

Capitalism as Cure: Dynamics of Responsibilization in East and West, 1960–2000

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Sparked by the disappointment that many African Americans felt with the outcomes of the Civil Rights Movement and propelled by an outburst of violence in extremely poor black neighborhoods, the late 1960s and early 1970s in the US witnessed a surge of interest in “the ghetto economy.” “Black capitalism” became the widely endorsed cure that should provide the remedy for the ills witnessed in poor black communities. At the same time, as socialist governments in Eastern Europe and the Soviet Union encountered sinking growth rates, local economists began debating incentivizing workers to increase productivity and spur growth. Though these debates provoked only moderate changes in actual policy at the time, they prefigured the transformation era of the 1990s, when capitalism was presented as the “natural” economic order to cure the illnesses left by socialism.

Capitalist euphoria connects these heterogeneous cases. In some instances, neoliberal euphoria would arguably be the better wording: the particularities of the historical contexts produce a certain semantic blurriness. We conceive of this ambiguity as a productive analytical tension to tease out the relation between late 20th century capitalism and neoliberalism. In fact, more examples could be named: Latin American governments turning to neoliberalism as a new development scheme since the 1960s and Chinese aspirations at economic reform since the late 1970s, for instance. As part of broad changes in policy, the discussions in East and West prominently revolved around processes of responsabilization: the transfer of responsibility from the state to smaller collectives and individuals – to black businesses and black single mothers in the US during the 1960s; to private enterprises and individual entrepreneurs in late and post-socialist economies. In other words, the notion of responsabilization allows us to effectively scrutinize the relation between capitalism and neoliberalism.

While neoliberalism’s relentless emphasis on individual responsibility is well-known as an ideological concept that shaped economic policies, the agents on the ground and the practices – doing responsibility – that translated ideology into everyday life remain a field open to exploration. In zooming in on selected moments and cases of responsabilization, we want to bring social relations into the history of neoliberalism. Connecting perspectives on Eastern and Western cases, we aim to investigate neoliberal practices as overarching developments that crossed the state and other boundaries and formed sites of global encounters.

In particular, the workshop focuses on three areas that have so far received little attention but seem crucial to understand responsabilization as a social phenomenon within the global neoliberal order:

1. *Practices:* In order to access “capitalism on the ground”, concrete economic practices in different social settings need to be examined. Depending on the guests, the workshop aims to look at microfinance, counseling opportunities and trainings, as well as local markets as “laboratories of capitalism” from the angle of responsibility.

2. *Scholarship*: While the popularization of neoliberal reform ideas via an “appeal to freedom” (as exemplified in Milton Friedman’s TV Series “Free to Choose”, for instance) has received much attention, the role of scholarly work in developing and legitimizing new allocations of responsibility have yet to be tapped by historians. Transnational exchange seems to have been particularly intense in scholarship, opening possibilities to explore the idea of “global encounters” in knowledge formation.

3. *Imaginations*: Shifting patterns of responsibility gave rise to new social imaginations that included new heroes and anti-heroes, among them the *homo sovieticus* that embodied everything capitalism promised to overcome and the well-fare queen that embodied a gendered and racialized notion of accounting for poverty. Exploring these figures and imaginations allows to better understand norms of responsibility.

4. *(Contemporary) contestations*: The belief in capitalism as a cure did not go without contemporary challenges. Yet contemporary critique might not necessarily mirror current debates; instead, these contestations can testify to the contingency of the historical moment and paths not taken when, for instance, looking at demands for reparation and redistribution of wealth in the US that hint at global trajectories of what Cedric Robinson has termed the Black radical tradition. Meanwhile debates in Eastern Europe evolved around concerns whether following the Western model and thus literally profiting from global integration would come at the suspense of regional specificities.

Despite high hopes, many endeavors into neoliberal capitalism failed or produced disappointing results. American observers bemoaned the growing racial wealth gap, the withdrawal of government from politics of integration, and the deformation of investments in black business into marketing strategies of white companies. In Eastern Europe and the former Soviet countries, talk of the “trauma of transformation” captures sobering experiences like sharply rising social and regional inequalities, deteriorating public services, and severe brain drain to neighboring countries in the West. This poor record of the capitalist cure has produced a highly critical historiography which accelerated after the financial crisis in 2008. To one of the leading figures in studying capitalism, American philosopher Nancy Fraser, the origin of what she calls a current “crisis of great severity” is capitalism itself: “what all the talk about capitalism indicates, symptomatically, is a growing intuition that heterogeneous ills – financial, economic, ecological, political, social – that surround us can be traced to a common root” (2017). Our workshop aims to shift the focus from broad moral critiques to careful historicization of responsibility: of the discourses, practices, and agents that shaped the application of capitalism as a cure “on the ground” – without, of course, losing sight of critical voices at the time that might, however, reveal other worries and modes of critique than recent investigations.

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