

One

INTRODUCTION

WHEN YOU ARE REMINDED OF the crisis-ridden year of 2008, what do you see when you think of the financial crisis? Not much, I bet. Not because you have a bad memory, but rather because the images were not sufficiently powerful to have lodged in your memory so that you can recall them to your mind's eye when the topic arises. "Powerful images": on the one hand, the term refers to images that are self-explanatory and therefore powerful. Think of the fall of the Berlin Wall on November 9, 1989, or the attack on the World Trade Center on September 11, 2001. These images burn into your eyes and remain seared in your mind. They are preserved there forever and can be recalled at any time. Everyone who was living at the time knows exactly where they were when the Wall fell or the airliners hurtled into the World Trade Center. Powerful images also claim that designation because no text can make any headway against them. "Pictures

defeat words,” as the saying goes. When you see pictures of children who have ended up between the front lines of the Syrian Civil War, pulled from the ruins of bombed-out buildings by rescue workers, you no longer hear the words that a reporter wrote about these pictures.

When many people see the same images, the images first become part of collective consciousness and then a part of collective memory. We reinforce to each other how we experience and bring order to what happened. Societies come to an agreement on how to bring order to certain moments of contemporary history. In Germany, the postwar generation asked their parents what they did during the Third Reich. Now the postwar “generation of ’68” is being asked how they view their own legacy and how they want to bring order to it. And in a reunified Germany, the East and the West are looking for their own identities and wondering what it is that connects the two with each other.

For its part, the world community watched the towers of the World Trade Center collapse. This threshold event is emblematic of a networked world where communication can circle the globe in seconds. The flow of capital is as rapid as our globalized communication. And the collapse of Lehman Brothers did trigger a global tremor comparable to that of 9/11. However, there were no powerful images available that were capable of illustrating the direness and impact of the event. Spectacular changes do not always produce spectacular images.

What did the images then look like at the time? It’s a beautiful autumn day in New York as the global economy staggers toward the abyss. On September 15, 2008, the day Lehman Brothers went bankrupt, the sun was shining over New York City. On the evening news, viewers could watch men and women in business attire as they carried home in cardboard boxes the few personal items they had at the office. They had all been fired, not an un-

common event in the US—the country of “hire and fire,” famous for its fast pace—which strikes Europeans, more accustomed to a social safety net, as the symptom of a nation suffering from chronic borderline personality disorder.

In the Old World, people were settling down for a night of carefree sleep, not realizing that the quake on Sixth Avenue in Manhattan would soon send a tsunami crashing over the USA and across the world. What led to the largest financial crisis since the Great Depression is not yet fully understood. The smoke had not yet cleared from the rubble of the World Trade Center when the United States of America declared war on the Taliban in Afghanistan. Ten years after the Lehman bankruptcy, on the other hand, the banks are carrying on the same way they were in fall 2008, and three US presidents, George W. Bush, Barack Obama, and Donald Trump, have been unable or unwilling to change the rules to prevent a crisis like the one that broke out on a balmy fall evening in New York. This policy failure was the trigger for the radical critique that liberal democracy is facing today. The new forces of populism that appeared on the scene all over the Western world following that memorable date in September 2015 were set loose by the crisis. In terms of their impact, one can compare the crash and collapse of the world economy with the collapse of the World Trade Center. All the right-wing populists who have recently emerged oppose the globalized economy and instead promote an isolated, national economy. Their rejection of the economy, politics, the media—or the elites and the world order they stand for—feeds on the fury with which the storm of the financial crisis swept over many people, leaving them with a deep sense of powerlessness. They have the feeling that the world revolves around the economy—and not around human beings.

Against this backdrop, it is clear why today in the USA, where

the bottom third of the population is economically insignificant and not making any progress, many who have been outpaced in the former land of unlimited opportunity have found just the right president in someone who says “America first” and rants about a renationalization of the US economy. The new populist movements are all located on the radical right side of the political spectrum. Why? Isn’t there enough furor on the left side of the political spectrum to bluster against the system? We return again to the powerful images. The refugees who arrived in Germany in 2015 have as little to do with the financial woes of those who are economically adrift as the so-called caravans of Central American refugees who headed toward the southern border of the US in fall 2018.

But refugees are visible, they create powerful images. The masses who seem to move inexorably across the borders hope to take up residence illegally. Donald Trump therefore found a sympathetic ear for his outrageous statement that Mexicans were all “rapists.” The new right-wing extremists have learned to sound the charge against the established democratic order by demonizing refugees. In the history of the persecution of minorities, economics has always played a crucial role. There are no pogroms or persecutions for religious or ethnic reasons alone. These prejudices are always stirred up against a background of economic uncertainty and fear.

That is exactly what the historian Götz Aly demonstrated for the Third Reich. He concludes that the ideology of the National Socialists began to bear fruit at a moment when Germans had achieved near-universal literacy and were applying for the same jobs as their Jewish neighbors. In earlier times, until the later decades of the nineteenth century, in his view, while all Jews were already able to read and write, Christians’ universal and nationwide involvement with the education system only came about

with the introduction of compulsory schooling in Germany. To deal properly with the emergent right-wing extremists and take the wind out of their sails, it is therefore essential to look at economic and social factors rather than only or primarily at the cultural, religious, or ethnic characteristics of immigrants, as the Trumps, Orbáns, and Salvini of this world do.

