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Democracy and Discipline

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REVIEW ESSAY

The Triumph of Broken Promises:

The End of the Cold War and the Rise of Neoliberalism

by Fritz Bartel

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The West is currently engaged in financial warfare against Russia, taking the extraordinary step of freezing its foreign currency reserves. Russia, meanwhile, threatens to cut off gas exports to Europe. Whatever else the war in Ukraine is and represents, it serves to underline the centrality of finance and energy in the contemporary era—one immaterial, disembedded, and global; the other material, embedded in hard infrastructure, and thus necessarily local.

Both are now instruments of war, or politics by other means. Even within Europe, the disciplinary function of finance has been exercised throughout the crises that have followed 2008, as countries of the European periphery have found out, while the "energy weapon" has been Russia's go-to geopolitical tool since at least the 2000s.

These two economic factors are also, fittingly, key parts of Russia's economy—dependent as it is on hydrocarbon exports, as well as increasingly financialized. This can be read as a testament to Russia's developmental failure: the fruits of its energy exports have been recycled through the financial system rather than finding investment in competitive industries at home.

This, of course, is a common story throughout the global periphery, with the neoliberal revolution and U.S.-led globalization putting paid to developmentalist dreams from Brazil to South Africa and Ukraine to Mexico. The sense of being stuck in an incomplete modernity—created by dependence on primary exports, coupled with an outsize role for finance—is the lot of many countries who failed to become global industrial competitors before the end of the 1970s, when that off-ramp was closed off, to most anyway.

Russia's stagnation over the past decade, after its hydrocarbon-led recovery during the 2000s, has left Putin's regime in a precarious situation, unable to deliver at home in terms of sustained growth or welfare. How, then, are we to understand the invasion of Ukraine?

Some argue that Putin has had to turn up the dial on Russian nationalism to buoy his fading legitimacy. Might the invasion even be, as the most idealist interpretations would have it, motivated by Putin's quasi-mythological vision in which an irridentist conquest of Ukraine would be the consummation of a centuries-old Slavic union?

The alternative interpretation, at the other end of the scale, is the vulgar materialist one that sees the invasion purely as a military complement to Russia's economic position in Ukraine—perhaps a response to Ukraine's nationalization of Russian companies in the wake of the 2014 war? Or a desire to secure the oil pipelines that head westward through the "borderland"? This would be the contemporary equivalent of the (misguided) view that the 2003 U.S. invasion of Iraq was a "war for oil," motivated by the most basic of economic logic.

No, instead, it appears that the war in Ukraine is, like Iraq was, a "war of choice." In that respect, it is a product of the End of History. Having defeated the class enemy at home, elites have become mentally unconstrained from the usual realist calculations and strategizing, and instead have hubristically set out to reshape the world order. That attitude was behind NATO's heedless creep eastwards, to which Russia's invasion is a response. Russia is, after all, a revisionist power—unlike leading NATO powers. But the End of History is also more directly a factor behind Putin's war—a war of aggression, not purely defense, another act of hubris. Though the war may end up being of a piece with the End of History, it may also serve to transition us into History proper once more.

It is in this context that a new book has appeared which seeks to uncover—or in the author's own words, *recover*—the economic exigencies and constraints that brought the Cold War to an end. It is an attempt "to tell [this] history from the losers' point of view," and the Soviet Union's increasingly contradictory relations with its "fraternal allies" in Eastern Europe is central to the account.

Back to the Past

In *The Triumph of Broken Promises*, Fritz Bartel advances the ambitious proposal that "the economic forces unleashed by the 1973 oil crisis ultimately brought the Cold War to a peaceful end and gave rise to the neoliberal global economy of the late twentieth century." Indeed, it is precisely those forces with which we began—oil and finance—that transformed the geopolitical landscape, fundamentally altering "the nature of the competition between democratic capitalism and state socialism."

