

Detlef Pietsch

The Anti-Capitalist Society

Why a Successful
Economic Model Is Under Fire



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For all those who deal intensively with capitalism

Acknowledgements

As always, I would like to start by thanking the excellent team at Springer Publishing, represented by Dr. Isabella Hanser, for the outstanding collaboration. It is wonderful to see how, with the entire expertise of an outstanding team, a finished product emerges from an initial idea for a new book.

Hardly a day goes by without our current economic system of capitalism being subjected to criticism, whether it is fueled by ecological, social, or feminist motives. Numerous conversations with the younger generation, as well as with my own, the generation of the *Baby Boomers*, have convinced me to address this criticism of capitalism and to investigate its causes. Only a deeper understanding of the background to ongoing criticism of the prevailing economic system in the world allows us to better understand the time and society in which we live. Especially since capitalism has been successful in the past and has created considerable prosperity for many people.

At the same time, no viable alternative to this economic form has yet emerged: socialist or communist economic systems have failed in the past for various reasons. Numerous circulating “De-Growth” approaches, such as the “Post-Growth Economy,” are equally unconvincing. Nevertheless, it seems that criticism of capitalism is as intense as ever. I hope that this book, in addition to its topicality, will also contribute to a societal diagnosis of the times. None of this would have been possible without the crucial hints from my environment. Thank you very much for that.

In addition to the many friends and acquaintances who have once again provided me with numerous substantive hints for my book, my thanks, as always, go to my family, who continue to provide me with the support in my life. I would like to dedicate this book to all people who deal with capitalism, even though we certainly will not agree on all points. However, if my book should contribute to answering what I believe to be one of the most pressing questions of economics and society of the 21st century, then I have achieved my goal.

Munich in October 2023

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About the Author



Dr. Detlef Pietsch Born in 1964 in Trier, he studied Business Administration at the University of Mannheim with a focus on Marketing and Organization. He then earned his doctorate there at the Chair of International Management on issues of international human resource management. After positions as an assistant to the spokesperson of the management of an international logistics service provider and as a business consultant, he moved to an

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Dr. Detlef Pietsch has been dedicating his free time to the essential ideas of economics, humanities, and social sciences for almost thirty years. His decades of practical experience, coupled with his theoretical background, continually prompt him to comment on current economic issues, whether they are of an ethical, political, or historical nature. Most recently, the books “A Journey Through Economics. On Prosperity, Digitalization, and Justice” (2nd edition, 2022), “Rethinking Our Economy Ethically. A Call to Action” (2022), and “The End of Prosperity? On Ecological and Economic Crises” (2023) were published by Springer Verlag. The author lives with his family in Munich.



1

The Emergence of the Capitalism-Critical Society

If one were to assess the viability of capitalism based on the number of its devastating critiques, it should not have survived the 19th century, let alone the 20th and especially the 21st century. And yet it still lives. It seems that the more frequently and intensely capitalism is criticized, the longer and more persistently it survives. It even thrives, regardless of financial market crises. Even though theoretical economics may have been disqualified as incapable of forecasting and clueless according to the famous dictum of the Queen (during a visit to the renowned London School of Economics in the context of the financial market crisis, cf. Dohmen, 2017), the world's most famous economic system, capitalism, has survived these discussions unscathed. The Robinson Crusoe of economic models survives on his lonely island. Communism and socialism have given up all hope, especially after the fall of the "Iron Curtain". Yet we live in the heyday of criticism of capitalism. Hardly an economics book is published that

does not deal more or less critically with capitalism and its neoliberal excesses or its ecological consequences (representatively only the works published in recent years without claim to completeness: cf. Altvater, 2022; Chomsky & Waterstone, 2022; Fraser, 2023; Fraser & Jaeggi, 2021; Häring, 2021; Herrmann, 2022, 2018; Frevert, 2019; Ivanova et al., 2020; Piketty, 2023, 2020, 2014; Reimer, 2023; Ziegler, 2019; most recently Saito, 2023; Kaczmarczyk, 2023).

The abundance of literature critical of capitalism is almost overwhelming. Almost daily, it seems, a new critical work is added to the sea of publications that predict the end of this economic system. At the same time, the capitalist system, in its various forms and variants that have adapted to societal developments over the centuries (cf. Kocka, 2017, p. 77 ff.), has proven to be extremely successful: As the historian and sociologist Rainer Zitelmann demonstrated in his 2022 book (cf. Zitelmann, 2022) using all the rules of statistical art, none of the arguments critical of capitalism seem to hold water, at least statistically. All arguments can be statistically refuted. According to Zitelmann, capitalism is neither responsible for hunger and poverty in the world nor for increasing inequality, let alone for environmental destruction and climate change. The crises of the years around 1873, 1929/30, the ("Great Depression") or 2007/2008 ("financial market crisis") (cf. Kocka, 2017, p. 122) can no more be attributed to capitalism than wars or even Germany's path into National Socialism. Not even the unanimously presented knockout arguments against capitalism, such as the promotion of profit greed and egoism at the expense of the common good, solidarity or simply humanity, are statistically significantly confirmed. Let alone that the rich determine politics or that capitalism leads to monopolies. Zitelmann does not accept any of these arguments

in his admittedly painstakingly researched book “The 10 Misconceptions of Anti-Capitalists”.

But while Zitelmann is tirelessly arguing in favor of capitalism, reality in Germany shows that criticism of the capitalist economic system is rather increasing than decreasing. Especially the young, upcoming generation of 16 to 29-year-olds in Germany is extremely critical of capitalism (for the numbers cf. Zitelmann, 2022, p. 293 and further Beyer et al., 2022, p. 11 f.):

They experience a republic plagued by crises, in which the supposed securities all seem to be breaking away. Rental prices are exploding, housing is becoming increasingly unaffordable. Votes for the expropriation of housing construction companies easily win the majority of the voting population, for example in Berlin (a sentiment that is not only shared by the youth). Prosperity is no longer reaching everyone: The perceived and actual inequality of the population is increasing, the pension system is no longer affordable, especially not for the young generation. Inflation is outpacing wages and salaries, which are still different between genders (2023: 18% to the disadvantage of women or adjusted for gender-specific jobs with lower pay, part-time for predominantly women etc. still 7%, cf. Federal Statistical Office, 2023a).

Indeed, the job market opportunities for the upcoming Generation Z (born from 1995 onwards) are getting better as the *Baby Boomer* generation (1955 to 1964, including myself) gradually retire. However, they do not trust the system of capitalism to produce prosperity for all. Instead, they place greater emphasis on a balanced mix of work and leisure with extended vacations (“sabbaticals”) for joint child-rearing, self-realization, or simply to reduce their lifetime working hours. Some, like the frugalists, only want to work until their mid-40s at most, in order to enjoy the rest of their lives with the money they have

saved through their modest lifestyle (for further reading, see Wagner, 2019). Leisure instead of working until collapse, family and community instead of career at any cost including elbow mentality. Of course, this cannot be generalized and applied to all young people. However, the trend is unmistakable (see, for example, Zimmerer, 2022).

One point in particular is causing the upcoming generation, not without reason, to panic, or at least to be extremely worried: the current state of the environment. The Earth is gradually sinking under the burden of pollutant emissions, whether they are in water, on land, or in the air. Rivers are being poisoned or littered, along with their marine inhabitants. The Earth is relentlessly heating up, polar caps are melting, and the 1.5-degree target is, if we're honest, no longer achievable even under the most favorable conditions. Global warming will lead to partly unbearable conditions in the coming decades. People will have to flee from their ancestral areas because they can no longer live in their homeland: too hot, too dry, without a future. Desolate landscapes alternate with dried-up riverbeds. Biodiversity is rapidly declining, making the Earth increasingly uninhabitable. Even if one does not want to subscribe to this apocalyptic view, this is certainly one of the possible scenarios that is unfortunately becoming increasingly likely. The upcoming generation will essentially have to deal with the consequences. They live with what we bequeath to them.

Protest actions by *Fridays for Future* against climate change are hardly noticed anymore, as they seem to have become part of the standard repertoire of youth. Other, more radical groups such as *Last Generation* with their adhesive activities and targeted traffic disruptions or the symbolic devastation of million-dollar paintings in museums rather fuel reactance than approval and thus do themselves a disservice. Especially since they are illegal (see

Grunert et al., 2023, p. 8 ff.). But what else should this young generation do to draw the necessary attention to their justified concerns? That traffic disruptions by sticking to roads or airports are not a sensible action and could also be life-threatening should have become clear. Capitalism is also discredited by the young generation precisely because it is based on growth and infinite economic growth on a finite planet is impossible (see, among others, Herrmann, 2022, p. 11). Alternatives such as green growth are not only controversial, but also fail to convince due to the currently still low share of renewable energies (see Herrmann, 2022, p. 115 ff.; Saito, 2023, p. 45 ff.).

So why, and this is the core question of this book, is German society and especially the younger generation so critical of the capitalist economic system, even though it has demonstrably been so successful in the past (and still is) and has brought unparalleled prosperity to a great many people? Rarely has a society been as wealthy as the Federal Republic of Germany, rarely as well educated, if one takes the proportion of academics or the high school graduation rate as a measure of education. All doors are open to the young generation in the future. The shortage of skilled workers is reversing the situation and will lead to a battle for the best talents (and it has already begun). Craft professions are desperately looking for apprentices, not to mention socially extremely relevant care workers etc.

Criticism of capitalism is not limited to the youth, but is disproportionately present there (see Zitelmann, 2022, p. 293). Women are significantly more critical of capitalism compared to men (see Zitelmann, 2022, p. 301). Alternative models such as a new form of socialism, coupled with a strong ecological orientation, are now on the rise (see Beyer et al., 2022, p. 11 f.). Especially in Germany, which has experienced two different economic

systems, socialist economic models seem to be satisfactory again, despite all the doom-mongering. Many believed that after the collapse of the Soviet Union and the countries politically and economically connected with it, such socialist and communist experiments would be over once and for all. Far from it. The economic and social historian Werner Plumpe writes in his excellent and knowledgeable work on the history of capitalism, with good reason, that an alternative to capitalism cannot be found in these socialist economic models (Plumpe, 2021, p. 639):

“The cold heart, the ruthless variation and selection dynamics of capitalism, which only evaluates economic success and disregards all social, ethical, political, aesthetic, and ecological aspects, as long as they are not price- and payment-relevant, is ultimately preferable to all forms of supposed warmth that do not deliver what they rashly promise.”

So where does the longing, especially among the youth, for a socialist economic system come from? Is it really the case that socialism promises a “warm-heartedness” that many prefer to a cold-hearted, selfish capitalism that brings out people’s greed for profit? Or do all capitalism-critical people in Germany live out “anti-capitalism as a political religion” (Zitelmann, 2022, p. 357), a “emotionally based rejection” especially of the “intellectual elites” (Zitelmann, 2022, p. 357)?

Yet capitalism has proven to be extremely successful in all its historical forms and country variants: Regardless of whether one looks at the gross domestic product per capita, the living and working conditions since the times of Karl Marx and his historically unique criticism of capitalism, the range of goods, the freedom of lifestyle, etc. The Chinese economics professor Weiying Zhang has pointed

out that between 1750 and 2000, the per capita GDP (gross domestic product) increased 37-fold to 6600 US dollars (Zhang in Zitelmann, 2022, p. 378). This means, according to Zhang, that 97 % of humanity's wealth was created in the last 250 years (Zhang in Zitelmann, 2022, p. 378). The same applies to life expectancy: While it was still an average of 26 years in 1820, it was estimated to be 72.6 years in 2019 by the United Nations (Zhang in Zitelmann, 2022, p. 379). The poverty rate in China, for example, fell from 88 % before the opening to a capitalist economic system to 0.7 % in 2015 (Zhang in Zitelmann, 2022, p. 390). Zhang also notes that

“... in China, the regions with the smallest income gap on average are those with the best market penetration, the fewest state economic sectors, and the lowest tax rate.” (Zhang in Zitelmann, 2022, p. 392).

So capitalism is not responsible for the increasing inequality either. And yet, in Germany, an anti-capitalist opinion prevails: According to the study by Zitelmann, which he commissioned from the renowned Allensbach Institute and covered 14 countries worldwide with a representative sample, anti-capitalist opinions predominate (see Zitelmann, 2022, p. 309). The index value was 0.91, with any number below 1 indicating a dominance of anti-capitalist opinions (see Zitelmann, 2022, p. 309). Particularly striking is the fact that among 16–29-year-olds, the proportion of anti-capitalist attitudes was highest, measured on the basis of agreement with capitalism-critical statements (index 0.43 with an average of 0.53 across all age groups, see Zitelmann, 2022, p. 293). However, approval of capitalism increased by almost 50 % if the term was not explicitly used and instead the economic system was only

described! The word is apparently extremely negatively connoted. But why is that?

Capitalism has been critically accompanied since its inception. The most famous is certainly the criticism of the native Trier social philosopher and economist Karl Marx, who worked his whole life against the system. Marx, of course a child of his time, directly experienced the consequences of the Industrial Revolution and described the sometimes unbearable conditions of wage labor in the 19th century. As a newspaper editor and at times editor-in-chief of the *Rheinische Zeitung*, he closely followed the social and economic situation of his time. Workers were exploited in the truest sense of the word: They toiled from early morning until late at night for the lowest wages under unbearable hygienic conditions. Even women and children were not exempt. They lived in dark basements and overcrowded tenement houses in the rapidly growing cities (see Kocka, 2017, p. 105) and survived more or less, while at the same time making the entrepreneurs and capitalists rich. No wonder that the sensitive observer of the scene, Karl Marx, described capitalism as “exploitative”:

The workers only received the wage they needed to survive. The surplus value of labor, according to Marx, would solely benefit the capitalist and owner of the means of production. The worker would be alienated from their labor, today one would probably speak of being dulled and indifferent. The entrepreneur and capitalist are only interested in the accumulation of capital, or in modern terms, maximizing profit by all means. The emerging new class of workers were grouped into a new societal type of proletariat. Although Karl Marx’s prediction of the self-abolition of the capitalist system did not come true, his comprehensive analysis of capitalism in his three volumes “Capital”

(cf. MEW vols. 23–25) has proven to be the most influential critique of capitalism.

Numerous authors of the Critical Theory of the Frankfurt School have jumped on this bandwagon. From Max Horkheimer to Theodor W.(iesengrund) Adorno (“Dialectic of Enlightenment”) to Herbert Marcuse (“One-Dimensional Man”), the neo-Marxists grappled with capitalism. In their *Dialectic of Enlightenment*, Horkheimer and Adorno wrote

“... the enthronement of the means as an end, which in late capitalism takes on the character of open madness (...) The counter-reason of totalitarian capitalism, whose technique of satisfying needs, in its objectified, domination-determined form, makes the satisfaction of needs impossible and drives towards the extermination of people ...” (Adorno & Horkheimer, 1944/2020, p. 62).

Marcuse describes in his work “One-Dimensional Man” the overreach of capitalist production:

“In this society, the production apparatus tends to become totalitarian to the extent that it not only determines socially necessary activities, skills, and attitudes, but also individual needs and desires.” (Marcuse, 1964/2014, p. 17 f.).

Many sociologists and economists have since repeatedly dealt critically or descriptively with capitalism. Werner Sombart, a German economist and sociologist of the 19th century, described modern capitalism and established a still valid separation into early, high, and late capitalism (cf. Plumpe, 2021, p. 18). Max Weber, the great German sociologist of the 19th century, linked the core idea (“spirit”) of capitalism with the Protestant ethic

(cf. Weber, 1920/2013, p. 65 ff.). In addition to many prerequisites of a purpose-rational organization of a company, profitability orientation, the existence of money, credit, and capital markets, the right economic mentality is indispensable for capitalism in the sense of a rational calculated willingness to invest in long-term business success (cf. Kocka, 2017, p. 13). The Austrian economist and later Harvard professor Joseph A. Schumpeter saw in capitalism a combination of private property, market, and creative entrepreneurs who brought about innovations and created new things in an act of creative destruction (*“creative destruction”*, cf. Schumpeter, 1947, p. 81 ff.) and thus increased wealth. This is not the time and place to trace the development of economic ideas that dealt with capitalism. I have detailed this in one of my earlier works and would like to refer to it here (cf. Pietsch, 2022a, p. 45 ff.).

Recently, numerous books critical of capitalism have been published, coming from different disciplines and addressing different aspects of the economic system. If it is true that books reflect the social and political situation of a time, then we live in Germany (but not only there!) in a *capitalism-critical society*. Despite all statistics that attest to the outstanding success of capitalism in terms of wealth increase, this superior economic model is repeatedly heavily criticized. Criticism comes from all sides:

The incompatibility of ecology and economy is emphasized (see Herrmann, 2022; Göpel, 2022; Deutsche Umweltstiftung, 2023; Fraser, 2023; Klein, 2015), the system is generally questioned in favor of a socialist alternative (see Altvater, 2022; Chomsky & Waterstone, 2022; Collier, 2018), a revival of critical theory is driven (Fraser & Jaeggi, 2021) or corporations that allegedly take over power (see Häring, 2021). Critics also come from the trade union side and emphasize the partial social imbalance that capitalism brings about with its low wages and

inadequate social cushioning (see, for example, Fedders, 2013, p. 91 ff.). Christian and Jewish theologians prompt moral issues such as the obligation to the common good, solidarity, and support for the poor, weak, and sick to fundamental criticism of capitalism. Others come from the feminist corner and criticize the male perspective on capitalism or the unequal treatment of men and women in capitalism (see, for example, Aulenbacher et al., 2014; Shehadeh, 2023). Others write worldwide bestsellers, denouncing the increasing global inequality in wealth and income, such as the French economist Thomas Piketty (see Piketty, 2020, 2014) or the American economist and recipient of the Alfred Nobel Memorial Prize in Economic Sciences Joseph Stiglitz (see Stiglitz, 2019).

Others harshly criticize digital capitalism (see, among others, Staab, 2019). The list could go on indefinitely. And yet, the successes of capitalism are undeniable. How is it that we have become a deeply capitalism-critical society that rejects the very economic foundations that have made our long prosperity possible? Why at a time when it should have long been clear that alternative economic systems such as socialism or even communism have failed miserably? Why is capitalism criticism experiencing this renaissance in various guises, whether they are called post-growth economy (see Paech, 2012), common good economy (see Felber, 2018) or other creations around an orderly, moderate, civilized, compassionate, etc. capitalism?

These are the pressing questions that I want to deal with in the course of this book. My approach will be as follows:

After this introduction with the initial question and the problem sketch in the *first chapter*, I want to deal with the concept of capitalism in the following *second chapter*. Many scientists shy away from defining the term like the devil shies away from holy water, as it is difficult to grasp,

controversial and at best polemical (see Kocka, 2017, p. 6) and has undergone a change in meaning over the years. But only on the basis of a somewhat catchy definition can we get closer to the phenomenon of capitalism. I will try it at the beginning of the second chapter. As often in life, one only fully understands a thing or in this case an economic system when one knows its history. Therefore, we take a brief look back at the history of capitalism, each embedded in its political and social framework conditions. Only in this way can one understand how Karl Marx came to his assessment, which seems somewhat strange to us from today's perspective. It is also important to know that there is not the capitalism in the world today, but there have always been and still are different variants, which have partly cultural or traditional causes. American-style capitalism will certainly be different (and it is!) than, for example, in the Scandinavian countries. And this in turn presents itself differently than in selected South American countries or here in Germany.

In the *third chapter*, I will go into more detail on the types and contents of capitalism criticism already hinted at. There we will find individual content points such as exploitation, greed for profit, alienation and inequality etc. just as we will find the different perspectives as they are encountered in feminist, neo-Marxist or ecologically oriented criticism. On the basis of this overview of critical voices on capitalism, which is not limited to the German-speaking area, we will then be able to understand the backgrounds of these warning voices.

The fourth chapter will logically deal with the various causes of criticism of capitalism, whether they arise from the rejection of poverty and impoverishment or from alienation and exploitation. Newer arguments such as growing inequality as well as criticism of corporations and executive salaries will also be listed there for the sake of

completeness, as will the increasingly dramatic appeals to the incompatibility of ecology and economy. At the end of this chapter, I will particularly address the discussion of changing values over time, as I believe that the main causes of this critical attitude towards capitalism lie precisely in this shift in values of the younger generation.

In the fifth chapter, I deal with the change in societies in general. In this section, I try to understand, based on current and past theories of sociology, why societies change and in particular, why we have increasingly developed and continue to develop towards a society critical of capitalism. Although I am not a trained sociologist and most social scientists will likely view my endeavor critically, I still try to develop a theory and corresponding hypotheses that help explain the increasing criticism of capitalism. If I can contribute a small building block to a theory and the topic of a society critical of capitalism is generally taken up more, I have achieved my goal.

The sixth chapter deals with the question of whether serious alternatives have emerged from the criticism of capitalism or whether it merely remains at the level of criticism. What is particularly interesting is whether there are viable and realistic alternatives that do not lead into the well-trodden path of socialism and communism. I will go through various real and ideal variants of socialism and communism from the past and present, as well as newer approaches such as the “post-growth economy” and the “common good economy”. On this basis, this chapter attempts to work out which of these approaches has a possibility for practical and widespread implementation. At the end of this chapter, I would like to consider together with you whether there might not be something like a third way, a compromise solution between the various alternatives, based on the long period of a successful social market economy. Let’s call it, for simplicity’s sake, a

Social Market Economy reloaded, although I am aware that I am not the first to suggest a revision of the current economic system in Germany (cf. the Initiative Neue Soziale Marktwirtschaft, 2019).

In the *seventh and final chapter*, I would like to summarize some considerations on how we could get out of the status of a society critical of capitalism. It will probably work best if we jointly revise the existing successful economic system so that the main points of criticism have been addressed and yet the model remains successful (although this comes close to squaring the circle). The market cannot achieve social balance on its own. It neither sets the regulatory framework nor can it guarantee it. This must be taken over by the state, i.e., all of us. To what extent a new interplay of market and state can eliminate the main points of criticism of capitalism and at the same time strengthen the social and solidarity component remains to be discussed. However, with this book, I want to set important impulses for this. The goal must definitely be to show a way out of a society critical of capitalism. This can only be achieved with a consensus on a new, more efficient but also more social and ecological economic model. We will take stock at the end of the book. Let's now start working on an understandable and comprehensible concept of capitalism.



2

Capitalism

2.1 Concept and Definition

Defining the concept of capitalism is like nailing pudding to the wall: too complex, changing over many decades, and highly controversial. Capitalism is everything or nothing: for some, it is the universal tool that has not only brought prosperity but also helps in all situations if left unchecked. For others, it is the epitome of all evil and horror that has befallen humanity. It has become something of a battle term: everyone knows it, but everyone has different opinions, hunches, and prior knowledge about what it really means. Therefore, it is not surprising that many scientists avoid this term like the devil avoids holy water (see, in a weakened form, Kocka, 2017, p. 6). Instead of a precise definition, the individual style-defining elements of capitalism are listed as a substitute.

Etymologically, i.e., from the origin of the word, capitalism originally meant livestock in late medieval Latin

of the 16th century, counted by individual heads (see Tanner, 2012). The term capitalism (formerly spelled with a C) contains the Latin term *caput*, i.e., the head, or *capitalis*, belonging to the head. It is likely that the term has increasingly given way to overarching meanings such as wealth and money (see Tanner, 2012): Whoever owns a corresponding number of animal heads is rich and wealthy. Initially used relatively neutrally, the term gradually transformed into a critical one: The French socialist Louis Blanc introduced the negative connotation around 1850 when he denounced the “appropriation of capital by some, excluding others” (quoted from Kocka, 2017) (for life and work of Louis Blanc see, among others, Held-Schrader, 1991, p. 110 ff.). In this critical spirit, capitalism as a term was also seen by Karl Marx and Friedrich Engels. Capitalism primarily stands for:

A (capitalist) market economy, characterized by private ownership of means of production with a decentralized planning of the economic process through prices (see also in the following Sauerlach, 2023). Thus, Marx saw the capitalist as the owner of the means of production, which enabled him to reap the value creation, i.e., the surplus (“surplus”) of wage-dependent employees. The capitalist “accumulated” the invested capital, and the worker received a wage in return, which was just enough to survive. In the words of Karl Marx (MEW Vol. 42, p. 534):

“Capitalist i.e., representative of capital, personified capital, he is only by relating to work as alien work and appropriating and setting alien working time. (...) This, that the worker must work surplus time, is identical with the fact that the capitalist does not need to work and so his time is set as non-working time; that he also does not work the necessary time. The worker must work surplus time in order to objectify, realize, i.e., objectify the working time necessary for his reproduction.”

Marx is even harsher with the entrepreneurs, the capitalists, who not only accumulate capital, i.e., pile it up, but also rob the originally free worker of his labor power and his private property. Thus, Marx writes in the first volume of his work “Capital” (MEW Vol. 23, p. 790):

“The self-earned private property, based so to speak on the fusion of the individual, independent working individual with his working conditions, is displaced by capitalist private property, which is based on the exploitation of alien, but formally free labor. As soon as this transformation process has sufficiently decomposed the old society in depth and extent, as soon as the workers have been transformed into proletarians, their working conditions into capital, as soon as the capitalist mode of production stands on its own feet, the further socialization of labor and the further transformation of the earth and other means of production into socially exploited, thus communal means of production, hence the further expropriation of private owners, takes on a new form. What is now to be expropriated is no longer the self-sufficient worker, but the capitalist exploiting many workers.”

This world-famous, extremely negative view of capitalism by Karl Marx, which was shared by many socialist thinkers of his time (see *Classics of Socialism*, two volumes, especially the socialist thinkers from Volume 1, see Euchner, 1991), was enriched and differentiated by further thinkers. The famous German sociologist Max Weber added the element of capitalist mentality to capitalism. In his fundamental work “The Protestant Ethic and the Spirit of Capitalism” (Weber, 1920/2013), he convincingly demonstrated that it is precisely the peculiarities of Protestantism with its individual variants such as Calvinism that play into the hands of capitalism. Thus, the Calvinists were convinced that the election of the individual by God is

shown in personal success on earth (see also Precht, 2019a, p. 527). Man recognizes his own competence in legal money-making. At the same time, the rationality inherent to Protestantism in particular ensures a sober and factual handling of money and capital matters (for the concrete derivation of Max Weber's lines of thought, see also Pietsch, 2021, p. 205 ff. and of course Weber himself in his main work "Economy and Society", Weber, 1922/1980, see especially the rationality of money calculation, Chapter II, § 10, p. 45 ff.). The pursuit of profit was thus legitimized, especially as it helped to document the primacy of the individual and his success on earth. Weber writes:

"Rather, the fact is: that the Protestants (especially certain directions among them to be treated later) *both* as ruling and as ruled layer, *both* as majority *and* as minority have shown a specific inclination towards economic rationalism, which was and is not to be observed in the same way among Catholics *either* in one *nor* in the other situation." (Weber, 1920/2013, p. 68/69, italics in the original).

Weber attributed these particular characteristics and the capitalism-promoting mentality to Western European-American capitalism in particular. Here too, it is worth listening closely to Max Weber:

"... what there (referring to the richest merchant of the Middle Ages, Jakob Fugger, note by the author DP) is expressed as the result of commercial daring and a personal, morally indifferent, inclination, takes on here (capitalism of US-American character as described by Benjamin Franklin, note by the author DP) the character of an *ethically* colored maxim of life conduct. In this specific sense, the term "spirit of capitalism" is used here. Of course: of *modern* capitalism. For it goes without saying that we are

only talking about this Western European-American capitalism in view of the question. “Capitalism” has existed in China, India, Babylon, in antiquity and in the Middle Ages. *But it lacked that peculiar ethos, as we will see.*” (Weber, 1920/2013, p. 77, italics in the original).

The German sociologist and economist Werner Sombart attempted a definition of the term in his comprehensive work on modern capitalism (see Sombart, 1916). In the nineteenth chapter of his first volume “Modern Capitalism”, Sombart defines capitalism as follows:

“By capitalism we understand a specific economic system, which can be characterized as follows: it is a traffic-economic organization, in which regularly two different population groups: the owners of the means of production, who also have the management, are economic subjects and propertyless only workers (as economic objects), connected by the market, cooperate, and which is dominated by the principle of acquisition and economic rationalism.” (Sombart, 1916, p. 319).

Sombart understands by the principle of acquisition “... exclusively the increase of a sum of money” (Sombart, 1916, p. 320). He also specifies what he understands by economic rationalism, namely first the “far-sighted plans”, second the “correct choice of means” (expediency) and third “the exact numerical calculation and registration of all individual economic phenomena and their numerical summary into a sensibly ordered number system.” (Sombart, 1916, p. 320).

From today’s perspective, the three parts of economic rationalism could be equated in business terms with strategic corporate planning and management, the right strategy or approach, and accounting or controlling. In terms of

economics, one would probably speak today of economic planning, macroeconomic control via monetary and fiscal policy, etc., and national accounting or statistics.

The term capitalism has thus far been used either extremely negatively or at best as resulting from the defining character of human belief and attitude towards life: The capitalism of its time (the 19th century) was thus destined to let workers vegetate in miserable conditions, exploit them and just keep them alive. On the other hand, it seemed, the capitalists, who had the money and focused solely on profit and capital accumulation, pocketed the surplus value worked together by the workers. Max Weber, like Werner Sombart, crowned his certainly not inaccurate characterization as the sober, factual and rationally cool economic system of capitalism. At best, the image of a coolly calculating profit maximizer, who rationally and selfishly pursues his own interests and thus wants to document his special position on earth, forms in the viewer's mind. Although Max Weber certainly did not want to suggest such an idea, this image nevertheless stuck. No wonder that such a distorted image of capitalism (which in this time of the 19th century actually exhibited some of these elements!) contaminated the term capitalism.

Even the Austrian-American economist Joseph A. Schumpeter, originally from Austria and belonging to the market-liberal Austrian School (cf. Pietsch, 2022a, p. 165 ff.), stated in his preface to the chapter on capitalism, resigning that in his opinion it could not survive. "Can capitalism survive. No, I don't think it can." (Schumpeter, 1947/2011, p. 61). According to Schumpeter, inherent to capitalism are not only private property, the market mechanism with supply and demand at free price formation, but also business economics (cf. Kocka, 2017, p. 15). The Harvard economist is known for his concept of "creative destruction" in the annals of economic thought history (cf.

also Pietsch, 2022a, p. 171 ff., Schumpeter, 1947/2011, p. 81 ff.). He tried to trace the economic dynamics in the capitalist economic system: The entrepreneur is the driving force. In order to differentiate himself (or herself) from the competition, he (or she) looks for innovations, whether they are strategic, product-related or process-related. By constantly looking for something new and becoming creative (think of today's start-ups!), they create a short-term (!) monopoly situation that allows them to skim off the pioneer profit:

If I am the first with this idea, the new product on new markets with new production methods etc., then I can temporarily differentiate myself from my competitors and make an extraordinary profit until the competition has caught up with me. This constant urge to improve, to create innovations, then helps not only the own company, but also capitalism as such. In this process, the creative invention of innovations destroys the old. One could colloquially say: The better is the enemy of the good. In the words of Schumpeter:

“The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers’ goods, the new methods of production or transportation, the new markets, the new forms of industrial organization that capitalist enterprise creates.” (Schumpeter, 1947/2011, p. 83).

The difficulty with the term capitalism is that it is not only very complex and strongly influenced by personal (political) attitudes, but has also changed over time. Legendary is the intellectual competition between the liberal US economist Milton Friedman, who essentially saw capitalism combined with freedom (cf. Friedman, 1982: “Capitalism

and Freedom”, cf. also Pietsch, [2022a](#), p. 217 ff.) and the British economist John Maynard Keynes:

From Friedman’s point of view, companies should operate in a free, competition-oriented market economy and thus create the conditions for a free society. In a nutshell: As much market as possible, as little state as necessary. On the other side John Maynard Keynes, who influenced generations of students with his theory (cf. Keynes, [1935/2017](#); Pietsch, [2022a](#), p. 191 ff.): From the global economic crisis of 1928/29, Keynes had learned that the market does not always create a balance between supply and demand by itself. The French economist Jean-Baptiste Say had still claimed that every offer creates its own demand (cf. among others Pietsch, [2022a](#), p. 81 ff.). Keynes doubted this based on his observations during the global economic crisis:

There can also be a balance in the labor market that is based on unemployment. This can only be countered by the state intervening in the economy and investing in its own infrastructure, such as building roads, public buildings, and thereby stimulating the economy. Others, like the long-time Minister of Economics and later Chancellor of the Federal Republic, Ludwig Erhard, relied primarily on free competition (cf. Erhard, [1957a/2021](#), among others, p. 7), suppressed anything that looked like cartels and only allowed the state to set the framework. His brilliant precursor, the Cologne economist Alfred Müller-Armack, designed a Social Market Economy from the ordoliberal concept of framework setting, which was supposed to combine market economy elements with a balanced social concept (for the conception of the Social Market Economy in detail cf. Müller-Armack, [1946/1990](#), cf. also Pietsch, [2022a](#), p. 242 ff.).

Therefore, today there are almost as many variants of capitalism as there are countries in which this economic

system prevails. We will analyze this topic in more detail in Sect. 2.3. It should only be said so much: The capitalism of Anglo-Saxon character, such as in the USA or in Great Britain, differs considerably from a capitalism of Scandinavian character, in which the market principle is embedded in extensive social benefits, which are bought through disproportionately high taxes for the stronger performers and a high state quota. But more on that later.

What do we conclude at the end of this chapter about the concept of capitalism: Capitalism is an economic system that is based on free enterprises that are in private hands and whose owners have property in the means of production. The companies strive to maximize profit and the capital employed. They are free in their decision-making within the framework of their corporate management, as long as they comply with the (national) laws and orient themselves towards the free market and competition. In their endeavor to stand out from competitors, achieve a temporary monopoly position and skim off the pioneer profit, they create innovations and thus increase the product and goods offer on the market. They bear both the entrepreneurial risk and the responsibility for the employees. The price as a scarcity indicator is formed on the market through supply and demand and the customers define the success of the company with their demand. With the emergence of large companies and capital-intensive mass production (cf. Plumpe, 2021, p. 36), capitalism arose, which increased its efficiency and effectiveness limitlessly in the course of the permanent increase in productivity and with the help of technological progress. Assembly line work à la Henry Ford and the associated search for the best work processes in the sense of Taylorism, henceforth stood symbolically for work in capitalism.

With Jürgen Kocka (cf. Kocka, 2017, pp. 20/21), capitalism can be succinctly focused on three points:

Firstly, on the existence of individual property rights with decentralized decisions in the market, which lead to individual profits and losses (also per company). Secondly, the coordination of economic actors takes place via markets, prices, competition and cooperation in the form of supply and demand. Goods are sold and bought, which are produced in a division of labor and are paid for in units of money. This requires a functioning labor and money market. Nancy Fraser adds to this the point important for Marx of a free labor market, i.e., of free workers who are neither slaves nor serfs (cf. Fraser, 2023, p. 21). Thirdly, capital, as already with Marx, is in the foreground, with the help of which the entrepreneur invests or reinvests. The aim is to exchange the costs of the present for revenues or profits of the future. This implicitly assumes that loans are taken out and that the pursuit of profit for the repayment of the loans is part of the essence of capitalism. At the same time, *capitalism is dependent on growth*, as a minimum return and a repayment of the borrowed capital only seem possible in this way. All entrepreneurial action is finally subject to the risk and uncertainty of how far the efforts will actually lead to success in the market and thus keep the company future-proof and profitable.

While this is rather a neutral, from the point of view of critics of capitalism rather (too) positive description of capitalism, the points of criticism should not be overlooked at this point. As we have seen, Marx criticized the exploitation of the worker, the increasing alienation from work. The capitalist pockets the surplus value of the worker, while he himself accumulates his invested capital. The rational, profit-oriented entrepreneur ensures with his or her self-interest that he or she wins the ruthless competition. Depending on the point of view, either the principle of performance or the law of the stronger and better prevails (“entrepreneurial self-responsibility”)

or the increasing exploitation of people and their natural environment at the expense of the weaker. Economic inequality is increasing. Capitalism as a term but also economic system divides society with the better end for the capitalism-critical part. The history of capitalism started relatively simply and uncritically

2.2 A Brief History of Capitalism

After attempting to narrow down the elusive concept of capitalism according to its literal meaning, sketching its essential elements, and thus having at least a working definition, we now want to briefly deal with the essential historical milestones of capitalism. Following Honneth (cf. Honneth, 2023, p. 153 ff.), we will not attempt the futile task of providing a complete outline of a history of capitalism. This would be neither feasible in terms of content nor expertise from the perspective of a non-historian. The aim here is a sketch-like, cursory representation of the essential development lines of capitalism without claiming to be complete. The goal of the exercise is to understand the prevailing forms of capitalism based on its respective socio-political and historical conditions. To make it concrete: The analysis of capitalism with its manifestations including the alienation of labor, exploitation, and capital accumulation in Marx cannot be fully understood without the social and work-related circumstances of the factory workers in the mid-19th century. Therefore, the history of capitalism will now be outlined briefly.

In the following, I mainly rely on the extensive and carefully researched work by Werner Plumpe (cf. Plumpe, 2021) on the history of capitalism and the small volume by Jürgen Kocka (cf. Kocka, 2017), who also provides an excellent overview of the essential stages of capitalism in a

densely packed space. Axel Honneth (cf. Honneth, 2023, p. 156 ff.) also provides, coming from another research topic, an enlightening insight into the recent history of capitalism or labor in capitalism. In the brief sketch of the historical development of capitalism, I would like to refer to the comprehensible and catchy epoch division by Jürgen Kocka, who distinguishes an early phase of capitalism (“merchant capitalism”, cf. Kocka, 2017, p. 23 ff.), the phase of expansion (cf. Kocka, 2017, p. 46 ff.) and capitalism in the proper sense in the 19th century (cf. Kocka, 2017, p. 77 ff.). Werner Plumpe breaks down the individual epochs from the emergence of capitalism further and goes even more intensively into the social, political, and intellectual historical contexts of capitalism, which are particularly vivid at the emergence of capitalism as such. Axel Honneth’s concise presentation of the history of capitalism is primarily about the aspect of work, which is particularly helpful for our purposes, as many critical remarks on capitalism, as we will see later, deal with work as such.

The question of when exactly capitalism began is not definitively answerable with Kocka (cf. Kocka, 2017, p. 23), as both the term capitalism is used differently in the scientific literature and capitalism began rather in a period and not on a specific day with a caesura. The fact is that as early as antiquity, for example in Mesopotamia, the eastern Mediterranean, but also on the Silk Road and the great east-west trade route through the Indian Ocean, a lively trade was conducted. Emerging empires needed a considerable capital requirement for their warlike expansion, which could only be provided by a brisk and profitable (long-distance) trade. Not only the Romans of the imperial period from the 1st century BC to the 5th century AD traded food but also luxury goods for money, but also, among others, the Chinese Han Dynasty (206 BC to 220 AD, cf. Kocka, 2017, p. 24). Kocka rightly

points out that the trade practiced in Greek and Roman antiquity should not be referred to as early capitalism, as the focus was more on war and land gain than long-term success and profit in the market (cf. Kocka, 2017, p. 25). Supported by Buddhism, which favored trade, Buddhist monasteries acted as capital formation centers and lent money to agricultural and commercial enterprises (cf. Kocka, 2017, p. 25). Chinese merchants expanded sea trade during the Middle Ages in the Sung Dynasty, which extended over Southeast Asia, India, the Arab world, and East Africa including Egypt (cf. Kocka, 2017, p. 26). Another center of medieval trade was the large Arab empire, which then encompassed western Asia, parts of North Africa, and the Iberian Peninsula (cf. Kocka, 2017, p. 27).

