, but the lowest comparatively more, as witnessed by the reduction of income inequality in every western country during this period (Piketty 2014). Poverty began to follow the same path of fragmentation of society, affecting specific social groups characterised by different forms of disadvantage, such as ethnic minorities (e.g. Roma people), non-standard families (e.g. lone mothers), migrants from developing countries, atypical or low-wage workers and marginalised individuals (Castel 1995; Cantillon et al. 2017).

After the mid-1970s – with the oil crises, the emergence of new economies and the rise of the neoliberal ideology – capitalism started to undergo a radical process of transformation (Amin 1994). The rearrangement or the adaptation – in some cases the evanescence – of the social institutions that had emerged during the great transformation, and had been consolidated in the post-war trente glorieuses (Rosanvallon 2000), can be interpreted in Polanyian terms as the beginning of a phase of increased dis-embedding of the economy. Indeed, the unique combination of factors that had produced stable economic growth and great improvements in the standard of living across all of western Europe came under increasing pressure because of both exogenous and endogenous factors. In other words, given those changes, the ‘Fordist social model’ (Gramsci 1978; Jessop 1992) was revealed to be increasingly unable to feed economic growth and protect people against changing social risks. In Polanyian terms, in the second half of the 1970s the capacity of social and political institutions to regulate the commodification of fictitious goods decreased. This meant that the principle of market exchange gained centrality as the prevailing mechanism of economic regulation at the expense of reciprocity and, above all, redistribution. Its prominence translated into a process of re-commodification of labour, land and money that reached its peak probably with the 2008 economic and financial crisis. The living conditions of a growing part of the population began to worsen again (Cantillon et al. 2017), though with important differences among countries and affecting different social groups unequally (Atkinson et al. 2011; Milanovic 2016).

The great financial crisis of 2008 can be considered the breakdown of this long phase of dominance of the market principle, and of the neoliberal rhetoric regarding it, that had begun in the mid-1970s. Enzo Mingione, in
his seminal work *Fragmented Societies* (1991), considered the oil shocks of 1973 and 1979 not only as the end of the Fordist period but also as the beginning of a new ‘fragmented’ phase in capitalism. He identified the ‘negative signals’ of the dis-embedding processes that bring about a fragmented capitalism in the synergistic effect of globalisation, the crisis of politics, the contradiction between mass production and new models of consumption, producing new segmentations in society, and the precarisation of working careers. After twenty-five years we can acknowledge that his analysis was correct.

Globalisation is the concept that was most widely employed to describe what was happening during this unstable phase. Few doubt that globalisation is among the major drivers of change, but we have to acknowledge that it is a sort of catch-all concept used to encompass a number of different processes and transformations. Streeck (Calhoun et al. 2016) defines globalisation as the expansion of market relations beyond the reach of government, and Mingione (in this volume) specifies that the process is accompanied by increased competition.³

At the very basis of globalisation trends lies the dramatic increase in the mobility of money, goods (including land) and people (labour), which has expanded market opportunities and created more interdependence – and conflict – between actors, whether states, companies or organisations, as well as populations and, of course, individuals. These processes of change detach economic relations from regulatory social and political relations, bound predominantly to the nation-state, allegedly dis-embedding them. During the previous period, social relations were able to contribute more directly to the redistributive outcome of the working of the economy, for example through policies aimed at steering the economic process itself in specific directions, through taxes on specific activities that were used conversely to finance policies to ameliorate economic disadvantage, or the strict regulation of job contracts. By contrast, in the second period the redistributive outcome has been primarily left to the working of market mechanisms. In this case – despite social relations playing an important role in establishing the global market through specific agreements – it is an intrinsic quality of market mechanisms and the basic law of demand and supply which brings about the distributive outcome. The economy is thus conceived as dis-embedded from social relations and is allegedly working in accordance with its own rules, actually favouring those with more power to influence distributive processes (see, for instance, Sassen 2014). It is worth underlining that this whole process was strongly supported by a discourse of the superiority of the market as a mechanism for the allocation of resources, and by a rhetoric of the failure of the state as a regulator that in many cases is not supported by empirical evidence (Storper 2016).
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The increased mobility of money, goods and people

