Capitalism will survive if it can continue to create a balance between community \([Gemeinschaft]\) and society \([Gesellschaft]\) that is acceptable to the majority of people—otherwise it will not. To adapt Lenin, if it is no longer possible to continue and no longer desirable to continue, then something new will emerge.

Above all, people live within families, relationships, and social structures—in short, within their forms of “association” which may be shaped by an economic system, albeit never completely determined.
It is the quality of these forms of association between people that forms the basis of each economic system, and from which it derives its legitimizing power. This is the source of the support needed to make a social system viable in the first place.

Of course, social conditions create the framework for the individual’s development, but they are in turn the result of realities relating to the human psyche. Formulated for the first time by Ferdinand Tönnies, one of the founding fathers of modern sociology, the importance of this idea cannot be overestimated: “All social forms are artifacts of psychic substance, and their sociological conceptualization, therefore, must be a psychological conceptualization at the same time.”

For sociology today “this amounts to the discovery of a forgotten sphere of problems—that social conditions are based on modes of consciousness which, as the embodiment of ‘feelings, instincts, and desires,’ not only precede rational action genetically but release such action from itself in the first place.”

Grounded in sociology, this perspective takes us to the heart of the matter: the future of capitalism in all its varieties (at least the American, Chinese, and European versions) will depend on the extent to which the implementation of its basic principles, in particular free competition, private property, and the principle
of the increasing accumulation of capital, has a positive effect on the fulfillment of basic human needs and thus demonstrably contributes to the common good. Every ambitious theory of capitalism needs a concept of the nature of humankind, their “feelings, instincts, and desires,” and of how a commonwealth [Gemeinwesen] can function on this basis.

Whether we like it or not, it is the psychological, subjective factor that decides whether and to what extent any kind of system transformation takes place or not. In other words, the future of capitalism is not primarily determined in the economic sphere, but by its ability to strengthen social ties within and between groups and/or to create an acceptable balance between them.

Others agree: in January 2018, Larry Fink, Founder, Chairman and CEO of BlackRock, the world’s largest asset management company, called on companies to develop a “sense of purpose” and focus their business more towards the benefit of society. However diverse the motives behind this appeal may be, it nevertheless highlights the question voiced ever louder in society concerning the acceptability of the capitalist economic system and the renewed insight that every business operation is inextricably linked to society.

For example, questions about more/less market, more/less digitalization, or more/less globalization,
which continue to dominate the debate, acquire their real systemic relevance as they influence the quality of a community’s or a society’s forms of association. In other words, the future of capitalism will depend on whether it succeeds in emphasizing the human being’s basic, anthropological constants that focus on togetherness, solidarity, and empathy.

**THE GRAND IDEA OF COMMUNITY AND SOCIETY**

Social conditions make different forms of individuality and sociality possible. For example, anyone who wants to understand the interrelationship between “me” and “we,” the “we in me,” can find many different points of reference in the social sciences. An early example of the positing of socio-psychological theory is Ferdinand Tönnies’ work, which influenced almost all the important sociologists in this field during the 20th century.

Tönnies created a body of thought which, although it remains fragmented, is nevertheless very stimulating and groundbreaking when it addresses the question of capitalism’s ability to survive. In particular, this is because Tönnies avoids both bias in favor of a rationalist view of the reasoned human being (“society”) and the other extreme of an anti-Enlightenment
attitude that is skeptical of progress (“community”).\(^3\) Above all, by differentiating between *Gemeinschaft* and *Gesellschaft*,\(^4\) Tönnies described fundamental mechanisms whereby people coexist in a commonwealth, mechanisms that can help us today in understanding phenomena such as “social division,” “filter bubbles,” and “alienation,” as well as the emergence of new forms of social bonding. At this point we should note that in each case the plural—communities and civil societies—is also meant. Tönnies uses these nominalizations primarily as a way of succinctly naming different forms of bonding between people.

