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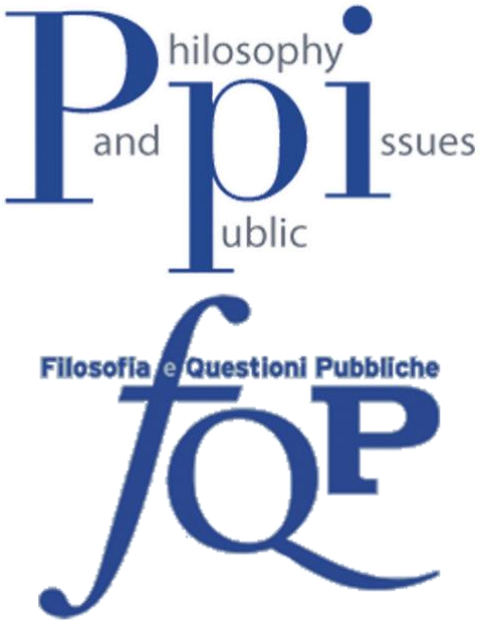
CAPITALISM AND CRITICAL THEORY



CAPITALISM
A CONVERSATION IN CRITICAL THEORY
A PRÉCIS

BY

NANCY FRASER

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Capitalism
A Conversation in Critical Theory
A Précis

Nancy Fraser

Whatever its shortcomings, *Capitalism: A Conversation in Critical Theory* at least lives up to its title. It is truly a conversation, between Rahel Jaeggi and me, aimed at reviving reflection among critical theorists on the nature of capitalism. How gratifying, then, that the book has prompted the present symposium, which continues that conversation and pushes it forward. In responding to its arguments, the contributors have transformed a dialogue into a multilogue, making it deeper, sharper, richer, and more complex. I know that Jaeggi would join me in welcoming this expansion of our conversation.

My contribution to our co-authored book is a plea for large-scale critical theorizing. Rejecting the pluralizing ethos of recent decades, I defend the effort to conceive our social system as a totality–albeit one that is internally complex and self-contradictory. Like earlier generations of critical theorists, I treat capitalism as the master category for such theorizing, even as I rethink that category in light of subsequent insights developed by feminists,

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environmentalists, anti-racists, anti-imperialists, and democratic theorists. Like earlier generations, too, I aim to replace the disciplinary siloization of "affirmative theory" with an interdisciplinary approach that posits internal links between history, social theory, and moral philosophy.

These commitments are controversial and meet plenty of pushback here, from the contributors to this symposium. In what follows, I'll respond to their interventions on four major themes: first, the relation between social theory and moral philosophy in critical theory; second, the relative merits of an assemblage model of society versus a unified view; third, the relative weight of political and structural factors in the transition from social democracy to neoliberalism; and finally, the prospects for emancipatory social transformation in the present crisis. Without pretending to speak for Jaeggi, I'll focus on clarifying my own views.

Those views derive from my effort to rethink the concept of capitalism: how is it best conceived in a critical theory that aims to clarify the present conjuncture, with all its evident perils and emancipatory potentials? As several contributors have noted, I reject the standard view of capitalism as an economic system geared to accumulate capital by employing waged workers to produce commodities on privately owned means of production. In the hands of critical theorists, that view has served to illuminate many economic injustices and irrationalities, above all class exploitation and a proneness to economic crisis. But it fails to disclose some other systemic injustices, such as gender domination and racial/imperial oppression, as well as some other crisis tendencies–ecological, social, and political. To gain access to those failings we need a broader understanding of capitalism, which brings in the non-economic supports of its economy–namely nature, families, states, and expropriable populations in the

system's peripheries. By expanding our view to include them, we extend our critical reach. It becomes possible to problematize the relation capitalism institutes between its economy and the ecosocietal surroundings on which its economy depends.