Freedom of movement has been an important and long-lasting feature of capitalism from its very beginning. In *The Great Transformation*, Polanyi considers the abolition of the Speenhamland law in 1834 as the beginning of market society, when the mobility of labour in the United Kingdom was finally unleashed and became a commodity, like land and money (for a critical assessment, see Block and Somers 2003; 2014). The contemporary increased mobility of these three fictitious commodities is again one of the major drivers of transformation in the shift from industrial to financial capitalism (Epstein 2005; Dore 2008).

The dramatic increase in the mobility of capital and its free circulation started in the mid-1970s and gained serious momentum from the 1980s onwards, paving the way for the process of the financialisation of the economy (see, for instance, Krippner 2011; Dore 2008). This process is the outcome of a combination of factors both deliberately pursued and context-related: from strong deregulation and the spread of market-oriented policies to important technological innovations, from ever more sophisticated financial engineering (e.g. through derivatives, credit deposit swaps or collateralised debt obligations) that is beyond the control of national or supra-national institutions, to changes in monetary exchange systems (Krippner 2011). Often, financialisation is seen as one of the processes that subsumes the concept of globalisation (Dore 2008), which all scholars – including those in this volume – take as a paramount shift in the capitalist system.

Without entering into the complex and elusive mechanisms of financialisation, we can say that the main novelty is that profit-making occurs mainly through financial transactions and related speculations (Calhoun 2013) rather than from trade or the production of commodities: no goods or services to be consumed are produced through those new financial tools or products. Financial actors are very capable of exploiting the immaterial nature of financial transactions and of taking advantage of different national regulations to operate substantially beyond any public control (Sklair 2001).

According to Calhoun (2013), this financialisation process has also had a strong impact at the micro level, on citizens’ everyday lives, for instance by encouraging consumption through indebtedness and providing the financial instruments to achieve this. This impact became evident with the housing bubble and the sub-prime system (Aalbers 2016). Such financial loan mechanisms do not create new (productive) value for society, but merely benefits and profits for those within the financial system, and they do so mainly in the short term (Wallerstein et al. 2013). This had severe negative
consequences not only for a large number of citizens in Western countries, but also for people around the world, for instance the Chinese and the ‘forced’ urbanisation process that they are undergoing (see Harvey’s chapter in this volume).

The financialisation process has also had a relevant impact on the industrial system. Firms and companies increasingly privilege financial instruments to increase or maintain their profits. As a consequence, their timeframe has changed: they invest less in medium- to long-term product innovation and research and are more inclined to direct investment towards short-term performance and profits, thereby undermining long-term and more stable growth (Dobbin and Zorn 2005; Tomaskovic-Devey and Lin 2011; Krippner 2005; Dore 2008; Calhoun et al. 2016). This reduces the benefits for consumers because innovation is weakened, and for society as a whole because the distance between those with financial revenues and those without increases. Increasing mobility also creates opportunities for exit strategies and the relocation of (large) Western firms escaping (or threatening to do so) national regulation (taxation) to reduce labour costs and salaries (Crouch 2013). These tendencies also pave the way for the flexibilisation of labour market conditions in terms of the precarisation of jobs, which is described in the chapters by Sassen, Garcia and Oberti and Prêteceille in this volume. These processes are context-sensitive and take place at different rates in different countries according to their socio-economic and institutional structure. Even in those contexts where firms are strongly embedded in the local socio-economic systems, such as in the Italian industrial districts, processes of flexibilisation and precarisation are present (see Ghezzi in this volume). This decreased protection exposes salaried workers to the effects of commodification as Polanyi described for the nineteenth century. These are the ‘negative signals’ that Mingione refers to when describing the dis-embedding tendencies of contemporary Western capitalism.