Europe only developed cross-border trade relatively late. This was particularly due to the collapse of the Western Roman Empire in the 5th century and the ensuing migration of peoples amid simultaneous political instabilities (cf. Kocka, 2017, p. 31). Long-distance trade primarily began between the 12th and 15th centuries and essentially originated from the northern Italian, Spanish, and southern French coastal cities, but also from Upper German cities like Nuremberg and Augsburg, and included Egypt, Syria, Palestine, and Byzantium (cf. Kocka, 2017, pp. 33 f.). The Augsburg merchant family of Fugger, with their global empire, is world-famous, as is the legendary merger of merchants into the Hanseatic League, whose name still characterizes cities like Hamburg and Bremen (Hanseatic cities). The first steps towards capitalism in the true sense were new legal forms (“Great Ravensburg Society”) and the introduction of double-entry bookkeeping with debit and credit (although this only became widespread in the 19th century, cf. Kocka, 2017, p. 36). In addition, banks and typical banking transactions on a larger scale emerged

in Genoa and Tuscany, which brought about currency exchange, lending and borrowing, and bill and giro transactions (cf. Kocka, 2017, p. 37).

This form of trade was carried out in the Middle Ages primarily by independent merchants who could both read and write and calculate, and thus belonged to the educated people of their time (cf. Kocka, 2017, p. 39). Essential elements of modern capitalism were missing at that time, such as capital accumulation and business growth. A significant brake on the “capitalist” development in medieval Europe was Christianity, which both prohibited interest-taking and marked profit-making as morally questionable (cf. Kocka, 2017, p. 42). It is telling that the most significant medieval Christian theologian, Thomas Aquinas, in his few considerations on economics, primarily dealt with the moral questions of exchange and distribution justice, the “just price” (*pretium iustum*) and the public good, the *bonum commune*. According to Thomas, the task of economics was merely to supply the citizens of a state with the goods of daily need and not the increase of wealth, let alone the accumulation of capital (cf. Pietsch, 2022a, pp. 26 ff.). Although one cannot speak of capitalism in the classical sense in the Middle Ages, as we have seen, some essential elements first crystallized in China, then in Arabia, and only somewhat later in Europe.

With the discovery of the New World by conquerors like Christopher Columbus, Vasco da Gama, and many others, new countries and entire continents were gradually brought under European control. Colonies were founded and intensively integrated into long-distance trade. In the 16th and 17th centuries, joint-stock companies like the “United East India Company” emerged in the Netherlands, England, and France against the backdrop of rapidly increasing colonial trade (cf. Kocka, 2017, p. 49).

Stock markets developed, and more banks were founded, like the Bank of England (1694), which became another building block for emerging capitalism (cf. Kocka, 2017, p. 53). The work in the new colonies was predominantly characterized by plantation economy and unfree labor in the form of slaves (cf. Kocka, 2017, pp. 55 ff.), which, according to Marx's criterion, cannot be a component of capitalism. Agriculture in Europe was initially oriented towards self-sufficiency and obligated to the feudal system. This gradually changed between the 16th and 18th centuries, as self-sufficiency was gradually replaced by the profit and efficiency orientation of landowners and tenants. In addition, wage workers were increasingly willing to perform more for higher wages (cf. Kocka, 2017, p. 64). Craftsmen, who traditionally lived in communities, the guilds, with clear norms and rules, avoided the pursuit of maximum profit, but merely provided a sufficient return for themselves and their families (cf. Kocka, 2017, p. 65).

Only in the course of the great inventions during the Industrial Revolution, namely the invention of the first spinning machine ("Spinning Jenny") by the English weaver James Hargreaves in 1764/65, the first water-powered spinning machine by the English wig maker Richard Arkwright in 1769, and the spinning machine for spinning cotton by the weaver Samuel Crompton in 1779, in the textile industry, did the rise to factory industry occur (see Kocka, 2017, p. 69). Capitalism in the narrower sense began in the 17th and 18th centuries in England and the Netherlands. Why it was precisely these two countries in northwestern Europe that provided particularly fertile ground for capitalism certainly has various causes. Without claiming to be exhaustive, two essential factors emerge in reference to Kocka and Plumpe (see Kocka, 2017, p. 69 ff.; Plumpe, 2021, p. 55 ff.):

Firstly: A general change in worldview and secondly, an infrastructure favoring capitalism in trade and geopolitical location. On the one hand, the Christian worldview with its dominant moral doctrine was increasingly questioned during the transition to modern times. On the other hand, the increasingly strong empiricism, which tried to solve problems increasingly through analysis and trial, combined with pragmatism, replaced the older Christian worldview. It was not the capitalism-skeptical view of Christian moral doctrine with the prohibition of interest and the prohibition of greed for profit that dominated economic action from then on, but increasingly a pragmatic approach, the struggle for the best way. The Dutch were already trained in many aspects of capitalism through long-distance trade, as far as logistics and international financing were concerned. This was complemented by increased productivity favored by innovations, which could also rely on strong domestic demand. It certainly did not harm both countries to have played a leading role in the colonization of the world. This was further supported by the thoughts of the (Scottish) Enlightenment thinkers such as Adam Smith, who saw a positive development in the increasingly prevailing capitalism towards more prosperity.

Modern capitalism emerged in the 18th century (see Plumpe, 2021, p. 163 ff. and Kocka, 2017, p. 78 ff.), but fully established itself in the 19th century. Reasons for this were primarily the technical-organizational innovations such as the steam engine, the mechanization of spinning and weaving, etc., but also the mass use of new energy sources such as coal, oil, electricity and the wider spread of the factory as a production operation working on the principle of division of labor. This went hand in hand with increasing urbanization: Workers were increasingly drawn from the countryside to the cities to the factories

in search of a sufficient and better-paid job than in agriculture. Industrialization stamped its mark on capitalism in the 19th century and changed it in the direction that Marx aptly characterized (see Kocka, 2017, p. 82 ff.):

Wage labor based on an employment contract became a mass phenomenon. The wage-dependent workers (and in part also the children) were subjected to the supervision of entrepreneurs and managers. This made the differences between the individual classes, the workers here, the entrepreneurs and managers there, obvious. Financing the machines, production operations and facilities required an ever-increasing need for capital, which had to be ensured by accumulation. As a result, it became increasingly important to maintain the profitability of the capital employed in order to ensure the profitability of the company. The pursuit of profit thus became a vital necessity. The production processes had to be designed in such a way that they were more efficient and better structured each time, which later resulted in the Taylorist principle of scientific optimization of sub-processes. The organization of processes was subjected to a strict hierarchy that clearly regulated the “chain of command” and tried to optimize costs.

In order to stand out from competitors, there was a constant search for new ideas, i.e., innovations, whether they were technical, procedural, or structural. In this context, Joseph Schumpeter coined the term “creative destruction”: everything and every process were constantly put to the test. The fact that there were also losers who fell by the wayside in the course of optimization, as a larger output was now achieved with fewer people, contributed significantly to the rejection of the capitalist system. The major crises of the 19th, 20th, and 21st centuries, such as Black Friday 1929 and the financial crisis of 2008, were essentially consequences of speculative frenzy in the overflowing

financial sector, which increasingly replaced the initially production- and industry-dominated capitalism over the centuries. Here, financing increasingly decoupled from the value-creating “real economy”. Companies that produced something that the mass of consumers could use in their daily lives, such as refrigerators or dishwashers, created jobs. They needed capital for further expansion and thus created more products and jobs, fueling the prosperity of a nation. The decoupled financial products, which corresponded to a roulette game in a casino with their short sales or speculations on commodity prices, at best only created profits without producing anything productive for society. Such a development was not foreseeable in the 19th century, but it created new neuralgic points for criticism of capitalism in the 21st century.

While in the 19th century, the owner, entrepreneur, capital provider, and boss often combined everything in one function, this role was gradually replaced by the salaried manager. While the “capitalist” still represented a social class of its own with its own habitus and social position, salaried managers took over the role of bosses in the 20th century. Capital providers, managers, and executing employees were divided into different roles. This applied (and still applies) especially to large corporations, while small and medium-sized (“medium-sized”) companies are often still run by owner families. Germany, the USA, and Japan were pioneers in this area of “manager capitalism” (cf. Kocka, 2017, p. 87). In the course of the necessary international growth of companies, the enormous financing requirement was often covered by a corporation. Today, the international interweaving of large corporations reaches a maximum, which is also achieved by large medium-sized companies or the “Hidden Champions” (Hermann Simon), the globally active market leaders mostly of medium-sized character. The economy becomes

global, capitalism globalizes, and with it the winners and losers. Corporations expanded at home and abroad, increasingly controlled by paid managers, whose salary grew with the size of the company and its profitability.

Capitalism reached a next phase in recent decades through the development of a pronounced *financial and investor capitalism* (cf. Kocka, 2017, p. 92). At the center of this form of capitalism is the decoupling of the financial market from the so-called real economy:

The assets of the banks and the capital of the banks increased in the second half of the 20th century and sought new forms of investment (cf. Kocka, 2017, p. 93). A large part of the money thus accumulated was used speculatively, as already mentioned above, with the sole aim of maximizing the return on the capital invested without achieving a productive additional benefit (cf. Kocka, 2017, p. 94). Instead of manager decisions, the specifications and expectations of fund directors, investment bankers, analysts, and rating agencies, which are solely oriented towards the profit and return of the shareholders (*"Shareholder Value"*), became much more important. Of course, today's capitalism cannot be reduced to financial market capitalism. There are still many managers in large corporations and medium-sized entrepreneurs who produce valuable products and services and take care of the well-being of their employees. They also bear social responsibility for the environment and are increasingly sensitive. Nevertheless, financial market capitalism, in its sometimes excessive form in the form of high speculative profits and exorbitant salaries of investment bankers, has done a disservice to the image of capitalism in today's times.

Axel Honneth has identified five general development trends in his latest book on the world of work in

capitalism (cf. Honneth, 2023, p. 240 ff.) that aptly characterize work in and capitalism itself today:

1. Work in today's capitalism is no longer necessarily tied to the physical presence of employees.
2. Companies organized in a division of labor are increasingly structured and organized in a decentralized manner: responsibilities are distributed in a network-like manner, individual links in the chain of production or service are completely outsourced ("*Outsourcing*"). Shorter, project-based employments are increasingly replacing long-term line activities.
3. Work is changing its character: it is increasingly developing from a manual, physical activity to a mental activity that, in addition to specialist knowledge, also requires a higher level of analytical competence and mental abilities.
4. There is an increase in "commodification" i.e., the commercialization of social and domestic services such as cooking, cleaning, and child-rearing. These activities are increasingly being outsourced from the unpaid services of women and mothers in particular to private, profit-oriented companies and
5. The proportion of temporary and agency work is increasing i.e., fixed-term employment relationships that are used by more and more companies for flexible staff build-up and reduction.

To 1.: Digitization is progressing further, home office replaces physical presence, video calls replace personal encounters. Employees increasingly face the dilemma of whether to work from home, where they may be more efficient, or to come to the office and network with colleagues. The advantages are obvious: it saves the sometimes time-consuming and costly journey to and from the

office. Companies save on office space they have to maintain and instead invest in modern office technology. They also invest in “*Co-Working Spaces*”, places of encounter and joint work in office spaces partly outside the metropolises (see Gontek et al., 2023). The care of children but also of older people can be better integrated into the daily routine at home, the *Work Life Balance* improves. On the other hand, the much-vaunted team spirit is increasingly lost if there is no agreement on isolated team days during the week when everyone is present or at least a virtual coffee round exists that replaces the personal chat at the workplace. Managers increasingly find it difficult to keep an overview of their team and measure work performance.

Work is becoming more isolated and demands a stronger culture of trust in companies. In this context, Honneth speaks of an “atomizing tendency of societal division of labor” (Honneth, 2023, p. 241). The path into the future will likely be determined by increasingly hybrid work between the online and offline world. The status quo before Corona with almost exclusive physical presence will probably never happen again (see also Pietsch, 2022a, p. 430 ff.). However, this will essentially apply to typical office jobs. Professions with intensive social contacts such as in kindergartens, hospitals, and care facilities will not be able to shake off physical presence in the future.

To 2.: Project structures will increasingly supplement the so-called line activities in the future. This starts with large strategic initiatives and projects that bind resources across departments and are temporarily located: Projects are founded on a short-term basis for a certain time with a specific goal and are dissolved back into the individual line departments after achieving the project goal. This applies nationally and internationally. This requires a high degree of initiative, analytical and organizational skills, and the willingness to take new paths and leave established

process paths. Future processes will also be increasingly supported by appropriate software. The development of this new software is increasingly based on the so-called agile method: Instead of a lengthy and complex programming of a large “process elephant”, this is symbolically sliced into individual slices and a further software mosaic piece is worked out interdisciplinary (and internationally) every two to four weeks. The result becomes visible much faster and can also be adjusted at short notice if the result is not convincing. A technical “*Product Owner*”, who specifies the target product in terms of content, lets a “*Feature Team*” consisting of programmers and developers create the desired piece of software. The Product Owner is supported by a chief methodologist, the “*Agile or Scrum Master*”, who ensures that everything is done properly and eliminates possible tensions in the team.

Furthermore, teams from different companies will increasingly collaborate in the future: External IT service providers work hand in hand with industrial companies to jointly develop software and necessary hardware. Cars of the future will resemble rolling technological marvels and data centers more than pure mobility instruments. Honneth sees an increasingly decentralized organization of work in capitalism, which interlocks companies and allows them to act as individual links in a (value creation) chain (cf. Honneth, [2023](#), p. 243). Start-ups are encouraged and promoted by companies that offer individual problem solutions and are integrated into the companies in case of success. Decentralized, short-term and high-speed micro-enterprises will be able to advance individual business processes faster than is possible in some cumbersome and bureaucratic large companies. Such a combination of micro and large companies for specific topics will become more common in the future and will determine the capitalist working day.

To 3.: The days of purely mechanical and manual manufacturing in the factory are long gone. Of course, human labor is still needed in the routine production process. However, the proportion of what machines and artificial intelligence can also do in production will continue to increase. Quality checks of the final assembly, for example, will be able to be checked more strongly by AI techniques in the future, where a trained eye was previously necessary. Instead of the mechanic, the mechatronics technician comes into play, who primarily brings together the fields of knowledge of mechanical engineering, electrical engineering, and IT. The increasing digitization requires a higher proportion of IT specialists and thus increased work in project structures. All of this ultimately leads to work shifting more from a craft to an activity that increasingly demands analytical, mental, and organizational skills (cf. Honneth, 2023, p. 245). In the past, people were mainly exposed to physical wear and tear after a labor-intensive life, but in the future, there will increasingly be mental illnesses such as depression, mental exhaustion, or *burn out*.

To 4.: As women are increasingly employed and remain so at least part-time during the child-rearing phase, household-related services will flourish and increasingly replace domestic (unpaid) work. In this context, Axel Honneth speaks of an increasing commodification of housework, i.e., a marketability that will be left to the capitalist logic of profit maximization to a greater extent than before (cf. Honneth, 2023, p. 247). Individual activities such as cooking, cleaning, shopping, child-rearing, etc., will be bought from the market if one can afford it: Be it au pairs from foreign countries who support the household for a small fee and in return immerse themselves in the culture of the host country and possibly find a professional and private future in the host country. Be it household-related

services such as grocery shopping or online ordered and delivered goods à la Amazon, which make life easier in individual households. All of this, which was previously provided privately, is increasingly being left to the capitalist logic of the market economy.

To 5.: As project work on a temporary basis continues to advance, employment relationships will also continue to change. Temporarily limited jobs are created and end at regular intervals, which often leaves companies and responsible executives no choice but to resort to temporary and agency workers. These employees are used for certain (project) activities on behalf of the company that needs them and are paid by the lending companies. If they prove themselves, the employees deployed in this way can also qualify for internal jobs and be taken on in other areas in the long term. Since the temporary and agency work companies are of course also subject to the capitalist principle of profit maximization, they retain part of the income for internal costs and do not pass everything on to the employees. However, the tendency is increasingly for companies that have temporary and agency workers working for them to pay them the same as internal employees in the same position. In addition, attempts are made, if possible, to integrate these colleagues into the company at the end of the project or if they prove themselves. Nevertheless, the differences in individual employment relationships are unmistakable (cf. Honneth, 2023, pp. 249 f.).

What do we conclude at the end of the short chapter on the history of capitalism (see also Plumpe, 2021, p. 599 ff.)? Capitalism is subject to constant change. Plumpe compares it to a series of revolutions that have steered it into new directions at crucial points in history (see Plumpe, 2021, p. 599 f.): The financial revolution at the beginning of the 18th century was a significant

milestone in the emergence of capitalism, followed by the industrial revolution at the end of the 19th and beginning of the 20th centuries, coupled with a transport revolution in the 19th century. The Second Industrial Revolution at the end of the 19th century brought science closer to industry, i.e., inventions from science that revolutionized production processes. Finally, the ongoing consumer revolution shaped capitalism, which continues to this day and is increasingly supplemented by the information revolution, i.e., digitization and artificial intelligence. Capitalism, which essentially originated in the countries of Northwestern Europe, notably in the Netherlands and England, has brought incredible wealth over the centuries. For example, per capita income has increased twentyfold in real terms in the roughly four hundred years between 1600 and 2003 (see Plumpe, 2021, p. 601).

Werner Plumpe attributes the great success of capitalism primarily to its evolutionary nature (see Plumpe, 2021, p. 605): Analogous to the paradigm of variation, selection, and stabilization described by Charles Darwin in the origin of species, certain economic behaviors have changed, proven successful or unsuccessful, and were then either positively or negatively selected in the struggle for the best market success. Even today, products that for whatever reason are not successful in the market are quickly removed. A key element of capitalism is certainly doing business on one's own account and responsibility. The prospect of a decent profit and at the same time the careful handling of private property thus created motivational forces and patterns of action that advanced capitalism. The principle of "trial and error" and the subsequent exclusion principle has allowed many capitalist companies with the best ideas and processes etc. to survive compared to the competition. This in turn has made competitors switch to the more successful business model and this

convergence of business practices has led to a stronger homogenization of the customs of capitalism at least in one country or market area.

A prerequisite for the flourishing of capitalism, however, is a state capable of setting the necessary framework (see, among others, Plumpe, 2021, p. 608): Legal framework conditions to secure free markets, monetary stability i.e., combating inflation, orderly state finances, protection of property from theft etc., up to balanced taxation and a corresponding educational infrastructure to secure the necessary resources. In addition, the state must ensure the necessary social balance, something the market cannot create on its own: Care for the weakest members of society, the poor, weak, and sick, who can only be protected by a well-developed welfare and social state. The crucial question, however, is to what extent the state is legitimately allowed to intervene in capitalism and the free play of market forces in order to ensure social needs of the population and at the same time not to hollow out market activity. Social security and economic performance are two poles that need to be reconciled (see Plumpe, 2021, p. 621).

In recent years, particularly due to the increasing share of so-called financial capitalism i.e., the increasing decoupling of financial speculations from the real economy, tendencies have emerged in modern capitalism that are increasingly attracting broad criticism. Especially the accusation of increasing greed for profit, coupled with the arguments of increasing wealth and income inequality and the impending ecological disaster, have hit capitalism hard. Despite all these, in part also justified, criticisms, other, especially socialist and communist alternatives, have not proven viable (see also Plumpe, 2021, p. 640 and Reckwitz, 2021, p. 14). But capitalism is not the same as capitalism: Before we discuss the different forms

of criticism of capitalism in detail, we must first deal with selected variants of capitalism: There is a huge difference between the market-liberal character of American and also English capitalism and a more socially hedged capitalism of Scandinavian character. Also, the social market economy in Germany sets different accents compared to the Scandinavian model. Let's take a brief overview of the individual variants and forms of modern capitalism in the following chapter.

2.3 Types and Forms of Capitalism

When capitalism is generally criticized, it is often not precisely differentiated which form of capitalism is exactly meant. We have recorded the essential elements of the capitalist economic system in Sect. 2.1: private property, the existence of markets, free price formation according to the principle of supply and demand, the pursuit of profit, a state that sets the framework, etc. I would like to illustrate the various facets of capitalism as they exist in the world today using three different manifestations: Firstly, the Social Market Economy as it was established in the Federal Republic of Germany since 1949, secondly, the more market-liberal model as it prevails in the USA and, as a counterpoint to this, the more socially embedded capitalist system of Scandinavian design. In doing so, I will primarily focus on the commonalities of the Scandinavian approach, well aware that the individual countries each differ in detail. However, my main concern here is a stronger differentiation of the capitalist model and not to present all facets in detail. We want to start with the Social Market Economy, then sketch the US-American model and finally discuss the Scandinavian model. I draw on one of my earlier publications (see Pietsch, 2020, p. 70 ff.).

The Social Market Economy in Germany

The “inventor” of the concept of the Social Market Economy is not the well-known German post-war politician Ludwig Erhard, who made a sensation as Minister of Economics (“Prosperity for all”) and later Federal Chancellor, but the less known, then teaching in Cologne, economics professor Alfred Müller-Armack. Influenced by the experiences of the centrally controlled National Socialist economy, Müller Armack wanted to create a market economy (capitalist) system that should simultaneously encompass economic and social policy elements (see Müller-Armack, 1946/1990, p. 67). Specifically, he wanted to combine elements of the market economy with elements of social care for the poorer and weaker part of the population in the economic order he newly defined. The heart of this new economic order should be free, unhindered competition, which should enable the best result for the population by having companies compete for the favor of consumers. Companies that are not successful in the market should exit the market sooner or later and not be artificially kept alive. In doing so, market agreements in the form of cartels or state interventions in the economy should be kept as minimal as possible.

The price should serve as a signal in the market for how desirable a product or service is and reflect the demand situation. Müller-Armack also associated ambitious goals with his concept, which should again be self-evident today: The economy is there for the people and not vice versa the people for the economy. In Müller-Armack’s social policy demand catalog, the state-fixed minimum wage at the level of the equilibrium wage (see Müller-Armack, 1946/1990, p. 119), the different taxation of high and low incomes through a progressive income tax (simply put: higher incomes are subject to a higher tax rate

up to a certain upper limit) and child benefits (see Müller-Armack, 1946/1990, p. 119) were already foresighted. In addition, he demanded rent and housing construction subsidies, which he called an “ideal case of a market-appropriate intervention” (Müller-Armack, 1946/1990, p. 119). This is likely to mean not only child benefit, but also the intensively discussed (and ultimately implemented) “child basic security”. Furthermore, he proposed state-subsidized construction loans for private households or non-profit builders, called for a state limitation of rent increases (see Müller-Armack, 1946/1990, p. 125) and placed value on the promotion of smaller and medium-sized companies. In foreign trade, Müller-Armack was primarily concerned with strengthening the competitiveness of companies on the world market, preferably without state interventions (see Müller-Armack, 1946/1990, p. 144). Monetary, credit, currency and economic policy should subordinate themselves to the most important economic policy goal of full employment. Thus, explicit Keynesian elements of demand control in the form of state investments in infrastructure to stimulate the economy are certainly envisaged.

These exemplarily listed social and economic policy measures underline the core idea of the Social Market Economy introduced at that time, which is to combine the market economy with social elements.

“We are thus not committing ourselves to an insensitive form of organization, but can be sure that we can follow our social and ethical convictions on the way there.”
(Müller-Armack, 1946/1990, p. 157).

In this form of capitalism, the state should therefore provide what a market economy cannot deliver on its own: social balance and care for those members of the

population who cannot help themselves and cannot survive in the ruthless principle of competition. We will take a closer look at the fact that the current lack of social balance is a major point of criticism of capitalism in the next chapter (Chap. 3).

Capitalism of American Pragmatism

The economic policy agenda of the USA essentially followed the *American Dream*: From dishwasher to millionaire. Everyone should be able to become an entrepreneur and become rich through their own initiative. Many Americans were and are founders and have earned their wealth themselves rather than inheriting it (see the TOP 10 of the richest Americans 2023, cf. Muschter, 2023a). Americans therefore committed themselves to a liberal market economy with as little state intervention as possible. The state should ideally only set the framework and ensure the protection of the population internally and externally. The easing of such a liberal, market-dominating economic policy introduced by former US President Ronald Reagan, the so-called “Reaganomics”, became famous. Specifically, they should (cf. Pietsch, 2020, p. 77):

- curb government spending
- reduce the (marginal) tax rate on labor and capital (from 70 to 28%)
- reduce the corporate tax rate (from 48 to 34%)
- curb regulation and bureaucratization and
- suppress the inflation rate through restrictive control of the money supply.

These approaches essentially followed the ideas of the liberal economist Milton Friedman, who wanted to let the free play of the market run as unhindered as possible and limit state interventions to a minimum. Companies

should largely remain in private hands and the number of state-owned companies should be kept to a minimum. The wave of privatization that began in the 1980s in the USA, but also in other European countries such as the UK (“Thatcherism”, named after the then British Prime Minister Margaret Thatcher) or even in Germany, was the logical consequence of this market-liberal economic policy. The founding of companies should be promoted, bureaucratic obstacles removed, and investments generally stimulated. The economy did indeed recover. However, this came at a price (cf. Stiglitz, 2020, p. 15): The significantly reduced taxes led to dramatic tax losses and a gigantic budget deficit, coupled with weak growth and a sharply increasing social inequality.

The dominance of the market at the expense of state activities and interventions can be seen in the American model of capitalism, among other things, in how the health system is structured, education is financed, and generally how state social benefits are provided. Specifically, in the USA, private health insurance is often tied to the workplace, as the employer often takes over the health insurance as an incentive to increase job attractiveness (cf. heartbeat, 2021). 154 million Americans are insured in this way. In the event of unemployment, which often happened during the Corona pandemic, health insurance is completely lost (cf. heartbeat, 2021). Over 25 million Americans are not insured at all (cf. Mahncke, 2020). A grievance that former US President Barack Obama tried to eliminate with his eponymous “Obama Care” (which only partially succeeded and contradicts the American philosophy of rejecting state coercion).

The best education is only available at private elite schools and universities à la Harvard, Stanford, Princeton, and Yale. Despite the numerous scholarships for poorer students, this system still resembles an elite system that

reproduces itself: If the parents already studied there, the probability increases significantly that their children will also study there, (cf. the “meritocratic system” described by Michael Sandel, cf. Sandel, 2020, p. 247 ff.). Finally, social assistance and old-age provision in the USA are limited to an absolute minimum: Unemployment benefits are limited to a period of 26 weeks, the maximum rate varies between \$275 per week (Florida) and \$536 (New Jersey). From week 27, it’s off to the welfare office. There is neither continued pay in the event of illness as in Germany, nor child or parenting benefits.

In sum, it can be stated that the state in the USA largely keeps out of the economy. The state quota, i.e., the ratio of government spending to gross domestic product, is correspondingly particularly low in the USA and was 38.5% in 2022 (cf. Muschter, 2023b). The form of capitalism in the USA follows, as we have seen, the principle “Every man is the architect of his own fortune”: The state removes obstacles, reduces bureaucracy, thus promotes uncomplicated business start-ups (“start-ups”) and strengthens the principle of competition. Everyone can strive for economic success and individual happiness within their means, according to the motto of the American Declaration of Independence: “*the pursuit of Happiness*”. Failure is allowed, getting up after falling down is seen as success and encouragement to try again. However, no one helps you if you can’t make it on your own (or only receives a small support service, which is often too much to live and too little to die). We will return to this point when we look at the criticism of capitalism on the American side. While the USA allows capitalism to operate almost unchecked (although some additional social elements can be seen in the Biden administration), the Scandinavians are particularly keen to cushion market economic activity on a large scale socially.

The Scandinavian Model of Capitalism

Almost always, the specific form of capitalism is closely related to the culture of a country. Scandinavians tend to be egalitarian and to balance social differences as much as possible (cf. Pietsch, 2020, p. 74 ff.). Thus, both parents usually raise the children together. They share the housework and are usually both employed. Swedish society also regulates social positioning through a norm that should not offend anyone: *Jante*. This term, derived from a novel by the Norwegian-Danish writer Aksel Sandemose (who describes the milieu of a Danish small town of the same name), describes a code of conduct that is borrowed in structure from the Ten Commandments (cf. Strong, 2020):

No one should believe that he is something special, smarter, better, more valuable, knows more than others, etc. This code of conduct describes a significant cultural imprint of the Scandinavians: everyone is equal, no one should put themselves above others, let alone show off or flaunt with intellectual or even material things. Accordingly, in Scandinavian society, they try not to let inequality become too large in the first place and to enforce equality. Daycare centers like the Dags in Sweden, which are guaranteed to families and are free of charge, provide the infrastructure for both men and women to work. The working days are also generally shorter than in Germany and the USA. The health system, which only has a state health insurance, is fully funded from taxes and does not know a two-class medicine. In return, ten percent of the income tax is withheld from every citizen to cover the costs of health insurance. Those who want and have the necessary financial resources can take out private additional insurance.

In order to finance the extensive welfare state and keep the inequality of the population under control, the (income) taxes are set relatively high, the state quota is around 50% and above, except for Norway. Compared to the USA, Scandinavians (cf. Straumann, 2015) pay firstly a higher income tax, secondly a higher proportion of the population is integrated into taxation (broader tax base) and thirdly a part of the taxes is refunded if certain conditions are met. Furthermore, the proportion of consumption tax in Scandinavia is higher than in the USA. Finally, the progression of income tax in Scandinavia is significantly steeper i.e.,—simply put—higher incomes are taxed even higher quickly. The tax quota i.e., the tax revenues in relation to the gross domestic product, is almost 46% in Sweden and just over 48% in Denmark, while in the USA it is only just under 25% (cf. Straumann, 2015).

Consumption taxes in Denmark are just under 32%, in the USA about 18%. The marginal tax rate, which theoretically indicates the tax rate of the additional unit of money to be taxed, the “top tax rate”, is just under 74% in Sweden and just over 43% in the USA. This means, in a striking way, that an income of millions, from a certain threshold value in Sweden, is taxed away to almost three quarters, while this does not happen to nearly half in the USA. At the same time, many families receive subsidies in the form of child benefits, education vouchers, or care allowances for their children or relatives in need of care. The education system, which is excellent in international comparison and often ranks at the top in the respective PISA education studies, is entirely in state hands. It fundamentally differs from the school system in Germany and also the USA: children attend a primary school together for six years (cf. *Everyday life in Sweden*, 2023). This is followed by a three-year secondary education, which, unlike in Germany, also includes vocational training. Of

the 17 training programs, only two are preparatory for university. Practical and intellectual education are on an equal footing in Sweden.

In sum, we can conclude that the Scandinavian model of capitalism combines market elements with social elements to a much greater extent, resulting in a significantly different variant of capitalism: a capitalism with a social face. Market incomes are corrected more strongly and are available to the elderly and families in the form of state subsidies to a greater extent. Millionaires and top earners are asked to contribute more. The funds end up in a state pot, which creates a free infrastructure that primarily benefits the socially weaker. The public sector is accordingly more pronounced in Scandinavia than in the USA, which only corrects and cushions the market, i.e., capitalist results to a small extent. We must therefore be careful not to criticize capitalism as such. As we have seen, there are (almost) as many variants of capitalism as there are countries where this model prevails. China and Russia also operate capitalist economies (cf. also Precht, [2023](#), p. 58). Their form of capitalism is again different. As we now approach criticism from different directions and in a historical context in the following Chap. 3, we should keep these nuances and variants of capitalism in mind.



3

Criticism of Capitalism

3.1 Development of Criticism from the Beginnings to the 20th Century

Luddites and Machine Breakers

Criticism of capitalism has existed as long as capitalism itself. As the capitalist mode of production advanced and the conditions associated with it for workers accumulated, so did their critics. After James Watt invented the steam engine in 1769 and subsequent technical innovations such as the Spinning Jenny (cf. Sect. 2.2) were developed and rapidly disseminated, traditional production patterns collapsed rapidly. The machines could accomplish more in less time and made human labor redundant in many areas. In order to survive in the capitalist market, all competing companies had to adopt this production technique, thus creating an army of unemployed. These increasingly

redundant workers protested against this existential threat posed by the machines: From 1811, extensive protest movements formed in England, taking the fictitious name of a person as their model: Ned Ludd. They accordingly called themselves Luddites, later known in German as “Maschinenstürmer” (machine breakers). No longer were many skilled specialists needed, who brought a high level of qualification, but only a few people who performed routine tasks around the increasingly powerful machines. Marx and Engels even explicitly referred to the so-called Luddite movement in England and also observed the uprising of the Silesian weavers in 1844. They saw in it not only the destruction of the machines as rivals of the worker (Marx), but also the destruction of the merchant’s books as the beginning of a far-reaching workers’ movement (cf. Müller-Jentsch, 2015, p. 2035). Both, Marx and Engels, were also influenced by the intellectual thoughts of the early socialists.

Early Socialists

I will limit myself here to the three most influential representatives of the early socialists, who left a lasting impression on the observers of capitalism and their criticism: Robert Owen, Charles Fourier, and Pierre-Joseph Proudhon.

The British social reformer and entrepreneur Robert Owen (cf. Elsässer, 1991, p. 50 ff.), coming from rural circumstances, was already managing a modern textile factory in Manchester at the age of twenty and became a partner and shareholder of the world’s largest cotton spinning mill in New Lanark, Scotland, at only twenty-nine. After twenty-five years, he sold his business shares and founded a cooperative settlement project in Indiana, USA. Owen confronted the core problem that only the capital

providers, i.e., the wealthy factory owners, profited from the production and sale, by founding productive cooperatives: Cooperative members became co-owners of the factories by contributing capital and were democratically involved in the production of goods, the objectives, and the manner. Thus, all workers were co-owners of the factory. Owen's objective was clear, namely the participation of the workers in the production process and the profit while maintaining their independence in the economic process. He saw his cooperative model as a corrective to the industrial society of his time. Owen advocated for his workers, cared for their further education but also the schooling of the workers' children.

Although Owen managed to significantly improve the quality of life for his workers and their families. Productivity in the factory increased significantly, the number of thefts decreased. However, Owen failed in his attempt to establish a cooperatively designed colony in the USA. Nevertheless, Owen laid the foundations for a "humane" economy. Many of his ideas are now standard in industrialized countries: schooling for children instead of child labor, clean workplaces, limitation of working hours, and much more. The trade unions adopted his cooperative ideas. He had put into practice the idea of common ownership of the Platonic state (*"Politeia"*).

François Marie Charles Fourier (see Fetscher, 1991, p. 58 ff.) was born in 1772 in Besançon as the son of a wealthy cloth merchant. However, Fourier saw his true calling in scientific work rather than in running his father's business. As an autodidact, he devoured economic and social theoretical works of his time and began publishing his first articles in 1803, in which he made his ideas on economics and the "Universal Harmony" accessible to a wider public. Fourier criticized the early capitalist society in his works, which he equated with civilization. He most

intensely criticized trade, its frauds, and the exploitation of the trading partner for one's own advantage. The whole society was subordinate to the "class of merchants," which he branded as "parasitic" and "unproductive" based on his own practical observation. As illustrative examples, Fourier mentioned monopolies, usury, speculation and their profits, artificial scarcity of supply, etc. Fourier indulged in an extremely negative view of merchants, who as "idlers" let the masses work for them. Fourier paid particular attention to the social fate of women. In his opinion, social progress only occurred in harmony with the expansion of women's privileges. What is thankfully a matter of course in the working world today was still fiercely contested at that time: the equality of women. Fourier also advocated for the intellectual education of women, which should go hand in hand with the emancipation of women.

Accordingly, Fourier outlined a new social order in accordance with nature. He defined a form of organization for society that should come close to a nature-conforming society in consumption and production: The *Phalanstery* (from Greek: Phalanx, the battle line and Monastery: the monastery). The Phalanstery corresponded to a cooperative order in which 1620 people lived together. All lived together in a castle-like building. Although the apartments depended on how much wealth each resident had brought with them, even the resident without wealth had a share in the community property due to his work performance. The profits from the management were divided according to the degree of work performed, the capital invested, and the talent. The basic supply of families with food, housing, and clothing was ensured by collective provision. He urged a careful handling of nature, which could then be handed over to the descendants intact and clean. Fourier thus created a model of a social and economic utopia.

Pierre-Joseph Proudhon (see Bock, 1991, p. 97 ff.) was born in 1809 in Besançon as the son of a cooper and a kitchen maid. In 1827 he began an apprenticeship as a book printer and typesetter. Like Fourier, Proudhon was an autodidact and acquired theological and political-economic literature as well as core contents of comparative language research in extensive self-study. In 1840 his first treatise on the nature of property ("What is property, *Qu'est-ce que la propriété?*") was published. In this treatise, Proudhon was harsh on property. "Property is theft," he wrote, evaluating private property as a privilege and monopoly that needed to be prevented. Everyone should only own what they have worked for themselves or collectively, or exchanged for their labor power. The "exploitation" of others' labor power must be prevented so that capital does not accumulate in the hands of a few and thus concentrate (monopoly) power. In contrast, Proudhon relied on a society composed of decentralized, manageable federalist units. This society is based on a voluntary association of its members and has no power structures in the classical sense like the state and the church. Proudhon saw in this leaderless, "anarchic" society not a misdevelopment, but on the contrary a form of society in which justice and equality are granted to all people living in it.

From the outset, Proudhon pursued the goal of improving the living conditions of the poorest stratum of society in physical, intellectual, and moral terms. Proudhon was not a systematic thinker and consequently did not leave behind a closed theoretical edifice. Proudhon saw property as the source of all social injustice because it excludes others from equal use. He only allowed property as a product of one's own or collective work, but not in the form of interest and rent. He rejected everything that looked like a monopoly and "property as a right of lordship." Proudhon's approach and that of other socialist

thinkers presupposed an image of a person who thinks and acts cooperatively, shares everything with his fellow human beings, and is to be admonished to cooperate by an authority of whatever kind.

Marx, Engels, and the Neo-Marxists of the Frankfurt School

When one thinks of criticism of capitalism, one primarily thinks of a man who revolutionized thinking on the subject with his ideas. Few men in world history have been as influential with their ideas and thinking as Karl Marx (see Sperber, 2013; Pietsch, 2022a, p. 107 ff.). He was born in 1818 as the third of nine children in Trier, the son of a lawyer and the daughter of a textile merchant. The highly intelligent Marx completed his high school education at a humanistic gymnasium at the age of 17 and then studied law in Bonn and Berlin at his father's request. Although he was supposed to study only law, he repeatedly attended philosophical and historical lectures. He was strongly influenced by Hegel's philosophy and later joined the so-called "Left Hegelians," who were primarily concerned with overcoming poverty, state censorship, and religious discrimination. This commitment in the Left Hegelian debating club, of which he was a spokesperson for a time, led to Marx not being able to become a professor. Instead, he began as an editor of the *Rheinische Zeitung*, quickly becoming its editor-in-chief. Over time, Marx developed into a political journalist who denounced the social and economic conditions of his time. His increasingly vehement criticism of Prussia's authoritarian and partly absolutist course led to his expulsion from Paris – where he had moved after marrying his long-time fiancée and childhood friend Jenny von Westphalen and publishing the German-French Yearbooks – and relocation to Brussels. Prussia had insisted on his expulsion in

France. Encouraged by the unrest in the revolutionary year of 1848 throughout Europe and the increasingly strong criticism of his communist and socialist writings, Marx finally moved to London. There he had his most productive phase, during which he was able to publish the first volume of his main work, "Das Kapital".

Marx's life cannot be understood without his congenial comrade Friedrich Engels: He was the son of a successful cotton manufacturer who, as a wealthy heir, was able to support the chronically financially weak Marx and his family. Together, they formed an intellectual duo that sharpened the essential ideas of the communist movement and created the intellectual basis of the criticism of capitalism of interest here with their numerous publications. It was also Engels who posthumously – Marx died in London at just under 65 after a short severe illness – compiled and published the two further volumes of Marx's Capital. Both, as journalists and as co-founders of the communist movement, experienced the social and economic situation of the time in many countries firsthand and reported intensively on it (see MEW Vol. 2, p. 225 ff.). They were excellently prepared for this: Marx had not only dealt with the philosophical classics, but also with the outstanding economic theorists of his time, such as David Ricardo or John Stewart Mill. As political journalists, they experienced the situation in the factories and the living conditions firsthand and had access to extensive statistical materials: knowledge of theory and practice combined with concrete numbers, data, and facts. All this made their writings so compelling and verifiable.