As Karl Polanyi taught us, this relation is perverse. Capitalist societies incentivize the propertied classes to help themselves to carework, natural resources and public goods, as well as to wealth expropriated from racialized peoples, while absolving them of any obligation to replenish what they take or repair what they damage. As a result, they periodically deplete or destabilize those essential conditions of capital's existence – and, what's worse, of ours. Thus, capitalist societies entrench multiple crisis tendencies beyond the economic. Sharpened by decades of financialization, these have now converged in a general crisis of our social order. If we hope to clarify this crisis–and the complex of struggles traversing it, critical theorists require an expanded conception of capitalism of the sort I proposed in the book and have summarized here.

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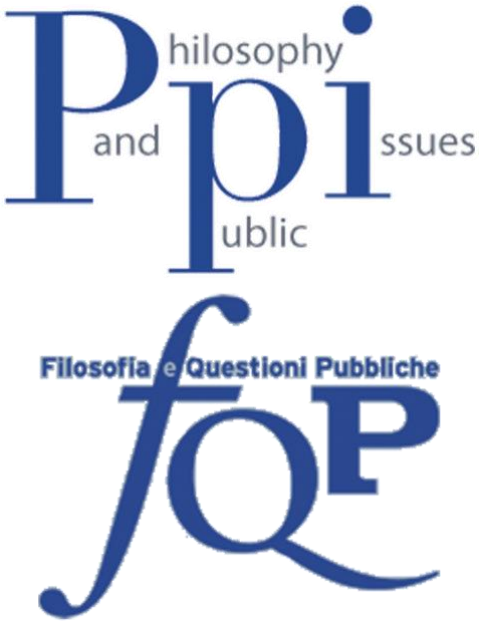

CAPITALISM AND CRITIQUE
IN DIALOGUE WITH NANCY FRASER

BY

STEFANO PETRUCCIANI

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Capitalism and Critique
In dialogue with Nancy Fraser

Stefano Petrucciani

Capitalism: A Conversation in Critical Theory (Fraser-Jaeggi 2018) is an interesting and fascinating book written in the form of a dialogue by two of the leading representatives of today's critical theory: Nancy Fraser and Rahel Jaeggi. In this contribution, I aim at raising some critical questions focusing on two themes: the relationship between critical theory and normative principles (1) and the concept of capitalism and its critique (2).

I
Normative principles and social dynamics

The book written by Fraser and Jaeggi devotes much attention, and with reason, to a problem that, also in the field of critical theory, characterizes much of today's theoretical debate: the chasm between normative questions, on the one side, and the analysis of societal tendencies and the diagnosis of the times, on the other. The book, in other words, criticizes the separation between empirical social reflections and normative political theory. As a consequence of this separation, writes Fraser, "people simply

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stopped trying to understand capitalism as such" (Fraser-Jaeggi 2018, 5).

I think this is a crucial issue for today's critical theory and I substantially agree with Fraser's point. With reference to Kant, we could perhaps say that normative theory is empty if it does not take into account the dynamics of the real world, and that empirical analysis is blind if it does not allow itself to be guided by normative concepts. When trying to put this important intuition into practice, however, we are faced with a number of issues concerning both the level of social analysis and the one of normative principles. With regards to the first, it is impossible, today, to re-propose a merger between social analysis and critical philosophy, like Marx or the first generation of the Frankfurt School attempted to do. Nowadays, we are fully conscious of the fallible character of scientific research and of the extremely complex nature of society; we are well aware, for example, that correctly identifying the tendencies of social development is a very difficult and problematic task. We know that, if we do not want to appear naïve or dogmatic at the eyes of our contemporaries, we need to be much more cautious in our assertions than, in other times, the great masters of critical thought have been.

The most complicated issue is, in my view, the one concerning normative principles, that in the book is discussed in the chapter entitled *Moral criticism of capitalism*. There, Rahel Jaeggi says that "of course, capitalism is exploitative and unfair" (*ibid.*, 122); according to her, the real problem is understanding what the specific injustice of capitalism consists of. But, in my view*, the idea that capitalism is exploitative is not obvious and self-evident at all*; indeed, most social thinkers deny it.