For Tönnies, one thing is very clear: it is not just rational aspects or logically superior arguments that pertain to the bonding process, but rather and above all, emotions and motivations that resist rationality. The latter do not “convince” by means of argument. As Tönnies put it, it is always “… a positive relationship between these particular sensations and the entire inner state of sensory experience. That inner state is the absolute *a priori*. It can scarcely be imagined except as something embracing within itself the totality of existence in hazy, general relationships, some of which will gradually become clearer through the development and activity of the brain and sense organs, i.e. of the comprehending intellect.”\(^5\)
For Tönnies, social structures (as indeed our economy is) are fundamentally influenced by our biological and psychological development. Increasingly nuanced experiential worlds emerge (Tönnies talks about “forms of will”) from the system of “feelings, instincts, and desires” that relates to the human psyche and the thinking that takes place within this system. These worlds form the very basis of the forms social relationships take [Verbundenheiten, “associations”]. Then, two energizing, complementary mechanisms come into play, mechanisms that do not merely form a whole, but are in a relationship of high tension with each other. The first is indicated by the concept of community [Gemeinschaft] and designates “real organic life” and thus knowledge derived from the senses, physical experience, and emotional association.

From this emerges the ideal, mechanical construction, described by the concept of society [Gesellschaft]. As Tönnies writes: “In Gemeinschaft we are united from the moment of our birth with our own folk for better or for worse. We go out into Gesellschaft as if into a foreign land.” Of course, it is a great step forward to break away from the bonds of one’s immediate environment. Indeed, the “foreign land” does not necessarily represent a threat (for example, “Stadtluft macht frei”); rather, it is a powerful source of the new.
The systemic power of the community arises from the associations that operate within immediate human relationships (kinship, neighborhood, friendship), where the experiential system of intellectual understanding and emotion is fundamental. In a community, people are essentially interconnected through a system of good/bad customs, everyday reason, or even by “common sense.” Common to all these forms of social bond is that they function without any rules or regulations imported from outside.

However, the human mind is able to move beyond immediate sensory experience, and thus as discrimination and reflection increase, new forms of association emerge. They depart from the original system of natural instincts, and later from the intellectual system of thinking and feeling as well. In the course of biological, psychological, and social development, increasingly complex levels of reflection and mental activity interpose themselves between the manifestations of natural existence determined by the senses. The intellectual formation of “concepts,” the development of “intentions”, and the establishment of “goals” are the products of these new realities relating to the human psyche and open up another, new mechanism of association, that of contracts that are entered into consciously and rationally.
As a result, new mental structures are constantly being created, through which new forms of cognition emerge. In this process, the notion of the abstract develops an independent agency, and opens up new options for the way we behave. We can anticipate and think through the consequences of our actions; we can relate hitherto unrelated facts with one another or connect them in new ways. These intellectual achievements are both a *precondition* for the establishment of new social forms and, conversely, are simultaneously underpinned by them.

Thus the essence of society (as opposed to community) lies in the abstract world of rules that is divorced from subjectivity and emotionality, and the resulting formalized relationships of exchange in economic life underlie relationships in the world of trade. In this respect, following Tönnies, the capitalist economic world that relies on the movement of capital is dependent on societalization processes (for example, in the form of a functioning constitutional state). Only the development of formalized social forms (in private law: exchange, contract, and trade; in public law: licenses, prohibitions, levies, etc.) and their economic institutions (culminating in anonymous corporations and state intervention in the economic process) provides a reliable framework for the economy beyond
the bounds of community. But even the instrumental rationality of economic action and the calculation of exchange value must also be able to build on the human motivations that underpin them, otherwise credibility and legitimacy will crumble. Economic systems and their operations cannot be explained objectively in themselves, rather they are always the result of “human will” and are to that extent intentional.