The miserable working conditions of the working class were particularly distressing to them. In his writings, Marx repeatedly denounced what he saw as glaring injustice, which was essentially due to the fact that the capitalist

has everything and the worker has nothing. Specifically, Marx saw the capitalist as the one who alone had control over the means of production, owned the capital and thus the money for the factories, and made the worker toil for him. Day and night, men, women, and even children had to create surplus value through their hard work, which was skimmed off by the capitalist. The capitalist would only ensure, according to Marx, that the worker receives enough food and wages to maintain his labor power as long as possible. After all, the entrepreneur and capitalist lived off the fact that the worker always delivers surplus value. This is based on the idea that the value of the manufactured goods is mainly derived from the labor invested in them. Any value that the worker produces during his working day that is above his wage and can be realized on the market through the sold goods, the capitalist pockets.

The capitalist thus enriches himself at the expense of the worker's health and pockets the surplus ("*Surplus*"). The worker is thus "exploited," while the capitalist stuffs his pockets and accumulates his invested capital ("accumulates"). The worker, or in Marx's words "proletarian," ruins his health, has no share in the capital and the profit, and is simply the loser of the system, which is divided into individual classes in society: including the capitalists and the proletarians. The monotonous tasks of the worker "alienate" him to an ever-increasing extent, i.e., the worker has less and less connection to his product and works only for mere survival. He lives in "rags," the entire class degrades to the "lumpenproletariat." Marx embedded this development in his history philosophy inspired by Hegel: The struggles in history were essentially between the individual classes of society, culminating between rich and poor. This dependence of historical development on economic conditions later became known under the term "Historical Materialism".

The logic of capitalism, especially in production, ensures that the capitalist tries to permanently increase productivity: More output in the shortest possible time with less input increases the capitalist's profit, who is constantly in search of profit and the "self-valorization of capital" (cf. MEW vol. 23, p. 350). Machines successively replace humans, the "rate of profit decreases", as the surplus value of human labor decreases in relation to machine performance (cf. Marx's law of the tendential fall in the rate of profit, MEW vol. 25, p. 221 ff.). In addition, the worker becomes increasingly alienated from his work, becoming more and more a cog in the machinery. The produced commodity becomes increasingly a "fetish", something that is worshipped in a religious environment. Market competition forces the entrepreneur and capitalist to constantly search for new sources of productivity, to introduce ever better processes, more refined machines or simply more efficient procedures in the search for maximum profit. In this way, they create an army of unemployed, the so-called "industrial reserve army", which would further depress wages simply by their presence. In the words of Marx and Engels (MEW vol. 4, p. 468/469):

"The work of the proletarians has, through the expansion of machinery and the division of labor, lost all independent character and thus all appeal for the workers. He becomes a mere accessory of the machine, from which only the simplest, most monotonous, most easily learnable manual operation is required. The costs caused by the worker are therefore almost limited to the food he needs for his maintenance and the reproduction of his race. The price of a commodity, and thus of labor, is equal to its production costs. As the repugnance of work increases, therefore, wages decrease. Even more, as machinery and division of labor increase, so does the mass of work,

either by increasing working hours or by increasing the work demanded in a given time, accelerated running of machines, etc.”

But how, that was the question that the theorist Marx wanted to answer together with his friend Friedrich Engels, could such a negative development be stopped? How can one prevent the worker from being exploited by capitalism, alienating himself from his work, and the only beneficiary, the capitalist, not only owning the means of production but also pocketing the surplus value and accumulating capital? The worker gets nothing and ruins himself and his family. The class struggle progresses.

Marx and Engels saw the solution to all these problems only in a social revolution that abolishes property and introduces a classless society. Marx and Engels comment (MEW vol. 4, p. 493):

“In a word, the Communists support everywhere any revolutionary movement against the existing social and political conditions. In all these movements, they highlight the property question, whatever more or less developed form it may have taken, as the basic question of the movement. Finally, the Communists work everywhere for the connection and understanding of the democratic parties of all countries. The Communists disdain to conceal their views and intentions. They openly declare that their goals can only be achieved by the violent overthrow of all existing social order. Let the ruling classes tremble at a communist revolution. The proletarians have nothing to lose in it but their chains. They have a world to win. Proletarians of all countries, unite!”

In the future, every person should choose what they want to do. The class should no longer determine what a person should do for a lifetime, the worker with capitalist wage

labor and the capitalist as an entrepreneur and owner of the means of production. Education and self-realization for all, cooperative planning and organization of work including job rotation and lifelong learning. Social, political, and economic privileges of the ruling class should be abolished: No more social, political, or economic power for the few rich and powerful, abolition of property in means of production. Proudhon, among others, had also demanded something similar. But with Marx and Engels, it was part of a social movement. Capitalism as a form of society that needs to be eliminated. In their Manifesto of the Communist Party, they issued a concrete and radical ten-point program (MEW Vol. 4, p. 481):

“1. Expropriation of land property and use of land rent for state expenditure.

2. Strong progressive tax.

3. Abolition of inheritance rights.

4. Confiscation of the property of all emigrants and rebels.

5. Centralization of credit in the hands of the state through a national bank with state capital and an exclusive monopoly.

6. Centralization of transport in the hands of the state.

7. Increase of national factories, production instruments, cultivation and improvement of lands according to a common plan.

8. Equal obligation to work for all, establishment of industrial armies, especially for agriculture.

9. Combination of agriculture and industry operations, aiming at the gradual elimination of the difference between city and country.

10. Public and free education for all children and elimination of factory work in its current form. Combination of education with material production, etc.”

The implementation of this radical program must necessarily happen in the form of a revolution. For, as Marx already wrote in his famous eleventh thesis on Feuerbach (MEW Vol. 3, p. 7):

“Philosophers have only interpreted the world in various ways; the point, however, is to change it.”

In my opinion, there has been no more powerful critique of capitalism either before or after. Later theorists of social sciences and philosophy, like many countless thinkers before them, built on the basic ideas of Marx and Engels and developed them further against the background of their own observations in their time. Thus, among others, the thinkers of the “Critical Theory”, above all its main protagonists Marx Horkheimer, Theodor W. Adorno and Herbert Marcuse, drew on the ideas of Marx. The essential elements of Marxism should be preserved, but placed in the contemporary context of economy and society and critically expanded (see the programmatic essays by Horkheimer on traditional and critical theory, Horkheimer, [1937/2020](#)). In 1924, the Institute for Social Research was founded in Frankfurt am Main, where researchers from various disciplines joined together with the aim of designing a critical social theory. Since the late 1960s, this association of scientists has also been called the “Frankfurt School” (on the Frankfurt School and the work of its protagonists to this day, see the readable book by Jeffries, [2019](#)). For our purposes, it is particularly relevant that these scientists, among other things, critically dealt with bourgeois-capitalist society. They thus became important catchwords of the student unrest at the end of the 1960s in the Federal Republic of Germany.

The leading head and one of the first directors of the Institute for Social Research was Max Horkheimer (for

biography see Wiggershaus, 2013). Born in 1895 as the son of a Jewish factory owner family in Zuffenhausen, today's Stuttgart, Horkheimer studied psychology, philosophy, and national economics in Munich, Frankfurt a. M., and Freiburg, where he attended lectures by Husserl and took a seminar by Heidegger. After his doctorate and habilitation, he received a chair for social philosophy at the University of Frankfurt. In 1930, he was appointed director of the Institute for Social Research. Theodor W. Adorno (for biography see Jäger, 2003), was born in 1903 as Theodor Ludwig Wiesengrund in Frankfurt as the only son of a Jewish wine wholesaler. Later he took the second name of his mother, a singer named Cavelli-Adorno, and shortened his surname Wiesengrund to W. Encouraged by his mother, Adorno received an intensive musical education.

After graduating from high school as the best in his class at the age of 17, he studied philosophy, musicology, psychology, and sociology. There he also met Max Horkheimer, with whom he quickly became friends. He received his doctorate on Husserl's phenomenology and habilitated on Kierkegaard. Herbert Marcuse (for biography see Koch & Brunkhorst, 2005), also of Jewish descent, the son of a textile manufacturer, studied German literature, modern German literary history, philosophy, and economics in Berlin and Freiburg after graduating from high school. After obtaining his doctorate, he initially worked in the book trade and publishing industry, and was not only one of Martin Heidegger's closest students, but was also strongly influenced by Marx. Marx's early writings, especially the economic-philosophical manuscripts, greatly influenced Marcuse's philosophy.

During the time of the National Socialists, Horkheimer had to move his institute into exile in New York, later to the West Coast, to Pacific Palisades, a district of Los

Angeles. It was not until the early 1950s that the institute returned to its original location in Frankfurt, which was led by Adorno from 1958. Horkheimer and Adorno published a series of writings, the most famous and influential of which, "Dialectic of Enlightenment," they jointly initiated. This publication is considered the main work of Critical Theory. It incorporated the findings of years of interdisciplinary empirical research on National Socialism and modern mass culture, among other things. In the USA, they had experienced capitalism in its purest form. Their main concern was to highlight the negative side of technical and social progress, which was also made possible by the capitalist economy. Thus, they wrote in the *Dialectic of Enlightenment* (Horkheimer & Adorno, 1947/2020, p. 4):

"The increase in economic productivity, which on the one hand creates the conditions for a more just world, on the other hand gives the technical apparatus and the social groups that control it an excessive superiority over the rest of the population. The individual is completely nullified against the economic powers."

This strongly reminds of the description of the human being or worker as a cog in the machine, helplessly delivered to machines, controlled by the owners of the means of production, the capitalists. The human being counts for nothing, the economy, the increase in productivity, the profit becomes much more important. The worker is merely kept alive, the surplus value is pocketed and through the constant increase in productivity and the use of ever more efficient machines, these are successively needed less. In the words of Horkheimer and Adorno (Horkheimer & Adorno, 1947/2020, p. 45):

“After the livelihood of those who are still needed at all to operate the machines can be produced with a minimal part of the working time available to the masters of society, the superfluous rest, the enormous mass of the population, is now drilled as an additional guard for the system, to serve as material for its great plans today and tomorrow. They are fed as an army of the unemployed.”

Here, the characterization of the unemployed by Karl Marx as the “industrial reserve army” is clearly audible. The human being is there for the (capitalist) economy and not vice versa, the (capitalist) economy for the human being. Instead of a rational economy that satisfies human needs and thus raises him to a new level of prosperity, capitalism, according to Horkheimer and Adorno, is full of irrationality (Horkheimer & Adorno, [1947/2020](#), p. 62):

“The counter-reason of totalitarian capitalism, whose technique of satisfying needs, in its objectified, domination-determined form, makes the satisfaction of needs impossible and drives to the extermination of people ...”

The entrepreneurial risk, the motive of the capitalist to start a business and make a profit, but ultimately also to fail, is critically viewed by both (Horkheimer & Adorno, [1947/2020](#), p. 69):

“This was later upheld by bourgeois economics in the concept of risk: the possibility of downfall is supposed to morally justify profit.”

Also, the individual’s ability to reflect on his own situation suffers. Capitalism degrades people to economic subjects, who are not substantially stimulated in their decision-making and reflective ability even by the trade

unions. Horkheimer and Adorno noted resignedly (Horkheimer & Adorno, 1947/2020, p. 208):

“As the large industry, by abolishing the independent economic subject, partly by absorbing the independent entrepreneurs, partly by transforming the workers into union objects, inexorably withdraws the economic basis from moral decision, reflection must also wither.”

Herbert Marcuse built on the thought process of Marx and also the Critical Theory, sharpening societal analysis. In his main work “The One-Dimensional Man”, first published in 1964 under the title “*One-Dimensional Man*” in the USA, Marcuse criticized the ever more perfect manipulations of human needs (among other things through the suggestive power of advertising), his language and his thinking. Man submits to the capitalist production apparatus and its technical rationality and no longer becomes aware of the absurdity of the whole system. Instead of denouncing or criticizing inequality in capitalism, these issues are accepted or at best managed. In Marcuse’s own words (Marcuse, 1964/2014, p. 159):

“The limits of this rationality and its disastrous power appear in the progressive enslavement of man by a production apparatus that perpetuates the struggle for existence and expands it into a total, international struggle that destroys the lives of those who build and use this apparatus.”

Especially against the background of the then modern advertising and marketing techniques of the USA with its aggressive consumer advertising from Marcuse’s point of view, needs are first developed that can then only be satisfied through certain products. The search for profit also

demands here, in addition to an increase in productivity, the satisfaction of needs, the creation of new needs and the use of natural resources. In a very radical form, but already considering the ecological category, Marcuse criticized (Marcuse, 1964/2014, p. 265):

“The bound possibilities of advanced industrial societies are: development of productive forces on an extended scale, expansion of nature control, growing satisfaction of the needs of an increasing number of people, the creation of new needs and facilities.”

All three representatives of the (older) Frankfurt School transported Karl Marx’s criticism of capitalism into the twentieth century and enriched it with their ideas on the subject of domination, critical social analysis. They included the latest developments in the economy, such as the awakening of needs through modern advertising and their satisfaction through individual products. The Frankfurt School was a key word giver in its time for politics, society and especially the youth, who rebelled against the generation of their parents in the course of the 1968 movement.

Criticism of capitalism was also practiced in the younger generation of the Frankfurt School represented by Jürgen Habermas and his student Axel Honneth (see Sect. 2.2). Habermas had already criticized the then state-regulated and organized capitalism in his work “Legitimation Problems in Late Capitalism”, which appeared in 1973 (see Habermas, 1973). The control of the market through political institutions not only brings the necessity of political participation, but also an increased need for legitimation of capitalism (see Habermas, 1973). He also picked up on this thought in his later work “On the Reconstruction of Historical

Materialism” (see Habermas, 1976). Written in the 1970s, it only really came into its own during the financial crisis of 2008. At that time, the banks, which adhered to a financial market capitalism and were characterized by intensive financial speculation on the global stock exchanges, had to be saved by the state. As Habermas wrote in *Die Zeit* in 2010 (quoted from Leusch, 2012):

“For the first time in the history of capitalism, in the fall of 2008, the backbone of the financial market-driven world economic system could only be saved from collapse with the guarantees of taxpayers. And this fact, that capitalism can no longer reproduce itself by its own power, has since then become firmly established in the consciousness of citizens, who as taxpayers must be liable for the system failure.”

“Here the need for legitimization of capitalism is particularly evident, as in successful times the involved companies and financial institutions reaped the profits and in times of crisis had to be saved by the state, i.e., by the general public. However, Habermas sees no alternative to capitalism itself. It just needs to be civilized or tamed” (see Leusch, 2012).

Trade Unions

The representatives of the Frankfurt School were not the only ones who criticized capitalism. Trade unions also increasingly attacked capitalism. The establishment of trade unions allowed workers to unite and collectively represent their interests (see, among others, Hirschel, 2020). Together, they fought for higher wages, better working conditions, shorter working hours, and better work-life balance. The welfare state was to be expanded with higher social benefits, affordable housing, a decent life in old

age in the form of pensions, further education, and free healthcare. Today, trade union criticism also focuses on the numerous precarious jobs that hardly anyone can survive on (see Hirschel, 2020): temporary workers, mini-jobbers, part-time or fixed-term employees, etc. The principle of social partnership between employers and employees with collective bargaining autonomy, the affirmation of the social market economy is today characteristic of the mainstream of trade union positions, although there are also isolated syndicalist and socialist positions that question the ownership of means of production in companies and advocate expropriations of land and soil analogous to the considerations of Marx and Engels (see Metzler, 2023).

Others

The Christian-Jewish criticism of capitalism was primarily ignited by the image of man: Instead of a selfish, inhumane economic system of capitalism, which relies on the ruthless selection process of egoists, a stronger focus should be placed on an economic system (see the most prominent representative of Catholic social teaching, the Jesuit Oswald von Nell-Breuning, for example his work on capitalism, see von Nell-Breuning, 1974; Hengsbach, 2010) that

- puts the human being as a person in focus (personality)
- focuses on the common good
- is based on altruism and solidarity and not on elbow mentality and egoism.

The so-called postmodernists and their forerunners such as Gilles Deleuze, Jacques Derrida, and Jean Baudrillard, or also Michel Foucault (see for an initial introduction to their philosophy and works Breuer et al., 1996) criticized individual elements of capitalism: Foucault the power

inequality and to some extent the exercise of violence by the rulers; for Derrida, capitalism primarily brings suffering and hardship for large parts of the population. Baudrillard tackles the manipulation and seduction of the consumer by the mechanisms of capitalism, and Deleuze even associates capitalism with schizophrenia (see Deleuze & Guattari, 1977).

Anarchist theorists such as Michail Bakunin, Pjotr Kropotkin, or Max Stirner criticized the entire range of capitalism from the rule of people over people i.e., the power gradient between the rulers and the oppressed (i.e., entrepreneurs versus workers). They demanded, among other things, the abolition of money, a comprehensive collectivization of property, and the abolition of monopolies. Free economic thinkers like Silvio Gesell primarily criticized that the owners of money and property owners of land and factories received a labor-free income at the expense of the majority society (see Gesell, 1931/2021). Anthroposophical thinkers like Rudolf Steiner called for a more collective self-management of companies and dreamed of an aesthetically artistically tinged society instead of a merely capitalist one (see Steiner, 1920/2014, p. 89 ff.).

Criticism of capitalism also came from the right-wing political corner (see, among others, Klein, 2019, p. 107 ff.). During the time of National Socialism in Germany, the criticism of capitalism was mainly directed at “the breaking of the interest servitude” and demanded the abolition of interest and the nationalization of banks. The economy should be under the sovereignty of the state and thus the general public and primarily serve national interests. The “grabbing capital”, social inequality, and financial crises were often seen as enemy images, which were often associated with Jewish fellow citizens (see Holler, 2023).

Much of the criticism of capitalism that extends into the 21st century was already laid out in the 20th century. However, the 21st century places different emphases or criticizes certain misdevelopments of capitalism, which are also due to changed environmental conditions: The main focus here is on the failures of capitalism in the area of environmental protection, in the social question but also from a feminist perspective and finally due to the worldwide expansion of capitalism also on the deficits of globalization. We therefore want to take a closer look at these topics in the next chapter.

3.2 Varieties of Capitalism Criticism in the 21st Century: Social, Ecological, Feminist, Global

Criticism of capitalism in the 21st century can be roughly divided into four different thematic areas: On the one hand, issues such as social inequality in wealth and income but also the working conditions of the precariously working parts of the population are denounced (social criticism). Furthermore, the incompatibility of the principle of growth inherent in capitalism and the finiteness of nature is in the focus of criticism. The environment has been or was long seen as a public good that seemed to be available to companies without limits. The so-called “negative external effects”, i.e., the pollution of the environment, were not accompanied by sanctions and nature could therefore be exploited almost unlimitedly (ecological criticism). Especially in recent years, criticism of gender-specific discrimination has increased. Equal conditions and a good life for all should be possible, i.e., among other things, regardless of gender. This is currently not the case in

capitalism (feminist criticism). Finally, economic activity can only be seen on a global scale. The so-called globalization of economic activities has on the one hand led to an increase in prosperity on average. On the other hand, globalization is accused of favoring the rich industrial countries and making them even richer at the expense of the Global South, i.e., Africa etc. (global criticism).

In the following chapter, I would like to explain the thematic areas in more detail before I then come to speak again about individual concrete points in a preliminary summary in the next chapter. In the context of this book, it cannot be about the completeness of the arguments and approaches to criticism against capitalism. This would be an impossibility due to the abundance of different writings in almost all countries of this world. No one can seriously grasp even a fraction of how many publications deal critically with the capitalist economic system. Therefore, the following can only be about a small, in some ways representative cross-section of current (international) literature on the subject. What this excerpt should and will do, however, is to give us all an insight into the essential areas and patterns of argument of capitalism critics. In order to let the authors speak for themselves as much as possible, I have tried to incorporate as many verbatim quotes as possible in the following. We will still need these verbatim lines of argument and accusations towards capitalism when we later try to understand and explain this radical system criticism.

Social Criticism

The French economist Thomas Piketty wrote a groundbreaking bestseller in 2014 based on extensive statistical analyses in reference to the main work of Karl Marx: *Capital in the 21st Century* (see Piketty, 2014; Kwasniewski et al., 2014). The book, which was on the

Amazon bestseller list in the USA for weeks in its English translation and even became a topic of discussion between Pope Francis and then US President Barack Obama (see Kwasniewski et al., 2014), primarily denounces the great social inequality. The inequality in society is increasing mainly because of growing capitalism. Wealth continues to increase, which is not possible to this extent for wages. While wealth grows by between four and five percent per year before taxes, economic growth (and thus wages and salaries) stagnates at inflation-adjusted one to one and a half percent. This disproportionate increase in wealth is then passed on to the heirs. Inequality is thus automatically passed on to the next generation. This thesis, based on broad empirical material, fueled the debate about growing inequality in the system of capitalism.

The impressive statistics that Piketty used to support his theses were particularly influential: For example, in 1978, the typical worker in the USA earned about 48,000 dollars gross per year, while the top one percent of income earners received an average of 390,000 dollars gross. By 2014, it was only 33,000 dollars gross for the worker versus 1.1 million dollars for the top earners (see Kwasniewski et al., 2014). Accordingly, Piketty's prescriptions are radical: A wealth tax with a progressive tax rate i.e., one percent per year for wealth of 200,000 €, which then increases to two percent annually for wealth of one million euros and up to ten percent (annually!) for wealth of one billion and more. In addition, according to Piketty, top earners would then have to pay up to 80% income tax (see Kwasniewski et al., 2014).

In addition to the growing inequality of capitalist society, the younger generation in particular criticizes that food is also not distributed fairly and therefore many people are starving (see Heinisch et al., 2019, p. 71/72).

Representatives of this young generation write pointedly (Heinisch et al., 2019, p. 72):

“The statement ‘Fewer are starving’ is not a success, but a slap in the face in view of worldwide prosperity. We, the new generation, will only join in when no one is starving anymore.”

It is no longer possible for everyone to make it to the top and become top earners. Wealth is inherited and cements inequality over many generations. At the same time, stress-related workload at the workplace is increasing: Depression and burnouts and similar mental disorders are already the second most common disease worldwide today (see Heinisch et al., 2019, p. 74 ff.). At the end of their chapter on the (capitalist) economic system (“Reining in the Unleashed Market”, Heinisch et al., 2019, p. 69), the authors note resignedly (Heinisch et al., 2019, p. 82):

“On the free market, most are actually not free. There is already enough prosperity—but it will never reach everyone according to the rules of the game. A good life is forever denied to the majority. Humanity is staggering through a landscape of crises. Huge financial bubbles can burst at any time. We are steering further and further into a democracy crisis. There is no justification for such collateral damage. To present all this—as has happened so far—as unchangeable is convenient and self-righteous. The balance sheet is clear, and it is disastrous.”

Christian voices also speak up. For example, Munich Cardinal Reinhard Marx, with his work “Capital. A Plea for Man” (see Marx, 2008), which ties in with the main work of his namesake Karl Marx, puts the human being as a person at the center of his criticism of capitalism. Instead

of unbridled capitalism, there must be a decidedly moral alternative in the form of the social market economy (see Marx, 2008, p. 31). The human being is at the center with his dignity, which must also be respected in the capitalist system. Like the Indian economist Amartya Sen, Reinhard Marx focuses on helping the poor, the losers in the capitalist system (see Marx, 2008, p. 67). Today, we would speak of the Global South. The state must intervene primarily in those economic sectors that harm people. The economy must serve people, not the other way around (see Marx, 2008, p. 84; Sen, 1999). As an example, he mentions the debt counseling of Caritas, which is supposed to help people who, “in the face of the temptations of consumer society” (Marx, 2008, p. 84), over-indebted themselves and without help would perish from the psychological and social consequences.

The Indian economist and recipient of the Alfred Nobel Memorial Prize for Economics, Amartya Sen, blows the same horn. Although a world has emerged in the 21st century that has brought unprecedented prosperity and life expectancy has risen significantly (see Sen, 1999, p. 9). Yet we live today in a world full of problems (Sen, 1999, p. 9):

“And yet we also live in a world where there is scarcity, poverty, and oppression. Many new problems have been added to the old ones—including persistent poverty and unmet basic needs, famines and widespread malnutrition, violation of fundamental political freedoms and basic rights, widespread disregard for the concerns and activities of women, growing threats to our environment and to the survival of our economy and social life.”

As an alternative, Sen proposes an economy for people, in which ideas such as freedom, justice, and solidarity are essential prerequisites for a successful and fair economy,

especially in times of turbo-capitalism. Morality is a mandatory component in times of global capitalism (see also Pietsch, 2021).

Another recipient of the Alfred Nobel Memorial Prize for Economics, the American Joseph Stiglitz, laments the increasing market power of a few companies that dominate the market (see Stiglitz, 2020, p. 84 ff.): Thus, three companies control 89% of the entire social media market worldwide, another three companies dominate 87% of the entire market for DIY stores, and yet another three control 75% of the beer market. This allows for a different approach, even in dealing with customers. For example, Microsoft was able to enforce that its operating system was pre-installed on almost all PCs in the USA, leaving the customer with no choice (see Stiglitz, 2020, p. 87). There is no realistic alternative to the Google search engine anyway. A market with theoretically infinite suppliers has essentially become a monopoly or oligopoly market, dominated by either one or a few suppliers. Banks, according to Stiglitz (see Stiglitz, 2020, p. 132 ff.), engage in high-risk speculative transactions and gamble relatively risk-free, as they would be rescued by the state, i.e., by all of us, in case of failure (*“too big to fail”*, see Stiglitz, 2020, p. 137). This was common practice during the 2008 financial crisis. Capitalism, therefore, needs to be saved from itself, as Stiglitz explains in the German subtitle of his book published in 2020.

Robert Reich, the former US Secretary of Labor under US President Bill Clinton, predicts that a capitalism that appears unfair and arbitrary, where hard work does not pay off, is likely to fail (see Reich, 2015, p. 166). If capitalism is not capable of serving the majority of the population, then it is essentially of no use to anyone (see Reich, 2015, p. 167). Oxford economics professor Paul Collier criticizes capitalism, which, through its constant

technological progress and globalization, brings about structural change (see Collier, 2018; Sauernheimer, 2020). Technological progress devalues work qualifications, production methods, and locations. Affected employees lose their jobs or receive lower wages. While the post-war period between 1945 and 1980 was characterized by a high degree of social solidarity, inequality in income and wealth increased from 1980 to 2020, fueling fears of social and economic decline. In England, a polarization emerged between the young, very good, and internationally educated academics in the cities and metropolises and the rest of the population.

Capitalism in the future can only be conceived through a strict coupling with an ethical narrative: companies that not only slavishly bind themselves to profit maximization but also fulfill their obligations to their employees, customers, competitors, and state institutions. A state that takes care of all its citizens and not only provides education for all but also ensures social security from cradle to grave. From childhood, parents should instill values such as solidarity, security, empathy, etc. in their children to create a solidary and empathetic society that also radiates into the economy. Only in this way is an ethical and social capitalism possible. The *Homo socialis* replaces the *Homo oeconomicus*: Not the rational, self-interested utility maximizer of the economic model operation dominates the scene, but the compassionate and solidarity-acting individual in the sense of the common good.

In a similar vein, Bonn philosopher Markus Gabriel also calls for a mandatory link between economics and philosophical ethics, specifically with morality (see Gabriel, 2020, p. 301). In his opinion, it is possible to find an alternative to the rational, mathematical models of economics and to develop a new social market economy

that also takes ecological challenges into account (Gabriel, 2020, p. 305):

“It is possible to replace the neoliberal model calculation with a sustainability-oriented new edition of the social market economy, whose goal is the promotion of a good and sustainable life, without this leading to a reduction in prosperity.”

Recently, he rightly calls for a stronger turn towards an “ethical capitalism” (see for details of the concept among others Gabriel, 2021).

One of the most well-known critics of capitalism is the Swiss sociologist and former politician Jean Ziegler. In his small book addressed to his granddaughter (and thus to all future generations), Ziegler accuses capitalism, or the capitalist mode of production (Ziegler, 2019, p. 10), of:

“... being responsible for countless crimes, for the daily massacre of tens of thousands of children due to malnutrition, hunger and hunger-related diseases, for epidemics that have long been defeated by medicine, for the destruction of the natural environment, the poisoning of soils, groundwater and seas, the destruction of forests ...”

Subsequently, Ziegler accuses capitalism of stimulating consumption and creating needs through advertising that would not otherwise arise. Financial capitalism, with its unrestrained greed, similar to large US corporations, creates wealth only for a few. Capitalism itself destroys the environment. Therefore, although Ziegler has to admit at the end of the book that he does not know an alternative to capitalism (see Ziegler, 2019, p. 126), he gives his granddaughter a warning (Ziegler, 2019, p. 120):

“The basic principle of the capitalist principle is profit. The relentless competition between all individuals and peoples. The logic of capital is based on confrontation, destruction of the weak, on war. War through destruction, reconstruction and arms trade is an inexhaustible source of profit.”

Ziegler seems to literally brand a successful economic system, which has lifted millions of people to a higher level of prosperity, as devil's work that needs to be exorcised. A criticism that certainly goes astray in this form.

But even the greatest advocate of mass consumption in capitalism, the doyen of global marketing, Philip Kotler, has doubts about the benefits of mass marketing at the end of his career. A man who has spent his life very successfully figuring out how to sell goods to men and women, is concerned about the happiness and well-being of his fellow citizens around the world. The benefit of goods and economic growth must be measured primarily by whether it contributes to happiness and well-being (see Kotler, 2015, p. 211 ff.). Specifically, Kotler notes that the well-being of workers has drastically decreased, as the minimum wage does not even satisfy basic needs. New technologies and increased automation have disrupted all industries and caused job losses. Capitalist markets like the USA have experienced 33 recessions from 1857 to today (from Kotler's perspective as of 2015) and produced much suffering and misery. Although Kotler proposes constructive solutions to these problems (including strengthening entrepreneurship, qualification and new training professions), his critical view of capitalism is remarkable.

The politically left US Senator and promising former candidate for the office of US President (which as we know he lost in 2020 to Joe Biden), Bernie Sanders, rants in his new book (see Sanders, 2023) about billionaires. He even goes so far as to demand that billionaires should not

exist at all (see Sanders, 2023, p. 96 ff.). Through them, not only the economic, but also the political power would be in the hands of a few people: They finance, for example, presidential campaigns in the USA and can use their sheer economic power and wealth to conduct extensive campaign advertising for their cause and at the same time promote the candidates they favor. That these would reciprocate after the election in the form of campaign gifts, e.g. lower taxes for the wealthy, is self-evident, according to Sanders. Even if one does not want to agree with this radical opinion of the multi-millionaire and best-selling author Sanders, the extent of the criticism of capitalism becomes clear, which has now entered the global political debate. In his latest book, which will embark on a victory tour around the world and will be accompanied by his international readings and appearances, Sanders presents a whole bundle of capitalism's failures (see Sanders, 2023, p. 99):

He criticizes not only the greed of capitalists, but also the massive income and wealth inequality in the USA, but not only there. Elections are "bought" through massive campaign financing. The health system benefits from people's illness, drug prices are inflated in the search for ultimate profit. Analogous to Karl Marx's dictum, workers are still being exploited. The economy is dominated by a handful of large corporations that virtually hold the economy in their monopolistic hands. Even racism, sexism, homophobia, and xenophobia are blamed on capitalism. In the end, Bernie Sanders summarizes his philippic and states that unbridled capitalism causes economic misery for the majority of Americans and not only destroys their health, but also the common good, democracy as a whole, and the planet (cf. Sanders, 2023, p. 99). And he is particularly popular with young people in the USA. For the 18–29 year olds, he is the "revolutionary leader" with

his radical commitment to climate protection, universal health insurance, and free education (cf. Langer, 2020). But he also speaks to their hearts on other points.

There is also a wind of capitalism hostility blowing from Asia. Thus, the philosophical rising star Kohei Saito, philosophy professor from Tokyo, co-editor of the Marx-Engels Complete Edition in his bestseller, which was sold over 500,000 times in Japan, advocates for overcoming capitalism (Saito, 2023, p. 104):

“The degrowth theory of the new generation therefore calls for the establishment of a free, equal, just, and sustainable society through a radical reform of work and the overcoming of the class antagonism based on exploitation and domination.”

The “imperial lifestyle” (Saito, 2023, p. 13), the mass consumption of non-essential (luxury) goods, and the unhealthy permanent pursuit of economic growth are to blame for climate change. Saito attempts a new economic model based on a reinterpretation of Karl Marx’s writings with regard to ecology: the “degrowth communism” (cf. Saito, 2023, p. 207 ff.). Saito does not see the salvation of the economy in an environmentally damaging, socially unbalanced capitalism, but in a new variant of communism, which includes essential elements of cooperatives. Thus, citizens should be more strongly involved locally in the production and administration of essential goods (“citizen administration”, Saito, 2023, p. 192). For example, there are already citizen-managed, non-commercially operated power plants in Japan, whose main focus is on local electricity production and local consumption (cf. Saito, 2023, p. 193). With the degrowth model of communism, understood as a more cooperative,

all-encompassing economic model, it is possible to overcome capitalism. In Saito's words (Saito, 2023, p. 102):

“As an antithesis, degrowth places its weight on prosperity and quality of life, two factors that are not necessarily reflected in GDP (gross domestic product as a measure of domestic value creation, note DP). This is therefore a shift from quantity (growth) to quality (development), a comprehensive plan to switch to an economic model that focuses on reducing economic inequalities, expanding social security, and increasing leisure time, while respecting planetary boundaries.”

The longing for a harmonious coexistence of all people in a socially just economy that protects the environment is unmistakable and certainly justified. Although Saito sketches some approaches in his extremely readable book on how to achieve such an economy (cf. Saito, 2023, p. 224 ff. among others reduction of working hours, lesser degree of division of labor, focus on care work such as nursing staff etc.), he still owes a detailed description of a practicable economic model.

Ecological Criticism

50 years after the legendary report of the Club of Rome, which invoked the “limits of growth”, the Club presents a renewed report (cf. Dixon-Declève et al., 2022). Already 50 years ago, the Club of Rome had warned not to overstrain the possibilities of using our natural environment and not to exploit and litter the earth with resources. In their new book, the authors call for, among other things, the avoidance of global poverty through economic growth in the Global South, the reduction of inequality and gender justice, and in particular an energy turnaround (cf. Dixon-Declève et al., 2022, p. 167 ff.). The critical points

are now all known and are on the table (Dixson-Declève et al., 2022, p. 9):

“We all know that we must put an end to the extreme poverty of billions of people. We know that we must solve the rampant inequality. We know that we need an energy revolution. We know that our industrial diet is harming us and that the way we produce food is destroying nature and triggering a sixth mass extinction of animal and plant species.”

The professor of political science and philosophy at the New School of Social Research in New York and one of the most influential intellectual voices worldwide, Nancy Fraser, even considers capitalism itself to be the central driving force of climate change (see Fraser, 2023, p. 134). The system itself has a tendency towards environmental crises (see Fraser, 2023, p. 135). Fraser goes beyond the concept of capitalism as a pure economic system and understands it as an “institutionalized social order” (Fraser, 2023, p. 140), which also includes all non-genuine economic activities and processes that enable the economy as a whole (see Fraser, 2023, p. 140). In economics, the use of the environment and its pollution without payment is referred to as negative external effects. Fraser refers to these in her argument when she claims (Fraser, 2023, p. 141):

“In any case, capitalists appropriate the savings in the form of profit, while shifting the environmental costs onto those who have to live and die with the consequences, including future generations of people.”

In the end, Fraser delivers a devastating verdict on capitalism (Fraser, 2023, p. 143):

“Capitalism, which needs and destroys nature at the same time, is also a cannibal in this respect, devouring its own vital organs.”

This statement fittingly refers to the cover image of the German edition of the book: A snake devouring itself by eating its tail adorns the title of her latest book (see Fraser, 2023). In a conversation with Berlin philosopher Rahel Jaeggi, Fraser admitted that the ecological dimension was not initially at the center of her critique of capitalism (see Fraser & Jaeggi, 2021, p. 26 f.). Now, the environmental aspect is on par with the social crisis that Marx had in mind. Fraser writes (Fraser & Jaeggi, 2021, p. 27):

“The ecological paradigm understands the capitalist crisis in a way that is as systematic and as deeply structural as the Marxist paradigm, almost as if the two crisis complexes were parallel.”

The historian and bestselling author Ulrike Herrmann, economic editor at taz, posits that economic growth and climate protection are incompatible and even sees the end of capitalism approaching. Climate protection would only be possible if capitalism were abolished (see Herrmann, 2022, p. 11). Since capitalism needs growth for its own stability (see also my own explanations in Pietsch, 2023, p. 99 ff.), and the electricity generated by renewable energies is not sufficient today, only a “green shrinking” of the economy remains (see Herrmann, 2022, p. 12). This would then lead to the consequence, according to Herrmann, that air travel and private cars would no longer be possible and the dismantling of capitalism would have to be tackled (see Herrmann, 2022, p. 13).

As a model, the historian Herrmann recommends the British war economy from 1939 onwards (see Herrmann,

2022, p. 229 ff.), in which the state dictated what should be produced, while the companies remained in private hands (see Herrmann, 2022, p. 237). The state thus determined the production quantity for certain goods and naturally rationed the necessary raw materials. With the help of these drastic measures, consumption in the British war economy fell by a third. Herrmann recommends something similar for German consumption. Assuming that prosperity in Germany would be halved, we would still be as rich as in 1978 due to the high growth rates of the German economy in recent decades (see Herrmann, 2022, p. 241). Apart from the fact that a halving of prosperity would particularly affect the poorer part of the population, who are already barely making ends meet, this interesting thought experiment already fails due to practical questions: Who should carry out the rationing specifically? The Ministry of Economy? Individual specialists or economists? How would one prevent powerful lobby groups from influencing the rationing decision in such a system?

Nevertheless, Ulrike Herrmann has a point here. She rightly points out that a resource-intensive process of capitalist production increasingly burdens the environment in its pursuit of growth and efficiency. It is no coincidence that this well-researched and informative economics book has made it onto the Spiegel bestseller list. After all, the emerging generation demands from us older ones an economy that commits itself in the future to preserving the ecological foundations of life (cf. Heinisch et al., 2019, p. 83). This applies not only to stopping climate change and avoiding an impending climate catastrophe, but also to preserving biodiversity in the animal and plant kingdom. The point of contention is not that we need to become climate-neutral, but how it could be achieved and when it should finally happen.

A telling example of this is the referendum for a climate-neutral Berlin (cf. Staude, 2023): Although a wafer-thin majority of 50.9% voted for a climate-neutral Berlin, the required quorum, i.e., the minimum number of yes votes of just over 600,000, was significantly missed with just over 442,000. Thus, it remains that Berlin must become climate-neutral only by 2045. Ecological critics of capitalism cannot move fast enough with the coupling of economy and environment. The other part of the population (in this example, the Berliners who participated in the referendum) probably prefers a more pragmatic approach, aiming for a more feasible period of over twenty years, which would allow more time for an economic transformation process. The ecology-oriented criticism of capitalism is probably the most serious point within the younger generation (cf. also in more detail Pietsch, 2022a, b, p. 153 ff.). However, there are also voices from the feminist camp that criticize capitalism for other reasons.

Feminist Criticism

Feminist criticism of capitalism is not new and has famous predecessors (cf. in the following Bauhardt, 2015). Already the wife of the well-known economist John Stuart Mill, Harriet Taylor Mill, demanded more freedom, equality, and justice in gender relations in her articles, some of which were published together with her husband, especially with regard to economic issues. Thus, feminist critics of capitalism demand that the role of women in the economic process be given greater consideration. If Karl Marx speaks of surplus value in his theories, then the educational and care work of women in society must also be given greater consideration. Women, in particular, make a disproportionately high contribution to the “social reproduction” of society through the birth and upbringing of children and the care of relatives. This term

“social reproduction”, which was initially used by critics in the same way as Karl Marx’s diction, has recently been changed to the term “responsibility and care work” or “care economy”.

The core of feminist criticism remains the same: women are the ones who ensure that there are enough members in society who can later participate in the economy in a value-creating way. They give birth to children, raise them predominantly, and take care of them when they are sick or generally about their worries and needs. The same applies to the care of relatives, the elderly parents or relatives. This unpaid work is still not recorded in the gross domestic product, the measure of economic performance, even today. Since it is not a service that appears on the market and is accordingly remunerated in monetary units (it is different if a nanny or a caregiver for relatives is hired and paid), it is not considered an economic performance. This care work, according to feminist critics of capitalism, is challenging for body and mind, is not or poorly paid, and is mainly left to women. If this care work is then delegated, for example to often foreign caregivers or nannies, gender-specific discrimination is further promoted.