Even if the economic factor (and the social factor along with it) is the decisive one for resolving the current crisis, the political factor cannot be completely disregarded. We are living through an “Age of Identity” that goes to the heart of what are considered essential political convictions. Collaboration and cooperation in the European Union were once considered irreversible. Today, not only the states of central and eastern Europe are turning away from the creed of the European unification process. The Brexit referendum and the unrest over Catalonian independence show that uncertainty and fear for one’s own economic status can take hold in any country. And last but not least, the election results obtained by the so-called Alternative for Germany (AfD) political party show that even in one of the richest countries in the world, not all issues have been resolved in a way that allows people to hope to lead a good and prosperous life in the future. A few years ago, when the University of Göttingen surveyed participants in the “Patriotic Europeans Against the Islamization of the Occident” (PEGIDA) demonstrations about their motivation, a majority of them stated that they were as well off or better off economically today than they were a few years ago. They feared, though, that this might not be the case in the future.

For better or for worse, economics and politics are intertwined. Those who withdraw to their own soil economically will also align their identities with a similar worldview. To us, the economic demands to “raise the drawbridge” and implement economic nationalism seem to result from a recourse to one’s

own culture and religion and from drawing boundaries between “us and them.” In fact, it is the other way around. We have been suckered by this other narrative for too long.

Nothing describes the drastic economic change of the last thirty years better than two developments: one shows the GDP of Western democratic societies, the other their average household income. For thirty years, they have increasingly diverged, somewhat less in Germany, somewhat more in the US. Harmony between political and economic affairs has actually not existed for a long time. The narrative, however, has survived because the two postwar generations regarded its promise as fulfilled: More education leads to greater prosperity, which leads to a middle-class society, which leads to moderate politics. The politics of moderation is interested in compromise, not driving wedges between people. It aims to establish an enduring structure for peace in which the possibility of war is eliminated. That is why these democracies pay attention to the balance between the majority and the minority, between election winners and election losers. When hardliners like the autocrat Viktor Orbán say that they want “illiberal,” rather than liberal, democracy, then you have to assume they want to overthrow the current system and replace it with another. The current world order exists only as a liberal world order.

Or do we want to return to the republics of antiquity, where only men of a certain status were allowed to influence policy, women were worth nothing, and the exploitation of slaves was the preferred means of improving the economic performance of the state? Anyone who listens to Mr. Orbán and his accomplices must come to this conclusion.

In an essay he wrote shortly before his death in 2008, the liberal thinker Ralf Dahrendorf provided important ideas for understanding the crisis. Dahrendorf was likely able to sketch out

the reasons for the crisis so well, even at its beginning, because he had already described the rise of such crises in his 1988 book *The Modern Social Conflict*. For him, human rights had no significance if they were not translated into civil rights. And civil rights in turn remained irrelevant if they were not solidified and confirmed by social rights. What joins these three things together is citizenship.

Contrary to what populists would have people believe today, citizenship is the surmounting of ethnic and religious separatism: You become a citizen independent of your own efforts or merits—or by grace, as Christian theology would say. Citizenship takes no regard of gender, religion, or sexual orientation. Citizenship is the core of liberal democracy. Recourse to the tribe, to the small ethnic and religious cell, has as its goal nothing less than dismantling the bulwarks of civilization that we built after 1945, after World War II and the Holocaust.

The state of economic uncertainty stems from changes that are economic, not political. Artificial intelligence, robots, and machine learning are on the horizon, leading many people to fear for their jobs and social status. In all likelihood, we will come to a moment in human history where we create value without having to labor by the sweat of our brow. In light of this attractive prospect, the uncertainty and the tremors we are currently experiencing are somewhat surprising. But these uncertainties are becoming insistent due to the fact that over the past two centuries of capitalism, we have linked the value of a human being to the work they do: you are what you work, what you earn. Anyone who wants to restore the liberal world order must also be prepared to take hold of the narratives that sustain our society today, understand them, and modify them.

September 15, 2008, did not produce any powerful images. But the financial crisis did reveal that those who work hard do

not automatically succeed in obtaining a rewarding livelihood. The thousands of people who lost their homes in the US due to speculators can tell a sad story about it. September 15 therefore emblematically represents the beginning of the end of the liberal world order as we knew it. The crisis of liberal democracy did not fall out of the sky.

This book aims for nothing less than interpreting the current crisis of democracy and the liberal order, and explaining how to solve it. The analysis starts off with a look at the mechanisms behind the financial crisis, then explains the promises of liberal democracy that were persistently broken by the financial crisis and its poor management. This is the origin of the present moment's populism and "us against them" exclusionary attitudes—old tools for resisting change, although liberal democrats will not be able to deal with them by using the same methods as in the past. The crisis of social democracy, which is an unmistakable fact in the US, England, and Germany, shows that this new age needs new answers. Increasingly, these answers are also no longer found along a right-left axis, but rather in a framework of urban and rural, metropolis and village, cosmopolitans against nationalists.

Taking stock of the situation will challenge us to formulate where we as a society (or societies) want to go in the future, and what the objective, the "to what purpose?" of work and human striving is. From this sketch of a *bonum commune* or common good, an ethic of participation will emerge that will cast new light on the things that populists today ridicule and demonize as "globalist." Whatever the practical solutions will ultimately look like, their central point will be the two graphs mentioned earlier: What happens to economic output that is no longer generated by humans beings, but by machines? And how will we deal with that wealth? Old labels, according to which something like a

Introduction

“universal basic income” is branded as diabolical communism, will be of no help here.

At the end of the book, it will be worth revisiting and focusing anew on the old idea of the cosmopolitan. An ethic of participation can only exist and be successful if it takes into account technological and economic realities. The fact that we all inhabit this planet together must be seen as a motivation and a mandate for taking appropriate action. The success of this endeavor will depend on equipping this new narrative with powerful images and making it appealing.