This intersection of the (economic) history of the Cold War and the ideology and practice of neoliberalism has, perhaps, as Bartel himself holds, not been sufficiently studied. But Bartel's return to the 1970s oil price shocks and to the beginnings of neoliberalism appear to be part of a wider intellectual moment today. Two other examples, Meg Jacobs's *Panic at the Pump* and Isabella Weber's *How China Escaped Shock Therapy*, respectively, present new approaches to the matter, while a new book by Gary Gerstle aims to chart *The Rise and Fall of the Neoliberal Order*. And of course, much of Adam Tooze's oeuvre circles around these questions.

This flourishing body of scholarship should not come as a surprise. The return of inflation today naturally invites us to cast our minds back to the 1970s, while the present crumbling of the neoliberal order allows us now to examine the past forty years as a discreet era, bookended by the oil crisis and the pandemic.

More fundamental, even, is the fact that our growing distance from the postwar Keynesian era, with its fast growth and full employment, allows us to perceive precisely how unique that period was. We should, if we haven't already, discard any tacit assumptions that 1945–73 represented "normal"—the way politics should look, how economies should work, and the place to which society should return. It was an aberration in the history of capitalism, impossible to recapture, whatever the political will. It is fitting then that scholars—and this is what Bartel explicitly does—should return to the question of why that period ended, and indeed, why it *had to end*.

This proposition brings us to the nucleus of Bartel's argument, which is striking in its hardheaded realism. The "broken promises" to which the title refers are not, as it may appear, about a moralistic concern with actors not holding up their end of the bargain. The "promises" are nothing more than the aim on the part of political decision-makers to guarantee employment, job security, and rising real incomes—all undergirded by strong growth—in effect to continually increase the living standards of the majority. They did so not merely because of their own volition or humanistic concern, but as an institutionalized mode of rule, driven on the one hand by the Fordist arrangement whereby workers' ability to consume (some of) the products of their labor was essential to keeping the capital-accumulation wheel turning, and on the other by the reality that political elites' legitimacy rested on continually realizing the expectations that had been created.

Notably, these promises were made in both East and West, on both sides of the Iron Curtain. Indeed, geopolitical and ideological competition between the two sides proved mutually reinforcing to regimes whose legitimacy depended on delivering those outcomes: “Capitalist and communist states competed with each other by offering their people two different versions of industrial modernity, two different sets of government promises.”

In today’s world, in which the very making of political-economic promises appears radical, it is hard to put oneself in the mindset of the mid-1970s, when the breaking of promises would have seemed unthinkable, untenable, politically impossible. Yet Bartel successfully illustrates this sea change in the course of making his principal argument, that “the Cold War began as a race to *make* promises, but it ended as a race to *break* promises.”

In the post–Cold War world that has ensued, politics is no longer guided by trying to achieve (a higher standard of) industrial modernity, but rather to adapt polities to postindustrial society, to globalization. The semantic slippage from “achievement” to “adaptation” is itself telling.

The Ideology of Broken Promises

The breaking of promises is very simply the imposition of economic discipline, of austerity. In Bartel’s materialist account, this is neoliberalism in essence. Neither condemnatory nor celebratory, Bartel understands the straightened circumstances resulting from the 1973–74 and 1979 oil price shocks, and the stagflation of the period, as demanding—indeed, requiring—an austerian response. The show could not go on, anywhere. The excess of popular demands imposed on the state and economy throughout the 1970s—demands which politicians were unable to turn down but increasingly struggled to meet—drove further inflation, tightening the straightjacket.

In the end, only the most steeled and self-conscious neoliberals, like Paul Volcker or Margaret Thatcher, were able to face this challenge head-on. Individualism, independence, and self-reliance were the intellectual resources, drawn from Western liberalism's own traditions, deployed in the service of a communicative effort to neoliberalize polities, to destroy those postwar "promises."

Bartel thus accords ideology its proper place, as a rationalization of material constraints and as a means of justifying choices made, rather than as a motive factor of history. Insofar as this is a book about neoliberalism, its empirical materialism stands in refreshing contrast to recent efforts that endlessly seek to elucidate the secret of neoliberal ideology's appeal or its capacity to forge "neoliberal subjects."

