

CHAPTER 11

CONCLUSION

Chris Tapscott and Tor Halvorsen

This book emerged from a seminar on the theme of democracy and capitalism, which marked the transition of Ole Johnny Olsen to Professor Emeritus at the University of Bergen. The relationship between democracy and capitalism, which has been debated virtually since the origins of social science, has become particularly pressing under the current hegemony of neoliberalism. Following the logic espoused by Hayek, neoliberalism has sought to reduce democratic influence over the economy to a minimum, defending the notion that capitalism is essential to democracy, primarily through its creation of a legal state that protects economic actors. In this view, democratic planning or state intervention distorts the supreme neoliberal value of individual choice, while large welfare states and unions are seen as particular threats.

The chapters in this volume have, in different ways, examined the impacts of neoliberal capitalism as it has expanded its reach across the globe. A central theme running through all contributions is the systematic undermining of democratic processes by neoliberalism, even in historically strong social democracies such as the Nordic (Tapscott et al., 2018). By assigning primacy to market forces, neoliberal policies have de-politicised broad aspects of social and economic life and hollowed out democratic authority.

Importantly, various chapters have shown that, contrary to neoliberal ideology, the rise of neoliberalism was not a natural

process of social evolution, a form of social Darwinism, as portrayed by its ideologues, but a carefully crafted project advanced by think-tanks and powerful multilateral financial institutions such as the IMF, the World Bank, and the OECD over the past half-century. Its spread has been marked by financialisation, privatisation of public goods, and penetration into all sectors of social life and government. Neoliberalism has led to increased inequality and polarisation between and within countries. Today, 70 per cent of the world's poor live in so-called 'middle-income countries', a result of elite-driven growth and corruption rather than broad-based development. Meanwhile, the growth of casualised work and precarity has created fertile ground for the rise of populist right-wing movements across the Global North and the Global South. These movements and parties, channelling earlier fascist movements, mobilise support by constructing internal and external enemies, such as migrants, religious minorities, and LGBTQ+ groups, yet paradoxically, as the chapters by Kronauer and Nilssen point out, they do not challenge the neoliberal economic order that has impoverished their supporters, but rather sustain it for the benefit of elite accumulation.

Capitalism, democracy, and authoritarianism

History has shown that capitalism and democracy only align under specific conditions (Rueschemeyer et al., 1992). When the interests of capital are threatened, democracy is often sacrificed, as is evident today in the United States and elsewhere. The 'new right' openly entertains the possibility of capitalism without democracy as a viable 'solution'. Meanwhile, attempts at democratic economic governance have been curtailed under the banner of 'liberal democracy', used to justify the hyper-globalisation of capital and the dominance of Western, dollar-based firms. To expand democracy today requires international cooperation, the democratisation of interstate agreements, and the mobilisation of global social movements. Yet most multilateral organisations continue to privilege the free movement of capital, sidelining attempts to make capital socially and democratically

accountable. The weak follow-up to the UN Agenda 2030 exemplifies this trend.

The Nordic experience demonstrates the fragility of social democracy under neoliberal pressure. In Sweden, class divisions are widening as welfare state institutions are privatised, producing inequalities in education, healthcare, and social services. In Norway, market reforms in education and municipal governance reproduce social cleavages. Trade unions, historically the strongest promoters of democracy, have been weakened by declining membership and the erosion of solidarity. As Slobodian (2025:19) notes, neoliberalism and the far right converge in scorning egalitarianism, global solidarity, and economic justice, privileging productivity, efficiency, and white meritocracy instead.

Neoliberal expansion in the Global South

The central premise of this book is that capitalism and democracy are distinct historical phenomena. The oft-repeated claim that capitalism inevitably produces democracy has been disproven. On the contrary, we increasingly see authoritarian capitalism spreading across the globe instead of being subject to democratic regulation and oversight. Unfettered neoliberal capitalism, operating without democratic oversight, benefits only a narrow elite, while exacerbating inequality, precarity, fuelling authoritarian populism, and environmentally unsustainable practices that pose an existential threat to humanity. Furthermore, financialisation, short-termism, and the push to privatise public services, from health to schools and childcare, demonstrate how capitalism undermines its own stability. The challenge today is to make democracy rule the economy, in the interests of justice, fairness, and ecological survival (Polanyi, 1957).

The book does not, however, reject capitalism per se but critiques the ideology that it can function best when insulated from democracy. As Wright (2016) observed, capitalism has transformed material life and increased productivity, but has also created harm and suffering. The challenge is whether productivity and dynamism can be preserved

without this harm. The Nordic model suggests that a more inclusive form of capitalism, subject to democratic oversight, is possible.