If we pursue the notion that social conditions are based on modes of consciousness, that they are propelled and made possible by them in the first place, then we come across a possible crisis mechanism: the further the two spheres of community and society drift apart as a result of increasing economic, social, and technical complexity, the harder it is to “understand” what it is all really about. More complexity cannot be managed by superior “explanation” alone; rather, it necessarily and unavoidably entails the creation of meaning through values that are anchored in emotions and motivations. These values then take on a regulatory role, because they allow the essential simplification of complexity and thus focus.
DRIVING THROUGH FOG

In many ways, business leaders often have to behave like car drivers in thick fog—not knowing if they’re on the right track, risking a head-on collision with oncoming traffic, and yet driving on nevertheless. Unlike real traffic, in our case there really is no reliable indicator telling us that we are on the wrong track when several hundred vehicles are coming straight at us. This is not a new phenomenon in itself; however, the effects of leverage and speed in technically sophisticated and integrated trading systems and economic cycles do represent something new.

Today, we are confronted with an accumulation of complex situations, and in the world of complexity it seems that many a management intervention resembles a rainmaking dance. We do not like to hear or say this, and yet it cannot be denied: whether economists, sociologists, or psychologists, we are hopelessly out of our depth. The good news is that this condition is chronic, and in a crisis we can see this particularly clearly. And that is why we would do well to proceed both diffidently and modestly in our deliberations and decision-making.

The fact that we are groping in the dark, therefore, is not only attributable to our helplessness, but
can be attributed to the nature of our modern societies’ (dys)function. By this we mean the trend to transform facts, business relationships, risk assessments, or product ideas into sophisticated, intellectually abstract relationships that we can no longer comprehend—into legal norms, unnecessarily complicated models and theories, which are often almost impossible to translate back into the world of common sense. The magnificent ability of the human mind to use abstraction to move beyond the immediate world of experience quickly turns into complexity, as the (re-)integration into emotions and motivations becomes ever more difficult.

At the beginning, I spoke flamboyantly of a “grand idea.” The distinction between community and society, which seems schematic only when regarded superficially, is fundamental because it addresses a central, ambivalent experience of interpersonal life in the modern world in an original way. On the one hand, there are direct, personal relationships in which the individual feels emotionally and motivationally involved and rooted. On the other hand, there are processes that are experienced socially and anonymously as external, unmanageable, and alien—relationships that seem uncontrollable. Despite their differences, both types of association are the result of real developments with
their inherent psychological processes, and time after time both have to stand up to a holistic assessment (“inner state of sensory experience”).

For Tönnies, it was already obvious that there is no one society/community, but many communities and societies. In contrast to the various labels we use to describe the present, e.g. risk society, leisure society, multi-option society, or knowledge society, Tönnies is concerned with finding answers to the question of how different types of association arise in a social grouping, and how they constantly re-crystallize like chemical elements. It is irrelevant whether these questions are posed in the context of individual “parallel societies” or “virtual communities,” for example. At the core there is always the question of how commitment arises in interpersonal relationships.

As he elaborates this idea, Tönnies addresses the often separate spheres of holistic experience and knowledge that requires (re)integration, sometimes anticipating later findings in the field of psychology. The divergence of these spheres through experience and the resulting, constant need for integration are formulated by Tönnies not just at the level of the individual, but as a social problem.

The divergence of community and society produces experiences of alienation (“no longer feeling
understood,” “social fragmentation,” “the world is no longer responsive,” etc.). For the sociologist Hartmut Rosa, one solution is to seek out new experiences of “resonance.” The sociologist Armin Nassehi, by contrast, advocates improving the way we “handle and use the differentiation of perspective.” However, the latter is likely to prove naïve in the context of new demands to tip the balance in favor of community experiences in manageable groups. If the pendulum has swung too far in the direction of a process of societalization that increases complexity, a further increase in the acceptance of perspective can hardly be a recipe for success—as desirable as it may be. The current growth of populist movements that emphasize a focus on community (currently by using concepts such as national identity or homeland in particular), speaks for itself. The challenge is to make legitimate proposals as to how the balance between community and society can be maintained in a tension that is productive and ultimately acceptable to the majority of people.