Moreover, this tremendously sharp work provokes a rare sensation: it is possible to read the book while remaining completely unsure as to the author's own ideological commitments. Is this the work of a die-hard neoliberal of the kind we hardly encounter today, a nakedly class-conscious one, who understands the late twentieth century as a conflict between capital and labor, in which the former needed to, and did, prevail? Yet paeans to the market are absent.

Is the author instead a clear-sighted Leninist, conscious that the crossroads of the post-1973 period in the West pointed either to neoliberal restructuring or to communist revolution? Or indeed have we a scholar inspired by the far fringes of left-communism, in which no illusions are held about neoliberalism, nor about social democracy or state capitalism—one who sees the Soviet experiment as just that: an attempt at catch-up development that may have been successful for a few decades, until it met historical redundancy later in the twentieth century?

This unsentimental vision is perhaps best exemplified in the penultimate chapter, concerning the events surrounding the fall of the Berlin Wall, in which Bartel notes that he is attempting "to recover an understanding of the sources of Western power that influenced the collapse of the GDR without partaking in triumphalism." He writes, "we can identify the full scale, scope, and nature of American, Western, and capitalist power in the international system during this period without automatically endorsing it." It feels almost trite to say, but it is salutary to read such a realist account, especially in a historical moment in which destructive liberal "hopium" is only contested by conservative delusion. Realism has become radical.

Democracy's Triumph in Breaking Promises

Bartel makes two bold contentions. First, East and West, rather than constituting separate worlds, faced remarkably similar contradictions in the 1970s and '80s, and were thus faced with having to make strikingly similar decisions. "Currency crises bedeviled Western societies, while debt crises came to haunt Eastern ones. But Western currency crises and Eastern debt crises were different manifestations of the same thing: international capital's loss of confidence in the viability of a nation's economy." And so, "[w]hether it was Thatcherism in Great Britain, monetarism and deregulation in the United States, perestroika and glasnost in the Soviet Union, or roundtable democratization in Poland and Hungary, governments in power adopted these forms of new thinking because they appeared to provide the ideological and political means required to achieve the end of breaking promises."

Bartel's second big claim rests on the undeniable fact that Western democratic capitalism succeeded in breaking promises, thus ensuring regime continuity. Meanwhile, state socialism in the East failed, and the regimes crumbled—quickly. What is arresting here is the contention that *democracies were better at imposing economic discipline than authoritarian states*.

How is this possible? The face-value response ventured is that "[democratic] capitalist governments made fewer promises to their people; this meant they had fewer promises to break." The historical narrative that Bartel recounts reveals something deeper, however: the disciplinary mechanisms available to Western states were outside the grasp of socialist state managers. And that is because those mechanisms were understood as being *politically impossible.*

Discussing the Volcker shock, in which the U.S. central bank suddenly raised interest rates, Bartel notes that the Fed chair "became attracted to monetarism because it offered an escape from political culpability. If, under monetarism, the Fed could simply commit to growing the monetary supply at a constant low rate, then the dramatic increases in interest rates that would inevitably result would appear to the public not as active and mean-spirited decisions of the Fed but rather as unfortunate by-products of market forces." Clearly there was a fear of public uproar, but responsibility for decisions could be obscured by sleight of hand.

This mode of government, in which political decisions are recast as technocratic rule-following, has become a hallmark of the neoliberal restructuring of the state. Democracy turned into post-democracy, and democratic politics became post-politics. Or, as a member of the Fed quoted by Bartel put it, "Everyone could say: 'Look, no hands.'"

This plausible deniability was unavailable to the parties that governed "really existing socialism" in Eastern Europe, where responsibility for not just "the economy" but the entire historical trajectory of those societies was claimed by the party.

Energy and Finance in the Era of Broken Promises

The Triumph of Broken Promises' historical narrative begins with the oil price shocks and the flood of petrodollars into Western financial markets. This marked the early stages of what Bartel calls the "privatized Cold War," in which the "international financial community became an arbiter of politics around the world." For a time, this allowed promises to remain unbroken as sovereigns East and West suddenly gained access to funds via borrowing on global capital markets. There is a real irony here, however: "it was only the development of global finance capitalism that allowed late socialism to exist."