Consequently, critics demand equal recognition of unpaid care and educational work (predominantly performed by women) with paid work (predominantly performed by men). At the very least, they expect a significantly greater appreciation of these activities as essential foundations of society. Moreover, these types of empathetic services should be more strongly shared by men. Ideally, in equal parts. The result of such increased involvement of women in unpaid educational and care services would then be disadvantages in professional life and thus in the capitalist machinery: women subsequently often perform part-time jobs or experience a re-entry

into significantly lower-paid jobs after the multi-year child-rearing phase, largely renouncing career ambitions. No wonder that women, according to statistics, are on average paid less than men (per hour on average 18%, cf. Federal Statistical Office, 2023a, b). If women's remuneration is adjusted for factors such as part-time work and typical, lower-paid women's jobs etc. (so-called adjusted *gender pay gap*), there is still a 7% lower payment for women compared to men for the same work (cf. Federal Statistical Office, 2023a, b). A combination of family, child-rearing, and career is thus, according to the criticism, difficult to impossible for women.

The criticism of feminists even goes so far as to claim that capitalist and patriarchal orders mutually reinforce each other in the exploitation of women and nature (cf. Bauhardt, 2015). Men not only dominate nature but also the economy. Women, among other things, create added value for society through their care work, which is neither compensated nor sufficiently thanked. However, not only women-specific points are denounced, but also the general loss of values is criticized. In the consumer and performance society, there is simply no more room for solidarity, cooperation, and self-sufficiency. Instead, the maxim of always higher, further, more efficient prevails. The competition is ruthless and fuels the competitive struggle of everyone against everyone. Instead of solidarity, egoism, greed, and the pursuit of maximum profit prevail. Points, therefore, that do not differ significantly from the general criticism of capitalism. Critics see the only way out of the dilemma of unpaid educational and care work in men contributing their equal share to the educational and care performance.

And indeed: The younger generation of men is willing to share the upbringing of children to a greater extent. They take parental leave, so-called "*sabbaticals*", and

support their wives in child-rearing. While this was rather unusual in earlier generations, this trend is developing to an unprecedented size in Germany. Career is seen as less important by men than in previous decades. Instead, the much-vaunted “*work-life balance*” is moving more into the foreground: Not working for the sake of working is at the center, but a balanced relationship between leisure time with the family and for self-realization and work. It seems, therefore, as if a rethinking process has already taken place. Nevertheless, feminist criticism of capitalism goes deeper: It includes not only ecological and social criticism (see above), but demands a departure from male dominance and the still existing role models. Even if one considers the criticism of feminists to be greatly exaggerated, one must nevertheless note that the equality of women with men in the economic process has not yet been achieved, despite all progress in the recent past and efforts to promote women and quota regulations.

Criticism of Globalization

The idea of cross-border trade is not new: Already in antiquity, goods were exchanged across countries and paid for with money (cf. Pietsch, 2022a, b, p. 191 ff.). Thus, the Phoenicians, as an ancient trading people, were internationally active and bought, shipped, and sold their goods in the entire then-known ancient world. In the Middle Ages, the wealthy Augsburg merchant family of the Fuggers created a powerful, almost worldwide trade network that reached as far as Eastern Europe and America. The Hanseatic League, a federation of North German merchants, was also internationally active and brought goods to all corners of Europe and beyond. Today, goods are traded worldwide and transported to the point of sale through the achievements of modern transport technology and logistics. If you take into account

the preliminary services from the respective countries, some globally available products such as the smartphone travel around the globe several times before they arrive at the end consumer. This led, among other things, to some products like tablets, smartphones, fashion but also films and television shows starting their triumphal march around the world. The range of goods became increasingly global and the taste of customers, supported by social media and influencers, developed in parallel.

At the same time, financial flows have also spread around the globe. Billions of dollars are chased around the globe at millisecond speed with a click of a mouse in search of an appropriate return. Individually, states are powerless in regulating such financial activities. Developments such as financial transactions or speculations without a real background, such as betting on falling prices or rising commodity prices, have been in the focus of criticism since the financial market crisis of 2008 at the latest. We all experienced how quickly globalization can encounter obstacles during the Corona crisis: supply chains completely broke down because no cargo plane could take off and trucks were jammed at the borders without being able to pass. The supply chain (*“Supply Chain”*) was interrupted, terms such as de-globalization made the rounds in business circles and the interested public.

But globalization also called its critics to the scene. One of the groups criticizing globalization and thus global capitalism is attac (cf. Attac Germany, 2023). Similar to globalization, attac is an alliance of 90,000 members in 50 countries (cf. Attac Germany Self-Understanding, 2023). The followers of this movement pursue a negative interpretation of global capitalism. For them, the impending climate collapse, the advancing destruction of nature, the

further increasing global social inequality is a consequence of globalization (cf. Attac Germany, 2023, p. 2). Thus, they write in their preface (Attac Germany, 2023, p. 2):

“We are confronted with the result of a profit-driven globalization that willingly accepts the destruction of the world.”

Everything becomes a commodity, wages are suppressed, working conditions deteriorate, and resources are exploited in the course of profit maximization (cf. Attac Germany, 2023, p. 3). The world is economically divided into a Global North and a Global South: The rich countries of the West such as the USA and the EU would be the only ones to profit at the expense of the poorer countries of the Global South such as in Africa. The market reacts, the so-called “neoliberal system” only creates further inequalities between countries and within countries (cf. Attac Germany, 2023, pp. 4 f.). As an alternative to global capitalism, the authors of attac demand, among other things (cf. Attac Germany, 2023, pp. 7 ff.):

1. To regulate the international financial markets i.e., the prohibition of certain (speculative) financial investments, of computer-controlled high-speed trading and demand a financial transaction tax on stocks and financial transactions of all kinds. Instead, social and ecological projects should be funded by loans and debts should be forgiven for poorer states.
2. The partial reversal of privatizations, especially in the area of municipal companies in the energy and housing construction sector, and to promote public education and digitization.
3. Social security for all with the elements of solidarity-based citizen insurance (elimination of the two-tier

- system of private and statutory insurance), a basic social security and a reduction of the weekly working hours.
4. To stop the climate collapse, among other things, through an ecological regulation of the markets, i.e., the awarding of public contracts must be based on sustainable criteria. In general, business and consumption should be done differently: It should be democratically decided which goods and services should be produced for a good life and which should not, i.e., more ecological agriculture, fewer armaments. Energy consumption should be reduced overall and be 100% renewable. Air travel and car trips should be significantly reduced.

Attac is only representative here for the contents of the frequently expressed criticism of global capitalism, without the author of this book adopting these positions. Other voices (cf. Pietsch, 2022a, b, p. 197 f.) additionally complain about a competitive pressure created by globalization, which leads to the increased use of labor from countries with low wages, the resources of temporary work and leasing companies are increasingly used instead of own employees. In addition, internationally comparable jobs such as those of parcel deliverers or truck drivers are put under enormous pressure by global competitive pressure in order to keep costs as low as possible.

In summary, we can conclude that capitalism has come under fire from various sides and is viewed very critically, especially by the younger generation. Let us summarize the main points of criticism of capitalism in detail once again before we deal with them.

3.3 Criticism of Capitalism: A Preliminary Assessment

In the last chapter, we saw that the term capitalism is generally associated with a number of negative connotations. In the early phase of capitalism, the mechanization was particularly criticized, which gradually displaced people in the form of machines, alienated them from their work, and made them dull. Instead of highly qualified activities with appropriate training and craft experience, the worker of that time was forced to repeatedly perform the same simple tasks. Routine activities instead of qualified work. The working conditions were poor, both hygienically and in terms of the number of working hours, including a payment that was just enough to survive. The apparent winners of the capitalist system were the owners of the means of production, the capitalists, who pocketed the surplus value of the workers toiling for them and accumulated capital. This was the diagnosis of the time by Karl Marx and Friedrich Engels.

Thus, class societies emerged: On the one hand, the proletariat or, in extreme form, the “lumpenproletariat” who lived hand to mouth, and the capitalists or the rich bourgeoisie, who enriched themselves at the expense of the proletariat and led a good life. While the entrepreneurs, partly through monopoly formation, usury or speculation, became rich with their inherent greed for profit, according to the socialist reading, the workers were degraded to economic subjects as human beings. Wages were low, working conditions were sometimes inhumane. Poverty here, wealth there. In the later phase of capitalism to the present day, other topics dominate the criticism of this economic model. From a Christian perspective, the lack of focus on the human as a person is criticized. A system

like capitalism with its ruthless competition fuels the selection process in favor of the (performance) strongest and leaves the weak behind. Values such as egoism and greed for profit and elbow mentality dominate over socially necessary ones such as solidarity, compassion, altruism, and commitment to the community, the common good. Some critics also pointed out that capitalism produces psychological and societal deficits such as power inequality (Foucault), suffering, distress (Derrida) or the manipulation and seduction of consumers (Baudrillard). Other radical thinkers even accuse capitalism of schizophrenia (Deleuze).

More moderate commentators on the capitalist economic system pointed to the increasing social inequality of wealth and income, which they statistically substantiated with long time series (Piketty). At the same time, they tried to demonstrate that the social divide between the wealthy and the poor is further cemented through inheritance and thus passed on over many generations. A wealth tax and a higher inheritance tax would put an end to this unequal state, which threatens democracy, depending on how they are designed. Recently, in the context of the impending climate collapse, the ignominious connection between capitalism and the environment has been denounced: Unlimited growth is simply impossible in a limited world. Natural resources are ruthlessly exploited, the environment is polluted by water, land, and air, and animal and plant species are dramatically decimated.

For some time now, feminist criticism has been added to the ecological criticism of capitalism: Instead of always viewing the economy and society from a male perspective, these critics recommend the decidedly female one. Women give birth to offspring, take care of them, and raise them without pay. In doing so, they create the prerequisites for the capitalist economy to function at all. The

thanks for this is lower pay for the same jobs compared to men. Furthermore, they mostly give up their career ambitions, often continue to work part-time during child-rearing (if at all), and mostly settle for jobs such as in nursing, which are inherently lower paid. They make a valuable contribution to the economy and society in the so-called “care economy” and are not adequately compensated for it, let alone appreciated. Some points of criticism, such as the power imbalance between men and women in the economy and society, may be somewhat exaggerated, but they do not lack a certain basis against the background of not fully achieved gender equality.

Finally, global capitalism also comes into the crosshairs of critics: Despite all the achievements of globalization, poverty in the world has still not been eliminated. On the contrary, the gap between the wealthy industrialized countries with their promise of prosperity and the poorer countries in Africa and South America has become larger rather than smaller. Global capitalism produces winners and losers, thus exacerbating the social situation of the world. It has increasingly ensured in the past that people worldwide are manipulated and enticed into consumption. In addition, global financial capitalism now dominates the world economy with its speculations without a real economic background and individual state control. Trillions of euros and dollars are chased around the globe in a matter of seconds in search of quick profit. It is not without reason that opponents of capitalism insist on the combination of capitalism and morality. A combination that is not only oriented towards the individual behavior of those responsible for the economy, but is also demanded by every individual market participant.

If one follows the most extensive and radical criticism of capitalism, then it is equated with the worst that people can inflict on each other in this world: hunger,

distress, misery, poverty, oppression. War, destruction, etc. An assessment that, in my opinion, lacks any basis! Nevertheless, the spectrum of capitalism criticism is very broad. An economic system is even equated with cannibalism (Fraser) and is portrayed as the personified responsibility for almost all the misery of this world. A somewhat absurd idea.

Nevertheless, one must admit that the criticism of so many people and sides of the world society of this economic system is not to be overlooked and certainly has its legitimate causes in many cases. In sum, we can conclude that capitalism is essentially criticized in three core areas:

Firstly, in the area of ecology: Capitalism and the environment have long since ceased to fit together. This economic system, which must consistently focus on growth, destroys the environment without paying the price. A good that seems to be exploited for free. Secondly, in the area of the social question: The capitalist system is increasingly leaving people behind worldwide and dividing society. Prosperity no longer reaches everyone. Finally, global values and the view of capitalism have shifted over the years: Values such as solidarity, community spirit, trust, compassion, and a harmonious coexistence, which demand a balanced work-life balance and sacrifice career ambitions on the altar of happiness and life satisfaction, overshadow other value orientations for which capitalism apparently stands: selfishness, greed for profit, elbow mentality, etc.

Especially the youth want to show more solidarity, not only with the ailing environment, but also with the poorest and weakest of this society. A point that we will focus on in Chap. 5, in which we will attempt to explain the capitalism-critical society. But let us take a look at the causes of this sometimes extremely critical view of capitalism. Let's try to realize why this economic model, which

has demonstrably helped the Federal Republic of Germany to great prosperity after the war until the early 1980s, is so strongly doubted in its foundations.

So let's go in search of as objective as possible circumstances that ideally underpin the expressed points of criticism or show that these may only be emotional, subjectively perceived deficits. We will see.



4

Causes of Capitalism Criticism

4.1 Poverty, Misery, Alienation Today

Why has capitalism been heavily criticized since its inception, and why is it particularly under fire in the 21st century, especially from the younger generation? Currently, it seems to have become a real hype to outdo each other in rejecting capitalism and predicting the end of this successful system. This is not a value judgment, but merely an observation. We have seen in the last chapters that the capitalist system is fundamentally blamed for creating wealth in total, but this wealth seems to benefit only a few. At least that's the perception, and perception is known to be the felt reality. But what do the actual numbers, data, and facts about hunger and poverty look like?

Historian and sociologist Rainer Zitelmann, who was already mentioned in the first chapter, quotes from a 2016 study that asked 26,000 people in 24 countries whether they believed poverty had increased, remained the same,

or decreased over the past decades (see Zitelmann, 2022, p. 17). What would you guess? Intuitively, we would probably assume that poverty has increased. We have read too much about the many millions of poor children and young people in Africa, in countries in war and crisis zones. After all, we also experience child poverty in such wealthy countries as the USA and here in Germany. The situation seems to have become more dramatic, so shocking are the images of starving children around the world. Thus, 70% of the people surveyed in the study cited by Zitelmann believed that the poverty rate had increased (see Zitelmann, 2022, p. 17). Only 8% of respondents believed that the proportion of the absolutely poor had decreased, measured by a standardized basket of goods. But the real numbers tell a completely different story.

For example, the global poverty rate around the time of Karl Marx's birth year (1818), in 1820, was 90%. In 1981, this rate was 42.7%, in 2000 it was still 27.8%, and in 2021 it was finally below 10%! In plain language, this means that the global poverty rate has not only declined. It has completely reversed the ratios! In 1820, only 10% of the world's population was NOT poor, but in 2021, just two years ago, it was already over 90%! An astonishing achievement, if you just look at the bare numbers. And this, Zitelmann explicitly points out, despite or precisely because the socialist planned economies were dismantled in both China and Eastern Europe (see Zitelmann, 2022, p. 17). "The End of History" (see Fukuyama, 1992/2022) was prophesied by the American political scientist of Japanese descent, Francis Fukuyama, in his most famous writing, thus claiming that the final victory of the Western over the Eastern (socialist) system seems to have actually arrived. So why, and this is the core question today, does the statement persist that capitalism is responsible for hunger and poverty in the (capitalist) world?

In my view, the conclusion of Zitelmann's otherwise well-researched and well-written book falls short (see Zitelmann, 2022, p. 357 ff.): Anti-capitalism is a "political religion" (Zitelmann, 2022, p. 157). This is characterized by an "emotionally based rejection (...) of intellectual elites" (Zitelmann, 2022, p. 157). Envy of the rich is coupled with a general rejection, as capitalism is seen by its critics as responsible for all external evils of this world, including "consumer terror". In response to their criticism, many see the way (back) to a planned economy. Real existing socialism is experiencing its renaissance, which can be seen, among other things, in the expropriation referendum in Berlin (see Zitelmann, 2022, p. 366 f.). Instead, Zitelmann recommends daring less state and more capitalism, analogous to the market-liberal revolution that began under Reagan and Thatcher (Zitelmann, 2022, p. 371).

I believe one will never gain an objective view of economics if one is guided solely by statistics. To the chagrin of many mathematically inclined economists, economics is not a deterministic science that lives in a world of clear, predictable forecasts, graphs, and statistics, and whose development is clearly predictable at all times. Consequently, the Queen pointed out during the financial crisis that even the most famous economists did not see it coming (see Chap. 1). Economics is not without reason one of the social sciences and deals with people who do not (only) act rationally like the typical "Homo oeconomicus". On the contrary, the experiments of behavioral economists have retrospectively proven that people are compassionate, have a strong sense of justice, dislike losses, overestimate themselves in their economic behavior, etc. (for the essential findings of behavioral economists see Kahneman, 2012; Pietsch, 2022a, p. 279 ff.). Statistics also reveal nothing about individual human fate, as they are known to be based on averages.

So who is right, the statistics that show a dramatic decrease in global poverty or the perceived increase in poverty, especially among children or the elderly, even here in Germany? Or conversely, if capitalism is so excellent at providing prosperity, why are the respondents of numerous surveys so negative towards this system? Perhaps we are oversimplifying things if we only look at the statistics. Let's try to analyze individual aspects of the capitalist—or to put it more neutrally—market economic logic from a German perspective in a factual and sober manner. Perhaps this will bring us a step closer to the discomfort with this successful economic system. We will try to do this in the following using specific, concrete examples from economic practice without claiming to be exhaustive.

From the perspective of the conditions at the time, Marx criticized the working and living conditions of the workers: Underpaid, living and working under unbearable hygienic conditions, long working hours, child labor, etc. No wonder Marx coined the term “exploitation”, as those involved in the production process ruined their health but only received the bare minimum of money to survive. In return, it seemed, the “capitalists”, i.e., those who had the necessary (operating) capital and were the owners of the factories, stuffed their pockets and profited from the miserable working conditions of the workers. I think we all agree that these conditions no longer reflect the reality of working conditions in Germany. Not least thanks to the efforts of trade unions but also responsible entrepreneurs, working conditions here are clearly regulated: From minimum hygiene to procedures to health-related framework conditions, everything is legally binding. The following regulations and labor laws exist, among others (see Steffgen, [2023](#)):

In individual labor law, working hours, termination rights, and the vacation entitlement of each worker are

clearly regulated. Furthermore, the duties of the employee and employer are listed there. The relationship between trade unions and employers can be found in collective labor law, e.g., collective bargaining law, the right to strike and co-determination in the company. The Dismissal Protection Act determines when and for what breaches of duty an employee can be dismissed. It protects certain groups of people such as pregnant women or people with disabilities. The maximum working time is also clearly stipulated in the Working Time Act: Employees may work a maximum of 8 h a day for a maximum of 6 days a week, which in extreme cases corresponds to a 48-h week. Within a compensation period, the daily working time can be increased to ten hours. Depending on the duration of the daily working time, a break is mandatory (at least 45 min for 6 h). The same applies to rest days.

Sundays and public holidays must be kept free with few exceptions according to professional groups such as fire brigades, hospitals, care facilities, gastronomy, etc. The Minimum Wage Act regulates the hourly minimum, in case of illness the wage is continued to be paid. Section 618 of the German Civil Code (BGB) requires employers to protect their respective employees from dangers to life and health. This starts with health consultations and vaccinations before business trips and goes to screen workstation analysis up to stress and burnout prevention. Finally, the Federal Holiday Act defines the minimum vacation and special leave, and the Maternity Protection Act defines the work still permissible for expectant mothers in relation to the progress of pregnancy. During the Corona pandemic, legal regulations were also issued that contained hygiene regulations, distance rules, and general working conditions. In short: Compared to the times of the analysis of capitalism by Karl Marx and Friedrich Engels, a lot has been done to improve the working and

living conditions of employees. Nevertheless, criticism of the capitalist system has increased rather than decreased. Why is that?

What is the current situation in the social market economy in Germany and what impressions does the disproportionately capitalism-critical young generation have of today's working world? Of course, (thank God!) in Germany, the sometimes miserable working and living conditions that Karl Marx and Friedrich Engels once faced no longer exist. However, there are many jobs in Germany that are not necessarily conducive to a relaxed and calm working atmosphere. Delivery services in particular have benefited from the Corona pandemic, as this was the only way to enable relatively contactless and hygiene-free consumption of everyday goods or entertainment. This led to a significant increase in the already tense daily workload of courier and delivery services. The not exactly generously paid drivers of the numerous delivery services can hardly keep up with the orders and have to try under high pressure to deliver their mountains of packages on time and promptly.

The pressure is often immense (see Volknant, [2022](#)): Those who are not on the road with a small truck to deliver packages and can hardly keep up, fight their way through the pouring rain in the traffic chaos of the big cities on their bicycles. In addition to the mental stress of constant deadline pressure, there is the physical strain of getting to the delivery addresses as quickly as possible. On top of that, parking spaces and apartment entrances are sometimes hard to find. Often, the recipients are not personally present. Accordingly, follow-up calls have to be made. Helpful apps for customers, such as a tracking and tracing function, which allows the driver's location to be located online at any time, do not exactly contribute to a more relaxed delivery. On the contrary, the delivery

personnel feel monitored and are transparent at all times. The hourly wage is usually at the level of the minimum wage. The increase in convenience and optimized customer orientation in online retail thus shows its dark side with regard to the affected employees. Of course, one could argue, they all have a job and they contribute to the economy. On the other hand, many such employment relationships also remind of Marx's dictum of the small cog in the machine and the "exploitation", even if this is usually not seen as such in reality. But the impression remains, especially among the younger generation.

The same applies to truck drivers (see Landwehr, 2022). In particular, Eastern European drivers are often on the road for far too long. They often tour across Western Europe for more than twelve weeks, mostly without social security (see Landwehr, 2022). An online survey of more than 1000 Eastern European long-distance drivers found that almost half do not even have a valid employment contract and therefore do not receive a salary statement. A quarter of the drivers do not receive a fixed salary or receive a maximum of 400 €. Almost two-thirds of those surveyed do not have unemployment insurance. Such conditions, which admittedly are extreme, also do not cast a good light on a humane economic system.

During the Corona pandemic, one professional group was rightly highly praised: The nursing staff in the health system (see Beeger, 2022). They were the ones who suffered from the pandemic, had to perform almost inhuman tasks and are still relatively poorly paid despite the granted nursing bonus. In addition, part-time work is often the norm, which is not only due to the high proportion of women and the division between family and work, but is a consequence of the tough working conditions. The high mental and physical pressure, the constant changes between early, late and night shifts, and weekend and

holiday work are often cited as reasons for part-time work. All of this is often difficult to reconcile with an orderly family life (see Beeger, 2022). Of course, hardly anyone becomes a nurse who does not at least (at the beginning) enjoy the profession as such and wants to serve society and health. However, despite the now better pay (which is often passed on to patients in the form of higher hospital bills), the working conditions of nursing staff are still very tough and not very family-friendly. It is therefore not surprising that in an aging society like Germany, the shortage of hospital staff will likely increase in the coming years (see Beeger, 2022).

However, tough working conditions exist not only in the low-wage sector or in the nursing and health care sector. They also do not stop at academic professions. For several years now, the term “internship generation” has been making the rounds (see Internship & Thesis, 2023). The weekly newspaper “Die Zeit” published a memorable article under this title in 2005 about university graduates who, after their graduation, often have to do low-paid internships instead of a well-paid full-time job. The background to this is that companies are increasingly unwilling to offer permanent contracts and full academics are therefore forced to prove themselves through internships in order to be hired. According to a study by the DGB (see Internship & Thesis, 2023), students complete four internships during their studies and also afterwards, sometimes unpaid. Internships were and are often seen as an entry into a company. In principle, this approach is interesting for both sides:

During this time, the student can consider whether he or she can envision a job in this company and vice versa, whether he or she would be interesting for the company. However, if several such partially unpaid internships are offered for a longer period of time, then the company’s

market power is exploited against the interns. This behavior of some companies also hints at the capitalist-critical discussion of the power imbalance in the diction of Marx and Engels (at least from the perspective of the mostly younger generation affected). Although this power imbalance should shift in favor of the students due to the demographic factor—the retiring, birth-strongest cohorts of the “Baby Boomers” are significantly fewer job starters—such a discussion also did not lead to an uncritical view of the situation on the labor market.

At the universities, where some of the academics are still active even after their graduation, conditions are not always paradisiacal. Increasing dependencies between students and teachers, between assistants and university teachers are reported more and more frequently. The precarious working conditions and the abuse of power are denounced (cf. Spiegel online, [2023](#)). In an open letter to the Federal Minister of Education, (junior) scientists criticize the precarious working conditions: Enormous workload with low pay and temporary contracts. Essentially, the authors criticize the various forms of power abuse. These range from the assignment of tasks that have little to do with the scientific operation (the author himself can still remember from his time at the university that rumors persisted that assistants had allegedly had to perform household-related tasks and garden maintenance for their responsible professor) to work overload, use of intellectual property up to sexual harassment and coercion (cf. Spiegel online, [2023](#)).

But also in the non-university sector, there is a lot wrong with regard to working conditions. It is not uncommon to hear about excessive stress due to work intensification under extreme competitive pressure (cf. Bothe, [2022](#)). We all know this or have heard about it from friends and colleagues: Due to increased competition and

cost pressure, fewer and fewer employees have to do more and more work. Rest periods are reduced, the workload increases and the number of meetings has increased after the Corona pandemic. Not least because most meetings in office life now take place virtually and hardly allow a break. This not only affects the body, but increasingly also the soul. Time pressure, too few staff, ever higher demands on the quality and quantity of work take their toll.

Not only the musculoskeletal system suffers, with the back as a particularly sensitive part of the body, but also the psyche. Already 19% of sick leave days are caused by mental illnesses (cf. Bothe, 2022). The situation is dramatic: While the number of cases of mental illnesses increased by about 20% between 2010 and 2020, sick leave days almost tripled at the same time (cf. Bothe, 2022). Of course, this is also due to the fact that many people were more stressed due to the Corona pandemic and were afraid for their jobs, but on the other hand, psychotherapy could only start with a delay due to hygiene reasons. Particularly affected were not surprisingly nursing staff, who had to shoulder a lion's share of the pandemic and were therefore particularly emotionally stressed. These constant stresses often lead to permanent overexertion and exhaustion, colloquially referred to as "burn out". Despite this dramatic increase in mental stress, such diseases are often still stigmatized and perceived as weakness. The fact of always being reachable and having an overflowing mailbox is no longer experienced as a status symbol but as overexertion. Nevertheless, such permanent overexertion is still underestimated in many cases.

In addition to the pressure of performance and time, it is primarily the relationships with superiors and colleagues that often cause stress. *Mobbing*, i.e., the targeted harassment by colleagues and superiors, is perceived as stress just as much as all kinds of discrimination, which are officially

prohibited but still occur more often than one would like. Often one also runs into a dangerous downward spiral: The superior puts one under increasing pressure, the stress reduces the ability to concentrate and the results get worse. Sovereignty suffers, as does sleep and relaxation phases. The reduced sleep in turn reduces the ability to concentrate. Even more mistakes creep in and the quality of work continues to decline, and so does the (justified) criticism of the superior. This dangerous cycle then leads quite stealthily into burn out. The younger generation is aware of this cycle. They have learned from the generation of their parents (cf. Bothe, 2022) and try to counteract accordingly to improve their work-life balance.

No wonder that a new phenomenon from the world of work in the USA is also spilling over to us: the so-called “*Quiet quitting*”. Contrary to popular belief, it is incorrect to translate this term as “internal resignation” (cf. Kanning, 2023). Rather, it is about the phenomenon that employees identify with their professional tasks and their employer. People who are in the stage of “Quiet Quitting” in their working life no longer see themselves as part of a larger whole, no longer proactively contribute to improvements, no longer sufficiently support others, or do not go the famous extra mile. Instead, they adopt a more distanced, well-calculated attitude towards their employer:

They pursue their own goals and if the employer does not support these sufficiently from their point of view, they leave and turn to other companies that seem more helpful to them in achieving their individual goals (cf. Kanning, 2023). In doing so, they set clear boundaries between work and leisure, without immediately running to the competition. For companies, such an attitude is dangerous, as only through the convinced and above-average commitment of the employees can the ambitious goals be achieved and the competitive advantage over other

companies in the industry can be achieved. The causes of Quiet Quitting are particularly the increased performance pressure and the resulting overtime, which in most cases is simply assumed without rewarding this commitment (monetarily). Sometimes a simple “thank you” or general appreciation for the work done by the employees is also lacking.

When we think about possible causes of criticism of capitalism, we must not forget that the belief in shared prosperity associated with the market economy has received considerable cracks in public perception (cf. in depth my last book, Pietsch, 2023): More than one in four children in Germany (26%) go to school hungry without breakfast according to a recent study (cf. Presseportal, 2023). Eight years ago, this was just eight percent of students, with every hungry child in a country as rich as Germany being one too many! The main reasons for the lack of breakfast are lack of money and time (cf. fact sheet link in Presseportal, 2023).

The consequences are lack of participation in class, concentration problems, and an increase in diseases. Even if one generally acknowledges the wealth-increasing effect of the market economy, such numbers and sad facts are shocking. Similarly shocking are the figures on old-age poverty in Germany. Almost one fifth of those over 65 are at risk of old-age poverty (cf. Gries, 2023). As of the cut-off date on 01.07.2021, about 18% of the nearly 20 million pensioners had to get by with less than 1135 € per month or 13,628 € per year. In 2010, it was “only” 12.6%. For women, the average pension in 2021 was 832 € per month due to the significantly shorter working life (among other things due to child-rearing). An amount that makes a dignified life almost impossible, especially in a metropolis like Munich. Even though these figures admittedly cover the extremes in the lower income and

wealth range, they provide deep insights into the reasons why the capitalist system does not meet with unreserved understanding.

In general, the younger generation very perceptively follows the economic development not only here in Germany. They notice that property prices, especially in the coveted metropolises, are disappearing into unprecedented heights and, given the high interest rates, currently make a purchase almost impossible. Unless the parents are wealthy and own properties that they will inherit one day. It is therefore not surprising that especially in this generation the call for the higher inheritance and wealth tax demanded by Thomas Piketty meets with much approval (cf. Piketty, 2020, p. 1185 ff.). Rents are rising at the same time, as many potential home builders now have to reconsider due to the increased construction interest rates and have to refrain from new construction out of necessity. The current energy crisis with high inflation, coupled with the uncertainty of the Ukraine war still raging at the time of writing these lines, intensifies skepticism about the economic viability of this capitalist system. Looking at the poorer countries of this world, such as Africa, does not necessarily increase confidence. Market economy systems also exist there.

But it is not only poverty, misery, or the shortcomings of capitalism that still give rise to increased criticism today, but also the developments of the last decades, which, in addition to growing inequality between countries, has also led to a division within countries. Even though no real misery has arisen here in Germany that is comparable to the economic conditions in the 19th century, a modern class society has emerged: the one percent of society against the 99% others.

4.2 Growing Inequality, Class Society

Criticism of capitalism is always subjective. Therefore, it only makes limited sense to talk about the pure numbers, data, and facts of increasing inequality between income and wealth in Germany. The facts are clear. Consequently, the already existing inequality in wealth between 2021 and 2022 has further intensified (see Oxfam, [2023](#), p. 3):

Of the wealth created since 2020, almost two-thirds of the increase, i.e., 26 trillion US dollars (63%), went to the richest one percent of the world's population. 16 trillion dollars or 37% went to the remaining 99%. In total, the richest one percent of the world's population owns almost half (45.6%) of all wealth. The poorer half of the world's population, on the other hand, only accounts for 0.75% of global wealth. At the same time, more than 70 million people worldwide have slipped into extreme poverty, i.e., they have to get by on less than 2.15 US\$ a day (see Oxfam, [2023](#), p. 4). Income inequality has also increased (see ifo Institute, [2023](#)): While in 1998 the ten percent of taxpayers with the highest income accounted for 33.8% of income, by 2016 this figure had risen to 37.2%. Over the same period, the income share of the bottom 50% of taxpayers fell from 19.3% to 15.9%. In a global comparison, the trend towards income inequality, which had been somewhat declining in recent years, has increased again due to the Corona pandemic (see Dauderstädt, [2021](#)).

Sociologist Andreas Reckwitz sums up this development of increasing inequality when he notes that it is paving the way for a new form of capitalism, cognitive-cultural capitalism. Reckwitz writes (Reckwitz, [2019](#), p. 201):

“Cognitive-cultural capitalism is not a reversible deviation from the path of the ‘actual’ economy, the industrial

economy, but its successor; it is the more expansive, the more extreme capitalism. It shines through the emotional seductive power of its world of goods, but in doing so it drives the extreme asymmetries of wealth production between market winners and market losers to the extreme.”

So much for the numbers, data, and facts and the summary assessment of the economic situation. The question now is how to interpret the numbers and what “blame” to attribute to the capitalist economic system. If one follows an interpretation that is well-disposed towards capitalism, e.g., by Rainer Zitelmann (see Zitelmann, 2022, p. 38 ff.), then equality is not necessarily desirable. In addition, the question arises as to which inequality is acceptable and which is too great. For example, managers’ salaries are particularly high because they are formed on a narrowly defined market according to the principle of supply and demand (see Zitelmann, 2022, p. 42), which should therefore not be questioned. Zitelmann cites studies that prove that people are happier with inequality. The reason for this, according to the study leaders, is that people in developing countries take this inequality as an incentive to strive to get themselves into the situation of higher incomes and wealth (see Zitelmann, 2022, p. 47).

The criticism of inequality, according to Zitelmann, results from an emotionally colored reaction of envy (see Zitelmann, 2022, p. 48). As long as poverty is reduced overall, social inequality is not in the least bit worthy of criticism (see Zitelmann, 2022, p. 50). Furthermore, the famous one percent of the richest people change over the years: It is always different people who belonged to this segment of the richest (see Zitelmann, 2022, p. 56). Finally, the historian Walter Scheidel has demonstrably shown in his long-term historical analysis that the greatest equalizers of the 20th century were not social reforms, but

the catastrophic world wars and communist revolutions (see Zitelmann, 2022, p. 63). If this increasing inequality in the world and also in Germany is so unproblematic, why is it then so heavily criticized as one of the consequences of capitalism?

The young generation (or at least relevant parts of it) is denouncing the increasing inequality (Heinisch et al., 2019, p. 72 f.):

“Many people simply do not benefit from prosperity. Others live amidst abundance, but cannot afford essential goods because the prices are too high. The good life for all under the given circumstances is a glorified illusion. The economy grows and grows, but the distribution of wealth remains screamingly unjust and the exploitation of resources increasingly endangers the livelihoods of all. And this is supposed to be the best way we can go? We are not taking stock tomorrow or the day after. The point at which the promises of our economy must stand is today.”

When these lines were written, neither the Ukraine crisis nor the energy crisis existed, let alone high inflation. The younger generation no longer experiences the economic system as a single success story as the baby boomer generation did before. The economic miracle years after the Second World War and the years of steadily increasing prosperity are over, both in perception and reality. There are plenty of signs: property prices, especially in the metropolises, are rising immeasurably. In times of increased living costs and high interest rates, private investments in real estate have become unaffordable for many young families and couples. Even in the 1950s, in Munich, the most expensive city in the Federal Republic, a nurse and a bus driver could somehow save up for a terraced house on the outskirts of the city, such investments

beyond the million mark have long since become unattainable for this income group. If there is still land or even houses from the old days, they logically belong to the older generation, who then pass it on to the next generation by inheritance; the inheritance tax is then paid by the inheriting generation and often they have to sell this property to be able to pay the inheritance tax. Those who were not part of this lottery of the “grace of the right birth” miss out on wealth and inheritance and will rarely come to own property. No wonder the younger generation is vehemently arguing for a wealth tax and a (higher) inheritance tax (cf. Heinisch et al., 2019, p. 95 ff.). At the same time, they are calling for an increase in tax rates for progressive income tax, which taxes top incomes at over 80% (!) (cf. Heinisch et al., 2019, p. 95).

At the same time, this generation feels largely responsible for the social imbalance in the country and wants, among other things (cf. Heinisch et al., 2019, p. 102 ff.), to eliminate child poverty, is considering a basic income, affordable housing for all and social participation of all people, whether young or old. This starts with free education, goes on to a uniform health insurance and a European minimum wage, up to a sustainable pension system, in which many pensioners are not driven into poverty at the end. After all, the numerically ever-decreasing young generation can no longer afford the pensions of the old. Education, health and social participation in basic needs such as daily meals, clothing, a roof over one's head are minimum equipment for people in the 21st century and are also seen as such. If more and more people cannot participate in these minimum standards, then society as a whole has a problem. Social tensions are increasing. No one can accept this and it cannot leave anyone cold. Karl Marx spoke of a class society. He mainly meant the “proletarians”, i.e. the workers who live more badly than

right from their daily work, not the capitalists as entrepreneurs and owners of the means of production and the citizens or bourgeoisie who live well from their income at the expense of the “proletarians”. Don’t we also live in a, admittedly less obvious, class society today? Has social mobility increased or decreased in recent decades? Let’s briefly think about these aspects.

How likely are careers in Germany today that seem to be written only by Hollywood: from dishwasher to millionaire. Of course, there are always examples of people who have managed to climb the social ladder. It doesn’t have to be the path from social housing via a brilliant academic career to a wealthy investment banker. Or the numerous sports careers that lead from the slums, the street kickers to the best-paid footballers in the world, as the example of Diego Maradona teaches (cf. on Maradona’s biography Balagué, 2021). However, the paths of children are often predetermined, depending on the parental home and class they come from. Even the defender of capitalism, Zitelmann, has to admit that, from the subjective perspective of many people, social mobility in Germany is not far off (Zitelmann, 2022, p. 61):

“Nevertheless, the situation should not be glossed over. One must take the argument seriously, because if people have the impression that effort and personal exertion no longer pay off and the path to social advancement is blocked for them and their children, this leads to dissatisfaction. And indeed: the chances of advancement could be better and the perception that there is something wrong with this is a source of legitimate criticism from many people in Western countries.”

However, the error does not lie in capitalism, but in the state-dominated education system (cf. Zitelmann, 2022,

p. 61). But in fact, several factors come together that severely hinder educational justice and social advancement and make them partly impossible. I have already explained this in more detail in one of my recent books (cf. Pietsch, 2022a, b, p. 94 ff.) and would like to outline the findings here. It starts with the grace of the right birth: children of academic parents have a higher probability of becoming academics themselves and on average earn more and build up wealth over their entire lifetime than non-academic children. However, this is by no means an attempt to pit academics and their lifestyles against non-academics. A master's degree or a craft apprenticeship are particularly necessary qualifications in today's time of a lack of skilled workers. However, according to a recent study by Stepstone, the average salaries of academics are 41% higher than those of employees without a university or college degree (cf. Salary Report, 2023).

Often, however, it is not only factors such as intelligence, which parents pass on to their children to about 50%, but those of socialization. Children who are promoted from an early age, for example in private kindergartens and schools or in the form of regular reading aloud etc., find it easier later in life to develop socially and professionally. Wealthier parents often have more (financial) opportunities to prepare their children for life than children from poorer classes. The keywords here are the necessary infrastructure at home with their own room and work tools such as laptops, WLAN etc., specialized schools and, if necessary, tutoring in the essential subjects. In addition, the orientation of the parents, who can help their offspring with homework if necessary, provides timely hints for the offspring on how to master life successfully in a performance and competition society. Specifically, children experience from their parents, who have to work hard for their success in their profession, what can be achieved

with performance, discipline and hard work. The parents provide the best role model for their children, who then emulate their parents. If such a role model is missing, for example because the parents are partly unemployed through no fault of their own, this makes it difficult for the children to motivate themselves.

