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## BOOK REVIEW PERSPECTIVES

### Stuart Sim, *The End of Modernity: What the Financial and Environmental Crisis is Really Telling Us*

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Stuart Sim, in *The End of Modernity*, contends that the twin crises in the title are propelling us beyond modernity *and* postmodernity. What does this mean? And does it help us understand and deal with the aftermath of the twin crises? Let me say to begin that I agree that these crises do indeed exist and pose an egregious threat to our well-being and that of the planet.

“Modernity” Sim identifies with the quest for continual progress in mastering nature and in expanding economic output without limit. This outlook is associated with a universalist history expounding progress, a worldview associated with the Enlightenment. It is thus plausible that modernity lies at the root of the threat to planetary sustainability evinced by global warming and other macro-level environmental threats, and possibly of the implosion of financial capitalism in 2008.

However, Sim also contends that modernity has involved a strong commitment to deregulated free markets and democracy. This point reminds us of the neoliberal turn around 1980 and the subsequent Washington Consensus. It drastically collapses the time span of modernity from three centuries to three decades. It is not possible to define modernity both ways. Indeed, as the author recognizes later on, even in the heyday of neoliberal capitalism other forms of capitalism thrived (e.g., Germany) and emerged (e.g., China), and the dominant issue today may well be the “contested modernity” shaped by China’s challenge to the United States.

What about postmodernity? This is characterized as an intellectual challenge to modernity with roots in architecture and aesthetics, but which began to develop as a more integrated critique during the late 1960s at the end of the long post-war boom. Postmodernism challenged Marxism and other grand narratives of progress. In its place it advocated skepti-

cism and limits to the power of reason, antiauthoritarianism and pluralism to enable the pursuit of personal liberation, small government, and respect for the past. Sim develops the idea of the “economic sublime” to encapsulate this—a situation where we genuinely do not know what will happen next, or what the effects of our actions will be.

But he goes on to assert that postmodernism underpins “an economics of enough,” a recognition that it is not always necessary or desirable to have more of everything in material terms. Of this I am unconvinced. Does not much postmodern writing extol the virtue of the abundance and variety that modern capitalism makes available to consumers in the rich world?

In any case, Sim argues that we now need to move beyond postmodernity to what he calls *real* postmodernity. In part, he says, this is a move from an intellectual critique to “an actual state of affairs requiring a concerted sociopolitical response.” Now that modernity itself is collapsing under the weight of its internal contradictions, we have transcended the rhetoric of postmodernism. The challenges we face are immediate and material as well as moral. So, he claims, we need strong, interventionist states (even elements of a command economy) to deal with climate change and economic breakdown—no more small government! Conspicuous consumption must be replaced with the economics of enough, a new collectivism counterposed to the hyperindividualism of the past three decades, and a renewed belief in public service.

This new sociopolitical response is not so different from one variant of modernity—modern social democracy. But what does it have to do with postmodernism? Is it not as accurate to see postmodernism as an intellectual current feeding into the neoliberalism of the 1980s? In other words, is it not the case that postmodernism has contributed to the last phase of modernism which ended in such a spectacular crisis in 2008? Much postmodernism writing rejected interventionist states, admired the catallaxy of markets and individual initiative, and rejected big narratives that could be used to challenge producer

and consumer interests. It was at least compatible with the age of me-now. Sim's recognition of this connection does not so much rebuild the whole post-modern project as challenge it.

I would also question the displacing of "capitalism" by modernity in the book. The system which dominates the world today, one in which firms must perforce pursue profit or face extinction, is still capitalist. The dull pressure of economic competition forces all managers of capital to expand its value *ad infinitum*, which drives economic growth and carbon emissions. True, states and public institutions can modify the operation of national capitalisms at a macro-level: forms of state intervention interact with other historical institutions and tend to be strongly path dependent. But financial capital still wields a structural power over states, via control over investment, ability to exit from national jurisdictions, pressure over the terms of public sector borrowing, and in other ways.

An alternative political economy explanation of the financial crisis would begin with the collapse of profits in the late 1960s and 1970s which engendered the political success of the neoconservative counter-movement around 1980. Since then the share of wages in gross domestic product (GDP) has fallen ten percentage points in the countries comprising the Organization for Economic Cooperation and Development (OECD) and inequality has mushroomed. **Thus the successful rise in profits** threatened growth in domestic consumption demand and fueled the catastrophic rise in personal debt across much of the West, which eventually precipitated the financial crisis of 2008. Political economy provides an understanding of capitalism as a system of path-dependent development interrupted

by infrequent crises and switching points, which recast the role of states in managing the system.

The secular and unprecedented growth in world output is now engendering the distinct and longer-term crisis posed by climate change. Here, there is at first sight common ground with Sim's critique of modernity as unsustainable. Yet, I would still claim that the ideology, the narrative of belief in unending growth and progress, is a reflection of the real processes rooted in the competitive pressure to enhance profits within a now-global capitalist economy. Moreover, the postmodern "solutions"—skepticism about our collective ability to understand and control these events, the pursuit of personal liberation—are woefully inadequate, as Sim demonstrates.

**Yet** the "real postmodern" appears to have contradictory aims: to undermine the neoliberal version of postmodernity, while including modernist principles of governance within the term. This ambivalence suggests that the modernism-postmodernism framework is not a helpful way to understand the wrenching changes now taking place in the world economy and ecology. In my view, a political economy analysis offers a better understanding of the twin financial and environmental crises than a resurrected postmodernism.

### About the Author

Ian Gough is professorial fellow at the London School of Economics where he is researching the interface between climate change and social policy. He has previously written on the political economy of welfare states, on human needs and well-being, and on welfare regimes in developing countries.