For the energy giant that was the Soviet Union, this new situation was, in fact, a mixed blessing. The problem was that high oil prices severed the interests of the Soviet Union from its “fraternal allies”: the rates oil now fetched on the world market meant that the large energy subsidies that the Soviet Union provided to the Eastern European people’s republics would become even more taxing if the country stuck to previous pricing arrangements. If the Soviet Union raised prices, however, its allies would need to export greater quantities of industrial products to its patron, a move that would then require imposing domestic austerity.

In 1977, the Kremlin said it could no longer increase energy deliveries to Comecon countries. Their energy needs would have to be met through borrowing on global money markets. In turn, their increasing debt would have to be paid for through exports to the rest of the world, rather than through internal Comecon commerce. This put Eastern European goods into competition with products from Asia and Latin America, fundamentally altering the dynamics of the Cold War. Instead of two self-enclosed blocs with their backs turned to one another, the new arrangement saw East and West increasingly entwined, with globalizing finance pulling the strings ever tighter.

At the time, capitalist crisis could be celebrated across the Eastern bloc, and yet divergent interpretations on what price increases represented would prove telling. In Eastern Europe, leaders held that prices in the Comecon should not increase in line with Western markets, for that would be to import capitalist crisis into the bloc. The Soviets, however, believed that the commodity price shocks represented a victory for anti-imperialist forces, as newly independent developing countries gained leverage they previously lacked through high commodity prices. The reality was that the moment signaled only the growing power of monopolies and speculators in the capitalist world, new factors that would ultimately doom the bloc.

A more recent example of these dynamics might be Venezuela’s vicissitudes in recent decades, which should be evaluated with this history in mind. Advances under President Hugo Chávez were underwritten by high oil prices, and the economy's subsequent collapse was in large part a result of oil's fall. It wasn't "because of socialism" when times were good, and it wasn't socialism's fault when times were bad. It was all capitalism.

The Enemy Within

A chapter entitled "Defeating the Enemy Within" presents contrasting case studies of Britain and Poland in the early 1980s, providing a clear illustration of the impact of post-oil-shock political and economic dynamics in the era of breaking promises. The Polish and British "diseases" were both faces of the same crisis.

Poland initially seemed better placed than Britain to impose austerity. It could crush the opposition, after all—an impression only cemented by the imposition of martial law in 1981. But Polish leader Wojciech Jaruzelski repeatedly found that breaking promises in order to tackle Poland's ballooning debt was politically impossible. How could he say to his people "we need to tighten our belts as we've lived beyond our means," if the same party had been in charge as the country consumed more than it produced?

Throughout the period, Poland's rulers were challenged by revolts against austerity—in 1970, '76, '80, and '88—confirming, in the party's eyes, the risks involved in deviating from what state dogma preached. One solution proffered was "co-responsibility": to bring both the Catholic Church and newly formed labor union Solidarity in-house, as a means of bolstering the party's legitimacy and passing difficult reforms.

This produced paradoxical political outcomes. Solidarity declared itself "'probably the only labor union in the world' that welcomed its nation's membership in the IMF because it saw the power that Fund conditionality might have to change the political status quo in Warsaw." Poland eventually did join the IMF in 1986, when it seemed to have no other options. While policymakers in the West outsourced responsibility, in the East the sharing of responsibility proved too difficult a balancing act to sustain.

In Moscow, meanwhile, growing economic problems, the long-term decline in energy prices that began in 1980, and the war in Afghanistan meant that repeated requests for economic aid from Poland, Hungary, and the GDR were turned down. Not only that, but the Soviet Union's difficulties meant that the Brezhnev Doctrine—according to which the stability of socialist governments in Eastern Europe was seen as central to the Soviet Union's national interest—was quietly shelved, as demonstrated by the nonintervention in Poland, despite the growing challenges to the party's authority there. It was, moreover, this Polish experience that confirmed the dangers of breaking promises in the eyes of leaders in Moscow, Budapest, and Berlin—even if their populations remained seemingly quiescent.