Some authors, however, point out that in many non-Western countries (for instance China and South America) new forms of protection are emerging, and collective action in defence of salaried workers and disadvantaged people is taking place (for Latin America, see, for instance, Barrientos and Santibañez 2009; for the renowned Bolsa Familia programme in Brazil, see Soares et al. 2010). This parallel process of ongoing adjustment highlights that the dis-embedding process can affect some countries more than others and can even have positive consequences. In fact, we have to bear in mind that the spread of market society, that is, the dis-embedding of economic activities from strong, direct, social bonds, can also be a process that frees people from ‘traditional’ ties that negatively shape their life. For instance, in many ‘traditional’ societies, even today, slavery was an embedded social institution (Patterson 1982).
Besides the mobility of money, companies and organisations, the mobility of people also challenges the concept of citizenship (see, for instance, the chapters by Morris and Garcia in this volume). We do not refer here only to migrants coming from economically disadvantaged countries or refugees coming from geopolitical crisis areas, but also to the population as a whole which – for reasons ranging from work to leisure, from healthcare to personal relations – is becoming increasingly mobile (Urry 2007; Grieco and Urry 2011; Amelina 2017; Favell 2008). This type of mobility is still relatively limited. Its prevalence, however, is increasing and adds to the challenges that globalisation poses to Western capitalist societies that are still mainly organised around the nation-state (Amelina 2017). Indeed, despite the fact that citizens’ rights and regulatory institutions remain to a large extent national, international agreements on mobility of people, goods, services and capital contribute to reframe mobility strategies.

Marshall (1950) showed that public welfare programmes were crucial to the construction of the nation-state and to the modern understanding of social citizenship, based on national, comprehensive and standardised systems of social protection (Briggs 1961), as imagined by Beveridge at the height of the Second World War (Benassi 2010). These mechanisms have been put under great pressure by globalisation and all it entails, including the multiple mobilities mentioned above, paving the way for reforms aimed at reducing the pervasive role of the state. In fact, nowadays it is more difficult for states to regulate the access of people and companies to territories under their jurisdiction, making the management of costs and revenues for policies, including social security, more complex. This process contributes to the weakening of the social and political basis of Fordist citizenship, with implications for the legitimisation of political elites (Bartolini 2005; Wodak et al. 2013).

Within this framework, the state and its capacity for regulation have been partly weakened in some domains, partly rearranged and reorganised in others (King and Le Galès 2017). Some authors have put forward the idea of the ‘powerless state’, given the constraints of financial markets and international organisations, and the strategy of large firms and corporations (Streeck 2011) with post-democratic tendencies (Crouch 2004). Other scholars have pointed out that state operations and public policies are expanding into new spheres, for instance securitisation, auditing and the environment, and that public expenditure has continued to grow despite austerity measures (Levy 2006; Storper 2016; Le Galès 2016), becoming more intrusive in the individual sphere. Furthermore, the 2008 financial and economic crisis brought to the forefront once more the role of the central state in its strong intervention to rescue national banks, and a process of recentralisation of functions that had been decentralised during previous decades.
Framing the issues at stake

These processes of change – which the contributors to this volume address specifically in their chapters – can also be framed within the Polanyian double movement analytical framework, and the ways through which the constant tension between the opposing forces of commodification and de-commodification becomes concrete through specific policy instruments. What we might consider, however, is the fact that there are a variety of processes of re-embeddedness, which can travel in completely different directions.