Globalisation, too, is not inherently destructive and trade, technological exchange, and knowledge diffusion can be of benefit to all societies, but under neoliberal management, globalisation has entrenched inequality and the implementation of environmentally unfriendly policies. The WTO and IMF (among others) have institutionalised trade rules, tax regimes, and financial governance that disproportionately favour the Global North. Stiglitz (2002, 2019) has shown that countries engaging with globalisation on their own terms, such as those in East Asia, have achieved more equitable and sustainable outcomes than those subjected to IMF-directed programmes. Global solidarity is urgently needed to address existential threats such as climate change, pandemics, and ecological destruction. Thus, the neoliberal hold on globalisation has to change for the sake of sustainable eco-social global development.

This also means a fundamental change within our ICT world. Today, a form of global techno-capitalism, driven by Silicon Valley and imitated by China, has created a new coloniality largely beyond democratic reach (Couldry & Mejias, 2019). Here, global monopolies extract value without democratic accountability, extending neoliberalism into the digital sphere, and threatening individual human rights and our environment, not least due to the energy consumption of computer centres.

The neoliberal claim that markets are the most efficient repositories of knowledge is increasingly contradicted by the destructive outcomes of this model. At the same time, as Halvorsen notes in his chapter, the economic model of growth pursued is unsustainable due to resource depletion, rising CO₂ emissions, and global warming. Notwithstanding this reality, multinational corporations continue to overexploit natural resources, while protectionism and trade wars have disrupted global value chains. Rising nationalism is pushing the world towards greater conflict. Resistance to neoliberalism is growing but remains fragmented and poorly coordinated.

Prospects for democratic alternatives

Despite its dominance, neoliberalism is not uncontested. Debates in the early 1990s, shaped by works such as Held's *Prospects for Democracy* (1993), challenged scholars to 'think big' about alternatives to liberal democracy and about the economic limits of democracy. Thirty years later, neoliberal dominance has only deepened, but the urgency of ecological collapse and climate change provides new impetus for such rethinking.

Since then, social movements, academic critiques, and global initiatives such as the United Nations Agenda 2030 for Sustainable Development offer alternative visions. Several contributions in this volume argue that the SDGs, although weakly implemented, provide an opening for debates about democracy, ecological sustainability, and social justice.

Nonetheless, counter-tendencies are emerging. Old social-democratic ideas are resurfacing, alongside calls for economic decisions to be democratically governed, for investments to be environmentally sound, and for inequality to be reduced through secure labour rights, education, and welfare.

Dismantling neoliberalism requires understanding its mechanisms and advancing democratic alternatives. The chapters in this volume contribute to that understanding. They show how neoliberalism has eroded democracy globally, weakened unions, and fuelled right-wing populism, while even local governments, such as the City of Cape Town, turn to global oligarchs in Silicon Valley rather than democratic accountability for development. In that respect, Olsen's chapter calls for a socio-ecological democratic socialism and highlights the role of trade unions and collective institutions in democratising social life.

Chapters by Halvorsen and Skaug note the revival of critiques of capitalism's destructive effects, and argue that the UN Agenda 2030, though weakened, offers a platform for democratic debate and policy alternatives. Halvorsen proposes that the UN Agenda 2030 could inspire a new eco-social model, grounded in democratic legitimacy,

capable of countering neoliberal hegemony and of promoting a new and sustainable global development model. The existential threat to humanity posed by global warming and the destruction of the environment could be mobilising forces for a new world order. But for this to happen, the global community must, as Skauge proposes, be willing to regulate global capitalism with enforceable legal means based on the legitimacy of democracy.

Halvorsen and Skauge emphasise that global solidarity and democratic cooperation must be mobilised against neoliberalism's fragmentation of politics and society. There is growing resistance to neoliberalism, but as yet the movement is neither integrated nor coordinated, and some of the movements reacting to the adverse impacts of neoliberal politics on democracy have themselves been subverted. In that respect, Higgins's chapter in this volume on student protests against the commodification of higher education in South Africa provides a cautionary note that even democratic movements can themselves become anti-democratic.

Democratic planning, eco-social models of development, and stronger global regulation of capital are necessary if humanity is to confront existential challenges. The future of democracy depends on dismantling neoliberalism's grip over political and social life, and on instituting new democratic regulatory frameworks at national and international levels. Only through such transformation, as Tom Skauge shows, can humanity hope to achieve sustainable development, social justice, and ecological balance.

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