Similarly, Nancy Fraser remarks that "a critical theory of capitalist society needs to identify a set of 'bads' that arise systemically and non-accidentally from the deep structure of that society and are in that sense specific to it. That's a good part of

what distinguishes it [critical theory] from egalitarian liberalism". In this regard, however, at least from my point of view, one cannot help but raise the following question: how do we know that something (for example an unequal distribution of wealth) is bad or morally wrong? To make this claim in a justified way we have to rely on a solid background of normative principles, that, however, need first of all to be identified.

A weakness of Marx's thought, but also of the critical theory of the first generation of the Frankfurt School, in my view, is that they never devoted sufficient consideration to the problem of the normative grounding of critique. Today, however, we cannot ignore the turn that Habermas impressed to critical theory with his restatement of the moral (or *normative*) dimension: avoiding here all technicalities and abstracting from the many possible formulations of this theme, we can say that Habermas demonstrated, or at least tried to demonstrate, that inherent in discourse is a principle of respect for all, which is, therefore, also a moral principle (as stated more forcefully by Karl-Otto Apel). Thanks to this normative principle, we have the grounding from which we can set critique into motion.

Of course, it is also possible to try to ground critique through a different line of thought, that is, by a more Hegelian approach, as, for example, in the critical theory of Adorno, who tried to develop the Hegelian idea of "determinate negation". Today, Rahel Jaeggi's work can be considered in such a perspective. However, in my view, the "Hegelian" approach has never succeeded in being fully clear and truly convincing; therefore, I believe that Habermas' proposal has not yet been surpassed. If we accept at least the main core of the innovation brought by Habermas to critical theory, we need to accept that critique needs to have a normative grounding, and that this grounding is not arbitrary (as, for example, are instead the principles of egalitarian liberalism or Rawls' concept of

fairness), because its roots reside in human linguistic communication.

I fully agree with Fraser when she states that, even in Marx, critique cannot do without a moral dimension, even though Marx himself often concealed or denied this aspect: "There is an ineliminable 'moral' strand in Marx's critique", writes Fraser, "despite the fact that he sometimes disavows it. And I think the term 'justice' captures it well. But in saying that, I am reinterpreting the meaning of justice. Instead of allowing liberal moral philosophers to define it in narrow distributive terms, I'm suggesting we take it back and give a more expansive meaning […]" (*ibid.*, 126). I think this is a perfect description of Marx's stance. However, since we know that not even Marx could do without a reference to morality in his critique, we need to devote more consideration to this theme and, in particular, to its Habermasian formulation, which, I think, is one of the most important contributions to critical theory.

In my opinion – with reference also to the way Rainer Forst presented the issue – a good formulation of Habermas' moral principle is the following: no-one should be treated in ways that cannot be discursively justified to him. In proceeding from this moral principle, can we still maintain that capitalism is unjust?

I think we can: from the moral principle of discourse prescribing equal respect for all people (we can formulate this principle in Habermas's or Forst's way, this is not important right now), follow, by going through some additional steps, a number of basic principles for a just political order, like the ideal of "freedom and democracy" Fraser refers to. To say it in Fraser's words, "One could classify the 'freedom/democracy' argument as moral, as a claim about what is required for 'political justice'" (*ibid.*, 132).

Once we have identified these principles of political justice, as Fraser calls them, it still remains to be determined whether capitalism can be deemed unjust according to them (for example

to the principle of "freedom and democracy"); that is, we need to ascertain whether a "moral" critique of capitalism is coherent and tenable. To tackle this problem, however, we need to look beyond the theme of normative principles; we need to clarify what we mean by "capitalism".

II.
What do we talk about when we talk about 'capitalism'? What does 'capitalism' mean?

Assuming the existence of a capitalistic mode of production characterized in the way Marx described it (Rahel Jaeggi summarizes in the book its main features[1]), the controversial points, in my view, are the following: to what extent can we say that our society is *moulded* by capitalism? To what extent our social system can be defined "capitalism" and our society a "capitalistic society"? Is it right to speak of a "capitalistic society"?