In different sections of The Great Transformation Polanyi himself stressed that the double movement can take many forms to secure the primacy of society over the market system:

The great variety of forms in which the ‘collectivist’ countermovement appeared was not due to any preference for socialism or nationalism on the part of concerted interests, but exclusively to the broad range of the vital social interests affected by the expanding market mechanism. (Polanyi 2001: 151)

And again:

This may happen in a great variety of ways, democratic and aristocratic, constitutionalist and authoritarian, perhaps even in a fashion yet utterly unforeseen. The future in some countries may be already the present in others, while some may still embody the past of the rest. (Polanyi 2001: 259)

On one side we have Trump’s ‘Making America Great Again’ or May’s ‘Taking Back Control’, supposedly aimed at protecting national citizens against global competitiveness and migration. On the other side, as Mingione states in his chapter, we have the ‘development of movements of emancipation and democratisation’, with innovative experiments aimed at protecting citizens, for instance the movement against foreclosures after the 2008 economic and financial crisis in Spain (De Weerdt and Garcia 2016). These experiments are taking place mainly in new, complex, multi-level governance arrangements (Kazepov 2010), where the local level plays an increasingly crucial role, involving both public and private actors through redistributive and socially inclusive activities (ranging from sharing economy experiments to co-housing or innovative care arrangements). It is here that such attempts have been most visible and where signs of re-embeddedness are more evident, although fragmented, and this is likely to reproduce or further exacerbate territorial inequalities (Andreotti and Mingione 2014) if they are not accompanied by strong national regulatory frameworks that guarantee social rights.
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The structure of this book

This book is organised around five thematic sections reflecting five areas of capitalism which are the main research interests of Enzo Mingione: 1) the transformations of global capitalism; 2) welfare capitalism and rights; 3) citizenship and migration; 4) cities and urban transformation; and 5) segregation and the spatial dimension of poverty. A chapter by Enzo Mingione on future perspectives on Western capitalism closes the volume.

These five sections are preceded by a chapter by Michael Harloe, who frames the importance of these themes historically within urban studies, and reconstructs the debate about capitalism and its transformations within the urban tradition. In particular, Harloe shows how Marxism provided the new urban sociology by the end of the 1960s, a theoretical key for understanding the relationship between urbanisation, social conflict and capitalist development. This, however, did not provide a uniform interpretation of the processes of change but included a wide array of views of the ongoing processes. Among them were important works by Enzo Mingione and other Italian scholars, who had a more complex view of capitalism characterised not only by processes of urbanisation and industrialisation based on large-scale industries, but also on small-scale commodity production based on the persistence of informal and family arrangements. Fragile production systems, poverty and self-exploitation were in their view not just a relic of the past but rather an integral part of Italian capitalist development.

This sensitivity to diversified and more complex forms of capitalism has been taken up in the last few decades in understanding how capitalism changed with globalisation. Chapters in this book engage with different aspects connected to these changes, highlighting their uneven effects and the manifold social conflicts accompanying them. Although not every chapter makes explicit reference to a Polanyian perspective, considering the complex interplay of macro, meso and micro processes and their inherent tensions and contradictions, they look at processes through which social and economic relations are dis-embedded and re-embedded. They highlight the role of different institutional settings in slowing down or speeding up the processes of change as well as the concrete effects such changes have at the micro level, specifically on individuals’ lives. Each part of the book addresses some of the most relevant changes, offering not a historical account but an insight into crucial issues at stake in the process of change, to lay the ground for our understanding of the potential future of Western capitalism.

The transformations of global capitalism

The first section addresses how capitalism works and how it changes, its intimate mechanisms and the way in which dis-embedding processes unfold.
David Harvey uses the unprecedented consumption of cement in China in recent years to show how the 2007/08 crisis could be seen as an expression of the speculating tendencies of financialised capitalism and of its global reach. Western capitalism is indeed not western any more: globalisation linked markets and laid the ground for worldwide domino effects. The collapse of the US consumer market brought a drop in Chinese exports by more than 20 per cent and an increase in unemployment of more than 20 million people. In order to re-absorb these people, China launched a huge wave of urbanisation and infrastructure development. ‘Building houses and filling them with things’ was the strategy to exit the crisis. And it worked up to 2013 when slackening demand from China started to have negative effects elsewhere, namely in Latin America. The need for growth inherent in capitalism’s dynamic and the consequent over-accumulation crisis is solved only by shifting costs on to new spatial fixes. The solution to this state of affairs is – according to Harvey – to understand and reconfigure discontent towards new political efforts aimed at stopping capitalism spiralling out of control. In Polanyian terms this might mean re-embedding the economy into society, aiming for what Harvey calls – borrowing the term from Hegel and Marx – a good infinity, which in his view means creating cities that are fit for people to live in.