Other factors pave the way for the next generation: the parents' network, the "right" appearance, learning the social signals in dealing with each other. All these factors, which the French sociologist Pierre Bourdieu named in his groundbreaking book "Distinction: A Social Critique of the Judgement of Taste" (original: *La distinction. Critique sociale du jugement*, cf. Bourdieu, 1987 for the German version). Classes and social strata, according to Bourdieu, essentially differ in their tastes and styles. Thus, the upper classes consume different drinks and foods, dress differently, furnish their apartments and houses differently, and behave differently than the lower classes. This is not only a question of money, but also of socialization. The taste of the individual classes not only differs, but reproduces itself over the generations, specifically: The parents pass on their taste and style perception to their children. A fitting example of this is provided by the journalist Anna Mayr in her book "The Wretched", in which she distinguishes class-specific characteristics in the behavior and habitus of the individual actors. For example, she describes the practice of wearing a luxury watch. While the milieu of the upstarts consciously presents the luxury watch to elevate their own status and ideally reveals the exorbitantly high selling price as confirmation of their own superiority, the upper class behaves differently. Instead, they proceed as Mayr describes (Mayr, 2020, p. 128 f.):

"... but to wear the watch with the self-evident dignity that one only possesses when 7000 € do not mean the

world to one. The habitus consists less of rules than of fine boundary markings. It is not necessarily stipulated which watch one should wear, but it is clear to everyone which watches one should not wear under any circumstances. There is no rulebook for how to network, or ritualized customs for conversations with superiors. But of course there are things that one should never say under any circumstances. (...) Whoever has been at home in a habitus since childhood, on the other hand, is never forced to look at himself from the outside—the habitus does not require any adaptation, it is a second nature that one displays accordingly casually.”

So, it's not just about subsidies and money for private schools, individual rooms or laptops. Much more important are the behavioral patterns demonstrated in daily life, the network, the styles of taste, and the known and learned signals of one's own class. In the upper class, the same luxury brands are (predominantly) worn and recognized, champagne is drunk instead of sparkling wine, the corresponding five-star hotels are booked, at least business class is flown, meetings are held in elite clubs even on vacation, and the same fashionable vacation destinations are shared. Of course, such a woodcut-like representation can quickly become a caricature, but the differences in habitus are easy to recognize for those in the know. So it's not just the transmission of intelligence and talent in childhood or the ability to organize all conceivable facilitations for the offspring, but above all the lived life patterns and the exclusive networks and the correct appearance that is passed on within the classes and leads to social distinction. To put it bluntly: children of board members are highly likely to receive top positions again, while (also) children of workers rarely leave their traditional milieu.

What does all this have to do with criticism of capitalism? In the perception of many people, the lack of social mobility is associated with the competitive system of capitalism. Education is increasingly becoming an economic category that, according to the Darwinian principle, only allows the strongest to survive. Thus, the young generation (Heinisch et al., 2019, p. 129) writes:

“The concept of education has long since been turned into an economic one. Children are human capital (emphasized in the original). And by being treated as such, many are left behind. Left behind by a system that only sees potential in the strongest because the rest is not worth its money—not profitable enough. Even for children, the rule is: more efficiency, more adaptability and standards, less empathy and humanity.”

Inequality and lack of social mobility are problems associated with the capitalist economic system. Although no one can answer exactly how great inequality may be or how much inequality serves as an incentive to a society and what degree rather frustrates and leads to social tensions. Much more important than the bare numbers, data and facts of statistics are the subjective feelings of a majority, especially of young people in Germany, who are increasingly less willing to be satisfied with these developments. They only see that a comparable prosperity as their parents had will probably no longer be possible for them: There are, among other things, too high real estate prices and rents, economic and ecological crises but also a value system of their parents, who still saw hard work as a matter of course in the struggle for the upper ranks in society. This no longer fits into the way the youth want to shape their lives, keyword balanced work-life balance, nor to the conditions of a finite planet, which is increasingly sliding

towards disaster. The parents, i.e. our generation of baby boomers, are leaving them an increasingly uninhabitable world, which seems not to be saved by even so many protests of the “Last Generation” or “Fridays for Future”. Let’s take a closer look at this looming ecological disaster.

4.3 Ecological Disaster

“... Humanity is wiping itself out. Inhale. Exhale. Focus. Stretch the muscles one last time. 1, 2, 3 ... We are in a race against time, chased by the climate crisis and above us the sword of Damocles of an impending ecological collapse.” (Heinisch et al., [2019](#), p. 29).

This is what the authors of the Youth Council of the Generations Foundation write at the beginning of their chapter as the first of the ten conditions for saving our future (see the subtitle of the book with the same name). In the previous chapter, we saw that not only the youth blame capitalism for this dilemma. Nancy Fraser, the political philosopher at the New School for Social Research in New York, explicitly denounces capitalism as the “socio-historical driving force of climate change” (see Fraser, [2023](#), p. 134). The economic journalist Ulrike Herrmann quotes from an international study from 2020 that about half of the respondents believe that climate change will wipe out humanity (see Herrmann, [2022](#), p. 100). The realization that we have an environmental problem and it is becoming increasingly dramatic is apparently there, but we have a problem with implementation.

Of course, this is also due to the fact that it sounds good in theory to commit to climate protection and to take immediate countermeasures. However, the practical implementation often causes resentment and rejection

as soon as it affects one's own wallet or conscious restrictions have to be accepted. This is understandable. Thus, the new heating law of the Federal Minister of Economics, Habeck, has caused a storm of indignation, as from 2024 every newly installed heating system must be operated with 65% renewable energy (cf. Riechelmann, 2023). Current gas and oil heating systems, which are supposed to gradually disappear, can only achieve this target value if they are operated with a heat pump, for example (cf. Riechelmann, 2023). Although there are numerous exceptions for homeowners over 80 years old or state climate subsidies, it can become very expensive for the individual citizen. A theoretically good idea can, depending on the type of implementation, attract the resentment of many citizens.

Nevertheless, there is hardly anyone left who seriously doubts the general problem of climate change. The current problems and challenges are too transparent (cf. the detailed discussions, among others, in my last book on ethics in business, Pietsch, 2022a, b, p. 153 ff.). Thus, even during the Corona pandemic in 2020, with significantly reduced global mobility—we remember, the travel and air traffic industry was completely down, as hardly anyone was allowed to travel for hygiene reasons—the carbon dioxide concentration in the atmosphere increased. It is now expected that the average global temperature increase compared to the pre-industrial level could be 3 to 4 degrees Celsius by 2100. The goal, according to the Paris Climate Agreement, is to stay well below two degrees. What this means for the earth and thus for all of us can be seen in the individual weather phenomena.

Thus, the sea ice area melted to one of the lowest values since 2012. In the Sahel zone, but also in India, Pakistan and China, precipitation was sometimes over 500% (!) above the long-term average, storms in the North Atlantic

have doubled to 30. 2020 was on average the second warmest year in Germany since the beginning of weather records in 1881. Agriculture suffers from the drought. Crops are destroyed by the prolonged drought, the risk of forest fires is dramatically increasing. Weather extremes are alternating more and more frequently: periods of heat and drought suddenly turn into heavy rainfall. It is expected that by 2100 about half of the glaciers in the northern hemisphere will have melted. At the same time, huge amounts of greenhouse gases are being released from the rapidly thawing permafrost soils. The sea level could rise by over 7 m. As a result, entire areas could be flooded and disappear. This would primarily affect cities like Bangkok and Jakarta, large parts of New York, Miami, the Keys but also the Maldives.

All people would be directly or indirectly affected by the consequences of climate change. Estimates suggest that by 2050, in an extreme case, up to one hundred million people may have to leave their homes because they will no longer be able to live in their home countries due to the climatic conditions. According to estimates by climate researcher Powell (quoted from Pietsch, 2022a, b, p. 155), up to 95% of the Brazilian rainforest could have disappeared, along with all mammal, fish, tree and bird species. This finely tuned natural environmental system, in which individual elements interlock as if by magic, would inevitably break down in the coming years. The struggle for food, spreading diseases that meet an increasingly dilapidated health system, could be the devastating consequences in an extreme, but not completely excluded scenario.

However, climate change not only affects air quality, but is also responsible for the acidification of the seas. The vast areas of the Amazon, which are being progressively cleared, are increasingly unable to absorb the greenhouse

gases in the atmosphere and release them as excess energy into water. It is estimated that about 93% (!) of the excess energy is directly discharged into the world's oceans, significantly raising the water temperature. At the same time, the acidity of the water increases, chemically speaking, the pH value. A decrease in the pH value by 0.1 degree corresponds to an increase in the acidity of the world's oceans by 26%. This increased acidity threatens the life of marine inhabitants such as corals, shells and crabs. We have not even talked about the fact that climate zones are shifting and the distribution areas of plants and animals are changing: palm trees will grow in more northerly regions in the future, plants bloom on average earlier and are pollinated earlier. Migratory birds return earlier, fish spawn earlier. Entire seasonal rhythms will change. Autumn lasts longer, spring comes faster etc. All of this also has an impact on biodiversity.

We are currently in an era of the greatest species extinction since 65 million years ago (!). Of the nearly 130,000 recorded animal species, about 35,000 or a good quarter of the species are threatened with extinction. All of this is due to deforestation, overfishing of the world's oceans, and poaching. Rising temperatures cause clouds to rise higher and higher, which then cannot provide enough moisture for the high-altitude plant life, such as on the peaks of the mountains in Queensland, Australia. In the sea, species are dying from the excess carbon dioxide, which increases the acidity of the sea and eats away at the shells of calcareous organisms, corals, algae, and plankton. These, in turn, provide the vital food for various fish species. This sets in motion a downward spiral that threatens starfish, oysters, and squid. In addition, numerous whale and dolphin species are overfished and are becoming extinct or have already become extinct. The climate scientist Powell, already mentioned, estimates (quoted from Pietsch,

2022a, b, p. 163) that by the year 2084, up to two-thirds of all species that were still on Earth in 2000, or about 12 million species, could be extinct. Each species has millions of individuals (!) As unrealistic as this sounds, it is not. Since 1970, the number of global animal populations has decreased by 50% (!) In addition, about 14 million hectares of forest disappear from the Earth's surface each year, a total area larger than Switzerland and Austria combined.

If all this is not enough, the Earth is increasingly suffering from pollution. Our life bases are thus increasingly littered: in the water, on land, and in the air (cf. Pietsch, 2022a, b, p. 168 ff.).

Pollution of Waters

Currently, around 2.2 billion people do not have regular access to clean drinking water. For 785 million people, or about a tenth of the world's population, even the urgently needed basic supply of drinking water is not ensured. This is particularly true for the poorer and rural areas of Africa, Latin America, and Asia. 3.6 billion people live in parts of the world where drinking water becomes scarce at least once a month. In the parts where water is particularly scarce, 450 million children live. Contaminated water leads to diarrhea and cholera. Disease germs cannot be killed if there is neither water for washing nor soap available. Just under 70% of schools had access to clean drinking water in 2019, according to a report (cf. Pietsch, 2022a, b, p. 170). In addition, about 900 million children have no opportunity to visit hygienic and sanitary facilities. This is the current situation, not yet taking into account the consequences that climate change will bring.

Thus, rainfall has changed in recent years due to global warming: Due to the lack of rain, drinking water is becoming increasingly scarce, and the quality is

deteriorating. The global weather phenomenon “*El Nino*” has shown us that phases of flooding and inundation can alternate with extreme drought, dryness, and heat. While water scarcity and drought already pose a major challenge for the surrounding cities and villages, there is also the large-scale pollution of the world’s oceans by human-caused plastic waste. Each year, currently up to nearly 13 million tons of plastic waste end up in the oceans, a full truckload per minute! Only a vanishingly small part of the carelessly discarded plastic waste can be fished out floating on the surface. The estimated 80 million tons (!) of plastic waste that have ended up on the ocean floor can hardly be removed. The effect of plastic waste is devastating for marine life:

Sea turtles, for example, confuse the plastic particles with jellyfish and die miserably after the supposed food intake. It is estimated that by 2050 almost all seabirds will have this plastic waste in their stomachs and will die from it (cf. Pietsch, 2022a, b, p. 172). Particularly harmful is the so-called microplastic, water-insoluble mini particles of plastic no larger than five millimeters, which can enter the human organism via marine animals like fish. This plastic is mainly used in cosmetic products, in packaging, and can also be created when washing clothes. 32% of the 78 million plastic packages still end up in the environment today. Despite already developed and implemented countermeasures such as collection, disposal, and recycling within the framework of the so-called “circular economy”, there is still a long way to go.

Air Pollution

Air pollution is the cause of about 400,000 (!) deaths each year. The causes are often cardiovascular diseases, strokes, reduced lung functions, and general respiratory infections such as asthma. This particularly affects the weakest

in society: children, the elderly, people with pre-existing conditions, or pregnant women. The culprits are pollutant loads with particulate matter, nitrogen dioxide, methane gases, and ozone, to which people are exposed. These, in turn, are predominantly caused by humans: particulate matter is mainly produced by industrial emissions, heating, and road traffic exhaust. Sulfur dioxide enters the air from energy production and road traffic. Methane is primarily emitted in agriculture and the waste or energy industry. High proportions of nitrogen oxides (NO_x) and sulfur dioxides (SO_2) in the air lead to acidification of water and soil, which is particularly harmful to the plants and animals living there. Whether and how quickly the already decided and implemented measures to improve air quality, such as regular air quality measurement, the definition of emission reduction targets, and the general legal regulation of all types of emissions, will take effect remains to be seen. However, climate protection is not purely a national matter, but an international one. Whether it will be possible to bring all the major countries of the world with the largest share of environmentally harmful emissions under one roof, so to speak, also remains to be seen. Time is increasingly running out.

Soil Pollution

Every year, according to a current study, over ten million hectares of fertile soil are lost worldwide (cf. Pietsch, 2022a, b, p. 176). The main cause here is soil erosion by water and wind. The use of fertilizers, herbicides, and pesticides in agriculture destroys the biological-ecological balance. In addition, the soil is used too intensively by humans: fields are compacted, overgrazed, the natural vegetation removed, so that the soils can increasingly offer less resistance to natural forces such as rainfall and storms. The more frequent floods caused by climate change gradually

wash away the top layers of soil, which can therefore be used less and less for agriculture. This is considering the fact that over 90% of our food production depends on the soil (!). Because the yield of fruit, grain, and vegetables correlates with the quality and fertility of the soil. If less is harvested, less food is available and due to food scarcity, prices rise. As a result, famine increases especially in countries that could hardly afford the daily food before.

This not only affects food, but also all kinds of textile fibers, coffee, tea, and also medical and cosmetic active ingredients such as aloe vera, argan oil, or stevia. Biomass, charcoal, or dung are also obtained from the soil. The soils worldwide store about ten times the amount of carbon dioxide that forests can absorb in total, more than 3 trillion tons, and thereby sustainably improve air quality. Therefore, it is worth buying ecologically certified food and cosmetics. Voluntary consumption restraint and recycling are further possibilities to improve soil pollution, analogous to ecological management in agriculture with organic fertilization (for the numerous contemplated and partly already implemented countermeasures cf. Pietsch, 2022a, b, p. 179 ff.).

If the environment is as devastated as we have just described, who actually says that capitalism is responsible for this misery? Plastic can also be produced and distributed in socialist, planned economies. Industrial packaging is also provided in non-market environments to protect products, and the cultivation of agricultural land for food production, etc., would also be operated in a self-sufficient economy. The difference, however, is that capitalist economic systems must grow to survive. They must constantly grow and constantly increase their productivity. Competition alone forces them to do so. The economic

editor Ulrike Herrmann writes about this (Herrmann, 2022, p. 11):

“Capitalism was a step forward, but unfortunately has a fundamental weakness: It not only generates growth, but must also grow to be stable. Without constant expansion, capitalism collapses. In a finite world, however, one cannot grow infinitely. At the moment, industrialized countries are acting as if they could consume several planets. As is well known, however, there is only one earth.”

Capitalism, or the social market economy as we call it in Germany, must therefore inherently continue to grow in order to survive. Consequently, the conclusion is, “Climate protection is only possible if we abolish capitalism.” (Herrmann, 2022, p. 11). That capitalism indeed must grow compulsorily to survive, I have emphatically demonstrated in my last book (see Pietsch, 2023, p. 98 ff.). I want to reproduce this here on the following pages in the form of a vivid example.

Excursion: Growth compulsion in capitalism

So imagine you and I have founded a new company, a “start-up” as it is nicely called. Our company develops a software called “Good Life”, which we want to sell to as many users as possible. We first consider what problem solution we want to provide with our software, such as a holiday and leisure planner or a pension provision program or everything in one. This software needs to be developed and constantly optimized. We add up the costs for development, patent application, production and distribution efforts etc. Of course, we think about the exact target group, try to identify and acquire potential customers etc. We think about the business model i.e. to whom we market our product and how we structure our

revenues, such as *pay per use* (payment according to usage duration and intensity) or a flat monthly fee, define the price for our service, decide whether we develop the software ourselves or have it programmed externally etc.

This finally gives us an overview of the functionalities and the scope of services that our software covers, we know the relevant market and our competitors and their offer and finally know what potential revenues are opposed to our costs. So now we know whether the business case i.e. the "*Business Case*" pays off for us. For simplicity's sake, let's assume that we have no employees and do not pay ourselves a salary. I am aware that this example is somewhat simplified and certainly does not list all individual elements of a potential start-up. However, this representation should suffice for our purposes.

In our example, there are now two business reasons to grow (we will talk about the economic ones in a moment): First, we must live from our company and feed ourselves and our families. This means initially that we must generate so many revenues that the costs are at least covered, and ideally a small profit is made, from which we and our family can live. We must take into account that we could have worked somewhere else and earned money. These so-called "opportunity costs" of the alternative source of income must of course also be taken into account. Ideally, our start-up will bring in at least as much money after a certain start-up period as an alternative job would have brought us. Now one could say that we could freeze our sales activities at a minimum profit level after initial growth and leave it at that. But then we would have to, assuming our software was successful, fend off all customers beyond the minimum level and stop selling. Apart from the fact that no entrepreneur would forego the additional income at this point (and would be very proud of

the market response!), this would not be a good idea. The demand for our software is aroused. The customers would look around the market for another company that provides our problem solution. If none exists yet, certainly some companies from neighboring industries will develop in this direction with similar solutions within a very short time. In other words: another company would take over the business we left idle.

The competition would be there and would try to get as large a piece of the market as possible and gradually push us out of the market, specifically: to snatch market shares from us. So we decide to serve the additional customers ourselves with our software. Secondly: At some point, however, in the event of success, we will no longer be able to serve all customers ourselves, maintain and improve the software at the same time, deliver, take over customer service etc. So we have to hire employees who take over parts of the work for us. If each hired employee brings in or looks after so much new business that the personnel costs arising with them are covered, it pays off for us. The more and faster we grow, the more profit we make, the more competitors and new market players are attracted, as they also want to benefit from the growing cake. The competition naturally tries to gain advantages by offering new functionalities, better services and/or a cheaper price, in order to push us out of the market in the long term. Therefore, we must constantly develop our software, make it more efficient, check costs and market our product in line with competitive activities. Standstill is regression here as almost everywhere. Because if we do not further develop our product or no longer advertise or cannot keep up with the prices of the competitors (for this we must constantly further reduce our costs), we will disappear from the market sooner or later. So we have to keep growing and constantly get better.

We have not even discussed yet that we may not be able to finance our start-up ourselves, but we need external capital providers. Banks naturally demand interest and fees, financiers (*"Venture Capital"*) set target returns on the capital invested, which is often only achievable with extreme growth in the shortest possible time. From the outset of the discussion, capital providers expect clear ideas and strategies for growth in order to generate an appropriate return on their invested money. According to this logic, capital is only obtained when growth expectations are met with an ambitious *"Business Plan"*. If our start-up continues to grow, then the salaries of the additional employees must be recouped, which can only be achieved through growth. Finally, when we are so large that we become a public company, shareholders, i.e., stockholders, expect us to continue to grow in order to be able to pay their dividends and increase the stock price. Imagine what would happen if the fiscal year not only performed worse than the previous one, but we also explicitly issued a shrinking course or a zero growth strategy? The stock price would plummet, our company would destroy billions in value in the blink of an eye, and it would cost the trust of investors and shareholders.

But there are other growth constraints: In business economics, there is the phenomenon of unit cost degression. This means that the more units I produce of a product, the lower the cost per unit. In our example, this means: We only have to further develop our software once and can then market it to as many customers as possible via our monthly fee. The costs remain the same. In addition, we can, this is the nature of unit cost degression, distribute our sales efforts, administrative expenses, personnel costs, etc. over more units of our software. This reduces the cost per unit. In addition to unit cost degression, employees who deal with the sale of our software are usually paid

on a commission basis for incentive reasons: the more acquired customers, the higher the commission payments. It is therefore in the interest of these employees to win as many new customers as possible and thus to grow. Finally, in the case that we become a global corporation like SAP, executives are rewarded based on how well they continue to lead the company to profitable growth.

From an economic point of view, the following happens: We create new jobs by hiring more and more employees and reduce unemployment (assuming constant conditions, called *ceteris paribus* in the language of economists). More people have jobs, they receive wages and salaries, which they use for daily expenses. They buy food, clothing, save for a property, go on vacation, pursue their hobbies, etc. As a result, they increase the profits of the companies involved, such as food and clothing stores, help the construction and tourism industry, etc. These will in turn hire more employees, who will then consume again, etc. The state receives increased tax revenues, as corporate profits are higher and people pay more (wage) taxes. It can therefore invest more or increase the budget of individual departments. It is therefore an economic cycle that begins on a small scale (microeconomic or business economic) and thus with individual companies, to then end on a large scale (macroeconomic) with the entire national economy. If we now also consider cross-border trade, it quickly becomes clear that globalization also thrives on growth and increasing trade in goods between individual countries. Finally, technological progress and all kinds of innovations, such as process and technology innovations, lead to significantly higher productivity. The same amount of products can now be produced with fewer and fewer employees. If we do not want to produce unemployed people (the hours per employee cannot be reduced arbitrarily), we must grow for this reason alone.

Conclusion: Capitalism needs growth for its preservation. And this infinite growth seems impossible in a finite world. This is at least the main point of the (young) critics of capitalism, exemplified earlier by the example of Ulrike Herrmann. The numerous climate activists are a eloquent example of this criticism. It seems to have become clear that the environment, increasingly threatened by climate change, cannot be saved by an economic system programmed for growth. This is at least the view of the critics of capitalism. But it is not only these ecological challenges that provide reasons for the vehement rejection of capitalism. The values associated with capitalism also seem to play a role. Today's youth in particular now pursue different value concepts for their lives than was the case a generation ago. Let's take a closer look at this essential aspect of changing values in the following.

4.4 Dynamics of Values

The rising generation in Germany, mostly referred to as Generation Z (those born between 1995 and 2009), has significantly distanced and emancipated itself in its values from their parents, the Baby Boomers (born between 1955 and 1964) and Generation X (1965 to 1979) (for the classification of generations by birth years, see Schnetzer, 2023). While the generations after the war were concerned with being professionally successful through their own hard work and building up prosperity, the new Generation Z ticks quite differently. A balanced equilibrium between work and leisure, profession and family has become much more important than the constant urge to climb the career ladder. Keywords here are time-outs for child-rearing ("sabbaticals" for both parents) or for travel or simply for self-realization. The competitive idea of always getting

faster, higher, and further than the colleague is no longer present to the extent it was a generation earlier. Suits with ties for men and business suits for women are replaced by jeans, T-shirts, and casual sneakers. Open-plan offices replace individual offices with anterooms, hierarchies play only a subordinate role. Professional competence and life experience become more important. The address “Du” becomes the standard, the “Sie” refers to the older generation, which is in the last years of their professional activity.

The environment, which was not so much in focus in the 1970s and 1980s despite numerous warnings and influential studies such as those by the Club of Rome (“The Limits to Growth”, first published in 1972, see Meadows et al., [1972](#)), has today become the most important challenge of our time. The impending climate collapse, the long-neglected species protection, and other challenges of the threatened earth force the generation to act immediately, even if not every action is legal (see the actions of the “Last Generation”) and falls on fertile ground. At least the “climate stickers” increase the attention of decision-makers in politics, business, and society. This generation is in the dilemma that on the one hand they are (still) not at the control centers of power to make radical cuts in climate policy. On the other hand, they have the (correct) feeling that they no longer have time to wait. Action must be taken now to still be able to meet the ambitious climate targets.

Being is more important than having, to use a prominent formulation of the psychoanalyst and philosopher of the Frankfurt School, Erich Fromm (see Fromm, [1979/2022](#)). Not possession and excessive consumption alone make happy, but only being happy and content beyond material things: friendships, like-minded people, social networks, sharing common experiences and messages. Thus, holiday apartments are shared via portals like

AirBnB, cars and scooters are digitally rented for the short time of use and shared in this way with others. Ownership and the associated status are increasingly less important compared to purely functional use, to get from A to B. Commitment to society, the next person, and also to environmental protection is becoming increasingly important for this generation. Groups that are more on the fringes of society like migrants, refugees, those left behind appear more important and deserve their solidarity and support. Not a few young people consequently engage socially and put their stamp on society. Egoism is out, solidarity is in demand. The feeling of connection with people from all over the world is growing, especially as communication in the world language English is becoming more and more standard through global (social) media.

What seems like a nice prose narrative is corroborated by various youth studies. The latest study by youth researcher Bernhard Heinzlmaier, who in 2023 asked 2500 16-29-year-olds from Germany, Austria, and Switzerland about their future prospects and expectations (see Heinzlmaier, 2023), reports on these changed values of Generation Z. While over 80% of respondents in all three countries view their own situation very positively or positively, this does not apply to their assessment of society in general. As long as (economic) growth gains are distributed evenly, rebellion remains limited. Although the economic system is tolerated and carried along despite the impending climate catastrophe, everyday social life is increasingly perceived as a struggle (see Heinzlmaier, 2023). Heinzlmaier writes (Heinzlmaier, 2023):

“Wherever, in everyday social life the struggle reigns. Only a minority of young people believe that they will have a better life than their parents. In general, people today are no longer combative optimists. Rather, they have the

feeling that they have to work harder and harder to maintain what they have built up. Especially in the middle class, the feeling dominates that they have to fight against slipping into lower social classes. The optimistic aspiration to rise has given way to a defensive mood.”

The young generation from all three countries is concerned about the environment and social cohesion. The compatibility of ecology and economy is central to them, especially against the backdrop of globalization. They do not believe in a solution to these challenges of their time from politics and civil society (anymore). But also the increasing egoism, the elbow mentality in society drives them. As Heinzlmaier (Heinzlmaier, 2023) notes:

“Thus, about half of the respondents in all three countries fear a broken environment and a destroyed world climate as well as the widening gap between rich and poor. These worries are also an indication that the 16- to 29-year-olds, despite their personal optimism, no longer believe in the problem-solving competence and future viability of politics and civil society. (...) The top five future worries of young people revolve around environmental and economic issues. These are environmental protection, climate change, rising inflation, environmental disasters, and spreading egoism. This ranking of worries is impressively homogeneous in the three countries studied, according to the study.”

Above all, young women show a higher willingness than their male peers to commit themselves to the family, society, and the common good. In youth research, this generation of young women is already called the “worried gender” (cf. Heinzlmaier, 2023). They are characterized by a higher concern for their fellow human beings and feel a special obligation to provide humanitarian aid, for example for (war) refugees etc. Instead of utopias, they

prefer concrete and pragmatic solutions, such as access to affordable housing, higher salaries, and cheaper food. Twice as many young women as men believe in the climate catastrophe and at the same time show a higher willingness to get involved (cf. Heinzlmaier, 2023).

The Shell Youth Study of 2019, conducted between January and March 2019 with the help of interviews with over 2500 12-25-year-olds in Germany, underlines the essential findings of Heinzlmaier's newer study. Unanimously, the young men and women surveyed in Germany, regardless of whether they came from East or West Germany or had a migration background or not (Shell Youth Study, 2019),

“... an increasing concern about the ecological future, a trend towards mutual respect and mindfulness in their own lifestyle, a strong sense of justice as well as a growing urge to actively engage in these matters.”

In general, the authors note that about 41% of the respondents describe themselves as politically strong or at least interested. This value was slightly below the value of the comparable study from 2015, but significantly above the values from 2002 to 2010. The pioneers of political engagement are, as already mentioned by Heinzlmaier, the women. This generation informs itself politically, unsurprisingly, mainly via the internet, social media and networks, and YouTube at the expense of traditional media such as TV, radio, and newspapers. Three out of four young people name pollution and two out of three name climate change as their biggest worries. It is noteworthy that 56% of the young generation surveyed are afraid that people with different opinions are increasingly becoming enemies. In the course of a progressing polarization of society, they worry about the increasing disharmony,

which runs counter to their feelings. On the other hand, the view on the question of social justice is class-specific: Half of the lower class disagrees with the assessment of social justice in Germany, while it is only 25% in the upper class. While this finding is probably not surprising, the majority approval (57%) for the admission of refugees is remarkable.

However, not all members of the young generation can be lumped together. Of course, there are also individual groups of young women and men who represent quite different values. Thus, the authors of the study distinguish between cosmopolitans (about 12% of the respondents aged between 15 and 25), world-open people (27%), non-clearly positioned people (28%), populism-inclined people (24%), and national populists (9%) according to the degree of agreement with populist positions. While the cosmopolitans reject almost all populist statements and welcome the admission of refugees, the world-open people reject the social and national populist statements, but mostly find the admission of refugees good. The non-clearly positioned people also largely welcome the admission of refugees, but are influenced by statements that refer to a vague "dictatorship of opinion" and feel distrust towards the government and the establishment. In the group of populism-inclined people, many agree with the populist statements that criticism of foreigners is already considered racist and that the state cares more about refugees than about socially weak Germans. In this group, only one third thinks it is good that Germany has taken in so many refugees. The group of national populists, on the other hand, unanimously distance themselves from the admission of refugees and are opposed to (cultural) diversity. The rule is: The higher the education, the less the proximity to populist positions.

In sum, the younger generation in Germany is largely tolerant of other lifestyles, social groups, and minorities. The most important value orientations in the lives of this generation are family and social relationships such as friends, acquaintances, relatives, etc. At the core, this generation values a conscious lifestyle: health, environmental protection, which is even more important than their own high standard of living. Therefore, renunciation for the sake of the environment is not an issue for the upcoming youth. Moreover, more than 80% of respondents respect diversity in society. The value orientation that gives meaning has significantly increased: Helping socially disadvantaged people in society is much more important to this generation than their own power position or material things. It is striking that especially among young women, the environmental and social orientation is much more pronounced than among young men. They are leading the way in striving for a conscious and sustainable lifestyle. The quality of friendship matters much more than the sheer number of friends. Faith, on the other hand, plays an increasingly subordinate role.

When choosing a profession and position, meaningfulness and sustainability are paramount: The younger generation wants to feel that they are doing something meaningful and useful for society. The compatibility of work and life is particularly important to this generation. Working hours should be adjusted to personal needs, such as part-time, planned time off ("sabbaticals"), etc. The profession should have regular working hours and the place of residence should preferably not be left. Stability and flexibility in time and work at any location (keyword home office) are paramount, with this value only really gaining importance with the Corona pandemic. While the men of this generation are still more career-oriented, the women emphasize the compatibility of work and leisure.

The secure job with sufficient leisure time is given higher priority than before. And on the subject of social media: Although this generation uses social networks as intensively as no generation before, it criticizes the (capitalist) business models of Facebook, Instagram, Google, etc., including their handling of the data obtained.

However, these findings apply not only to the younger generation but also to Germany as a whole. In sum, a trend towards “from material wealth to true wealth” (Horst Opaschowski, cf. Opaschowski, 2023) is emerging: In the future, material things will not be in the foreground, but reliable social relationships will gain in importance. The Corona pandemic in particular has shown that concern for the elderly among us, the sick and weak, and their care and provision are becoming more important than personal consumption. Specifically, many friends, acquaintances, and neighbors have bought groceries for their older co-residents, procured medicine, and at least mitigated the social isolation of the most Corona-vulnerable groups through a phone call (cf. also Krings, 2023).

What use are new cars or branded clothing when such provisions seem more useful and meaningful. The futurist Horst Opaschowski has found in his new book “Better Living Instead of Having More” (cf. Opaschowski, 2023) based on a current study that the majority of Germans, regardless of age, value relationships with friends and family more than owning property. According to Opaschowski, this marks the departure from the always-more-thinking (cf. Krings, 2023). The prosperity of future generations will probably be less. Nevertheless, they want to live just as happily and contentedly as their parents and grandparents. Therefore, reliable social relationships, strong families, good friends or neighborhood, and a cross-generational network are more important than

personal consumption. In general, “useless” consumption will rather decrease in favor of social ties (cf. Krings, 2023).

But how does the value orientation, especially of the upcoming generation, fit in with the critical attitude towards capitalism that we described earlier? We get the best idea of this when we compare the values described with the anti-capitalist statements from the surveys by Zitelmann (cf. Zitelmann, 2022, p. 271 ff.). Thus, the survey commissioned by Rainer Zitelmann in 28 countries concludes that on average across all countries, 56% of respondents believe that the existing capitalism in the world does more harm than good (cf. Zitelmann, 2022, p. 271). In association with capitalism, the terms greed, performance pressure, corruption, environmental destruction, and coldness are mentioned, with the descriptions in the five new federal states being even more negative than in the old states. At the center of the criticism of capitalism are the statements: Capitalism

“promotes selfishness and greed for profit, leads to increasing inequality, is dominated by the rich (...), leads to monopolies (...), is to blame for environmental destruction and climate change, tempts people to buy products they don't need, is responsible for hunger and poverty ...” (Zitelmann, 2022, p. 289).

If we now overlay the dynamics of the values with the core criticism of the surveyed Germans, a clear picture emerges as to why capitalism in Germany, in the form of the social market economy, is increasingly under pressure.

1. Social relationships and solidarity with the weaker are becoming increasingly important than personal advantages and material consumption. Altruism and

solidarity are gaining ground over selfishness and elbow mentality.

It's not the tenth pair of shoes or the twelfth designer jacket that determines happiness and well-being in the future, but the fact that everyone in a wealthy country like Germany is doing reasonably well and no one falls through the social safety net. Everyone should have a roof over their head, enough to eat and drink. The poor, weak, sick, and elderly in society should be better off, refugees should be helped. Instead of a ruthless competition of the "I" for the job, the apartment, the best place in life, the "we", the community, should stand. Maximum profit should not be in the foreground, but the sufficient and adequate. A society like the German one should have room for values such as charity, solidarity, mutual support, and care. All values that are not predominantly associated with capitalism. Material prosperity is no longer an end in itself: The upcoming generations know that they will not reach the same level of prosperity as their parents and grandparents. This is becoming less and less important. The focus is on a good life with family, friends, acquaintances, and relatives and enough time for them all but also for oneself. Time becomes the most important factor in the lives of future generations: Sabbaticals, part-time, time-outs for world trips or other things in life. Jobs serve not only to strive for meaning in life but also to have a material basis available to fully enjoy life. The keyword is not to have, but to be: to be happy, to feel good. Consumption becomes less important, status means less, not which luxury goods I own, but what meaningful things I do with my life.

2. The clear view of the realities of life and compassion

Increasing inequalities in society are not only perceived more strongly, but also understood and attacked as evils to be combated. Even if one assumes that everyone benefits from increasing prosperity in capitalism, the increasing (subjectively perceived) inequality in income and wealth is observed with increasing discomfort. Future generations suffer much more than previous generations with people in social distress: child poverty and hungry children in schools (even if it is “only” a small percentage of all children in Germany), old-age poverty, hunger in the world in general, the gap between the salaries of ordinary employees, workers, and top managers. Underpaid professions such as nursing, or the still existing gender pay gap, the different payment of men and women for the same job, strike more strongly in the public and meet a great wave of sympathy and willingness to change these conditions as quickly as possible.

3. The fear of climate catastrophe: No infinite growth in a finite world

The strongest argument against capitalism is the ecological one: In the pursuit of higher, further, faster, better, more efficient, capitalism takes no account of the environment. Nature is perceived as an external factor that is available unlimitedly and free of charge until the end of all days. That this is by no means the case has been clear for a long time. But the younger generation is no longer willing to accept that the older generation is leaving them an uninhabitable earth. Unfortunately, this generation is not yet at the levers of power to pull the levers with full force and trigger the “reverse thrust”, so to speak. Species continue to die, the environment is polluted on land, in water, and in the air. Capitalism is not (solely) responsible for this, but the convictions of young people are increasingly

moving in the direction that the opposite is the case: Only an end to capitalism in this form is a blessing for the environment. The systemically unlimited growth of capitalism harms the environment. Therefore, variants from green shrinking to post-growth economy (Nico Paech) to the common good economy (Christian Felber) are being discussed. Whether these alternatives actually represent real alternatives to capitalism remains to be seen. We will discuss this in detail in Chap. 6.

In sum, it can be stated that values in Germany have shifted from individualistic, growth- and profit-driven ones towards solidarity, community, and good living without excessive material consumption. The meaning in life, in work, and in leisure becomes more important than issues such as power, status, and possession. The question, however, is not whether the capitalist economic system must be rejected outright, but to what extent the weaknesses of the system from the perspective of capitalism critics can be remedied and what this could specifically look like. We will devote ourselves to this topic primarily in Sect. 6.4. We have now found theoretical approaches and hypotheses as to why increasingly capitalism-critical statements and attitudes are emerging particularly within the younger generation. However, this does not yet say anything about why German society as a whole has become critical of capitalism, as the title of this book claims. Therefore, we want to briefly deal with how societies generally evolve. The field of sociology, with its rich theoretical fund, offers some approaches that explain how and why entire societies change. Let's take a look at this before we finally deal intensively with the causes and elements of capitalism-critical societies.



5

Development of Societies

5.1 Theoretical Approaches

A complete enumeration of the causes of societal development would not only exceed the scope of this book, but could never even approximate a degree of completeness that would withstand a detailed analysis. It is virtually impossible to capture the essential causes of change towards a different form of society from the infinite abundance of individual and holistic influencing factors on society. Even the detailed and convincing presentations of individual, outstanding social historians like the late former Bielefeld professor Hans-Ulrich Wehler with his five-volume social history of Germany (cf. Wehler, 2008) are indeed extremely successful approaches to a holistic description of society, but despite their scope of several thousand pages, they must focus on essential developments from 1700 onwards. In this context, we are

primarily interested in the question of how the development towards a capitalism-critical society has emerged.

In the last chapter, we saw that there are many reasons why capitalism is viewed so critically, especially by the younger generation: the still widespread poverty worldwide, the increasing inequality in income and wealth, the perceived incompatibility of ecology and economy, and finally the change in values. The development is moving away from a selfish elbow society, which only has profit and maximum consumption in mind, towards a solidary, helpful society that is ready to face the problems of capitalism and actively combat them. It takes a very long time for societies to develop as a whole. Since its inception under August Comte, sociological theory has contributed a great deal to illuminating this phenomenon of social change (cf. also Kleining, 1991). At this point, I would like to discuss a few considerations and core theses of selected sociological thinkers of the past to help us understand the change towards a capitalism-critical society.

Societal Development through Scientific Analysis

August Comte, the co-founder and namesake of modern sociology, spent his life dealing with the philosophical ideas of positivism. He had witnessed how his mentor and friend Saint Simon tried to describe society and its development. For the engineer and mathematics enthusiast Comte, it was necessary to describe society based on concrete, scientifically verifiable, sensually perceptible facts. This approach, called positivism, was intended to prevent societies from being described only vaguely and on the basis of unclear scientific foundations. Analogous to his beloved mathematics and physics, sociology as “social physics” should allow society to be described according to similar laws as nature is described by physics. According to this principle, Comte tried to describe human

development and with it society in three stages: a theological, a metaphysical, and a positive one (cf. Comte, 1994, p. 5 ff.; Precht, 2019b, p. 132). Within these three stages, Comte described how society and humanity as a whole intellectually evolve and progress from simple, primitive explanations of the world to a scientifically based, positive one.

In the first, the theological stage, all (natural) phenomena that man perceives in his environment are initially equated with a foreign life (“fetish”) and later with a deity. The initial polytheism, the belief in a variety of gods, was then later replaced by monotheism. In the next stage, the metaphysical, man realizes that phenomena, due to their inexplicability, do not hide behind God, but consist of first causes and ultimate purposes, i.e., causality. Man and society as a whole gain more intellectual penetration and explanatory abilities in the transition from the theological to the metaphysical stage. The world around man is increasingly captured and structured rationally. Humanity and society reach the highest and most advanced intellectual phase in the third, the positive phase.

