

Commentary

Rethinking modernity and capitalism: Add context and stir by Jan Nederveen Pieterse

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Every argument is organized by a conceptual strategy. When we assess an argument, especially a polemical one, we need to critically examine not only the claims put forward, but also the relevance and consequences of the conceptual strategy taken either explicitly or implicitly. From this perspective, I will respond to Jan N Pieterse's article in three parts: first, I want to acknowledge what I understand and agree with; second, I want to address what may be considered controversial, or even questionable; third, I will try to raise the issues through which I hope to explain where and why I disagree with the author with respect to either his claims or strategy. To facilitate dialogue, I will be brief in the first part, pay more attention in the second, and try to articulate myself in the form of debate in the third part.

What I accept and agree with: critique of convergence assumption

Pieterse's paper can be read as a systematic critique of a convergence assumption underlying sociological theories in general and the neoliberal version of convergence into the American style of capitalist market economy in particular. In view of the fact that the idea of convergence in its simple form can hardly be compatible with the idea of pluralities and diversities, it is quite obvious that we accept his critique. Critique is addressed to not only the Anglo-American liberal hegemony and Eurocentrism, but also the macro-social theories of all kinds into which a universalist conception of evolution is built. He provides descriptions that touch upon salient characteristics of convergence and I find that most of these descriptions are accurate and compelling. As he puts it, convergence presupposes a taken-for-granted depth mentality to

'measure modernity and capitalism in relation to European and western standards and models' (p. 2). Since this attitude is prevailing in the 'normal' paradigms of social science in both western and non-western countries, Pieterse has good reasons for launching this critique.

I support Pieterse's defence of pluralities in principle. In the name of dialogue, many sociologists have, in fact, taken the western discourse as a self-evident reference for analysis and attempted to examine whether or not – and, if so, how – the constitutive elements defined by this theory can also be found in East Asia, for instance, in a way that is supportive of the western theory, though not exactly in the same way as in the West. I have argued that this convergence approach 'eventually ends up looking at East Asia from the West-bound perspective' and that 'the possible contribution to historical varieties within the Western conceptual framework hardly challenges the very Eurocentric assumptions' (Han, 2014: 2). In opposition to this, I defend, as Pieterse does, an approach which 'takes full consideration of the genealogical traits of Asian culture and history ... by seeing East Asia from within, rather than from a conceptual scheme already spelled out by a Western theory [and ...] by paying close attention to the specific developmental pathways and their consequences' (Han, 2014: 3).

What I find controversial: three issues

Having said so, I find it neither plausible nor desirable to eliminate all dimensions or aspects of convergence thinking from social science. The minimal commonalities are necessary in theory construction as unavoidable conditions for using an umbrella concept such as

modernity or capitalism. Without such commonalities, there is no reason to employ the same concept to refer to the different realities.

Indeed, it is a controversial double standard that he accepts the specific kind of variations he identifies, namely the VoC clusters, while rejecting other kinds such as the variants of modernity and capitalism he refers to in the article. He seems to think that the former is free from convergence assumption while the latter is deeply imbued with it. I find it questionable if the idea of compressed modernity, for example, is understood as predicated upon a neoliberal project of convergence theory. I would argue that the case is almost opposite because the concept of compressed modernity involves a critique of the West-bound pattern of catch-up modernization. Sensitizing attention to the unprecedented risk society as a consequence of this modernization, compressed modernity gives rise to the awakening of East Asian identities and cultures as a source of new inspiration towards a second-modern transformation (Han, 2014).

Another point that I find controversial is that the analysis of VoC clusters is too static to reveal the dynamic patterns of change over time. For instance, Pieterse continues to classify South Korea as a case of SME, i.e. an independent cluster fundamentally different from LME and CME. I am not so sure about the extent to which this classification still holds true. This certainly made sense during the 1980s and 1990s, but many Korean researchers argue these days that in comparison to the past, Korean capitalism has rapidly moved towards a neoliberal market economy, forcing the labour market, education and even the family to adjust to this structural pressure. I am not saying that the adequacy of SME is over in Korea; I am only saying that new battlefields have emerged, and politics and society remain severely divided over the question of where Korea should move further. This requires us to re-evaluate the validity of the past assumptions.