The way in which the processes of embeddedness, dis-embeddedness and re-embeddedness take place is very much related to the way in which the social reproduction of capitalism occurs, that is, the ways in which the contextual conditions that allow capitalism to unfold are provided. In his chapter, Gavin Smith aims at understanding the implications of changing kinds of capitalism under these conditions, considering how they intersect with ongoing processes of commodification. These processes unfold differently when we consider formal and informal activities and tend not only to fragment the population, but also to kick off processes of ‘circular transmission of the crisis from the productive to the reproductive system [...] and back to the productive system’ (Smith quoting Mingione 1985: 29). This perspective overcomes the clear-cut distinction between sites of production and sites of reproduction by showing how the shift from an embedded to a dis-embedded economy takes place. Financial instruments, for instance, have penetrated domestic relations, giving rise to boundary struggles and tensions between instrumental calculation and associative features. Through the use of care as an example, Smith shows the complexity of the process and how disruptive the commodification of informal activities is.

In a similar vein, Simone Ghezzi makes a plea for a reconceptualisation of the term embeddedness and aims at deconstructing the influential idea of the market as a separate system from its social constituencies. With examples from his fieldwork on micro-entrepreneurial settings and informal
work, Ghezzi provides insights into the fact that the market, constrained by its own logic of competitiveness, cannot endure in self-regulating, atomised individuals without causing social tensions. His thick descriptions show how the current dis-embedding processes unfold and produce chronically unstable arrangements. In the past, paternalistic exploitation was accompanied by informal protection. Now, weakening reciprocity and the underlying social bond vis-à-vis the lack of institutional safety nets clearly shows the direction of change.

Welfare capitalism and rights
The second section provides insights into the mechanisms of re-embedding, in particular how welfare policies are part of a societal reaction to capitalism’s disruptive dynamic. The chapters in this section also show how in the last few decades social policies have undergone important reforms, partly undermining their sheltering capacities.

Jean-Claude Barbier shows how – in order to understand the contextual specificities of these processes – concepts such as the ‘underclass’, ‘poverty’ and ‘social exclusion’ need to be culturally embedded. In a multilingual tour de force, Barbier illustrates how travelling concepts allow transnational comparisons through broader conceptual hybridisations, providing useful insights into the study of welfare capitalism. However, he maintains that they should be handled with care, with an awareness of their contextual meaning both in geographical as well as historical terms. This applies in particular to social protection institutions, which – despite some important universalising elements – retain important contextual specificities. The chapter highlights these differences and reconstructs how they shape actual policies and the different outcomes.

Struggles of inclusion and exclusion are a concern also for Lydia Morris, who brings forward in her chapter a reflection on the relationship between domestic welfare and migration using a common analytical frame. Using Britain as an example of a more general trend, she shows that the rise of a conditional, contractarian model of social rights for the domestic population has echoed a drive for enhanced control over conditions of entry and residence for transnational migrants. Applying the concept of civic stratification, Morris shows how rights inherently produce a system of structured inequality that might change through austerity-driven welfare reforms that differentiate migrants and citizens’ rights. This formal dimension, which relates to the statuses of inclusion or exclusion from specific provisions by law, is accompanied by discourses on the moral standing of particular groups, usually connoting them negatively. These developments mutually reinforce each other and marked a significant reconfiguration of rights in Britain.
An ideal-typical example of the importance of contextual arrangements in defining citizenship are the southern European Mediterranean welfare states. Nicola Negri and Chiara Saraceno provide a clear account of how contextual specificities – even within the same welfare regime type – play a substantive role not only in shaping the tensions these countries are undergoing because of changing capitalist arrangements but also in influencing the directions of reform kicked off by the crises. The trends might be common, but the impact of the crisis and the ways in which it has been dealt with differ as a result of the interplay between these countries’ economic position in the international scheme and the categorical, fragmentary and often clientelistic and familial character of social policies. As Negri and Saraceno note, this has favoured a generalised mistrust in politics and a shift in the public discourse from issues of social justice and universalism towards a more neoliberal agenda accompanied by the spread of populism.