But it is also possible that viable answers might emerge from capitalism’s focus on innovation. Today, the entrepreneurial approach of offering more community-oriented products and services is already producing successful business models—whether it is an emphasis on regionalism in the food industry,
community-oriented marketing strategies, and not least ideas about the sharing economy. It is also very much in companies’ commercial interest to contribute to sustainable associations through their products and services. But this also applies to the internal organization of the company itself. Here, too, positive simplification is the order of the day, in order to facilitate new forms of association at community level. In this respect, new forms of work (agile, holacratic, etc.) can be seen as attempts to integrate the logic of capitalist production into ever-new forms of communitization, thereby taking account of social needs. Once again, we should remember Larry Fink’s abovementioned demand for a social purpose, which can also be read as an appeal to develop innovative approaches to promoting associations. For a long time now, practice has shown how entrepreneurs have been trying to make the principle of increasing the accumulation of capital work to create added value for the benefit of the common good.

However, it remains to be seen to what extent the self-transformation of capitalism, which has already begun in a wide variety of areas, will help overcome contradictions, resolve conflicts and, not least, contribute to stability in society. We should be careful about generalizing from particular examples in a complex, unpredictable economic system, and thus
encouraging the fantasy that this can be managed. Even Wolfgang Streeck, a prominent and knowledgeable critic of capitalism, admits that the present state of capitalism is still emerging, i.e. “is not necessarily either planned or intended by the actors involved.” In a self-organizing system (and there is almost no other way of talking about the capitalist system today), we no longer have an overview.

IN PRAISE OF SMALL STEPS TOWARDS THE COMMON GOOD

To be dependent not only on the goodwill of the local community, but to be able to rely on legal obligations and establish something elsewhere using the abstract medium called “money” is part of what Tönnies means by societalization [Vergesellschaftung]. The element of the abstract, that which is detached from an immediate emotional relationship, was originally a great advance in terms of freedom and an engine of progress. However, the phenomena of our current crisis demonstrate that the old balance between the concrete (community) and the abstract (society) has been lost.

This divergence also seems to be the decisive breeding ground for future crises and recurring
malfunctions in our economic system. It is only a matter of time before the motor starts faltering again as a result of the highly abstract financial transactions taking place in the interconnected dynamics of our global economy. Those who espouse this perspective conclude that we are not suffering from too much free market economy or too much welfare state. Rather, we are suffering from the logic of excessive societalization, which is inherent to all economic activity, and hence also to modern finance capitalism, and is further intensified by it. It is not so much the pursuit of profit as the systemically integrated abstraction, objectification, and reification of human coexistence, which thus far we have no effective concepts to combat. One thing is clear: a return to “the old days” is not possible.

In these circumstances, three conclusions are conceivable. First, we must muster the strength to stop promoting the extent of societalization in the sense discussed here by using clear but simple rules in the political arena. Or rather: we must create incentives to simplify. We must not trivialize matters, but a further increase in complexity will not solve these problems. If we follow the psychological and sociological argument already discussed, even technical innovations (currently digitalization) are unable to help us, so long as we operate in the abstract space that we
cannot occupy emotionally. Second, we must rein in our need to create grand visions. The course of history shows that few things are really predictable—not even in a system that is reasonably manageable. We would therefore do well to give more weight to the “piece-meal approach” as described by the philosopher Karl Popper—small steps, feeling our way, always ready to turn back. We also need to scale back our expectations of politics—it’s not just a case of pressing one or two buttons. Our economic system, in all its social interdependencies, is far too interconnected for powerful monocausal interventions to threaten overall stability immediately—the unintended side effects are now more important than the intended ones. What should be the focus of decision-makers when everything is so terribly complicated and complex?