The contrast with Britain was stark. Thatcher, under the influence of her policy adviser John Hoskyns, initiated a communications strategy insisting that radical change was necessary and better times would come from it. Faced with opposition within her own party, worsening economic performance, and union militancy, Hoskyns set out the choices: either do what is politically comfortable but inadequate, or do what seems politically impossible, but essential. Hoskyns insisted that the prime minister hold her nerve and prepare the population for what was to come. Unions were confronted, often with naked force, while Thatcher tried to sway public opinion against them.

It's hard not to detect, perhaps, some tacit admiration on Bartel's part for Thatcher's willingness to face up to the tasks history imposed. And controversial though it may be, the political leadership and steadfastness Thatcher demonstrated perhaps should be held in some regard. Indeed, what has made her an object of hatred on the left is not that she succeeded in achieving the "politically impossible." It was that her "politically impossible" task represented a permanent shift in the balance of power between labor and capital—that she aimed and succeeded at crushing the working class.

This destruction of working-class civil society organizations, whose leverage had previously forced the state to make good on at least some of its promises, left a void. It remained either unfilled, or else the state stepped in. When viewed from today's vantage point, it may seem ironic that the welfare state in the West proved a useful handmaiden to the breaking of promises. But it provided subsistence to millions of workers made unemployed and superfluous through deliberate deindustrialization; in Britain, millions were urged to declare themselves sick and disabled so as to remove themselves from the workforce.

Contingency and Determinism

Bartel's reconstruction of the thought and strategies of decision-makers at the time, as well as of the constraints they faced and realistic choices available to them, is the product of dedicated and enriching archival work. The effort is especially valuable in demonstrating, as Bartel puts it, that his arguments "are not retrospective insights of the present imposed on the past but rather past observations brought forth into the present."

Through profiles of leading Eastern European bankers—Janós Fekete in Hungary, Poland's Jan Wołoszyn, and East Germany's Werner Polze and Horst Kaminsky, for instance—we gain a sense of how the privatized Cold War played out, as these agents sought credit on capital markets and guarantees from Western states. The diaries of these men, as well as those of John Hoskyns and Mieczyslaw Rakowski, Jaruzelski's most important adviser and the brain behind "co-responsibility," reveal what considerations factored into these decisions. Minutes of Politburo meetings illustrate how they played out. "Public surprises have private histories," Bartel remarks at some point, which nicely summarizes his approach.

Bartel's reading of the economic factors behind the Cold War's end is admirably materialistic but not deterministic. Political and economic factors establish constraints, but choices are still available to individual actors. As protests mounted in late 1989 in Leipzig, Egon Krenz, the leader of the GDR, decided not to return a call from his subordinate in Leipzig to authorize repression. Perhaps this was because of a long-standing conviction against using force, as attested to in his diaries. Or maybe it was because Gorbachev had officially renounced intervention and repression, itself a product of the constraints facing the Soviet Union. But the omission proved decisive.

Equally, it was not just state managers but masses of people who exercised subjectivity, determining the course of history. The East German people were the principal agents of the Cold War in 1989 and '90, as they either flowed westward or stayed in the East and protested, something that required considerable bravery in the shadow cast by the Tiananmen Square massacre that took place around the same time. Similarly, as Bartel puts it, whichever force, East or West, wanted a role in determining the future of the GDR would need to win these people's hearts and minds.

And contingency and even accident played a role. One of the most curious episodes features a disastrous miscalculation. The GDR, facing a mountain of debt, was forced to cut deals with West Germany—deutschmarks in return for opening the borders. But it later came to light that foreign exchange reserves had been squirrelled away in secret GDR accounts, meaning its debt was a more manageable $20 billion. When the Bundesbank examined the former GDR's accounts in the late 1990s, it discovered grave accounting errors—the total debt was only $10 billion!