Citizenship and migration

The third section addresses some of the main challenges that citizenship systems established in the post-war period have had to face in the last few decades, from the spread of new employment regimes to new migratory flows. Calling for new participatory practices and new citizenship claims, in particular in southern European countries, is an attempt to re-embed these processes into a wider societal frame.

More specifically, in her chapter Saskia Sassen focuses on the growth of employment-centred insecurity and poverty that emerged from the 1980s onwards, when the restructuring of labour markets in advanced service economies took off. The growth of new sectors – primarily specialised services and finance – and important changes in the organisation of firms allowed on the one side super-profits, and fostered, on the other, the development of labour-intensive and low-wage sectors. Both brought about a sharp increase in socio-economic and spatial inequalities. Sassen relates these tendencies to the mutually reinforcing dynamic emerging from the decline of citizenship systems which had developed in the Fordist age. The new sectors are characterised by greater earnings and occupational dispersion, weak unions and a growing share of unsheltered jobs. Sassen maintains – as do all the authors in this book – that these are not ‘Third World’ imported conditions, but rather an inherent part of contemporary financial capitalism.

The increased mobility of people under late capitalism is one of the key challenges addressed in Enrico Pugliese’s chapter. By focusing on the Mediterranean geopolitical space, Pugliese shows how after 1989, and later following the Arab Springs (2010–12), migration flows increased in complexity, both in terms of drivers and of (more restrictive) policies aimed at
tackling the issue. These trends rendered concepts and policies inadequate to grasp the interplay of different dimensions and how they change over time, influencing the origins and destinations of flows. The specificities of migration flows crossing the Mediterranean highlight – in the longue durée – the tensions accompanying the changing fragmented configurations of capitalism, from the incorporation of migrants in specific segments of the labour market (e.g. care work) to their precarious, often illegal juridical status. As Sassen has already noted, these are not epiphenomena at the periphery of capitalism, but a constituent part of the dynamics it gives rise to. Pugliese, however, shows how regulations have changed over the last few decades and how this has affected the Mediterranean countries, in particular because of increased attention to security and border control.

These tendencies have challenged people’s living conditions, in particular after the 2008 financial crisis and subsequent austerity measures. In her chapter, Marisol Garcia shows how these measures contributed to the development of a counter-movement which manifested in protest and claims for citizens’ democratic participation, most prominently in southern European cities. Here, civil society organisations and social movements have acted on two fronts. On the one hand, they have provided community solidarity in situations of economic hardship. On the other, they have questioned – through civic and political alliances – the political legitimacy of pro-austerity governments, bringing about a process of political change as well. According to Garcia, this resurgence in citizenship claims is confronted by some important challenges such as the necessity to upscale urban citizenship practices and local policies to the level of effective national coordination, overcoming the fragmentation and diversification of interests and claims.

**Cities and urban transformation**

The fourth part addresses cities and their transformation. The chapters cover a wide range of changes, from a lack of engagement due to the structural constraints of the built environment and timid reactions to issues of fear and insecurity, cities’ disruptive implications and the window of opportunity for renewed participation that they provide, or their resilience vis-à-vis global processes of neoliberal transformation.