The third and most essential consequence is as follows: focus on the common good and judge your actions against their compatibility with the common good! Simply because of the interdependencies within community/society, this imperative is rational. It is but a weak counter-argument to claim that the idea of the common good is antiquated because everyone understands something different by it. Of course, we should always take care that such rhetoric does not—as has happened historically—fuel authoritarian abuse.
But actively contributing to the strengthening of the commonwealth or preventing its damage is the fundamental legitimation of our liberal system. Nothing is more shortsighted than a notion of freedom that does not recognize that unconditional human existence does not exist. The common good should be regarded as a condition of the possibility of a successful life—or to put it more succinctly: “no freedom without the common good.” The common good becomes the basic condition of human self-development.

Even if it is hard to bear, our understanding is an obstacle, and we would do well to take its failure into account. Thus, if we want to maintain a free social and economic system, the tendency to abstract business processes and relationships from the immediate conditions of people’s lives requires a form of reconnection that is culturally accepted, emotional, and motivational. The common good seems to me to be the most meaningful, historically evolved, regulative idea. In a nutshell, “common sense” has to be rediscovered as a guideline for people’s decision-making and action, and criticism is always appropriate when “common sense” is unable to deal with the argument or the solution.

Concentrating on the good feelings that underpin decision-making (I am deliberately not saying “on the good reasons”) should become an important asset
not only in professional life, but also in primary and secondary education, because it can reinforce the willingness to deal with the associated liberal image of humankind, and can create incentives that reward this. What you cannot do is dictate values or enforce them in a compulsory way.

We should remember that the functioning of a capitalist economic system in which “capital” and “risk” play a decisive role necessarily relies on a focus on the common good. Such a criterion forces a reconciliation between all the productive and destructive forces of abstraction, which make the achievements of the individual forms of capitalism possible in the first place. What we need is a journey of small steps and the courage to simplify things. Without such an emphasis on “the doctrine of the measure and moderation” (Wilhelm Röpke), the viability of the social system is at stake. Focusing on the common good provides a compass that never abandons the experience of community unilaterally to the detriment of the experience of society and vice versa, and always looks for the productive link between the two. It is thus of central importance not to base our hopes on harmony, but to acknowledge this dualism and use the indissoluble relationship of tension creatively.
TOWARDS A VISIONLESS VISION

Capitalism’s “condition for survival” as formulated is profoundly focused on the idea of compatibility with the common good. Innovations are required time and again to continue to ensure an equitable balance between community and society. Using the ideas of Ferdinand Tönnies we have an explanatory approach that sums up the capitalist mode of production’s dependence on focusing on the common good. Above all, however, it demonstrates the starting point whereby companies today can maintain or increase their acceptability among the population.

However, given the self-organizing nature of complex systems, any kind of vision is doomed to failure from the very beginning if it sets out to be a grand plan. In line with the aforementioned “piece-meal approach,” it is important to experiment with new forms of association and discover viable solutions. Indeed, the “muddling through” this creates is not a weakness, but an admission of the complexity generated by us humans.

This does not mean a rejection of individual goals and visions of the future, which give power and direction to the individual, and serve as their vital impetus. Equally, visionless vision does not mean a lack of
vision. Rather, the term aims at the preparedness to relentlessly face up to the limitations of individual agency and, at the same time, to focus again and again on the greater good. Living this apparent contradiction might begin by recognizing and accepting the contradiction as a real challenge in the first place.

The associated aspiration to creation and action of individual actors is thus characterized by modesty and humility, as has been recommended since the time of the Stoics: to calmly focus only on those things that one can really change and tackle them courageously. This too is perhaps the core of a visionless vision, which sets its sights on viable forms of association that will benefit the common good and does not let itself be seduced by empty promises of the future. If capitalism aspires to this in such a way, it has a chance of survival.

Notes

* [Translator’s note.] Stadtluft macht frei [city air makes you free] refers to a German medieval legal principle, whereby serfs were deemed free of their former masters’ ownership if they succeeded in living for one year and a day in the city.