Nevertheless, the economic factors were so weighty that political decisions could mainly affect *how* and *how fast* the regimes would fall, rather than change the course of history entirely. Time and again throughout the 1980s, unenviable choices between austerity and growing indebtedness were faced, and austerity was repeatedly rejected as politically impossible. In 1985, Japan's fast growth meant Tokyo developed an appetite for Hungarian debt, giving that regime a new lease on life. The "communist leadership wasted little time in turning the country's renewed access to capital abroad into new promises at home." In East Germany, Erich Honecker remarked that the GDR could not "go the Romanian way"—only Bucharest had opted for draconian austerity—because "the situation with the FRG does not allow for it." West German affluence meant the GDR could not risk breaking its promises to its citizens.

Most fatefully, Moscow understood the post-1970s constraints as imposing a choice: either austerity at home or withdrawal from its commitments in Eastern Europe. The USSR was not, formally speaking, an empire: metropolitan power was economically exploited by the "colonies." Eastern European countries imported cheap oil and gas and sold overpriced manufactured goods to the USSR. This proved exorbitant. "By late April [1990], then, the choice between discipline at home and retreat from abroad had arrived on Gorbachev's desk in the form of two different piles of memos laying out two widely divergent policies."

But Gorbachev only accelerated a policy already in progress before him, of withdrawing the Red Army from peoples' republics and exempting the Soviet Union from guaranteeing their stability. It was not Gorbachev's commitment to humanity and human rights, then, that allowed the 1989 revolutions to happen. Instead, these ideas served as justifications for the fact that the Soviet Union could no longer afford to intervene—unless it chose to impose austerity at home, which it felt it could not.

Conversely, the same post-1973 global economic dynamics served to augment U.S. power. The Reagan debt build-up that followed the Volcker shock allowed the United States to increase military expenditures, while at the same time reducing the amount of capital available elsewhere. This in turn provoked sovereign debt crises in both the Second and Third Worlds, and Washington was conscious of its newly acquired leverage. Treasury secretary Donald Regan, aware that debtor countries would come looking for help, brashly asked national security colleagues in 1982, "what do we want in return?"

This economic context gave the United States the power to apply the coup de grâce in the Cold War. In 1990, the Soviet Union pleaded for $20 billion, in return for withdrawing troops from East Germany. The Soviet Union, should it have survived, would then have truly become "socialism in one country." Instead, U.S. policymakers were wedded to imposing harsher conditionality and pursued full economic perestroika. The disaster of shock therapy provided the final denouement.

Reading History against the Grain

Certain metaphors are useful in portraying the dialectic of determinism and contingency. Gorbachev's retreat from abroad meant "Western policy makers were *pushing against an open Soviet door* in Central Europe in late 1989 and 1990." Likewise, West German and American policymakers were "*dealt the winning hand by history,*" but nevertheless "played it skilfully."

Yet this positive account of what happened begs the question of what might have happened otherwise. At its best, counterfactual history is an essential exercise in historical reimagination, precisely because the road not taken is inscribed in material reality—at least at points of genuine historical possibility. Bartel concludes that our world is slowly getting better, "[b]ut it forever remains behind both the historical trajectory of the postwar period and the imagined trajectory of our collective expectation." We would be remiss, then, not to ask the question Bartel doesn't explore in full: could it have been otherwise?

Bartel does hint at an alternative outcome in his discussion of the choices facing the leadership of the GDR in the late 1980s: "If the leadership had implemented a 'Chinese solution,' they well understood that national insolvency, the politics of breaking promises, and the Polish experience would follow. They stopped short of Violence, then, because they feared Austerity."

We could draw out the "Chinese solution" still further—at least in consideration of the Soviet Union, whose room for maneuver was at any rate greater than the GDR's. It could have imposed austerity on its people, coupled with more severe repression against ensuing revolts, while also withdrawing from Eastern Europe. The state would have survived—at the obvious cost of severing any remaining link, however degraded, between "really existing socialism" and socialist ideals. It would have become austere and militarized, with no promises proffered, perhaps akin to North Korea.