Making fascinating analogies to playing the cello, Richard Sennett highlights the increasing detachment and lack of focus that planning ‘user-friendly’ buildings/cities might induce. Aiming at reducing struggle and difficulty, this could restrain usage to just a limited number of options, which conversely might imply a loss of physical connection to other people and engagement. The resulting passivity could be seen as a socially imposed condition serving the purposes of owners and ruling powers – for example through control and regulation – rather than those of users (or
citizens). Sennett underlines the importance of engaging people in planning buildings and cities and sees first signs of engagement in the arts and also in the work of young architects, who increasingly experiment with user-engaging buildings and materials. He considers these new developments as a first sign of ‘getting in touch’ again. Perhaps a form of re-embedding in Polanyian terms?

The entry point of Sophie Body-Gendrot’s chapter on urban transformations is different: increased insecurity and vulnerability and the – potential – disorder emerging out of the joint effect of complex global, national and local dynamics of change. The reactions might be similar – disengagement – but in most cases they can be understood only by considering contextual specificities. To show these differences, she contrasts the crisis that cities have undergone from the 1960s to today in the USA and France. In the USA the crisis was not properly addressed due to a lack of pro-social government interventions, which brought about the growth of unrest and violence. The gradual loss of democratic public space that this entailed was accompanied by the development of a culture of control, bringing about more surveillance and more punishment. In France, despite similar trends, state welfarism generated mobility and change, which was positive for those who were able to move out of problematic neighbourhoods, and negative for those – mostly immigrants – who took their place. Globalisation changed this scenario and Body-Gendrot’s assumption is that some current forms of public disorder are not just a repetition of past forms, but are rather new configurations in which disorder becomes a strategic resource for citizenship claims. This offers a window of opportunity in which cities might play the role of social laboratories for innovation, transforming people into citizens through participatory settings. Another way of connecting again, as Sennett maintains in his chapter, or kicking off the process of re-embedding.

The trends seem similar, but the impacts and reactions differ. In his chapter, Patrick Le Galès discusses the transformation that European cities have undergone influenced by neoliberalism and globalising capitalism. His analysis, relying on the State of European Cities report (European Commission 2016), suggests that the European urban system proved to be remarkably robust vis-à-vis the different crises. This does not mean that European cities converge; on the contrary, we can identify differentiation processes at work. Even though medium-sized cities – which constitute the backbone of European urbanisation – appear to have grown, eastern European metro regions suffered from demographic decline, as did some western European peripheral metro regions and southern former industrial cities. Interpretations are disputed but – according to Le Galès – the changes did not undermine the capacity of local bodies to govern the process, as rising shares of public investment by local authorities should confirm. The
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financial crisis, however, might have reduced the room for manoeuvre of European cities and increased their differentiation.

Segregation and the spatial dimension of poverty
The fifth section addresses poverty and its spatial dimension as a crucial lens through which to understand the differentiated impact of the processes of change in Western capitalist societies, both in socio-economic and spatial terms. In their chapter, Susan and Norman Fainstein deconstruct analytically how sociological and political narratives have differed sharply on whether space is a cause or an expression of poverty, as well as the extent to which space is a source of exploitation or a foundation for group solidarity and political mobilisation. By comparing the United States and Singapore and considering cultural, political, economic and institutional perspectives, they disentangle the different meanings of space and their implications, considering the interaction of class, ethnicity and race in the context of varying political arrangements and the evolving dynamics of capitalism. The resulting spatial bases of integration and exclusion are strongly influenced by political steering, but do changing spatial relations equate to overcoming structural economic inequality? The cases presented by the authors do not support this view, even though better spatial relations improve poor people’s lives, mitigating other deprivations attributable to low income.