The positive phase is characterized by the fact that only observations can be the basis for knowledge. It is not the imagination that creates new knowledge, but the observation of laws analogous to physics. From now on, there is an end to speculations, descriptions of natural phenomena as divine powers or simple cause-effect relationships, which are supported by God in case of doubt. Now the scientific, the positive stage has been reached (Comte, 1994, p. 16 f.):

“In a word, the fundamental revolution that characterizes the maturity of our spirit consists essentially in replacing everywhere the unattainable determination of the

actual causes with the simple exploration of laws, i.e., the constant relationships that exist between the observed phenomena.”

The transformation of society, as described by the pioneer of sociology, Auguste Comte, lies in the further development of rationality, the scientific knowledge of people and society. Each generation of knowledge bearers builds on the other and learns from it, adopting patterns of perception and recognition and breaking through the barrier of ignorance by successively explaining old certainties and god-like phenomena in an increasingly scientific-rational, or positivist, way. New developments as well as existing economic systems like capitalism are increasingly critically-rational analyzed and less accepted as given than before.

Societal Change as a Result of Revolutions and Social Darwinism

A completely different explanation for the transformation of societies is provided by Karl Marx and Friedrich Engels. In their famous base-superstructure theory, they explain societal changes with changes in work: As we have already seen in Sect. 3.1, the discrepancy between working conditions and intensity with property relations and the appropriation of profits by capitalists leads to social tensions and even societal revolutions. Specifically, according to Marx and Engels, the exploited and alienated workers revolt against the entrepreneurs and capitalists and try to radically change the conditions. This leads to class struggles (see Kleining, 1991, p. 196). Marx formulated this in his famous preface to the Critique of Political Economy (MEW, Vol. 13, p. 9):

“At a certain stage of their development, the material productive forces of society come into conflict with the

existing relations of production or, what is but a legal expression for the same thing, with the property relations within which they have been at work hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed.”

Changing economic conditions then lead to social revolutions that change society as a whole. The British philosopher and sociologist Herbert Spencer applied Charles Darwin’s theory of evolution to the society of his time. Darwin had recognized that species evolve through inheritance, a random change in genetic material (mutation or variation), and subsequent selection and survival of the species best adapted to nature. Thus, humans also evolved in adaptation to their environment up to *Homo sapiens*. In his famous book “On the Origin of Species”, Darwin, based on long-term research trips with the ship HMS Beagle, recognized that species and individuals that have adapted less well to the environment not only have a lower probability of survival, but also produce fewer offspring. They therefore have fewer opportunities to pass on their characteristics and undergo natural selection. The surviving species are better adapted to the environment and survive. The most striking example of this is provided by Darwin with the giraffes: only the giraffes with the longer necks were able to eat the urgently needed food from the trees.

Herbert Spencer transferred this evolutionary thought to society and coined the term “Social Darwinism”: Only the individuals best adapted to society survive in the struggle for existence (“*survival of the fittest*”). Analogous to developments in nature, societies evolved from the

homogeneous to the heterogeneous and successively differentiated further. According to this description of societal development, capitalism has primarily established itself as the best-adapted economic system alternative, which in the past brought considerable prosperity for the majority of the population. However, following this evolutionary law, the framework conditions no longer fit the current form of capitalism and force a rethink: finite resources of the planet, increasing inequality and undesirable values such as egoism and greed require a further development of capitalist society and capitalism. As a result, it is increasingly viewed critically.

Societal Change Depending on the Type of Rule and Culture

The German century sociologist Max Weber recognized in his work “Economy and Society” that societies are essentially shaped by their power relations. He differentiated three types of rule (cf. Weber, 1921, p. 122 ff.): the legal (rational) rule by means of a bureaucratic administrative staff, the traditional rule in the sense of gerontocracy and patriarchalism, and finally the charismatic rule. In legal rule, to put it bluntly, the law prevails, interpreted by specialists based on clear rules and regulations, supported by the bureaucracy of administrative officials and the invocation of the hierarchy of superiors and subordinates (cf. Weber, 1921, p. 125). Traditional rule, on the other hand, is based on the “sanctity of long-established (‘always existing’) orders and lordly powers.” (Weber, 1921, p. 130). This could be tribal elders in the Stone Age, the social upper class of patricians, estates and classes in general, master and slave or servant, the paternal head of a patriarchal society, etc. Finally, charismatic rule is based on the outstanding qualities of the ruler of a society, whether due to his or her personality or based on “supernatural or

superhuman or at least specifically extraordinary (...) powers or qualities ...” (Weber, 1921, p. 140).

Each of these forms of rule fuels social change in its specific way: Traditional forms of rule rather prevent social change than promote it—think of the Adenauer era in the fifties and early sixties in the Federal Republic with its conservative social structure against which the 1968 movement with its student protests opposed. In societies with legal rule, social change is initiated and channeled by laws, rules, and statutes. Charismatic rulers, on the other hand, can massively accelerate social change through their role model function alone, both in a positive (e.g., Ghandi, Mandela) and negative sense (Hitler, Mussolini, etc.).

While Max Weber was concerned with the types of rule and their influence on social change and Spencer emphasized the evolutionary development of society, the American sociologist William Fielding Ogburn was concerned with culture as the main driver of social change (“Social Change”, he also coined the term social change). Culture understood as language, social organizations, knowledge, beliefs, morals, customs, law, etc. but also products and technology, which in sum make up civilization (cf. Kleining, 1991, p. 198). People can deliberately resist social change by rejecting certain inventions (see the discussions about the atomic bomb but also less dramatically the discourse about the use of nuclear energy). Group interests can be bundled and generate social pressure and thus slow down or promote certain innovations. Thus, the climate activists of Fridays for Future etc. are trying to force a rethinking of society towards more environmental orientation and environmental protection through their spontaneous but long-lasting actions.

Societal Development through Communication and Discourse

Jürgen Habermas, the social philosopher, identifies interpersonal communication, the discourse within society as its essential element. Already in his main work on the “Theory of Communicative Action” (cf. Habermas, [1981](#)) he emphasizes the importance of interpersonal communication. Understanding and consensus as well as the argumentative development of society can only be achieved through the exchange of arguments among discussing citizens. However, the discussants must adhere to certain rules: Everyone must have the same chance to dialogue, no one may be excluded. Everyone should have the same opportunity to present and interpret their arguments. No coercion may be exercised (“domination-free discourse”) and finally, the dialogue should be open and honest and without intent to deceive. Only in this way can it be ensured that everyone has the same chance to participate in the discourse and present their arguments without coercion and fear. Translated for our purposes, this means that critical controversies such as the incompatibility of ecology and economy, criticism of capitalism, the way of life and work must be endured. Societal values only change (and thus also the change of societies) if everyone is accessible to the argument of the other and allows themselves to be convinced by arguments and facts (keyword: scientific findings on the subject of climate change).

However, Habermas sees this self-regulation and further development of society through the compulsion of the better argument endangered by the new media (Habermas, [2022](#), p. 45):

“The egalitarian and unregulated nature of the relationships between the participants and the uniform

authorization of users to make their own spontaneous contributions form the communication pattern that was originally supposed to characterize the new media. This great emancipatory promise is today at least partially drowned out by the wild noises in fragmented, self-circling echo chambers.”

Social change as a result of constructive critical communication and public discourse according to certain rules. This includes social media despite all criticism.

Sociological description of societal change

It has become customary in sociology to characterize society with a distinctive attribute and thus to describe it strikingly. Thus, society is sometimes referred to as a “responsibility society” (Amitai Etzioni), a “postmodern society” (Ronald Inglehart), a “flexible society” (Richard Sennett), a “risk society” (Ulrich Beck) or a “digital” or “overwhelmed society” (Armin Nassehi) (for a deeper understanding of the contents of the individual society descriptions see Pongs, 2000 or the almost identically named publications of the respective authors). Occasionally, individual elements that are characteristic for the society in its peculiarity are worked out and specified. Such as the convincing concept of “resonance” (see Rosa, 2016) by the Jena sociologist Hartmut Rosa, who has already presented a brilliant description of society and its core issues of (lacking) time in “Acceleration” (see Rosa, 2005). The same applies to the Berlin-based sociologist Andreas Reckwitz with his work “The Society of Singularities” or Heinz Bude with his “Society of Fear” (see Reckwitz, 2017; Bude, 2014).

Of course, the characterization of societies based on a single term falls short and promotes a tendency towards a certain stereotyping. Especially since today’s societies,

with their complexity and functional differentiation, are difficult to bring to a common denominator. However, such striking descriptions of society based on individual, apt attributes offer an unbeatable advantage (apart from the fact that the books sell better in times of more demanding attention economy due to their memorable and concise titles), that the focus can be concentrated on selected elements of society. Of course, a “risk society”, which Ulrich Beck, 1986 (see Beck, 1986) described in his book is not one that is only made up of risks or can be described by them. But he matched the societal feeling and unease of his time with the technology of the nuclear power plant era well. Especially since the reactor accident in Chernobyl in the same year unsettled the entire world public and revealed the seemingly uncontrollable risks of nuclear technology. In this respect, the attempt here is to characterize German society as a whole as critical of capitalism. This necessarily means a certain sharpening, which, however, wants to characterize and pinpoint an essential tendency of German society. At the same time, it does not mean that this criticism of capitalism is the single attribute with which the current German society can be described. But this attribute picks up on a tendency that is at least not to be overlooked, as the previous explanations in this book have already shown.

So what do we take from the theories of social change for our development towards a capitalism-critical society? Societies are in constant change. With the rationalist turn and the advance of scientific thinking and its findings, the eternally valid insights, who created man and the world, which laws apply in nature and how man should deal with each other, were increasingly gained according to the principle of observation, experience and logical conclusion. Not the divine principle prevails in society, but rational and logical insights. Eventually, society itself became an

object of science as under Auguste Comte. Societies were structured, analyzed and broken down into their elements. It was about living together in general, the origins and motives of social formation and the essence and core elements that make up societies. Max Weber, for example, analyzed the power relations and the influence of religion and economy on societies. Karl Marx and Friedrich Engels were concerned with the influence of work and the resulting class contrasts in the economic system dominated by capital and labor. Changes do not take place in a vacuum, but are shaped by written and oral communication, by external historical and theory-confirming events (reactor accident in Chernobyl leads to analysis of society as risk society, climate change shapes environmental orientation etc.).

Capitalism not only shapes the way we work, but also how we live and survive. Economic processes such as the pursuit of profit and gain, the greed for ever more products and the consumption of the same, successively shape society. This massive increase in the importance of economic topics compared to other aspects of society has led to a critical analysis of the effects of the economy and its system on the coexistence of people. In the end, it is only possible to describe the individual societies and their core elements with a characteristic that characterizes them. The overwhelmed society (cf. Nassehi, 2021) refers to the stress, the burn-out proximity of the working class but also the outstanding position of work in society. The label of the digital society speaks for itself and the increasing online-ization of the world. The risk society underlines the dangers in dealing with challenging and by no means one hundred percent technology such as nuclear power. Such a plakative description of the world can at best put the finger in the wound and capture and sketch particularly prominent trends. Even if such a justification

of sociological phenomena only sketches a section, it still helps to identify prevailing societal trends and patterns. Therefore, this book also follows the approach of subordinating society as a whole to a characteristic attribute as has happened with the “capitalism-critical”. In the following, I will try to trace the causes for the emergence of capitalism-critical societies.

5.2 Causes for the Emergence of Capitalism-Critical Societies

Perception is known to be reality. The image that was conveyed to us older people is that of an economic miracle in the 1950s, when Europe and especially Germany were economically down and the rise began, almost like a phoenix from the ashes. From the ruins of Nazi Germany, a Federal Republic with a new economic order, which called itself Social Market Economy (and still does), emerged in West Germany. An economy designed on the drawing board, which was supposed to combine the elements of the market with those of social care, the social elements. Or as the (scientific) inventor of the Social Market Economy, Alfred Müller-Armack, formulated (Müller-Armack, 1946/1990, p. 72)

“That personal freedom and human dignity are also restored in economic terms, that everything must be done to achieve a rapid and effective reconstruction of what has been destroyed, that social justice and economic prosperity are sought ...”

This was very successful in the first years and decades in the Federal Republic. The backlog of goods and commodities of daily life but also of leisure activities, mobility and

much more was covered and paid for with a new, stable currency, the D-Mark. This new form of economy was initially just an experiment, without knowing in advance whether it would be successful. It was supposed to be a middle ground between a completely uncontrolled liberalism and a state-controlled economy. Because, as Müller-Armack said, the Social (actually: controlled) Market Economy (Müller-Armack, 1946/1990, p. 64):

“... does not believe that it is expedient to leave a machine running at full speed to itself as liberalism assumed, nor that it is expedient to screw up all valves and lock all levers, as economic control does, but it tries to operate this machine through a sensible play of switching and securing, in order to arrive at a reasonable result.”

The component of prosperity, which was to be shared by all citizens, was essential in order to emphasize the social dimension of the economic form. This was very successful in the first decades: The economy grew, the demand for products and goods rose to unprecedented heights. Jobs were created and many people were able to feed their families and achieve modest prosperity. Houses were built, cars were purchased. The economy boomed and with it prosperity. While this first generation after the war started almost economically from scratch (including many refugees from the eastern former Reich territories such as Silesia, among others also my father), the generation after and the baby boomers could build on these foundations and build on this modest prosperity. One generation carried the other. Unemployment was initially not a problem. Only the oil crisis of 1974/75 (after a stabilization crisis in 1967) brought the economic engine to a stutter or into recession. The same applies to the second oil crisis of 1980–1982 and the crisis during German reunification

from 1990–1994 (cf. Heilemann, 2019). But for the most part, the economy was on the upswing.

This was in line with the attitude of the Baby Boomers (see Persona Institute, 2023): Studying diligently and working hard to build a career. The year with the highest birth rate, 1964 (including the author himself), had to deal with the most competitors: In school (we were 42 children in the 5th grade of the high school), at universities or training institutions, the job market: the fight for coveted study places such as medicine or business administration was tough and very competitive. This is not meant to be a judgement of the time and attitude, but merely to illustrate the situation that everyone was equally confronted with. Everyone fought for themselves for a coveted place in the prestigious companies, the job of their choice, for economic and social advancement. This generation was already better off than their parents: They mostly came from families that benefited from the rise of the Federal Republic in the first years and decades. After a certain transition period and a new beginning after reunification, this was also largely true for the new federal states. No wonder that the formula “performance must be rewarded” had developed into a competitive work and social culture.

In the zero years of the 21st century, after the collapse of a short-term economic boom due to the “*New Economy*”, the internet economy and the burst future hopes of numerous massively overvalued internet companies, numerous other crises clouded the hope for constantly increasing prosperity: The financial crisis in 2008/2009 and most recently the crisis of the Corona pandemic and the current energy crisis, triggered and exacerbated by the war in Ukraine. The insights of recent developments quickly made it clear: The idea of “prosperity for all” as promised by Ludwig Erhard, the former Minister of Economics of the early Federal Republic, was

no longer conceivable. On the contrary, we all experienced how the community, i.e. all of us, had to rescue the insolvent banks in the wake of the Lehman crisis with state funds, while in the past the profits were exclusively with the banks themselves and their shareholders. This is the starting situation for the next generation, Generation Z, born between 1997 and 2012.

They experience a world in which prosperity no longer benefits everyone. Wealth is concentrated on a few, the so-called one percent of society, who are getting richer and the remaining 99, who are increasingly being left behind. Not all, but more and more. A Spiegel cover story from the end of 2022 hits the nail on the head (Beyer et al., 2022, p. 11):

“German household incomes rose and rose, by a quarter between 1995 and 2019. The economy: a single growth story, with only a few minor interruptions. (...) All numbers and data seem to prove: Modern capitalism works really well on balance. So where is the applause? Especially among the young, those under 30, completely different emotions are coming up: frustration, resignation, anger. And a newly discovered love for socialist ideas.”

The sober analysis of the numbers, data and facts shows that not only at the very top, among the elite who seem to have more than enough, but also in the middle class, prosperity is still rising. But it is precisely the studies by Thomas Piketty that show that income and wealth concentration has increased in recent years, especially in Western countries. Financial expert Glenn Hubbard from Columbia Business School in New York even suggests that it is questionable whether today's capitalism enables broad prosperity gains (see Beyer et al., 2022, p. 12). Poverty in the world has not been defeated, but is still present in

the Global South and seems to be increasing rather than decreasing (see Pietsch, 2023, p. 157 ff.). Ergo, the primary goal of a capitalist economic system seems not to have been achieved. On the contrary. And the discrepancy between rich and poor within a country is increasing (see also the numbers, data and facts in Pietsch, 2022b, p. 81 ff.).

But prosperity is not only increasingly unevenly distributed, the younger generation also faces a seemingly hopeless pursuit of a secure livelihood: Rents are rising mainly in university cities and metropolises, where a large part of the youth lives. Building interest rates have multiplied since their lowest point before the pandemic. Building a new home for the family is hardly conceivable without a generous inheritance. Generation Z has to work longer than the previous generation, but in return receives a smaller pension, as the calculation no longer works: Too few younger people finance an aging society of Baby Boomers, the numerically strongest after the Second World War. And anyway: The young people don't want to work as much as the older ones anymore. The job market situation has changed. For every Baby Boomer who retires, only 0.7 of Generation Z follow. By 2030, about 500,000 young people are missing each year who are supposed to replace the previous generation in terms of jobs. A total of almost 4 million. The battle for talent has begun. This is not just about the much-discussed shortage of skilled workers. The situation is similarly dramatic for academics. Young talent is becoming increasingly scarce. Accordingly, they can set conditions at the start of their careers.

They demand (cf. Hölter et al., 2023, p. 9) among other things, a four-day week, sabbaticals i.e., planned time off for child rearing, world travel, self-realization of all kinds. Home office becomes standard. Working from anywhere in the world is increasingly becoming the norm.

“Workation” is the new buzzword i.e., a combination of “Work” and “Vacation”: You work from an interesting vacation destination, from cafes, restaurants, work spaces in the country and in the city. The only requirement: A laptop, an internet connection, a table and a chair. Of course, this does not apply to all professions, but preferably to office workers. Ideal for IT specialists who program software using the agile method. No process without software anymore. Additional unpaid vacation months can be taken (“Take Time”, cf. Hölder et al., 2023, p. 9). Young business consultants are loaned out for up to a maximum of one year to NGOs, non-profit companies, with full wage compensation (cf. Hölder et al., 2023, p. 15). Hierarchies have become obsolete, as have the tie and the suit or the business costume. The formal “you” is replaced by the familiar “you”, sometimes without any questions being asked about the form of address. It is simply automatically assumed.

The older generation is “infected” by the younger one. They also increasingly enjoy the shortened and more flexible working hours due to the home office (cf. Hölder et al., 2023, p. 9). The futurist Horst Opaschowski sees a new concept of prosperity on the horizon: “From material prosperity to true prosperity” (Opaschowski, 2023, p. 17). It is not the ever-increasing consumption of sometimes useless or superfluous products that produces prosperity, but the “better life” (cf. Opaschowski, 2023, p. 24). Less is more. The understanding of prosperity has generally changed:

“Prosperity for the Germans (is) now a synonym for the value of living without fear, happily, and healthily.” (Opaschowski, 2023, p. 25).

Opaschowski sees prosperity in four different fields, not just one-dimensionally economic (cf. Opaschowski, 2023, p. 32):

“Economic prosperity: Living without financial worries and safely”

“Social prosperity: Living in peace and freedom”

“Ecological prosperity: Living sustainably and in accordance with nature”

“Individual prosperity: Living healthily without having to fear the future”

“Values are becoming more important again. Material things are taking a back seat to immaterial things like health, safety, and social security. Family, friends, and neighbors are moving to the forefront. And time is becoming almost as valuable as money.” (Opaschowski, 2023, p. 36 f.)

Instead of consuming more, less should be consumed. For this, less is worked and accordingly less is earned (cf. Opaschowski, 2023, p. 37). More time for oneself instead of hard work. Meaning instead of stress and monotony. Opaschowski states:

“The change of perspective from prosperity to well-being turns the question of consumption into a question of meaning” (Opaschowski, 2023, p. 43).

You don’t have to own everything anymore: Cars are shared, as are apartments (or rented instead of bought), especially on vacation. Airbnb and car sharing companies make it possible. Postmaterialism and the new modesty are trump (cf. Opaschowski, 2023, p. 39). The ruthless competition, which the baby boomer generation still knew, as there were too many in number compared to the coveted jobs, gives way to an increasing sense of solidarity: The

we beats the I, the community and the common good are more important than selfish elbow thinking. The younger generation would rather live in a better society, where one stands up for the other and everyone stands up for their own political interests.

Personal possession is becoming less important: The search for solidary, communal life ideals continues. The idea of extended families in a house of grandparents and great-grandparents is gaining importance again. Older people come together to spend old age together and support each other. Everyone can then contribute their talents, from craft skills to philosophical lectures or always useful tips in everyday life. Even the idea of a cooperative, a community that shares essential possessions among each other, is gaining popularity again (cf. Opaschowski, 2023, p. 49 but also Pietsch, 2023, pp. 202 f.). Satisfaction in life becomes more important than sheer possession, being becomes more important than having, to quote the core idea of the psychoanalyst and philosopher Erich Fromm (cf. Fromm, 1976). Community becomes more important than loneliness. Time, in particular, becomes an increasingly important good: For the young, as they predominantly want to enjoy their lives without having to struggle for career and material things. For the elderly, who want to enjoy the remaining lifetime against the backdrop of a certain level of prosperity. “Deceleration” is the new magic word, i.e., less professional stress, less hustle and bustle in everyday life. Calming down and dealing with the beautiful things in life, as long as this is still physically and mentally possible. Traveling the world, meeting friends and acquaintances, instead of taking the last possible step in the professional career or earning a few more euros.

Not only the younger generation dreams of more flexible working hours, time-outs, and home office solutions, where possible, but also the older ones. The transition to

retirement is flexible: Those who want to can stop earlier and take care of society or their hobbies. Others, on the other hand, feel the strength to continue working, to contribute to the shaping of society, politics in their later years. They get involved in clubs, political parties but also in charitable institutions such as food banks for the poorer parts of the population or read to the elderly in nursing homes. In anticipation of their last phase of life, most try to create a healthier and stress-free working atmosphere to end the day healthy at the door of work. The common good becomes more important than individually fought prosperity at the expense of others. Community spirit and harmonious coexistence take precedence over individualism and loneliness at almost any age. Not everyone follows this principle, of course, but more and more do. And the trend is irreversible. Opaschowski hits the nail on the head (Opaschowski, [2023](#), pp. 99 f.):

“A value change with a positive basic direction is emerging. At the center are pro-social values that are aimed at a better coexistence of people. This includes helpfulness. People want an end to social erosion and are quite ready for a moral renewal. Pro-social attitudes are spreading, in which friendship and helpfulness convey an extremely positive future image, which suggests serious social deficits of the past years. For the future, a culture of helping is emerging in contours, which will soon make the age of egoists forget.”

Multiple crises such as the war in Ukraine, the just recently overcome Corona pandemic (which hopefully does not break out again in one form or another), the energy crisis and the economic unrest associated with it, be it inflation or a looming recession, scare people. But even more, the Germans are united by the fear of the

impending climate catastrophe: It is not only the fear of the devastating effects of climate change such as floods, overheating of the earth and rivers and thus increasing uninhabitability of our planet, extinction of species and much more, but above all, that the tipping point i.e., the point has passed at which the climate-damaging developments can still be reversed. Even if many protest actions such as the glue actions of the “Last Generation” predominantly meet with negative reactions: The youth is even more worried about their future and does not shy away from illegal practices. They see no other way of climate protest, as they are far from sitting at the levers of power and by the time they finally get their turn, it may be too late. Despite the costs associated with the climate turnaround for the individual, there seems to be no way around these drastic measures to protect the climate. The prosperity of their parents will not be achievable for the young generation (Z and Alpha), but is also no longer sought. Health and family become more important than material values.

Today's capitalism seemingly has no answers to all these questions, or rather, it exacerbates the situation. Let us conjugate the individual elements. We have already seen the necessary numbers, data, and facts to prove the individual theses in the previous chapters (see Chap. 4, but also cf. Pietsch, 2021, p. 245 ff.). My main concern here is the (subjective and not always fair) perception of capitalism. Perception is reality, at least for most people. Let's go through the individual arguments that speak for capitalism and try to reflect the view of capitalism critics and opponents in it. Let's start with the prosperity that is supposedly created for all. Admittedly, these arguments are presented quite broadly and plausibly, but they will help to understand why capitalism, despite its undeniable

achievements, has fallen into such disrepute, especially among the younger generation.

Instead of prosperity for all, capitalism only produces prosperity for a few in the world

The perception in society is that only a few people, a thin elite, benefit from economic growth. During the pandemic, the number of billionaires has increased, millionaires have gained wealth, while the mass of hard-working middle class and small and medium-sized businesses hardly benefited from it due to the pandemic, remained in short-time work or lost their job in the worst case. The energy crisis, triggered by the Ukraine war but also by the ecological conversion of heating types, did its part. Many people in Germany, primarily those with older apartments and houses, are forced to spend a lot of money to pay for the renewal or renovation of their heating. They will not be able to avoid tapping into their savings and the iron reserve to cope with the financial burdens. The lower third of wealth has long struggled to make ends meet. In the current situation of high inflation and increased energy prices, even the money that was just enough for the month will no longer be available in the future. Additional savings are no longer feasible without affecting physical substance.

But even those who have been able to put a little aside so far will no longer be able to do so in the future. The money saved for the children's education or the financial buffer for old age will have to be tapped into. Good for those who could build up sufficient reserves. Due to the increased energy prices, the ancillary rental costs are also significantly increasing. Since most people have refrained from buying a condominium or even a house due to the sharply increased interest rates in recent months, they only

have the option of staying in rent. Due to this increasing demand for rental properties and at the same time numerically too low construction of new properties, rents are generally continuing to rise. The following cycle applies from the perspective of the young generation:

Those who have not inherited and are unlikely to inherit will not be able to afford property anytime soon. Those who had the grace of timely birth were able to invest in real estate (in the metropolises, but not only there) at times that were still reasonably affordable around the turn of the millennium. Today, for the price of a semi-detached house in the mid-noughties in metropolises like Munich, you can hardly get a two-room apartment (!). This generation is fine, even though of course buying a property also required a certain amount of capital at that time, which was usually hard-earned. They benefit from the favorable timing back then and are getting richer while sitting, as property prices are likely to continue to rise in the metropolises after a brief intermediate low or a certain stagnation. This is not meant as a reproach, but simply describes a fact. The others, especially the younger tenants, will hardly be able to acquire property in the foreseeable future. On the contrary, the rental prices will continue to run away from them. A rent brake has proven to be an ineffective means. Expropriation of housing construction companies is legally doomed to fail.

Instead, many people experience that the number of billionaires and millionaires is increasing and the salaries at the top positions in the economy are supposedly increasing, while the average salaries of the middle and lower classes hardly move. These lines are not intended to ignite a new class struggle or produce a society of envy, but should be considered in the search for causes of a capitalism-critical society. Sober facts in the form of concrete numbers and data as they are contrasted by Zitelmann (cf.

Chap. 1), do not catch on in this deeply subjective view of things. The feeling arises that prosperity no longer reaches everyone, but those who already have a lot, get even more. Keyword inheritance of wealth: Once rich, always rich, it seems. There are fewer and fewer climbers from the bottom to the top, the American dream *“from dish washer to millionaire”*, from dishwasher to millionaire, seems to be over. At least here in Germany. Of course, there are always exceptions of people who have managed to rise, such as super athletes, artists, Instagram stars, influencers, and many more. But they remain what they have always been: exceptions.

This is also consistent with the fact that educational justice is not far advanced in Germany. On the contrary, the German education system cements class boundaries and seems to show no permeability (see my detailed description in Pietsch, 2022b, p. 94 ff.). Just this much: Genetics and socialization i.e., how I grow up, determine my personal and professional development. Children of academics are usually promoted early on according to all the rules of the art, often receive a private school education, and are thus withdrawn from the state school system. It is known that a disproportionately large number of children of academics populate the grammar schools, while this is not the case for children of non-academics. Academic parents can help their children with schoolwork (and have legitimately done so during the Corona pandemic in the so-called “homeschooling”), which further helped to cement educational differences, especially since infrastructure such as laptops, computers, WLAN etc. was rarely available in poorer households.

This is not meant to criticize parents who helped their children through this very difficult time. On the contrary, from the perspective of concerned parents, it is understandable to help the children survive the pandemic

successfully and as unscathed as possible. But this sharpens my point: A (educational) rise between classes—since better education and higher graduation usually bring a greater probability of professional success—is already difficult to achieve in Germany due to the system. What does this have to do with capitalism? Well, those who are poorly educated have little chance of survival in the capitalist system from the outset. In this respect, considerations of a class and education-related educational disadvantage do play a role in the critical view of capitalism. Capitalism, according to the view of its opponents, exacerbates the competition for the best jobs in life, which begins with an education competition in which those with the “wrong” parents are at a disadvantage from the outset.

A look at the Global South, for example Africa, but also at globalization in general, shows that the worldwide interweaving of mostly capitalist economies did not bring equal benefits to all countries and people (see Pietsch, 2022b, p. 191 ff.). Thus, the rich industrial countries of the West benefit disproportionately from globalization, and here again the internationally active corporations before the purely national or regional companies. This is not meant as a reproach, but simply a fact, since of course those who are internationally active can mainly benefit from globalization. It is quickly overlooked that we as consumers also benefit when our global range of goods expands and thus the selection increases, while the price decreases due to competition. But here again, the worldwide transport and unnecessary CO₂ emissions are cited, which are on the debit side of the balance of globalization. Jobs and wage costs are played off against each other. The textile industry, for example, can tell a tale about what it means to outsource jobs to low-wage countries. Those who do not play along quickly go under in the market economy system, as the costs in Germany cannot be

represented. Only a few manage to set a counterpoint with high prices in the premium segment and the promise of quality and to work with domestic forces. Cheap clothing also has its price. The extremely negative view of this development sounds like this (see Pietsch, 2022b, p. 197):

Creation of part-time and temporary jobs, which are usually not secured by collective agreements. Ruinous cost pressure on truck drivers, parcel deliverers, etc. Even if one does not personally agree with this view, such negative descriptions of economic development put the finger on the wound of capitalism criticism. This gives the term “exploitation” coined by Karl Marx new food for thought and meets an increasingly sensitive and better educated audience.

Poverty has also not yet been defeated, despite all global capitalist activities. Millions of people in the Global South still have to go hungry without any prospect of improvement. On the contrary, the climatic conditions are deteriorating: drought, almost unbearable heat and drying up of the scarce water sources force people to move on and leave their ancestral homes. The streams of refugees will increase rapidly. The way to “rich” Europe seems close and yet almost unreachable due to the hermetic sealing off. They all have not benefited from globalization. Extreme poverty here, prosperity and at least a subsistence life here. All this is attributed to capitalism, the “unleashed market” (Heinisch et al., 2019, p. 69), the extremes of poverty and wealth on earth. Too far-fetched? This is how the young authors write in the chapter on the economic system and its “catastrophic balance” (Heinisch et al., 2019, p. 71 f.):

“One might think that if we wait and continue as before (with the successes of the market economy, DP), all the major problems in the world will solve themselves. No more hunger, no extreme poverty, wealth for all. But in the

meantime, the number of hungry people has risen again: Currently, 821 million people are starving. Every five seconds, a child under ten years old starves to death. And this, even though the current food production could easily feed 12 billion people. We don't need to produce more food to end hunger. The eight million people who die of hunger are contrasted by two billion who suffer from overweight. The food must be distributed fairly and reach all people. Similarly, the worldwide wealth would long since be enough for everyone if it were distributed fairly."

What may seem like a social utopia reflects the opinion of many members of the younger generation. It's not about creating wealth in the world that ultimately only benefits a few. What applies within a country also applies to the entire planet: If the wealth generated in the world were distributed to as many heads as possible, no one would have to starve anymore. A noble goal that is unlikely to be achieved. But this is about something else: What should be the objective of modern economics and what deficits can be identified? It seems clear that the worldwide fight against poverty and hunger cannot be achieved with the current economic system. Looking at the results of the market economy system with the social accent here in Germany, one finds that even in a rich country like Germany, 13 million people are considered poor, almost 16% of the total population (cf. Pietsch, 2022b, p. 88 ff.). An increase of 3% points since 2002. People are considered poor if they have only a maximum of 50% of the average income available for daily life. We are talking about a disposable income for a single person of less than 1200 € per month. 500,000 children have to suffer from hunger every day (cf. Pietsch, 2022b, p. 89). For most people, it is impossible to break out of this cycle.

Of course, one could argue, without the capitalist economic system, there would be even more people in poverty. But these would be hypothetical speculations, calculating what would be if. The concrete numbers of starving people in Germany and also in the world are current and real and are evident to anyone who goes through the world with open eyes. This is not about explaining why we individually, you and I, question this system, but to explore why the majority in Germany does. Capitalism is almost personified as being responsible for the ruthless handling of poverty and starving people. Whether we personally see it that way or not does not matter in this case. At the same time, many people experience that others not only have no financial worries, but also became richer during the pandemic, retreated to their yachts or even their own island to avoid being hit by the Corona wave. Perception is reality. Of course, we know that there have always been rich people, just as there have been poor people. But the difference seems to have become more dramatic in recent years. Or people pay much more attention to it.

Bernie Sanders, the left-wing Democratic Senator and long-time promising candidate for the US presidential election in 2016 and 2020, speaks on behalf of the discomfort of capitalism critics when he asks, among other things (cf. Sanders, 2023, p. 260), how the massive income and wealth inequality affects society as a whole. In the USA, where election campaigns are financed by campaign donations, democracy would be corrupted if billionaires could “buy” elections because they would be able to make the largest donations. He is concerned about the large redistribution of wealth from the middle class to the one percent richest part of society. Sanders complains that so much money is available to support guarded residential quarters, mega yachts and huge villas but very little

to combat homelessness and hunger. Of course, Sanders pursues his own goals and demands considerable sums of money for his appearances or fuels the sale of his book worldwide. But his arguments and the angry accounts of capitalism he presents often meet with approval, primarily among the elite or future elite such as students at Oxford or other elite universities around the world.

The vulnerability of capitalism becomes particularly clear when one recalls the time of the financial crisis in 2008/2009, which seemed to come out of the blue and which not even economists with their increasingly sophisticated statistical models saw coming. The cause of the financial crisis was a bubble formation in the real estate sector in the USA (cf. the following Kamp, 2009): Banks and their responsible managers granted real estate loans to private individuals who actually could not afford loans of this size due to their income and asset situation. The borrowers speculated on the increase in value of the property in order to sell it later at a profit and thus pocket the difference after repaying the loans. At the same time, they could live in the property rent-free for the duration of the loan. The calculation worked for a while:

Profits for borrowers were flowing, lenders, banks and their managers were earning heavily and receiving bonuses in the millions. However, after a certain period of time, people could no longer afford the loans, had to sell compulsorily, and thus caused the real estate market to overheat. Too many properties that had to be sold as quickly as possible led to an oversupply in the real estate market. This collapsed, and with it the banks that supported it, which speculated with subprime loans, i.e., mortgage loans to second-class debtors. The borrowers went bankrupt, the banks also, and had to be rescued by the state. From the USA, the collapse of the subprime market spilled over to

Europe and the whole world, leading to a global financial crisis.

Although the causes of this crisis are very complex and could only be fully understood by experts in every detail (see the detailed background presentation by Kamp, 2009), the following images remained at the core of capitalism (see Kamp, 2009, summary on the title slide):

“The pursuit of maximum returns, irresponsible managerial behavior, reckless granting of loans, extreme inflation of the volume of credit, outsourcing of credit risks from bank balance sheets, opaque conversion of credit risks into widely diversified securities, and aggressive investor behavior interacted in the genesis of the crisis.”

In short: Everything negative associated with capitalism was found here in the economic reality of 2008 and 2009. And the worst part: Hardly any of the world's economists saw this development coming, which even the Queen had to note with surprise (see Herrmann, 2015). This was seen as an example of irresponsible profit greed of those responsible for ever higher bonuses, ruthless profit optimization at the expense of the (weaker) borrowers. The whole thing was more like gambling at the roulette table than a serious economic operation. In the end, however, the banks won, which had to be saved by the general public (*“too big to fail”*). The then Chancellor Angela Merkel and her then Finance Minister Peer Steinbrück had to stand before the press and publicly guarantee the safety of private savers' deposits. With this courageous action, they certainly prevented worse, but trust in the financial market and in the capitalist system in general was severely scratched for a long time.

During the Corona pandemic, something similar seemed to repeat itself, at least from the perspective of the

weaker ones: Many workers who could not work from home because their physical presence was required (e.g., on the assembly line), lost their jobs or had to be sent into short-time work at least temporarily. Small and medium-sized companies went bankrupt. Large companies in the aviation and tourism industry had to be rescued by the state. Which was right at the moment, but left a bitter aftertaste: The big ones are saved, the small ones are out of luck despite numerous support services. So profits are privatized, losses are socialized. Such behavior certainly did not strengthen trust in capitalism. Without the instrument of short-time work, many more jobs in Germany would have fallen victim to the pandemic (for a more detailed account of the consequences of the Corona pandemic on the economy, see Pietsch, [2022b](#), p. 290 ff.). The energy crisis, although largely due to the war in Ukraine, will again ensure that the prosperity of the lower and middle classes decreases at the expense of the top ten percent (see Pietsch, [2023](#) in detail).

Although the points mentioned above represent valid points of criticism of capitalism, the main reason why this successful economic system is under massive criticism seems to be the ecological one: In a finite world, infinite economic growth is simply not possible. We have already detailed in Sect. [4.3](#) that the environment is in danger due to our way of doing business. The concentration of carbon dioxide in the atmosphere increased significantly in 2020 despite the pandemic and the resulting lower global mobility (see Pietsch, [2022b](#), p. 153 ff.). The temperature increase compared to the industrial age is estimated to be three to four degrees by the year 2100 if the development continues unchecked. Droughts and floods will continue to alternate, climate extremes will increase in the future. Entire regions will disappear from the map, the acidity of the world's oceans will continue to increase and further

reduce biodiversity in the water. In the extreme, the struggle for food could increase, global migration flows could multiply in flight from the no longer human-friendly climate in the Global South, keyword: deadly heat waves.

According to the argumentation of capitalism critics, capitalism alone is to blame for this dilemma. As Nancy Fraser writes (Fraser, 2023, p. 134):

“Capitalism (...) is the socio-historical driving force of climate change and thus the central institutionalized dynamic that must be dismantled to stop it.”

And later (Fraser, 2023, p. 136):

“In contrast to the usual vague references to “man-made climate change”, blame is not attributed to “humanity” in general, but to the class of profit-oriented entrepreneurs, for they have developed the fossil fuel-powered production and transport system that spews vast amounts of greenhouse gases into the atmosphere.”

Capitalism needs growth to survive, as we have seen in a small digression in Sect. 4.3. Only in this way can customer demand be satisfied, jobs secured, creditors appeased, etc. In the past, everything followed and will continue to follow the economic principle: a given input should lead to a maximum output or a targeted output with the least possible input. Outputs in this case are specific products and services, the input being the necessary natural resources, resources or intellectual services, etc. While intellectual services, such as software development, consume few environmentally harmful inputs apart from computing power, batteries as raw materials mainly require cobalt and lithium, which are only available on Earth in limited quantities. The same applies to countless

other raw materials needed for certain products and not available in unlimited quantities. Non-renewable resources are particularly in focus here (cf. for the following section Sustainability Success, [2023](#)):

Oil, which in 2019 accounted for about 84% of the world's energy consumption, takes about 60 million years to form anew from organic matter. If oil continues to be extracted as it has been, experts estimate that reserves will only last another 40 to 50 years. Natural gas, according to current estimates, will last another 98 years if consumed at the current rate. Uranium, mainly needed for nuclear technology, will only last another 90 years or so. Rare earths, 17 chemical elements needed for smartphones and wind turbines, will last another 900 years, but are also non-renewable. There are currently about 1.5 billion tons of iron in the ground, which is expected to be depleted by 2070. Considering the products in which steel, a compound of iron and carbon, is used in various combinations today, one can become very anxious. Fossil water, i.e., groundwater, is still sufficiently available, but it is estimated that humans have so far depleted about 40% of groundwater reserves.