But at this stage, the USSR needed capital from Western banks, who in turn required guarantees from Western states. Default across the Eastern Bloc was maybe a possibility in 1982, a move of mutually assured financial destruction. But Eastern Bloc states were no longer revolutionary, but rather status quo powers. That trigger would never have been pulled.

In any case, by the late 1980s, maintaining solvency was of the utmost urgency, and these states were already entangled in a web of international financial dependency. This was not a moment of historic possibility. Nor would an earlier move to austerity have been possible either, as it would have been even more politically impossible in the mid-1970s, before the crisis really began to bite.

The reality of state socialism was that it was above all an exercise in capitalist modernization. The East borrowed hard currency to import Western technology, modernize domestic production, and develop industries for export. By the 1970s, that model was no longer paying dividends in the Soviet Union as the growth inputs slowed. Generating more intensive growth in an economy that still retained key features of capitalism—money, commodity production—would have required the rest of the capitalist arsenal: profit, bankruptcy, wage inequality, and unemployment. These things the USSR did not have, at least not until Gorbachev set about trying to replace "the administrative coercion of the state with the economic coercion of the market."

The Soviet model had previously succeeded in industrializing backwards countries, perhaps faster and more rationally than earlier industrializers in the West (the relative human costs involved are up for debate). That claim was valid up to a certain point in capitalism's evolution, until the last third of the twentieth century. But the new, freer society beyond capitalism remained a dream. Retrospectively, this same case could be made for socialism as a whole: in less developed countries, it did capitalism better than the capitalists, be it through rationalizing the state, ending quasi-feudal relations in the countryside, or formalizing proletarian labor. But when the crisis of modernization swept through the Second and Third Worlds from the mid-1970s onward, the writing was on the wall.

It is of course possible to imagine other counterfactual points of departure. If the last days of the Cold War represented a non-choice between neoliberal restructuring, on the one hand, and buying time before facing the inevitable, on the other, then perhaps the British miners' strike of the mid-1980s contained the potential for a greater pivot: not for the perpetuation of social democracy but for social revolution. Yet the National Union of Mineworkers' leader, Arthur Scargill, fatefully opted not to ballot his members on a national strike, for fear he would lose. This demonstrated to Thatcher that, lacking confidence even in his own members, Scargill, and the workers' movement as a whole, would be unable to win. Again, the question of democratic legitimacy and political trust raises its head—needed not only by capitalist elites to impose austerity, but by any force seeking to do that which is necessary but "politically impossible."

In retrospect, the late 1960s probably represented the last chance to change the course of global history, to opt for a timeline different than that which we inhabit—before the oil shocks and the internationalization of finance created a noose for social democracy from which austerity was the only realistic escape. The failure to take that off-ramp doomed us to the seemingly deterministic scenario that Bartel so well depicts.

The Failure of the Left

There has been an ongoing discussion on the anglophone left for the past decade about the lessons to be taken from neoliberalism's political success. Some proposals have suggested studying the Mont Pelerin Society and setting up think tanks to sow alternative ideas in the public sphere, so that when the next crisis hits and a shift in regime is imminent, the Left can reap the benefits of that intellectual preparatory work. Arguably this is underway with moves toward a Green New Deal, but the Left has little to nothing to show for it.

The decidedly unspectacular history of left-wing anti-neoliberalism since the end of the Cold War has in fact compounded the historic defeat of the working class during the 1980s. The Left has primarily sought to defend welfarism. Neoliberalism was incorrectly understood as simply anti-state and pro-market, and so the Left came to see its task as defending state welfare programs. The question of class power disappeared from the equation, as did the centrality of mass democratic politics, which neoliberalism ultimately sought to neuter. It could even be argued that the root of left-wing victimhood politics is found here, in its uninspiring aim of defending state handouts as the essence of being left-wing.