Beyond a non-hegemonic pluralism towards modernity and capitalism at risk

Finally, I raise the question: what do we gain from Pieterse's analysis? The positive aim he has set for himself is to demonstrate the superior explanatory function of the three VoC clusters of interlocking market economy institutions, and the negative aim is to dispute the thesis of converging global capitalism. The focus is on pluralities and diversities. He has extended the idea of multiple modernities to multiple capitalisms. In this respect, this article may

represent a significant contribution to our understanding of the contemporary world. Yet, 'rethinking modernity and capitalism', as put forward in the title of the article, may invite us to confront more tangible and burning issues today. I say so because today's world is increasingly characterized by the high degree of uncertainties, global risks and crisis tendencies resulting from the very way in which modernity and capitalism have been set to move.

To clarify my position, I have no objection to Pieterse's advocacy of pluralities. I am only insisting that of crucial significance to social theory today is 'not simply providing rich descriptive accounts of pluralities, multiplicities, and complexities, and so on, but rather working out an explanatory scheme of historical change' (Han, 2014: 3). My position is that talking about multiple capitalisms is not enough and we must go further to grasp what kinds of global risks and crises emerge today, whether these new challenges can be reasonably managed or not, and, if so, where the driving force for historical change may come from. I argue that confronting these questions is in continuity with the tradition of sociology and that the importance of this task cannot be exaggerated in view of the fact that the current global risks that we face today, exemplified by climate change, radiation leakage, economic polarization and financial crisis, pose serious threats to the survival of humanity as a whole while making it difficult for a nation-state alone to respond adequately.

This brings us back to the problem of conceptual strategy that I referred to in the beginning. How do we want to rethink modernity and capitalism today? Here I find that Pieterse's analysis prioritizes the market economy-centred parameter rather than the paradigm of embedded relationships he alluded to. Whether we go back to Gerschenkron, Polany, or the German debate on the capitalist state during the 1960s and 1970s, the common recognition has been that the capitalist economy is maintained by political systems that we call the state. The institutional relationship between the political realm of the state and the economic realm of the market has been significantly altered by globalization. Nevertheless, when the market economy faces self-destructive risks and crises, it is still only the state that can draw effective and collective measures to manage these threats. With no world government in operation yet, despite the fact that national economies have been extensively globalized, survival and sustainability of global capitalism depends on the extent to which the concerned nation-states succeed in supplying the needed measures designed to mitigate or manage catastrophic risks and crises. An important point in this regard is that the state is far more than a functional equivalent to capitalist economy. Its activities can be

justified only by the principle and procedure of political legitimacy. For this reason, economic measures urgently needed to manage risks and crises may become politically impossible to pursue.

This is exactly what has been happening in the European Union today, as Offe (2013) clearly shows. This indicates that the model countries of the cluster CME by Pieterse's classification, such as Germany, are incapable of addressing the root causes of the financial and economic crises severely hitting the southern part of the EU due to the institutionalized gap between economic imperative for EU and political legitimacy on the basis of nation-state. Pieterse's discourse on pluralities does not say anything about this serious limitation of the CME cluster. His analysis remains narrowly confined to the achievements of, and the variations within, the CME cluster, but not stretched further to draw adequate attention to the emerging transnational crises and risks from a cosmopolitan perspective.

It is not by chance that China draws sensitive attention from the world in this connection. In view of the paramount significance of the view of 'capitalism in crisis' as well as 'the crisis of modernity', it seems quite understandable to shift focus from democratic politics to risk governance. Behind this paradigm shift, one can sense the burning question from many in the world, particularly among the ordinary people suffering from polarization, poverty and social isolation: what is the use of democratic politics in regard to the increasing difficulties they face in life? In managing the market economies in general and their potential crises in particular, China, ironically, is in a privileged position simply because it is still free from the burden of political legitimization over economic policies. This indicates that China may go ahead of the western countries in terms of risk governance, albeit not in a democratic form but probably in an authoritarian but responsible form.

In the age of global risks and crises, which are likely to persist or even worsen, the institutional compatibility between the two different modes of operation by the political system and the market economy in China seems to reveal an interesting trajectory of future development. In my view, the real challenge from China cuts far deeper and wider into the future than Pieterse's observation. When he examines China, he argued that Chinese capitalism is composed of state capitalism, network capitalism and clan capitalism, each with its own origins and consequences, but to the effect that the likely evolution of these will have nothing to do with American capitalism. Whether this observation is correct or not remains to be seen. My observation is that we have already entered the new age of global risks and crises, signalling the end of an optimistic worldview

supported by Enlightenment and Progress. Consequently, the question of who will be more capable of institutionalizing a new system of risk governance is likely to get more attention and importance as time goes by, as a civilizational task of development. In terms of the size of territory, population, culture and historical experiences, China may march ahead of other countries. Whether we like China or not, if we are concerned about the future of capitalism, I feel that this possibility poses a real challenge, and perhaps even a threat as well as hope to the world.

References

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