If we take these data as an example of the ecological framework conditions of the economy, it is easy to see that unlimited economic growth would only hasten the end of these natural resources. The criticism of this dilemma is understandable. But is capitalism really the main driver of this development? At least doubts are appropriate if one follows the arguments of Rainer Zitelmann. Zitelmann presents the following irrefutable arguments (Zitelmann, [2022](#), p. 72):

“Two arguments speak against the simplified argument that more economic growth automatically leads to more environmental pollution:

1. In non-capitalist countries, environmental destruction was an even more serious problem than in capitalist countries.
2. The correlation between economic growth and increasing resource consumption is increasingly dissolving in the age of dematerialization.”

Following this (cf. Zitelmann, 2022, p. 72 ff.), Zitelmann provides a series of figures, data and facts that impressively prove the first thesis. He substantiates the second argument with the example of a smartphone, which today combines many different functions such as calculator, telephone, video camera, alarm clock, camera, navigation, flashlight, etc. in one smart phone, thus saving a lot of unnecessary material and other products (cf. Zitelmann, 2022, p. 82 f.). The same applies to the materially intensive record collection, which is now available electronically in the cloud. All this follows the correct idea (Zitelmann, 2022, p. 82):

“Companies are constantly looking for new ways to produce more efficiently, i.e., to get by with fewer raw materials.”

It is certainly true that managers and entrepreneurs of companies and capitalist entrepreneurs do this, not only because competition for customers forces them to do so, but also because they themselves realize that things cannot continue as they are. However, it is also true that many resources on Earth are finite and that the search for efficiency in the consumption of these rare resources will eventually come to an end.

The criticism of ecological waste as a result of the capitalist promise (and necessity) of growth focuses on those products that appear absolutely superfluous in the eyes of

critics of capitalism. Often, ecological protests are mixed with criticism of (luxury) consumption. This was the case in the recent “Last Generation” actions, which not only glued themselves to the street in climate protest, but also smeared luxury brand stores and private jets (cf. Henrich, 2023; Süddeutsche Zeitung, 2023). The fact that this protest is not legal and is of course subject to criminal prosecution is beyond question. It only shows how narrow the line is between criticism of capitalism in relation to environmental exploitation and unnecessary (luxury) consumption (from the perspective of the activists). The damage to the environment is the issue of the critics of capitalism. There is no doubt about that. Although it is emotionally understandable from the perspective of the younger generation, it only partially corresponds to the inner logic of capitalist economics, as the opposing mechanisms of rethinking and the sustainable strategy of most companies are not or not sufficiently taken into account.

Finally, let us discuss another cause for the ongoing criticism of capitalism. The successive change in the values of the upcoming generation. We have already discussed this change in values in detail in Sect. 4.4. This young generation, like all of us, wishes for an Earth that remains habitable for millions of years to come with pleasant climatic conditions, a large variety of species, and a clean environment in the form of drinking water, seawater, soil and air quality. What is life worth if these things, which were taken for granted by past generations, suddenly cease to exist and humanity gradually abolishes itself? If one takes the dictum of the “Last Generation” literally, it will be difficult to explain to their children and grandchildren what was missed back then. This generation, in the form of its activists, is even willing to go to jail for their convictions rather than betray them. What kind of desperation must

have spread among parts of this youth or society that such an action has actually become necessary?

But it's not just ecological issues that drive today's capitalism-critical society. It experiences that poverty in the world is not being eradicated and wealth is being distributed to fewer and fewer people, producing many left behind. But many, especially younger people, are beginning to identify more and more with the weaker part of society: Why do many people still have to go hungry globally when there would be enough food and drink for everyone? Why do many people in rich countries like here in Germany but also in the USA have no roof over their heads when many people have second and third homes or holiday homes? Admittedly, one cannot compare this, as one cannot simply take the average of possessions in Germany and thus claim that statistically speaking, every German has a roof over their head. On the other hand, many wonder why one should not make it that simple? Housing is a human right. Everywhere. The same applies to many things such as food for the poor children in Germany who still have to go to school hungry every day. This doesn't have to be the case! Not only voters on the left of the political spectrum think this. It is becoming more and more common.

Status symbols and career ambitions are being "sacrificed" in favor of a happy life, a better life: sharing instead of owning, leisure instead of career, being happy and enjoying every day of life instead of just working. The search for meaning instead of just work, *Purpose* instead of thoughtless, routine work. Humanity is also getting closer: The world is growing together. The youth of the world chat with each other, follow the same influencers across the globe, celebrate the same stars and starlets. They all feel closer to each other, thanks to the global language of English. The other person is not a foreign counterpart, but

part of the global humanity, which together has one Earth A (there is no Planet B as a famous saying by the German astronaut Alexander Gerst states, cf. *Die Zeit*, 2018).

People feel solidarity, do not want to fight against each other, neither in the job nor in private life. Competition is seen at best in a sporting sense, such as Bayern Munich against Borussia Dortmund. But the struggle of life, which of course everyone has to fight in some way on their own, should please be experienced together, helping each other and showing solidarity with the other. Ruthless competition and social Darwinism are out. Long live the community experience, both virtually and physically. Because what has the hard competition of everyone against everyone in the job, in private life, in the daily economic struggle for survival brought? A prosperity that fewer and fewer people share. To those who have, more will be given, whether inherited or top earners. Of course, it is then overlooked that many had to work hard for it in the first place. But in the future, this will play a lesser role. Living in peace and freedom are not the worst ideals one can have, especially in an uncertain time of wars and crises.

But for all this, capitalism stands as the antithesis, as the counter-model, as a version of an economic model that embodies everything that one does not want:

Ecologically indefensible, as it exploits our nature and the more successful it is, the more it does so. A struggle of the best against the better, and the better against the worse and less capable. Why this is the case, why one person is willing and able to perform and another is not, is not questioned. Most people no longer want this ruthless selection, a selection that is already established in childhood and begins with unequal birth and family conditions and ends with educational injustice. Solidarity, societal harmony, and peaceful coexistence of all people on earth, where no one has to starve and everyone treats each other

with appreciation, is of course a utopia, an illusion, but no less desirable for that. Capitalism, at least as a stereotype, stands for more work, an accumulation of a lot of money and wealth in the hands of only a few who have long since no longer needed it, and the endless pursuit of mere profit. *Survival of the fittest*, only the strongest, fastest, and best-educated survive. More and more young people are turning away from this ideal, which was part of societal self-understanding just a few generations ago (and to some extent still a generation ago).

In sum, capitalism as an economic but also as a societal model as a whole is criticized because it reminds people of their own weaknesses, which no one wants to acknowledge: We have long neglected the environment, increased wealth but only for a few of us, and often feel overwhelmed in our jobs and lives because we are just a small cog in the huge machinery that simply has to function. This admittedly greatly simplified and plakative view, in my opinion, summarizes well why criticism of capitalism has now reached the center of society. Not only the youth complain about capitalism with all its negative consequences, but now also the majority of society in Germany. Although the elements of a capitalism-critical society can be logically derived relatively easily from the outlined causes of capitalism criticism, let us briefly discuss this in the following section.

5.3 Elements of Capitalism-Critical Societies

After discussing the causes of capitalism criticism in the preceding Chaps. 3 and 4, it is now not difficult to formulate the elements of a capitalism-critical society. I

essentially see *five elements* that characterize such a society critical of capitalism, which I will examine in more detail below:

1. Ecological doom mood
2. Frustration over the persistence of poverty
3. Rejection of the struggle of each against all
4. Wealth for a few
5. Change of attitude: Better life first, material life second

1. Ecological Doom Mood

Many people around the world are rightly concerned about the survival of the environment. Almost everyone agrees that climate change must be stopped, otherwise a climate catastrophe threatens. Differences exist particularly in how dramatically the current development has already progressed and how much time remains to avoid the impending climate collapse. With the exception of the AfD, all parties represented in the Bundestag unanimously believe that climate change is man-made and must be combated accordingly (see the positions on the European elections 2024, cf. lpb, [2023](#)). There are only different approaches:

One group (the Union parties) wants to combine climate protection with economic growth and relies on the participation of individual companies, for example, in promoting clean drive engines. The others pursue the same goals, but do not want to overly burden consumers (SPD and Left) or even want to achieve faster climate neutrality (among others, the Left) or ideally only bring emission-free new cars to the market by 2030 (Alliance 90/The Greens) which, based on the currently low shares of electric vehicles in Europe, is likely to be an impossibility. At the same time, the Left Party even wants to end

the “dominance of large corporations in energy supply” (lpb, 2023) and thus actively intervene in the economy and the legal status of companies. The FDP, on the other hand, strongly relies on the market economy principle, such as the CO₂ certificate trade. Only the AfD doubts that humans are responsible for climate change and rejects climate protection policy as well as the Paris Climate Agreement (see lpb, 2023).

As we have seen in Chap. 4, such a cross-party consensus, including the measures adopted, does not go far enough for the upcoming generation. The criticism of capitalism is fueled by a very bleak outlook on the future development of the environment. Ecological doomsday scenarios are spreading. Only one generation is said to be away from the downfall of the earth if all levers are not quickly thrown now. The compromises painstakingly achieved in government work and political action regarding the measures and the final exit from carbon energy do not go far enough for many. Many see the downfall causally linked to the progression of capitalism. The slogan of the impossibility of infinite economic growth in a finite world is very simple and immediately understandable. No one seems to doubt that such a causality exists and cannot be eliminated. Individual attempts by renowned economists like ifo chief Clemens Fuest sound unconvincing to the general public when he claims to be able to control the scarcity of finite resources through the market price:

If scarce resources are not expensive enough or have no price at all, they will continue to be mined or used intensively. Therefore, a price must be paid that reflects the scarcity of the good (see Schmitz & Weikard, 2023). Fuest applied the example to greenhouse gases in the atmosphere. But if companies need rare earths for the production of batteries, for example, they will stop production as soon as the raw materials are running out, regardless

of what these rare earths will still cost on the market (and they will probably remain affordable until the end). The price will only indicate the scarcity when it is already too late. Regardless of whether one subscribes to one thesis or the other, the majority of society, which is critical of capitalism, definitely sees the causal connection between finite environment and finite growth and blames capitalism for it. Moreover, the critical majority sees no more time to wait or to be content with long-term compromises that do not go far enough. The world is finite, capitalism forces the successive exploitation of nature and must therefore be eliminated at its core. This is how one can summarize this element of a society critical of capitalism.

2. Frustration over the Persistence of Poverty

Perceptions are, as already mentioned, selective: Hardly anyone currently has the exact numbers of starving people in the world in mind, let alone a comparison to previous years. Therefore, no one can say for sure whether the number of people who have to suffer from hunger on this earth has increased or decreased. The global prevalence of undernutrition has risen again after several decades of continuous decline (Reiner, 2023). In 2021, about 828 million people were undernourished. The World Hunger Index calculated by Welthungerhilfe has only minimally decreased between 2014 and 2022 (from 19.1 to 18.2). The situation has even worsened in 20 countries during the same period. The global Corona pandemic, wars and conflict situations in the world have certainly contributed to the deterioration. There are still too many people starving in the world. The goal of achieving *Zero Hunger* i.e., a world without hunger by 2030 will probably be missed unless dramatic countermeasures are taken (see Reiner, 2023).

Against this background, it is difficult to speak of a global success model of capitalism. Especially the youth complains about the lack of success in combating hunger. Every person should have a right to sufficient food in this world. Many within the upcoming generation see it the same way (Heinisch et al., 2019, p. 72):

“The sentence ‘There are fewer starving’ is not a success, but a slap in the face in view of worldwide prosperity.”

Capitalism is not seen here as a savior and producer of worldwide prosperity, but as a preserver of the status quo. Only cosmetic measures are being promoted to eliminate hunger, which only serve to soothe one’s own conscience (cf. Heinisch et al., 2019, p. 72). The emeritus sociologist from the University of Geneva, Jean Ziegler, encapsulates this sentiment of capitalism critics (Ziegler, 2019, p. 11):

“For two billion people—who, according to the World Bank, live in ‘extreme poverty’—there is no freedom. Their only concern is their survival.”

And for Ziegler, capitalism and its mode of production are primarily to blame (Ziegler, 2019, p. 10):

“The capitalist mode of production bears responsibility for countless crimes, for the daily massacre of tens of thousands of children through malnutrition, hunger, and hunger diseases ...”

Of course, one can rightly ask what the situation in the world would be if capitalism did not exist and a socialist or even communist economic system had been established instead. The experiences of the planned economic system of socialism in the former Soviet Union and the former

German Democratic Republic were not exactly encouraging, to say the least. We will discuss these economic alternatives in more detail in the next chapter.

Regardless of how one personally assesses the situation, a large part of German society seems to not comprehend the success story of capitalism and instead emphasizes the negative aspects. The numbers do not suggest that hunger in the world has significantly decreased. Of course, one cannot blame everything on the economic system alone. However, the impression remains, especially among the younger part of the population, that little to nothing has been done, despite all the doom and gloom of global capitalism. No one can estimate what the global situation would have been if capitalism had not existed. The numbers with global capitalism are visible to anyone who is interested and googles them if necessary. So global capitalism has not eliminated hunger in the world and apparently has done little to nothing in this regard, if one follows the argumentation of the critics.

3. Rejection of the struggle of each against all

The idea of people fighting among themselves is not new. The English philosopher and political theorist Thomas Hobbes most succinctly put it in his famous work "Leviathan". In his main work on the origins and foundations of the state and civil society, he describes in Chap. 13 the natural condition of mankind (*natural condition of mankind*) in relation to happiness and misery:

"So in the nature of man, we find three principal causes of quarrel: first, competition; second, diffidence; third, glory. The first makes man invade for gain; the second, for safety; and the third, for reputation. (...) Outside of states, there is always a war of all against all."

The Latin version of the war of all against all is also famous: “*bellum omnium contra omnes*” from his Latin treatise on the citizen (*De cive*). For us, the first cause of conflict is particularly interesting, as it goes hand in hand with the view of capitalism: Hobbes believed that the state is so indispensable for people because without rules and an organizing hand, peace and a prosperous coexistence of people would not be possible (cf. Precht, 2017, p. 239; Pietsch, 2021, p. 117). In the extreme, man even becomes a wolf for the other man, in his famous Latin formulation: “*homo homini lupus*” (from the dedication of the above-mentioned treatise *De cive*, cf. also Precht, 2017, p. 237; Pietsch, 2021, p. 117).

Hobbes hits a core of human behavior here: We compete in life with other people we experience in our immediate environment. As children, we try to be better than others in sports, games, and school. We measure our physical and mental strengths against our peers, our *Peer Group*. The path leads us through various educational institutions and training courses to the start of our careers and later the (possible) rise. The struggle for the best seats in the front row determines life for many people. What applies in the professional world also applies in private: We want to have more than the neighbor, the most coveted life partners, etc. Loved and admired by all. It has even been proven that people are happier when they are the best in a relatively underprivileged environment than when they are the worst in an elite environment. The best example is that of the neighbors: If you are one of the relatively poorest in Grünwald, a posh suburb of Munich (although you own a nice little house or belong to the “mere” average earners, cf. Eisenreich & Jaloviecova, 2015), you are relatively unhappier compared to the one who has the largest and most beautiful house in a poorer

district of Munich. Competition not only stimulates business, it can also make you unhappy.

And this is where capitalism comes into play: Companies compete with their products for the favor of customers. They try to score points through the quality, uniqueness, or best price-performance ratio of their products and services. This is part of the business, normal behavior in a capitalist economy. Companies are thus forced to constantly improve, adapt their products, manufacture them more cost-effectively, or generally develop new products. What drives entrepreneurs in capitalism to innovate and reap the pioneer profits (Joseph Schumpeter) has a mixed effect on society as a whole, even to the point of rejection. Competition is sometimes experienced as ruthless, as the proverbial struggle of every person with his fellow man. Blessed is he who is well educated and wins this battle. According to Charles Darwin, the world-famous evolutionary theorist, only the strongest, best adapted, best educated “survive” in this battle. The so-called social Darwinism is lived out, according to the opinion of capitalism critics, in the economy through competition.

This, so the feeling, has nothing to do with a thriving coexistence: Everyone, it seems, is only looking at their own success, their own advancement without regard for others. From a normal market economic competition, the proverbial struggle for the best solution to problems (this is how products and services are often invented) becomes, from the point of view of critics of capitalism, a ruthless elbow economy and thus also a society in which the self seems to count more than the we. Therefore, the conclusion is, this competition and rivalry system, which only creates unrest, must be eliminated or at least mitigated. Not everyone has the same chances in life: The “right” birth determines the path of a person through life above

all else. The competitive situation is already predefined in the parental home (cf. in detail Pietsch, 2022b, p. 94 ff.).

Even if one does not want to personally agree with this view—which is not the point here, but merely to sketch the elements of a capitalism-critical society—it must be noted that the market-economically necessary and company-driving competition is experienced as counterproductive by more and more members of society and even pits people against each other. In general, the transfer of economic principles of efficiency and profit orientation, of “healthy” competition and return targets to social coexistence is seen critically or even completely rejected by the majority. The Youth Council of the Generations Foundation (Heinisch et al., 2019, p. 83) writes:

“The primary goal of our economy must be the well-being of as many people as possible. If trust, reliability, solidarity, and justice are the important parameters in our economic system, they will also be reflected more in our private interaction. An economy that has a good life for all in mind must move away from ruthless competition and senseless antagonism, towards cooperation. The ever-increasing economization of all life must be stopped.”

It is difficult to completely neglect these understandable arguments from a human perspective. They hit the mark. On the other hand, it is also true that competition drives companies and all participants in the economic value creation process to peak performance. We will try to solve this dilemma in the final Sects. 6.4 and Chap. 7.

4. Prosperity for the Few

Prosperity is always a matter of perspective: In some countries, like in the Global South, it is already a luxury to have enough to eat and drink. Some are glad to have a

roof over their heads or a decent job that brings them at least some joy. Others see their true wealth in children and many friends. Whatever the case, prosperity certainly has something to do with a certain basic material provision. If one follows the renowned economic dictionary of Gabler, prosperity can be defined as follows (Bendel, 2023):

“Prosperity is a certain measure of affluence (material prosperity, also standard of living) and well-being (immaterial prosperity). One lives in prosperity when one is at least economically secure or even above average equipped and has a certain power over circumstances.”

This definition encompasses not only the material but also the immaterial dimension of our prosperity, both of which are inseparable: Without a basic economic supply of food, a roof over one's head, etc., physical and mental well-being is not possible. Conversely, material prosperity does not help a chronically ill person to achieve well-being. One depends on the other. But what is the current situation in Germany? What is happening with our prosperity? I have dedicated a separate book to this topic (see Pietsch, 2023) and therefore only want to touch on a few selected points in this chapter.

So, we seem to have survived the Corona pandemic for now. The results were partly devastating for the economy. There was a significant drop in economic performance in general but also in various sectors such as the aviation industry, tourism, and many more. Only through short-time work, state aid, and working from home were many jobs saved and worse prevented for companies. Lucky those who could work from home. The *home schooling* for children and teenagers required a corresponding infrastructure with internet and suitable laptops or computers at home. Furthermore, parents were needed who were

willing, able, and had the necessary time (and nerves) to support their children with learning or homework. This was not equally successful for all parents. The income and wealth gap widened, as the less well-paid jobs were physical in nature and could not be moved to the home office. The energy crisis triggered by the Ukraine war led to record inflation, which we are still suffering from in large parts. Prices rose and are still rising in some cases. The lower third of income and wealth, which could barely keep its head above water before the crisis, slipped further down, along with many who were able to save money in the past.

Energy-intensive medium-sized companies were and are being asked to pay more, as energy prices soared to dizzying heights. The government's new heating law, although ecologically certainly sensible, will further financially burden the middle class, especially those with older houses and apartments. This means that even those who were able to get by well according to our above definition of prosperity are now also financially threatened. In addition, there has been an unpleasant development for some time: While prosperity for all was able to grow reasonably well in the years of the economic miracle in (West) Germany and thereafter until about the beginning of the 1980s, this has not been the case for several years. A split has increasingly emerged between the ten or the wealthiest one percent of society and the rest of the population. Prosperity is no longer reaching everyone (see also in depth Pietsch, 2023, p. 119 ff.). In addition, the days of cross-class mobility, such as through educational advancement, are numbered or have become rarer. In the 1950s, my father was still able to work his way up to top management of a large company without a high school diploma and university degree. Today, this path would no longer be possible, as success is increasingly determined by the parental home

and usually remains within a class. Exceptions rather confirm the rule.

Capitalism is blamed for this. In the definition of prosperity, we saw that it also has something to do with power over circumstances. Specifically, this also means being free from external constraints, such as having to accept any form of work or having to work into old age because the pension is not sufficient. The American critic of capitalism, Bernie Sanders, hits the nail on the head with his discomfort with capitalism in relation to freedom (see Sanders, 2023, p. 165 f.). He poses the rhetorical question of whether we are free if we can no longer afford the (American) health care system and are discharged from the hospital bankrupt, have to spend half of the available income on rent, receive hardly any pension, are unable to get well-paid jobs, and in the end perhaps cannot even finance the education of our children and have to sleep on the street at worst. It becomes lonely around those, it seems, who still have prosperity in the sense of our above definition and retain power over their personal life circumstances.

5. Change of Attitude: Better Life First, Material Life Second

The world of Generation Z, such as that of my son, fundamentally differs from my own, the generation of the Baby Boomers. Of course, what I write here can only reflect the general trend and not individual life plans in detail. But generally, it can be said that the life of the previous generation is not made the standard of life and action. This starts with work. Work is not the elixir of life as it was for previous generations, which is needed not only for economic support but also at least partially understood as the content of life. The distorted image of lifelong employees, ideally in a single company, toiling until they drop, and

the belief in the sanctification of career and progress are over in this dimension. The younger generation, like all generations before, wants to clearly distance itself from the previous one and do (almost) everything differently. Just as the 1968 movement primarily rebelled against the “stale air” of the Adenauer era with its conservative *zeitgeist*, so the youth, also due to technology, enters a completely different world.

The imprinting of the youth is a revolutionary different one (cf. in the following Schnetzer, [2023b](#)): Social media are not only intensively used and used for communication and communication, but also experienced as their own marketing world. Companies that want to sell products must first convince *influencers*, who take on the role of family-friendly advisors in social media. These are people like Addison Rae, Carli d’Amelio, Emma Raduncanu, and Billie Eilish, all in their twenties with sometimes over 100 million followers worldwide (cf. Schnetzer, [2023b](#)). They not only live in these digital worlds, two out of three members of Generation Z even plan to earn money with social media in the future (cf. Schnetzer, [2023b](#)). They chat freely with each other, despite all data protection rules, actively use the achievements of artificial intelligence like ChatGPT. They worry about the climate and their pension, which they probably cannot expect anymore according to the old pattern, the old generation pays for the younger one.

And above all, life and its quality are above everything. Happiness is no longer necessarily made by wealth in material things or the insignia of power and social status like owning a car, a house, etc., acquired through hard work. It is primarily about self-realization, using lifetime for meaningful things: Commitment to climate protection, for example, to which entire (study) careers are

sacrificed. If family, then also enough time for them. A life with children as side characters should no longer exist. The work, which one can increasingly choose (this is already due to demographics alone), should serve life and not vice versa. Employers who no longer want to allow additional temporal (sabbaticals) and spatial (home office) freedoms of the growing generation will be punished with disregard. This Generation Z can also afford this, as every year in addition to the already missing workforce about 400,000 new jobs remain open. There are significantly more of us Baby Boomers than of Generation Z. The new generation wants to work from wherever, for as long as and for whoever they want and at the same time enjoy life. This is very understandable and welcome from their perspective.

But this also means that many things that have become self-evident for us older people are no longer accepted. We have already talked about flexibility at work and the much-vaunted “work-life balance”. But it’s about much more: This generation expects us to take their worries seriously and stop climate change or the impending climate catastrophe. And not the day after tomorrow, but right now. They hold politicians as well as company leaders and their executives accountable. They are politically sensitive and actively involve themselves in conflicts, be it human rights issues or socio-political topics such as the oppression of women in Iran. No company will win this generation as employees in the future if they do not follow a meaningful, ecologically and socially correct goal and business model. Whatever that is specifically, companies have to define for themselves, starting from the corporate purpose to the business model to the corporate processes in detail.

The youth feel more connected with each other than previous generations, not only because they are better networked (cf. Schnetzer, 2023b). They feel a great solidarity among each other, not only with the left behind. The

standard “you” used in daily address not only becomes the trademark of this generation in Germany, but also a sign of a great participation of all in the same fate. Together they fight against the impending downfall of the earth (although it could be less apocalyptic as saving the climate), which will affect them and their descendants. They feel a great responsibility and are also ready to make sacrifices in consumption and prosperity. They don’t want to have their future taken away and can also get by with less in life if necessary. Many will not have any other choice, as they will not be able to achieve the prosperity of their parents, let alone conserve an intact environment. They no longer want to toil for great material prosperity and suffer physical and mental damage. There are enough cases of burnout in their environment, be it parents or overwhelmed students. This was and is not only due to the overcome Corona pandemic or the fear of the future in the face of conflicts all over the world.

Such a change in attitude does not bode well for capitalism. On the contrary. The critical attitude towards capitalism of this and probably also the upcoming Generation Alpha etc. will continue to intensify. An economic system that relies on perpetual growth, has neglected the environment (and still does in parts), is based on competition, and is perceived as unsolidaristic, seems to have no future in the eyes of the younger generation. Of course, as already stated, this does not apply to all members of this generation, but the general trend is noticeable. The upcoming generation feels more connected with each other and appears more solidaristic with their fellow human beings, whether they are politically or economically “exploited”, or at least socially excluded. Not everyone can participate in the prosperity and this state of affairs should not be. In a time when sharing and the functionality of certain products such as the car or one’s

own apartment and much more is becoming more important than owning, material status symbols have largely become obsolete.

The achievements of capitalism are increasingly being questioned. But what, so the question at the end of the chapter, which is supposed to explain the critical society of capitalism, would actually be the alternative to this extremely successful economic model in the past? Socialist and communist economic systems have proven to be less successful in the past. The way back there seems to be no option. Others, on the other hand, propose a new variant of the economy that is dedicated to the common good or that is supposed to do without growth. Before we reach a final verdict in Chap. 7, let us briefly look at these supposed alternatives to capitalism in the following chapter. In addition, it would certainly be worth considering to what extent the existing social market economy could not be corrected so that it can better meet the demands of the new generation but also everyone else. Because this would probably be the most realistic and fastest implementable variant. But let's start with a brief reminder of socialist and communist economic systems.



6

Possible Alternatives to Capitalism

6.1 Socialism and Communism

What exactly is meant by socialism is easily elusive to a concrete definition. The sociologist Werner Sombart attempted to define it and came up with 260 different definitions in the 1920s (cf. Motschmann, 1990, p. 25). The best way to approach socialism is to examine its goals and the underlying values. The basic idea is that the capitalist system must be overcome as a competitive model of economy and society. We have already outlined the thought world of the essential socialist currents from early times to today in Sect. 3.1. The core issue here will be to show whether a concrete implementation of socialist ideas into practice, for example in the form of the economy of the former Soviet Union or the German Democratic Republic (GDR), represents a real alternative to capitalism. It is also possible to consider other variants of

socialism that only adopt individual elements and enrich them with market economy elements.

The core idea of socialism is very well explained by the following objective, which is characterized primarily by the strong demarcation from and the overcoming of capitalism (Brie & Spehr, 2008, p. 43):

“Socialists insist that there must be more and different than capitalism, than domination and oppression, than material, social and psychological misery (...) They insist that democracy is more than a constitutional state and representation—namely the radical commitment to the assumption of decisions by the people themselves, by the immediate producers in the company, in the city, in the family, in the state, in society. (...) the surrender of society to individuals, the radical commitment to their abilities and their right to plan and shape all their relationships themselves. (...) the radical commitment to equality, to egalitarian access to resources, to equality of living conditions and to equality in conflict. (...) the radical transformation of the logic of relationships between people, away from the instrumental and competitive logic, towards the logic of cooperation and self-development (...). A future socialism must be efficient, democratic, egalitarian and emancipatory (“libertarian”).”

Here we find many elements that we have identified in the previous chapters as the essence of the critique of capitalism: Instead of a system that still relies on oppression and “domination” of the capitalists in a broader sense, people should be involved in the system themselves and actively participate. Instead of material impoverishment, which often goes hand in hand with physical and psychological stress, those affected should take their lives into their own hands and plan economically for themselves and align their lives and work accordingly. Living conditions should

become more similar, i.e. no one should live significantly better and have more than the other. In particular, natural resources should be available to all and not just a few. In the event of a conflict between the individuals involved in the production process and the economy in general, negotiations should be conducted on an equal footing and the best solution should be sought. In general, the relationship between equal, mature citizens is to be substantially changed: From the elbow society of the lonely “I” to the collective solidarity community of the “We”. Everyone should have the same rights and duties, respect each other, no one should be discriminated against because of their skin color, gender, religion, cultural background or sexual orientation.

As simple and convincing as this may sound and seemingly provides all the answers to the critical questions of the capitalist economic system, it is difficult to implement. In its extreme form as communism (from Latin *communis* = communal, common), this would mean that the state, as a union of all citizens, controls the economy and centrally plans the core economic activities, from the necessary products to the required quantities. Furthermore, all citizens of a state have access to resources in an egalitarian form, which only works if no one is excluded from ownership. Consequently, private property is abolished. The means of production are common property, as are the resulting products. Incomes and wealth are almost equally distributed, regardless of the profession one pursues and the education required for it. In a central planning, the necessary professional groups and the number of required members in these professions are then determined. Not the market, consisting of supply and demand, regulates the distribution or the number of employees in the individual professions via the price, but the general public, the state or the authority commissioned by it.

One way or another, the concrete implementation of socialist ideas into an economic system has already been tried in the past. Let's take two recent examples: On the one hand, the centrally planned economy of the German Democratic Republic (GDR) and on the other hand, the communist economic system of the former Soviet Union. Both economic systems were supposed to represent the contrast to the (free) market economy, in which not the individual and societal freedom of the human being is in the foreground, but the relative equality of all citizens involved in the economic process. In the following, I would like to briefly discuss the design and the essential elements of these socialist or communist economic forms (cf. Pietsch, [2020](#), p. 82 ff.).

Centrally Planned Economy of the GDR

Instead of the price of a good, which is usually determined by its supply and demand and reflects scarcity, in the GDR, food, consumer goods, etc., including the selling price, were determined by the state based on a five-year plan. The basis of the five-year plan were the consumption wishes of the population from the past, which were projected into the future. Instead of private ownership of the means of production, a societal one was created: State enterprises not only replaced private enterprises, but also took over the means of production in total control, just as Marx had demanded. Thus, Agricultural Production Cooperatives (LPG), State-Owned Enterprises (VEB), the Trade Organizations (HO), and the Craft Production Cooperatives (PGH) were created.

These state-owned enterprises then carried out the five-year plan, which had been prescribed by another state body. The plan was designed in such a way that all citizens found a job, the required qualifications were also

fixed by the state in terms of type and quantity. Prices and wages were also determined by the state. Competition between the individual state-owned enterprises naturally hardly existed, as the state was not supposed to compete with itself. The State Planning Commission was the supreme economic control authority. In addition to the large state-owned enterprises, there were also smaller and medium-sized ones, which were also state-owned. Salary differences between individual professions (academics versus workers) or members of individual companies regardless of the hierarchy existed only minimally: The boss earned hardly more than his or her employees. The state subsidized the rental apartments, which were allocated according to marital status and number of children, as well as the daycare centers, schools, and public facilities.

The result of such a socialist economy was that the state was not able to maintain the real demand of the population for goods. Since the price as an indicator of scarcity was eliminated, only as much was produced as the population had needed on average in the past. The quantities produced were usually too small. There was a shortage economy. The most famous example was the well-known Trabi, an East German car model, which was ordered right after the birth of the child to be delivered in time for the eighteenth birthday. The lack of competition then led to a limited selection of products, as the incentive for innovation, for constant improvement of the product was not or only limited. Productivity was very low, as there was no significant motivation to increase productivity due to the lack of competition.

Since no profit was made and promotions were accompanied by very manageable wage increases, there was also a lack of motivation to improve the process on one's own or even to invent new products. The "sporting" drive was missing to profile oneself in competition, to produce the

best possible product at manageable costs from the customer's point of view. Instead, many products had to be subsidized by the state and were often not competitive abroad. Finally, the currency of the GDR, the GDR Mark, was not convertible i.e. freely exchangeable into other currencies except those of the communist Eastern Bloc. Imports from capitalist foreign countries had to be paid in foreign currencies, the foreign exchange, which eventually led to a hopeless over-indebtedness and finally to the collapse of the economic system of the GDR.

The Communist Economic System of the Soviet Union

After the Soviet economic system was defined by the Russian occupying power as a model for the economy of the GDR, it is not surprising that the essential elements of both systems are the same. Thus, the communist state party defined all central cornerstones of the Soviet economy: goals, means and production quantities of the individually defined goods were centrally determined, as were prices and wages. Similar to the system of the GDR, they followed a state-fixed annual plan. The industry was divided into individual production complexes according to different geographical areas. The ownership of the means of production was as nationalized as the enterprises as a whole. Only personal property could be held (analogous in the GDR) and not on the means of production such as machines, raw materials, etc. Agriculture was either operated in state enterprises, the sovkhozes, or in cooperatively organized large-scale agricultural enterprises, the kolkhozes. The kolkhozes belonged to all members and thus to the community through the cooperative. But here too, both the product selection and the productivity of the economy left much to be desired. There was a shortage economy, as analogous to the GDR, the price formed on the market as an indicator of supply and demand or

scarcity was missing. Thus, not enough products were produced in the right number to meet the real needs of the population.

Finally, recent history also shows that the socialist economic system does not represent a real alternative to capitalism. Furthermore, the failed socialism in Venezuela clearly demonstrates the problems of the socialist economic system, similar to the two examples mentioned above. Martin Rhonheimer, Professor of Ethics and Political Philosophy, hits the nail on the head (Rhonheimer, [2018](#)):

“Venezuela exemplifies why socialism, despite the best intentions, cannot overcome poverty but only increase it. The policies of Chávez and Maduro are based on the fight against property and private control over the means of production. They switch off the market’s price mechanism, regulate, command, and paralyze the production process. The labor market is shackled, any initiative is destroyed. Socialist overcoming of poverty does not aim at increasing productivity through voluntary economic activity, but seeks to achieve the goal by forcibly distributing social benefits. Poverty is thus only glossed over, as people are driven into increasing dependence on the state.”

The fundamentally well-intentioned elements of socialism such as solidarity, the maturity and private initiative of the individual for the community, the equality of living conditions, etc. are counteracted by the essential elements of the socialist economic system: lack of initiative, low productivity, shortage economy, as production is not demand-oriented. Prices as indicators of scarcity are missing. The distribution of social benefits was, at least in Venezuela, only a drop in the bucket and did not defeat poverty. On

the contrary. But couldn't one still claim that socialism as an idea is not wrong, it was just implemented incorrectly in the examples mentioned? Asked differently, could variants of socialism be designed that eliminate the disadvantages of the previous models? Let's briefly look at some suggestions (for an overview of the current development of socialism, see, among others, Honneth, 2017; Brie, 2022).

The French economist and best-selling author Thomas Piketty ("Capital in the 21st Century", cf. Piketty, 2014) proposed a variation of socialism for the 21st century in his 2020 work "Capital and Ideology" (cf. Piketty, 2020) which was translated into German. He calls his version "participatory socialism" (*socialisme participatif*), a socialism in which as many people as possible should participate. At the end of his nearly 1300-page tome in the German translation, he defines his idea of socialism as follows (Piketty, 2020, p. 1186. The following page numbers all refer to this work):

"Based on the historical experiences we have, I am convinced that it is possible to go beyond the current capitalist system and outline the contours of a participatory socialism for the 21st century, to open a new universalist perspective that relies on social property, education, dissemination of knowledge, and power sharing."

Piketty specifically proposes temporary ownership, a strong progressive taxation of high wealth (p. 1186), inheritances and income up to 90% (p. 1198) including an annual wealth and property tax (p. 1201, cf. the table on p. 1206, in which both the wealth and property tax amount to a maximum of 90%). While these proposals can still be considered part of the common repertoire of left-wing economic policy, he breaks new ground with the proposal of a state capital endowment for every young adult, for example

at the age of 25 (p. 1204). Piketty assumes that this will be financed by a progressive tax on private property (p. 1204) and should correspond to 60% of the average wealth per adult. In the case of Western Europe, this would be about 120,000 euros (p. 1207). The welfare state could supplement its state measures, such as progressive taxation, with a basic income (p. 1233). Furthermore, Piketty also proposes an ecologically oriented progressive taxation of emissions, which, unlike the proportional CO₂ tax, also takes into account the different income and wealth situations of citizens (p. 1235). He does not shy away from taxing business class tickets at even higher rates (p. 1237). More sensible, however, is Piketty's concern to financially support schools with a high proportion of socially disadvantaged students, especially in the primary and secondary stages, to counter increasing educational injustice (p. 1244).

Another variant of socialism—strictly speaking a variant of capitalism, which is based on rationing and shrinking, but in consequence, in my opinion, comes closer to a socialist model than a capitalist one—is proposed by taz journalist and best-selling author Ulrike Herrmann: The introduction of an economic system analogous to the British war economy from 1939 (cf. Herrmann, 2022, p. 229 ff.). Against the background of the fact that infinite economic growth in a finite world no longer seems possible (and green growth as an alternative does not exist, cf. Herrmann, 2022, p. 115 ff.), Ulrike Herrmann proposes a controlled shrinking of the economy, as the British war economy demonstrated in 1939. Civilian production in Great Britain had to shrink significantly in case of a prolonged war—it lasted another six years from the perspective of 1939 as we know—to free up capacities for military needs (cf. Herrmann, 2022, p. 232 f.). To achieve this, the British quickly created a kind of privately organized planned economy (Herrmann, 2022, p. 237):

“The state dictated what was produced—but the companies remained the property of their owners. Firms, craft businesses, restaurants or shops were not nationalized, but could continue to decide for themselves how they ran their businesses.”

Employees were assigned (“*Manpower-Budget*”), foodstuffs such as meat, cheese, fat, sugar etc. were rationed, i.e. state-limited and allocated (cf. Herrmann, 2022, p. 38 f.). Analogous to the British war economy of 1939, German consumption should then also decrease in order to meet climate targets. State-rationed consumption should decrease by at least a third, if not 50%. The halved prosperity would still be at the level of 1978 in Germany. Back then, people also lived well. Free market and state control, according to Ulrike Herrmann’s conclusion, are not opposites, but are compatible, as the example of the British war economy has shown. Only in this way can the climate still be saved (cf. Herrmann, 2022, p. 242). Ulrike Herrmann’s work is well researched and brilliantly written. The theoretically interesting concept outlined there has only one disadvantage: It cannot be implemented as such. In consequence for Germany, the implementation of her concept of private planned economy would mean (Herrmann, 2022, p. 250):

“However, there would be no more flights. Cars would hardly be on the road, and real estate would have to be rationed (...) The buildings that now exist in Germany would have to suffice for everyone. Meat must also be limited.”

Certainly, it is up to each individual how much they want to do for the environment. A state ban on air travel, a drastic restriction of car traffic or of real estate

construction, not to mention the curtailment of meat consumption, would not only be unrealistic, but would also disproportionately restrict the personal freedom of the individual. Apart from the legal and economic situation of the affected companies, which would naturally have to file for bankruptcy as a result. In sum, certainly an interesting theoretical idea, logically derived, but not feasible in practice.