Another seed of the Left's abandonment of class politics is found in this period too. Before Reagan's assault on the air traffic controllers union that signaled a new stage in class war from above, his predecessor Jimmy Carter had already tried to sell austerity as a virtue. Carter's famous "malaise speech" marked the entry of post-materialism into mainstream politics, with its recognition of ecological and social limits. In reality, it was just an ideological justification for capitalism's slowing growth and profitability crisis and, by extension, for capital's assault on the working class with the aim of shifting the balance of forces in its favor. But the Left eventually adopted this perspective of limits wholesale and became, if not an advocate of breaking promises, at least an advocate against making grand material promises in the first place.

Democracy's Self-Imposed Defeat

What are we to conclude from this experience, especially when viewed through the lens of democracy's greater capacity to break promises, which ensured its survival? One might object that neoliberal austerity was first and most brutally imposed at the barrel of a gun, through the U.S.-sponsored coup in Chile in 1973. But by the 1980s, many authoritarian regimes in the Third World, especially in Latin America, were transitioning to democracies—and it is *they* who imposed economic discipline.

Indeed, the post-Soviet experience seems to confirm this conclusion. Mieczyslaw Rakowski, policy adviser under Jaruzelski, observed the austerity imposed by Tadeusz Mazowiecki, a Solidarity leader and the first non-Communist prime minister in the country since the Second World War, remarking in his diary that "If we still had power then there would not be a single peaceful day in the country. . . . One strike would chase another. And today? Although Mazowiecki's government is pursuing a lethal economic policy, there are no strikes."

No doubt, as Bartel argues, the feeling that a government is "yours" means you will more easily tolerate the imposition of a decline in living standards, if it is sold as an economic necessity. The ruling class in Western democracies perhaps benefited from enough legitimacy and enough trust in government at the time to impose dramatic reforms; or, at any rate, they benefited from a sense that, as the '70s crisis reached its crescendo, things could no longer continue the way they were. Popular compliance with that sense of necessity was of course premised on the promise that growth, and greater popular affluence, would follow. The post-1989 economic record in the West should cast doubt on the validity of that trade-off, however, as real wages have remained stagnant for decades while workers have captured a smaller share of productivity gains, which have themselves been disappointing.

The trade-off is even more suspect in the successor regimes in the Eastern Bloc as a whole. Former World Bank economist Branko Milanović has written that most people's expectations on the eve of the fall of the Berlin Wall were that capitalism would "result in economic convergence with the rest of Europe, [a] moderate increase in inequality, and consolidated democracy. They are fulfilled most likely in only one country (Poland), and at the very most in another, rather small, two [Estonia and Albania]." This balance sheet means that "1 out of 10 people living in 'transition' countries could be said to have 'transitioned' to the capitalism that was promised by the ideologues who waxed about the triumph of liberal democracy and free markets."

Perhaps Alexander Yakovlev, the driving force in the Soviet Politburo behind democratization, was right in claiming that there "is sometimes a misunderstanding: when people talk about democracy, they presuppose some amorphous notion, like liberalization. . . . However, in reality, democracy is discipline . . . and the development of self-discipline."

The cost, then, of democratic capitalism's survival, especially in the West, has been the hollowing-out of democracy itself. The "self-discipline" to which Yakovlev referred means politicians do not make promises, and certainly don't seek to break free from externally imposed limits. Moreover, neoliberalism has been a process of fortifying the state to make it impervious to popular demands. And as capitalism now finds itself bureaucratized and stagnant, delivering ever less innovation, and by and large abandoning any claim to freedom, one of its few defenses left is coercion: how will we get people to work without the threat of unemployment, and ultimately starvation? Today's capitalism is thus neither liberal nor democratic. Perhaps, contra Bartel, it is not democracy that is good at breaking promises, but rather that the process of breaking promises was the undoing of democracy.

Bartel finishes by wondering how we might get states' promises and *all* their citizens' expectations to more closely align again. But in a world that reels from emergency to emergency, and in which promises only come in the form of doom-ridden prognostications, it falls to citizens to raise expectations beyond what is promised, to seek out precisely that *disalignment*.

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