The patterns of segregation emerging out of the process of neoliberalisation are the focus of Marco Oberti and Edmond Préteceille, who contend in their chapter that urban segregation shapes spatial inequalities and transforms them into urban social inequalities. Their attention focuses on how this transformation takes place and how access to key resources has become essential in the definition of living conditions in spatial terms. In European cities, analysis of urban segregation and inequalities inevitably interacts with that of local welfare arrangements. For this reason, neoliberal reforms might have a severe impact also in spatial terms. Oberti and Préteceille analyse specifically the fragmentation of social class and issues of educational inequalities linked to segregation. By describing changing occupational structures and residential patterns, they show that the emerging urban social structures and practices are not the mere outcomes of neoliberalisation. They might even challenge it, either with constructive new forms of social mobilisation and solidarity, or with disruptive outbursts of violence.

The focus of Enrica Morlicchio’s chapter is complementary to that of the others in this section. It shows first the historical transformation of poor and/or segregated districts from the industrial to the post-industrial and ‘fragmented’ regime that emerged from the crisis of the 1970s in Western capitalist countries. It focuses then on the peculiarities of the Neapolitan case, and of southern European cities in general, characterised by low
levels of segregation and high poverty and unemployment rates. A peculiar trait that Morlicchio describes are informal interactions and how they allow the most disadvantaged to develop survival strategies and to cooperate, in the absence of shared cultural models. Despite a general decrease in their influence, these activities still play an important role in the reproduction of the urban social structure, with migrants constituting the main element of the new urban informal sector. The complexity of the Neapolitan case shows how urban marginality and poverty can coexist with the practice of ‘togetherness’ in places where people can meet and promote new negotiation practices. As the author notes, it is a precarious balance that cannot compensate for the many challenges the city has to face, including an extremely high unemployment rate.

Perspectives on the future of Western capitalism
The five sections of this volume provide an overview of how capitalism has changed in the last few decades, the challenges that these changes pose and the resulting fragmented and increasingly unequal scenario emerging in Western capitalist countries. The last chapter by Enzo Mingione – written without him knowing it would be the concluding chapter of a book dedicated to him – allows us to close the loop. Indeed, in this introduction we have tried to frame the overall theme of the book by being inspired by a Polanyian approach that Mingione introduced us to. Polanyi’s thought, its strengths and weaknesses, the double movement and the shifting dynamics between embeddedness and dis-embeddedness provide a fruitful frame through which readers might look at the different chapters of this volume. Mingione himself uses Polanyi’s framework in his chapter to go beyond mainstream social science paradigms in interpreting contemporary social change. The double movement and the dialectic between the destruction of social relations by the dis-embedding forces of the market and the creation of new social relations (and institutions) through re-embedding processes are at the core of his analysis. Mingione, however, complements Polanyi with Marshall and the precarious equilibrium of the complex relationship between democracy, welfare and capitalism he identifies. Capitalism produces unsustainable and disruptive results, and re-embedding processes and democracy cannot control it under conditions of (economic, but not exclusively) globalisation. The 2008 crisis worsened this scenario as it exacerbated the erosion of protective institutions, undermining their ability to challenge the dis-embedding tendency of the market. The mobilisation of different agencies, associations and social movements which partly combat this tendency might not be sufficient. Mingione’s analysis – despite the emancipatory tendencies he identifies – is rather pessimistic and sees capitalism as leading to conflict-ridden, unequal and exclusionary socie-
ties. The hope is that the numerous innovative and inclusive initiatives can contribute to overcoming this pessimism by constructing new forms of solidarity and protection in an increasingly heterogeneous, de-standardised and unstable society.

Notes


2 These are the broad social institutions common to all Western countries. Each country, however, is characterised by specific factors, for instance the north-south divide or familialism in the Italian case (see e.g. Saraceno and Negri in this volume).

3 For an overview of definitions of globalisation, see Robertson and White (2006).

4 As an example of increased physical mobility, consider that the number of passengers carried by air transport has increased from slightly more than 300 million in 1970 to 3.5 billion in 2015 (ICAO data), doubling in the last ten years.

References


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