Already Marion Gräfin Dönhoff, one of the most important publicists of the German post-war period, former editor-in-chief and co-publisher of the weekly newspaper "Die Zeit", doctor of economics, recognized just a few years after the fall of the Wall (Dönhoff, 1997, p. 17):

"Today everyone sees that communism must fail in practice because total subjugation to a central planning bureaucracy destroys any desire for innovation and kills work initiative."

With this, she insightfully pinpointed the fundamental flaw of the socialist economic system. However, she herself warned to tame capitalism (see the title of her book published in 1997). As compelling as the idea of solidarity and justice and relative equality in socialism may seem at first glance, it is difficult to cast the idea into a concrete economic system. Therefore, doubts are justified as to whether socialism is actually an alternative to capitalism. The grande dame of German journalism therefore rightly writes (Dönhoff, 1997, p. 19):

"Certainly, as an economic system, socialism has failed in competition with the market economy. But as a utopia, as a sum of ancient human ideals: social justice, solidarity, freedom for the oppressed, help for the weak, it is imperishable."

One could not summarize the discussions in this chapter better: Socialism, in whatever variant, is not an alternative to capitalism as an economic system, but continues to live on as a societal utopia and dream of humanity. However, there are other alternatives to capitalism that want to eliminate at least some elements of the criticized economic model: We are talking about renouncing growth in the so-called “post-growth economy”. We want to briefly deal with this in the coming chapter and consider to what extent it could represent a real alternative to the current system.

6.2 Post-Growth Economy

We have already discussed in Sect. 4.3 why capitalism is inherently programmed for growth. For example, technological progress requires that productivity increases and the same number of goods can be produced with fewer and fewer people. To maintain jobs, correspondingly more products and services must be produced and marketed. Capital providers must be served, including the due interest payments or dividends. Investors want to see a business plan on the basis of which they invest. The core of this must show one thing: growth and as profitable as possible. In the search for permanent efficiency, driven by competition that spurs companies to peak performance, there seems to be no way around growth. Is growth therefore without alternative? No, claims the economist and key idea provider of the concept of the post-growth economy, Nico Paech from the University of Siegen (see Paech, 2012; Pietsch, 2023, see p. 103 ff.). The post-growth economy is one that can do without growth in gross domestic product, the measure of a country's value creation, i.e., all goods and services produced domestically, provided they are end products and do not include

preliminary services. In plain language, this means that the value creation of a country is “frozen” at a certain point. But how can one imagine this in practical terms?

Instead of always more consumption, which ultimately relies on resources in the earth that are no longer unlimited, there is a voluntary renunciation of unnecessary consumption, specifically: One relies on a high reuse rate of already acquired products such as textiles or shoes, which are only replaced when they can no longer be repaired. In general, one should buy fewer products (who needs 20 pairs of shoes?). But it should also be possible to lower the individual level of aspiration to the point of complete renunciation: Fewer holiday trips, (largely) renouncing flying, cruises and driving cars, smartphones, less meat etc. This is flanked by a self-sufficient economy (“subsistence economy”) on a local or regional basis: Self-production of daily necessities such as food, i.e., baking bread yourself, growing your own plants and the like, producing clothing and electricity yourself. This avoids transport and logistics costs and produces according to demand. Industrially manufactured products such as washing machines, tools etc. should be used and shared communally. The service life of goods is extended by careful use and appropriate care, maintenance and repair. The shrinking economy should be compensated for by reducing the regular weekly working hours to an average of 20 hours. In this way, unemployment could be avoided.

For Paech, such a post-growth economy is without alternative for four reasons (see Paech, 2009):

1. Value creation cannot be decoupled from ecological damage.
2. Happiness cannot be increased beyond a certain level, neither through additional consumption nor through an increase in income and wealth.

3. Hunger and poverty in the world cannot automatically be eliminated through further economic growth, let alone the unfair distribution effects.
4. Increasingly scarce resources in a finite world will become increasingly expensive and thus increasingly unaffordable due to demand. Prosperity will decline.

In essence, there is no way around the post-growth economy from Nico Paech's point of view. Paech brings his argument to the point in his 2022 book, in which he deals with the opposing position of the political philosopher Katja Gentinetta, who relies on economic growth (Gentinetta & Paech, [2022](#), p. 59 f.):

“Post-growth economics denies a systematic increase in material action spaces in the finite system of Earth: Every increase in material freedoms is inevitably bought with a loss of usable resources and an increase in ecological damage. This underpins the insight that a socially just state can only be achieved if it is accepted that the available distribution mass is limited. Because if everything that results from industrial specialization is fundamentally not available without ecological plunder, the prosperity based on it requires a limitation.”

In addition, according to Paech, the welfare measure of the economy is chosen incorrectly. Instead of a gross domestic product that captures pure quantitative growth and, for example, does not take into account the services of housewives because they do not receive a salary, qualitative measures are required, such as the *Human Development Index*, which includes educational indicators, or the *Happy Planet Index* or the “Gross National Happiness” measured in Bhutan (cf. Gentinetta & Paech, [2022](#), p. 61 f.). Furthermore, the ecological costs of the economy are not or only insufficiently present in market prices. The true

ecological costs, in economists' language "negative external effects" such as environmental pollution, unnecessary waste etc. are not included in the production costs and thus not in the prices. The environment is thus used "for free" and systematically destroyed.

In principle, it is always good and right to think outside the conventional framework and once "*out of the box*". Some approaches of post-growth economics are certainly worth considering: It certainly makes sense to think about to what extent one must always have more of a certain product, whether ten or more pairs of shoes really make one happy. In the context of preserving the environment, it may also be sensible to limit certain activities such as flying, meat consumption, one can largely do without plastic and much more. It is certainly also worth considering voluntarily restricting consumption and thinking about which products I actually need for my daily life and which I want to acquire purely for status consumption (cf. Pietsch, 2020, p. 25 ff.). Anyone who enjoys and has the time and the possibilities to grow or produce many of their own foodstuffs should do so. This is a free country. But does such a post-growth economy actually represent a real and implementable alternative to today's form of capitalism? I don't think so.

Even if one assumes that many people rethink and overhaul their personal lifestyle and fly less, drive less, consume less meat or consume less in general, the same applies here again: We are a free country. Everyone should be free to decide what he or she consumes and how often. Those who are not called to be their own producers of foodstuffs should continue to buy the foodstuffs necessary for daily needs in the supermarket. The idea that one should use certain products as long as possible is also not a wrong thought, just like the question of whether I have to fly on vacation or participate in a cruise. But all these

are merely appeals to reasonable consumption. No less but also no more. Ulrike Herrmann is more realistic and bases her economic design on the concept of British war economy of 1939 (see Sect. 6.1). There, the state dictates which products can be produced in which quantities. The rationing thus takes place “from above” (with the associated problems, see Sect. 4.4) and is not subject to one’s own voluntary consumption renunciation. When one then reads that the desired regional economy of subsistence at Paech is ideally supplemented by a “regional currency” (cf. Paech, 2009, third point of implementation), the concept becomes completely unrealistic.

As we have seen (see Sect. 4.4), growth is a prerequisite for capitalism. There is no way around this growth. Anyone who wants to restrict themselves in daily life and consume more consciously and less is welcome to do so. But to demand this from all other people is not only unrealistic, but contradicts the idea of freedom that every person strives for an adequate life for themselves: Those who want to renounce should do so, those who work hard to design a better life for themselves and their family and aim for more prosperity should also be able to do so. As a realistic alternative to today’s form of capitalism, post-growth economics is not suitable. But there are other ideas on how an economy can be restructured, which does not necessarily aim for zero growth, but for one that has the common good of all participating citizens in mind: The economy of the common good.

6.3 Economy of the Common Good

Another way to avoid the disadvantages of the capitalist principle while simultaneously utilizing the achievements of the market economy is represented by the economy

for the common good (cf. Felber, 2010; Economy for the Common Good Germany, 2023; Pietsch, 2021, p. 389 ff.). Originally based on the concept of the same name in the book by Austrian best-selling author and political publicist Christian Felber, the goal of the economy should be the common good of all people involved in it (cf. the following Economy for the Common Good Germany, 2023). What initially sounds very global and self-evident quickly becomes very concrete and operationally measurable when it comes to the specific objectives and the methods and tools used for implementation. What distinguishes this concept from conventional economic logic are, in particular, the attitude, the objectives, and the methodology in detail.

Thus, economics students learn from the first day that the rational, comprehensive, and well-informed *Homo oeconomicus* is at work in the economy: Private households design their expenditures as efficiently as possible given their budget to maximize their utility measured by the bundle of goods. Companies are guided by the profit they try to optimize. At the extreme, some companies, such as investment firms, strive to make as much profit as possible in the shortest possible time, even if the transactions involved do not serve the so-called “real economy”. Multiplying money for the sake of multiplying money is often the motto. The human being is increasingly left behind (cf. also in detail Pietsch, 2017). The economy for the common good wants to put a stop to this method, which is (mostly) not beneficial to the economy and the common good. At the same time, inequalities in income, wealth, and also power should be kept within reasonable limits (cf. Economy for the Common Good Germany, 2023). The consumption of raw materials and other necessary components of the earth should remain “within the regenerative capacity of natural ecosystems and planetary

boundaries” (Economy for the Common Good Germany, 2023). Also important is the concept of human dignity, which this concept particularly emphasizes. This concept also finds borrowings and parallels to the post-growth economy when it is emphasized that “people are freed from the compulsion to consume, accumulate capital, and grow” (Economy for the Common Good Germany, 2023).

In its values, the economy for the common good is essentially about human dignity, solidarity, and social justice with ecological sustainability and individual co-determination (cf. Economy for the Common Good Germany, 2023). Since these lofty goals are all still relatively generic and in need of interpretation, a common good matrix has been developed (now available in version 5.0, cf. Economy for the Common Good Germany/Common Good Matrix, 2023), which further breaks down the individual goals to define an operational framework for companies. Companies, but also public institutes, both NGOs (non-governmental organizations) and private individuals can align their economic actions with this structure and ultimately create a common good balance sheet. This common good balance sheet evaluates to what extent the implemented measures and structures contribute to the individual goals and where there is still room for improvement. In the common good matrix, the individual values are related to the respective target group or “contact group”.

For example, human dignity for suppliers is broken down by requiring them to ensure dignified working conditions (no child labor, fair pay, etc.) both for their preliminary products and their own services. Financial partners and owners are measured by the extent to which they align financial management with critical ethical principles, such as constantly increasing equity. This is the only way to ensure the independence and self-determination of the

respective company. Employees are enabled to work in a dignified manner through open and appreciative interaction with each other across all hierarchies. In the context of ethical customer relationships, the focus is primarily on partnership-based interaction (with internal customers and suppliers) but also, among other things, on refraining from unfair advertising through embellishment, concealment, or sales pressure (cf. Economy for the Common Good Germany/Common Good Matrix, 2023, especially the sub-points per field). The common good matrix also takes into account societal dimensions: The products and services produced by the company should be questioned for their meaning and societal impact. Specifically, products that pose social, health, and environmental risks should be avoided. Such a more detailed list of objectives also exists for the values of solidarity and justice, ecological sustainability, and transparency and co-determination (cf. Economy for the Common Good Germany/Common Good Matrix, 2023).

Some companies have already subjected themselves to these goals and procedures and have confirmed the conformity of their actions with the ideals of the common good economy based on a common good report and an external audit. In total, 1000 common good points can be achieved based on detailed criteria, with companies already being considered exemplary from 300 points (cf. Common Good Economy Germany/Common Good Balance, 2023). The database of companies that subscribe to this model is continuously growing and currently includes over 1000 companies. For example, Sparda-Bank records all economic activities in a common good balance and regularly undergoes audits (for the individual contents cf. Pietsch, 2021, p. 391 ff.).

The Common Good Economy Initiative is politically active, establishes its own company networks or according

to regional affiliation and describes exemplary cases (*“good or best practices”*) from various companies for each category of the common good matrix. For example, the family business EM-Chiemgau or its owner Christoph Fischer founded an initiative “Civil Courage” in 2006 together with 40 farmers, which prevents genetically modified plants. Through appropriate commitment and strong mobilization among the farmers, the majority of them, including the entire population, spoke out in favor of a ban on genetically treated plants. This was later incorporated into Bavarian and German law (cf. Common Good Economy Germany/Good Practices, 2023).

But the common good economy does not only have fans. Its sharpest critics accuse Christian Felber of producing a disaster with his common good economy, because an economy that feels homely is not enough to ensure innovation and employment (cf. Fürst, 2016). On the contrary, what appears so positive and comprehensible and cannot be rejected by anyone, proves to be a disaster for the current economy on closer inspection: Instead of market economy competition, private property, cross-border goods and capital flows, the opposite is actually the agenda of the concept of the common good economy. Because (Fürst, 2016):

“Felber’s concept is based on isolation (e.g., foreign trade only with countries with comparable standards, strict restriction of capital flows, prevention of foreign investments), socialization of companies (e.g., strict control of the business plans of companies for compatibility with the common good, nationalization of all larger companies), abolition of competition and the market (e.g., state-ordered obligation to cooperate), destruction of the financial market (e.g., reduction of banks to pure savings bank activity, strict control of each individual credit grant), destruction of the monetary system (e.g., entire state

financing by the central bank, introduction of regional parallel currencies in the country), abolition of legal certainty (e.g., by arbitrary definition of the term “common good” and ad hoc control decisions of the various “convents”), strict maximum limits for wealth ownership (if exceeded 100% wealth tax) and income etc.”

Even if one does not want to join the devastating criticism in this way, the points addressed there do point to a different economic model than that of capitalism. Added to this is the difficult operationalization of the individual criteria within the framework of the common good balance and their evaluation. Although these audits are carried out by an external company, the initial recording and evaluation of the criteria is done by the companies themselves. Self-image and external image do not always match. If the common good economy actually advocates socialism through the back door, as suggested by the article by Erhard Fürst, the former chief economist of the Industrial Association in Austria, then this certainly does not represent an alternative to capitalism (cf. the explanations in Sect. 6.1). However, if we combine the essential elements of the common good economy with those of the social market economy, we could integrate the positive effects without having to adapt the negatives. What this could look like in concrete terms and how we could develop a modern social market economy for the 21st century, we will look at in the next chapter.

6.4 The Best of All Worlds: Social Market Economy Reloaded?

An optimization of the existing economic system must address the criticisms of the currently existing one. It must be considered what alternatives to capitalism exist and

which we have already excluded for various reasons in the previous chapters. It has certainly become clear that an optimized form of economy must address the elements of today's capitalism that are predominantly found to be serious deficiencies. We have seen that at its core, this is the question of how to connect ecology with economy, specifically: How is infinite economic growth possible with the finite resources of this earth, of which we do not have a second? Furthermore, we will have to face the task of how we can curb the increasing inequality in income and wealth and let prosperity reach as many people as possible, as Ludwig Erhard once formulated. In doing so, we must certainly start with education, where inequality begins and is partly perpetuated over generations.

We are witnessing a generation of adolescents and young adults who have not only been battered by the Corona pandemic, but have also experienced existential crises like hardly any other before: The keywords here are the looming climate catastrophe, the war in Ukraine (to mention only the most pressing international conflict) and the energy crisis. We are witnessing a youth whose psyche is attacked by the many worries and troubles around them and who long for peace, freedom, an intact earth and meaning in life. Thus, in 2021, mental illnesses in children and adolescents increased dramatically compared to 2019 (cf. Fokken et al., [2023](#), p. 38):

Depression increased by 23% among 10–14 year olds, and by 18% among 15–17 year olds. Anxiety disorders increased by 7% among 10–14 year olds, and by 24% among 15–17 year olds. Eating disorders increased by 33% among 10–14 year olds, by 54% among 15–17 year olds, and obesity (adiposity) by 15% among 5–9 year olds and 15–17 year olds.

Educational and advancement opportunities are still dependent on the parents' home (cf. Fokken et al., [2023](#),

p. 39): If both parents have a high school diploma, no migration background and raise the children together, 80% of the children attend high school. The proportion of high school students is even slightly higher if both parents have a high school diploma and have a migration background, namely 81%. If both parents do not have a high school diploma, it hardly matters for high school attendance whether the parents have a migration background or not. It is also irrelevant for this question whether the children are raised by only one parent or both parents are involved in the upbringing. In all cases, the proportion of high school students is 21%. So it still plays a big role in Germany where a child comes from and what education prevails there. The principle is still: The grace of the right birth.

If one gets to the point of the criticisms of capitalism, then an improved or alternative or improved form of economy must essentially be: Subject to the primacy of ecology, socially balanced, keeping an eye on the marginalized of society, more solidarity, less egoism and elbow thinking. Since the future generation can neither expect a pension nor a large accumulation of wealth in adult life, life should be able to be lived worthily and meaningfully, i.e. less focus on money multiplication and consumption, more investment in sustainability, social responsibility and meaningful work. What reads like a utopian wish list, which moreover comes across as very vague and general, could be filled with life with a few keywords. In the following, I would like to briefly outline some approaches that could become input for further societal discussion and should, in my view (I am drawing on thoughts that I already expressed in my 2021 book, “The Economy and Nothingness. Why Economy without Morality is Worthless”, cf. Pietsch, [2021](#), p. 377 ff.). Broad participation of the population in this discussion is necessary in

order not to shape (economic) policy past the broad mass, as has currently happened with the heating law (which, thank God, was quickly improved).

Our economic system must become more social, ecological and even more value-based. I would like to briefly outline what this could look like, as an impulse for further discussion:

Social

The fight against poverty worldwide but also in Germany must be at the forefront. It cannot be that in 2024, hundreds of thousands of children and adolescents in Germany still have to go to school hungry, many people have no shelter and the lower third of the German population has no savings or even has debts. In times of inflation, especially for food, a decent life for these people has long been impossible. It also affects parts of the middle class (cf. in detail Pietsch, [2023](#)). A basic child security can help here as well as a “child pension” or targeted educational support for these marginalized children and adolescents. There are no limits to creativity:

The ideas range from the “old and young” sponsorship (“rent a granny or grandpa”), where older people read to children or help with household chores or simply engage with them (crafting, cooking, baking etc.), to material donations from companies and individuals. For example, companies could donate discarded computers and laptops to poor families with children who otherwise could not afford them. Successful managers and entrepreneurs could go to schools and talk about their lives, showing a way to succeed. In particular, this should be done by people who have managed to escape poverty despite all adversities. Sponsorships of “rich and poor” are also conceivable, where children from wealthy households who are already

studying or doing well in school provide free tutoring for children from disadvantaged families etc. This is not a social utopia and is already happening on a large scale and could be expanded even further.

A basic income should not simply be dismissed. It certainly makes no sense to let even millionaires enjoy such a basic income of about 1500 € per month. Exceptions can always be made when income and wealth exceed a certain amount. We need to move away from the watering can principle that gives all participants the same benefits. The rule here must also be: the more needy, the more support must be provided. We will not be able to eliminate all the grievances in our society by state means. But if each of us thinks about where we could help, and we could all support more, then we could achieve a lot. A compulsory social year for young people or even for the elderly would not even have to be introduced if each of us contributed more to society. There is certainly room for improvement. Many young rich people, whether start-up founders or heirs, are already willing to make a part of their wealth available to the general public (cf. Pietsch, 2021, p. 381). A solidarity fund could be set up, in which an additional field is included on the income tax return that allows a donation of unlimited amount and benefits the communities in eliminating poverty (for the concept cf. Pietsch, 2021, p. 382). There are many roads that lead to Rome ...

Ecological

There is a majority consensus (with very few exceptions who do not take the scientific findings seriously or seriously enough) that we need to do much more to preserve our Earth. This is not only about protecting oceans, forests, the earth and the air, but also about preserving biodiversity. The measures for this are now all known and on the table: Get out of fossil fuels, get rid of plastic,

insecticides etc. towards more sustainable energy, reforestation of forests, planting of trees and much more (cf. in detail among others Pietsch, 2021, p. 404 ff.). Keywords are hydrogen, electromobility, solar and wind energy, the much-discussed heat pump, the circular economy, renouncing excessive consumption or voluntary restrictions on flying, driving cars etc. Each and every one of us can of course also make his or her contribution, such as eating less or no meat at all, refraining from consuming endangered fish species or switching to organic products (cf. also my explanations in my last book, Pietsch, 2023, p. 84 ff.).

The crucial question here is, how can we, if we want to maintain the capitalist economy, make it ecologically fit for the future? At the end of my book presentation at the Frankfurt Book Fair 2022, I discussed this very point with some young readers. They were all convinced that we are not moving fast enough to make Germany climate fit. They explained their dilemma to me: On the one hand, there is no time to wait. The impending climate collapse and the so-called “*tipping point*”, the point at which an inevitable climate catastrophe can no longer be stopped, will be reached in a very short time. On the other hand, this generation of early twenties is not yet at the helm of governments and powerful institutions to accelerate this development in their favor. So, and this was the distressing question, how can this young generation ensure that their concerns are heard?

The path that Fridays for Future has taken under the global leadership of Swedish activist Greta Thunberg is very impressive with the demonstrations and school strikes on Fridays (although many citizens did not approve of skipping school). However, they set a peaceful sign of protest and commitment to climate protection and certainly

caused a change of thinking in some people. But these demonstrations are now experienced as routine elements and no longer noticed. No wonder that a certain wear and tear effect is showing in the public and that other groups have now formed such as the “Last Generation” or the “Extinction Rebellion”. While the latter choose a non-violent protest, the activists of the Last Generation rather do a disservice to their noble goal of climate protection:

They stick to the streets of metropolises like Berlin and Munich during peak traffic times, blocking not only commuter traffic but also annoying many people, mainly working professionals and commuters, who are generally positive about their destinations. Activists completely shoot themselves in the foot when they commit property damage, such as symbolically spraying famous and valuable paintings or facades of luxury boutiques or even private jets. These actions are not only illegal, but are directed against private companies that may represent the wealth of their clientele but certainly not climate change. Even if one assumes that wealthier people, due to their financial means, have a disproportionate CO₂ emission (specifically: among other things, they fly more often and further), this is still no reason to smear the facades of luxury boutiques, as only the wealthy “climate sinners” frequented there. Apart from the fact that, as mentioned, it violates law and order and must be punished accordingly.

The specific question that we all must ask ourselves, however, is how we can achieve an ecological capitalism that takes into account the latest scientific findings of climate research and we develop a long-term strategy based on a specific goal, how climate neutrality can be achieved as quickly as possible. As mentioned, the measures and necessary steps are more or less on the table, the route is clear. It is essential, however, that the population is taken along! A heating renovation that financially overwhelms

the average family and uses up the majority of the savings for retirement age is not likely to gain the population's approval for the law.

But democracy and capitalism must withstand such controversial discussions. It will not work to completely ban driving and flying, which would amount to expropriation of citizens and companies alike. Rather, the technical and infrastructural conditions should be created so that alternatives can be found even in rural areas: More bike paths, better expansion of public transport, cars with electric drive, trucks with hydrogen, etc. There are many ideas. Now the concrete implementation on site is needed. Perhaps one must also proceed as with any larger project: Define a concrete goal such as climate neutrality of Germany or the city, the community, the stop of the loss of biodiversity by year X (as has partly already happened) and then jointly define the measures that everyone must contribute. More important than the content discussion, in my opinion, is: That the population is taken along and involved in the development of the goal and the measures. This will certainly be easier at the municipal level. There, grassroots democratic elements such as a local task force environment and climate and one for species protection etc. are quicker and less complicated. Here too, there are as many ideas as people who participate in the initiative. Because: Climate protection concerns us all. So: Capitalism must become more ecological.

Even more value-based

We have seen that one of the main reasons why capitalism in its current form is rejected by the youth is primarily the values it apparently represents for many. It often stands for evil per se (unjustly): It fuels selfishness and elbow mentality. The base profit is sought, the profit is increased by all means, the money is multiplied at the

expense of humanity and solidarity. Those who live at the bottom of the chain are “exploited”, do not receive the fair wage for their work. Many toil physically and emotionally to the end of their strength, only to possibly not be able to live from it in old age. The environment is seen as an external factor and used almost for free, and accordingly, it is exploited. Many people do not have a roof over their heads, have to starve worldwide despite all efforts to increase global prosperity. The upcoming generation wants to work to live and not the other way around as their parents and grandparents, the “baby boomers” wanted. They can and partly do not want to reach the prosperity of their parents. The rents are running away in the metropolises, even a rent brake cannot stop this. Expropriation of the housing construction companies would be illegal and also no solution.

Even if such a shortened and generalized representation rather describes a stereotype of capitalism than reality, a reformed “Social Market Economy” must exactly address these points: Competition, as Ludwig Erhard already recognized, is the basic principle of the Social Market Economy (cf. Erhard, [1957b/2021](#), p. 7). This will not be able to be switched off or leveraged. But we should ensure that more people have the chance to participate in the blessings of this economic form, keyword: educational justice. In general, there should not only be a basic child security or child pension, but also educational scholarships for children from socially disadvantaged families. The fundamental differences in socialization (rich/poor, academic/worker) cannot be eliminated, but promote where the families cannot. The rest must be achieved by civil society: Whether it’s seniors reading at school or students tutoring in social hotspot schools or for children from socially disadvantaged families.

Companies need profitable growth to survive. Profit generation is inherent to the system: managers are paid to increase a company's profits and returns, thereby ensuring the company's long-term survival and the jobs of its employees. However, the question is more about how this should be achieved: by growing in areas that use natural resources efficiently and optimize the entire process from development to production, through the logistics chain and distribution to the end customer in an ecological way. Companies must also distance themselves from ethically questionable production methods and dubious products. Employees are treated with respect and paid fairly. At its core, everyone should receive the same pay for the same work, regardless of their nationality or gender. Discrimination is taboo in all forms. Social initiatives by companies, but also by individual employees, which are promoted by the company, ensure that companies become aware of their social responsibility for society and the region. Projects in the poor countries of this world, such as in Africa, can be supported through payments but also through technologies or temporary releases of employees. There are many ideas for this.

Capitalism, therefore, needs to be even more value-based than before and must primarily take into account the changes within the younger generation. Given the demographic shortage of skilled workers, companies do well to offer the upcoming generation a meaningful, social, and ecologically exemplary company in which they like to work and realize themselves. In the words of the Bonn philosopher Markus Gabriel, one could call it "ethical capitalism" (cf. Gabriel, 2023). No matter what one wants to call this reformed economic form, it must necessarily take into account the value change of the new generation. Capitalism as an economic form, as one can already conclude now, has no alternative but must be reformed. This also includes that ethically questionable stock market

speculations without additional benefit for the real economy, such as betting on (rising) food prices or general gambling on the financial markets without an apparent economic background, should be avoided as much as possible. This again fuels the distorted image of a capitalism that only serves people's greed and makes a few rich at the expense of the general public. In one word, capitalism must become even more value-based.

So, as the originator of the Social Market Economy once formulated (Alfred Müller-Armack, 1946/1990, p. 157), we should proceed:

“We are not thereby committing ourselves to an insensitive form of organization, but can be sure that we can follow our social and ethical convictions on the way there.”

Only in this way, given the changed value orientation of the generation to which the future belongs, is a happy and contented life for everyone on this one earth possible. At the end of our considerations on the capitalism-critical society, the question must finally be asked, how we can get out of this again, specifically: What do we conclude at the end of our discussion and what do we have to do to silence the majority of capitalism criticism? Let us try to do this in our final chapter.



7

Departure from the Capitalism-Critical Society

Criticism of capitalism is as old as capitalism itself. Since the advent of industrialization and with it the age of factories, machines, and people in their gears, the accompanying circumstances have been described and admonished: The machine breakers and Luddites vehemently fought the machines as the offspring of an inhuman system of exploitation and subjugation of humans to technology. Today, they are indispensable from the modern everyday life of production, thanks to the achievements of artificial intelligence and digitization. The most widely noted criticism of the prevailing conditions of capitalism in its time, in the 19th century, was provided by Karl Marx and his comrade Friedrich Engels, himself a rich industrialist's son. The essential "battle terms" such as the exploitation of workers, their alienation from work and the product, and the accumulation of capital by the owners and "capitalists" were adopted by later thinkers such as the protagonists of the Frankfurt School. Today, the content accents

are somewhat differently placed, whether they are feminist, ecological, or related to increasing global inequality. It is alarming that about 60% of the generation of 16- to 29-year-olds, as we have seen, reject capitalism despite all its undeniable successes (see Chap. 1).

Nevertheless, capitalism has brought great prosperity over long stretches. One does not only have to consider the narrow Federal Republic perspective, especially the years of the economic miracle between 1950 and 1980. The newly introduced social market economy, primarily designed by the Cologne economist Alfred Müller-Armack and implemented by the then Minister of Economics Ludwig Erhard, has largely proven itself: Germans have never been better off, on average. But what feels good statistically is perceived differently in individual consideration: prosperity has not arrived equally for everyone. The French economist Thomas Piketty, one of the most noticed and respected economists of his time, can present endless lists of numbers, data, and facts that show increasing inequality in income and wealth (see Piketty, 2020). All apparently a result of capitalism. But the conclusions Piketty draws from this are anything but consensual (and to that extent fair): for example, a prohibitively high income tax that taxes away almost everything from top earners from a certain income or majority collects the wealth or wants to get even closer to the purse of the heirs (see Piketty, 2020, p. 1185 ff.).

The alternatives to capitalism in its different forms around the world have also all failed or have no realistic prospect of success: Neither Soviet-style communism nor the central planned economy of the German Democratic Republic (GDR) ultimately worked, as they underestimated the innovative power and the effect of free prices, markets, and concern for personal property. Central planning with its inaccuracies, based on historical values, is

hopelessly inferior to the signaling function of the price, which reflects supply and demand for a good. Interesting theoretical concepts such as the post-growth economy (Nico Paech, see Paech, 2012) have individual elements that certainly seem sensible, such as voluntary consumption renunciation for certain products, but fail in reality, as they only represent voluntary appeals and in the case of compulsion destroy the liberal basic order of society and economy. Also, the retreat to a shrinking economy à la British war economy of 1939 as propagated by Ulrike Herrmann (see Herrmann, 2022, p. 229 ff.) will not lead to success. Capitalism is doomed to growth and only in this way does it bring the fruits of prosperity that we all hope for from it.

At the center of the criticism of capitalism are three points: First, apparently ecology and economy cannot be reconciled according to the sentence that unlimited economic growth is impossible on a finite planet. The Club of Rome's report had already predicted this in its groundbreaking 1972 writing on the limits of growth (confirmed in its essential statements 50 years later for the anniversary, see Dixon-Declève et al., 2022). The social psychologist Harald Welzer brings this thought to the point when he formulates (Welzer, 2023, p. 143):

“The big question remains whether there is a capitalism that envisages private property and the generation of surplus value by entrepreneurs, but works without growth and above all without destruction of the basis of survival.”

An “economy of finiteness” as he calls it (Welzer, 2023, p. 143).

Secondly, capitalism is not socially balanced. On the contrary, prosperity not only does not reach everyone, but it also exacerbates inequality in income and wealth and leads

to an increasing division of society. And thirdly, the values that capitalism stands for no longer fit into today's times, especially not into the changed values of the upcoming generation:

The younger generation strives for meaning in life and work, placing the “we” at the center, not the elbow-thinking of the “I”. They want to live a life in a secure existence but not necessarily in an overflowing prosperity, which in times of rising rents, interest rates, and economic crises of all kinds is anyway no longer achievable from their point of view. Keeping work and life in balance, that is the new life goal. For this, they take planned time-outs for self-realization (“sabbaticals”), want to work from home or from anywhere in the world. Self-determined, free, and without physical and psychological pressure. They do not want to experience the burn-out rate of their parents. The times are good for this, as there is a shortage of skilled workers everywhere. The baby boomers retiring en masse will leave a numerical gap that cannot even be remotely closed by the subsequent generation. The younger ones will define how, when, and where they want to live and work, and companies must adapt or forego these young people (which is not an option). Companies do well to respond to these demands for sustainability, meaningful work, social standards, and social commitments, including appreciation for all employees. Companies that adapt to these trends early will be the winners in the job market. The fight for the best talents has only just begun.

We have seen that there is not capitalism as such, but various forms that are also subject to cultural influences (see Sect. 2.3). It has proven to be surprisingly adaptable and has evolved. A US-style capitalism with its free markets and the desire to allow as little government intervention in the economy as possible contrasts with the social cushioning of the social market economy in Germany

or the social containment in the Scandinavian countries. From each model, one can learn something, especially how capitalism can be socially cushioned as it happens in Scandinavia:

Higher taxes, an expanded system of social benefits, solidarity with the entire society in focus, including an education system that makes social advancement more possible than in an elitist US system with its expensive private schools and universities. Everywhere there, a capitalism has formed that aligns with the value understanding of the population, such as in Sweden with people's desire not to flaunt their wealth too much and generally not to deviate too far from the average. In the USA, where historically the principle of "everyone is the architect of their own fortune" prevails, market results are corrected much less than in Germany or Scandinavia. Wealth differences are manifested in a meritocratic system (Michael Sandel, see Sandel, 2020, p. 95 ff.): The son and daughter of the Harvard graduate also study at Harvard.

Despite all contrary statistics on the positive effect of capitalism on society (such as Zitelmann, 2022), doubts about capitalism persist in the population. And they will intensify as the younger generation moves up and passes on their view of capitalism to their children. This certainly has a lot to do with the still widespread precarious employment conditions, which remind a little of the situation that Karl Marx already criticized: courier and delivery services, which have been used more frequently during the Corona pandemic. Drivers rush through the city and the country to deliver ordered packages on time, without a big break and paid with a minimum wage. Truck drivers, who often also have to operate under enormous time pressure. The same applies to the still too poorly paid nursing professions, which have to perform physically and mentally at the highest level in the service of society. Even

academics are not exempt from this, as a look at the sometimes precarious situation of young scientists with their often temporary contracts and their enormous economic dependence shows. Working conditions that, in sum, are conceptually not far removed from the critical conditions of the 19th century, the century of Karl Marx.

Since there are no realistic alternatives to capitalism, as we have seen, what can we do to reform it and take into account the criticism of it? In which direction must we change capitalism in order to end up with an economic form but also a society that no longer (majority) carries the label “critical of capitalism”? What are the concrete starting points? In this concluding chapter, the aim can only be to outline some basic thoughts that could form the basis for a broad societal discussion. A reformation of capitalism is not achieved alone in an author’s study, but broad sections of society must be taken along this path. So what are the essential elements of a reformed capitalism, a social market economy reloaded (see Sect. 6.4)?

Firstly, the capitalist economy must take into account ecological concerns. What seems to correspond to a triviality becomes very demanding at second glance: How can we achieve the fastest possible climate neutrality in Germany, specifically the greenhouse gas neutrality by 2045 envisaged in the Climate Protection Act (cf. The Federal Government, 2022)? The objectives per economic sector are defined, but the question is how we can achieve this together. Ideas and suggestions for achieving climate neutrality are all on the table (cf. among others Pietsch, 2021, p. 269 ff.) from the circular economy to green hydrogen to renewable energies, electric cars and the reforestation of forests (cf. Sect. 6.4). But we can only achieve this if everyone pulls together. Specifically, this means that every sensible citizen should ask themselves (the few percent who do not belong and still deny

man-made climate change cannot be helped), what can I personally do to achieve or even exceed the ambitious goals of climate protection.

Much can already happen at the personal and local or regional level, such as largely refraining from plastic, eating less meat or preferring sustainable products. Companies are already being called upon (and in most cases are doing so) to comb through their essential business processes for ecological efficiency potentials and to minimize their CO₂ footprint. Whether it is the sustainable raw materials for production, the efficiency of production itself, or a recovery or processing of the produced material and its reintroduction into new production, is beside the point. As mentioned, the essential concepts are already in place, what is crucial is consistent implementation. Experience shows that three things are decisive in the implementation of transformative processes:

Firstly: The timely and comprehensive involvement of all participants based on their different levels of knowledge (not everyone is as deeply involved in the key findings of climate research as the specialists), secondly a clear and understandable objective including a strategy on how these goals are to be achieved (and appropriate communication at all levels) and finally a permanent measurement of success, for example in the form of a key figure system that among other things measures the CO₂ footprint. Here, matrices such as those used in the common good economy (cf. Sect. 6.3) can certainly help, as can the balanced i.e., weighted target achievement matrices used in management (*"Balanced Scorecard"*, for the concept itself cf. Kaplan & Norton, 1996).

While the objective and the path to it may be controversial (see the discussions between the political parties, whether a climate policy measure should be market-driven or achieved through bans, specifically: CO₂ emissions

trading versus bans on machines or cars that exceed certain pollutant emissions), in my opinion the crucial point is to take the majority of the population along, keyword heating law. Compromises always have to be made, but the necessary backgrounds of the decisions must be comprehensively and clearly explained. Only in this way can it be ensured that the majority of the population is also willing to make sacrifices for climate protection. However, this must happen in a socially balanced way, i.e., specifically, that financial support services or exemptions from climate protection are not distributed equally to everyone according to the watering can principle, but take into account the respective income and wealth situation. In a rich country like Germany, where still a good third of the population cannot build up any wealth and rather has debts, no additional financial burden should be added for this target group in order not to endanger the acceptance of the measures. I am convinced that everyone will be willing to actively participate in climate protection if they are sufficiently informed and can afford it financially. There is so much willingness to change and the necessary creativity in all of us, which is needed today to actively counteract climate change. The “label” ecological capitalism is quickly set. What is important is that we all bring it to life together. I have just outlined the implementation mechanisms, the contents, as mentioned, are largely already on the table.

To address the second point of criticism of capitalism, the social question, we must look at the challenges of our time. If prosperity no longer reaches everyone today, it is not only because we tax the rich and top earners too little. Even if one assumes that there is still some room for improvement here, it will not undermine the principle that social advancement in today's Germany is hardly possible anymore. We need to focus more on educational

justice in Germany, specifically: A child who does not have academic parents today and perhaps grows up in socially disadvantaged circumstances with a single parent, must at least have the chance to participate in the educational concert. There are also plenty of measures available here, such as educational support with the help of scholarships already in kindergarten. Language courses for children from immigrant families. Targeted financial support but also voluntary in the form of civil society. Even today, there are numerous encouraging examples of students who give free tutoring to children from socially disadvantaged families or seniors who voluntarily read to children from books and thus provide role models.

In addition, we must ensure that everyone in our rich country can lead a decent life. Keywords here are a basic child security or child pension, a minimum pension, a minimum wage, free school meals for all children who would otherwise have to go to school hungry. Likewise, everyone should have a roof over their heads: Housing is a human right! But we must find the solutions within the capitalist system and not against it! Rent caps have proven to be just as useless as the legally untenable attempt to expropriate housing construction companies. The solution lies only in the well-known and proven means of building housing as quickly as possible with a very high proportion of social housing. Incentives for housing construction and the reduction of bureaucratic hurdles must be provided by the state, i.e. by all of us. An increased supply on the housing market automatically lowers the rent. There is certainly room for improvement here too. In shaping capitalism and its social containment, we can also borrow from successful models in other countries. The model from Scandinavia, for example, is interesting in many respects, although not all elements can be transferred one-to-one to Germany. Capitalism must therefore become more socially balanced

and solidary, without resembling a new socialism. The new keyword here is more cooperation than egoism (cf. among others Harcourt, 2023).

Finally, we must adapt capitalism to take seriously the new values of the upcoming generation. We have already talked about the ecological challenge above. Here, the core issue is to build a society that understands itself as more solidary, ethical, and above all sustainable. I have tried to show concrete approaches in this book, such as social cushioning or more sustainable economic activity by all of us but also by companies and state institutions. We are all challenged to take a new path that on the one hand does not leave the paths of the successful model of capitalism, such as free markets, prices as an indicator of scarcity, free competition and clearly regulated property relations. A path that, on the other hand, responds much more intensively than has been the case so far to the points of criticism of the younger generation about the capitalist way of doing business. A capitalism that is more ecological, social and value-based. It must commit itself more strongly to the values of the We instead of the I, to societal solidarity. The goal must not be career or profit at any cost, but a meaningful, contented life for all those involved in the economy on a habitable planet. If we succeed in this, then we will be able to successfully break away from the capitalist-critical society and together create a livable economy and society. The discussion about the right way to get there has only just begun.

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