In the paper he presented to the 1968 conference of the German Association of Sociology, Theodor W. Adorno (1987) asked himself "do we live in late capitalism (*Spätkapitalismus*) or in an 'industrial society'?". The same question can be re-proposed today: are we living in a capitalistic society? The answer is not obvious as it might seem. I think that, in the face of this question, two quite different roads can be taken. A quite cautious and prudent choice is the one of saying that our society can be defined as capitalistic because some aspects of its economy are capitalistic; but then we can also say that, politically, our society can be defined

[1] Cfr. Rahel Jaeggi: "Let's begin by positing three defining features of capitalism: (1) private ownership of the means of production and the class division between owners and producers; (2) the institution of a free labor market; and (3) the dynamic of capital accumulation premised on an orientation toward the expansion of capital as opposed to consumption, coupled with an orientation toward making profit instead of satisfying needs" (*ibid.*, 15).

as liberal-democratic, while, with respect to its habits and lifestyles, we could maybe define it as post-modern. The horizon is far too complex to just say that we live *in capitalism*.

Fraser adopts a different stance: she maintains that capitalism is not only a mode of production or accumulation, but, rather, it is an *institutionalized social order*.

This means that "capitalism" must be understood as a social system – if it is legitimate to say it in this way – characterized not only by the presence of capitalist enterprises, which offer goods and services on the market in order to make a profit, but also by another set of features which define its identity; these are defined by Fraser as the non-capitalistic conditions of possibility for the subsistence of the capitalist economy. They are:

1. The existence of a sphere of social reproduction separate from that of "production". In the former, all those activities of reproduction and care that capitalism does not pay for, but without which it would not be possible, are carried out largely thanks to unpaid labor.
2. The existence of a sphere of services or public goods provided by the state or public authorities (police, schools, transport and communication infrastructures, etc.) without which capitalism could not exist.
3. The existence of a natural environment that provides the capitalistic production with resources for production. Capitalism does not pay for these resources, but it consumes them and in many cases deteriorates the environment (for example, through pollution) while offloading the costs of this deterioration on the entire community.
4. Processes by which capitalists appropriate or privatize existing resources, which they have not produced, but which form the basis for capitalist accumulation proper: processes of colonial

appropriations, or enclosures (namely, the privatization of land that Marx speaks of in *Capital*, and its contemporary equivalents).

When we speak of "capitalism" (or capitalistic society) then, according to Fraser, we are talking about a complex social organization so characterized: "A capitalist society comprises an 'economy' that is distinct from (and dependent on) a 'polity' or political order; an arena of 'economic production' that is distinct from (and dependent on) a zone of 'social reproduction'; a set of relations of exploitation that is distinct from (and dependent on) background relations of expropriation; and a socio-historical realm of human activity that is distinct from (and dependent on) a putatively ahistorical material substratum of non-human nature" (Fraser 2019).

The question, then, is whether this is an adequate definition of capitalism and what meaning it has, if we take this view, the idea of socialism as a means for overcoming capitalism. Fraser's definition of capitalism as an "institutionalized social order" undoubtedly has the advantage of focusing on some of the fundamental characteristics of Western capitalism as it has been historically realized in past centuries. It also has the merit of highlighting the forms of exploitation, injustice or domination, other than the "Marxian" exploitation, to which capitalism has given rise: patriarchal domination in the sphere of reproduction, exploitation of nature, forms of expropriation or "original accumulation" that are still vital today.

One may wonder, however, whether these traits, that have been typical of what Immanuel Wallerstein (2011) calls "historical capitalism," can be considered to belong to capitalism in general; that is, whether they can be included in a definition of the concept of capitalism. In other words, we can ask ourselves whether this way of understanding capitalism is not a problematic generalization of a specific historical experience of capitalism. In this regard, another question can also be asked: let us consider a society that

possesses the characteristics that Fraser has identified as belonging to capitalism in the broad sense, that is, to capitalism as an institutionalized social order. In what sense could we define this society as a "capitalistic society"? A society possessing these features, in fact, also includes many other institutions (for example, the ones of political democracy, cultural institutions, churches) that characterize it perhaps as significantly as the institutions that Fraser identifies as belonging to capitalism as an istitutionalized social order. But then, why describe our world as "capitalism" or as a "capitalistic society"?

This issue can also be seen from another point of view. Let us think of a society where there is a generous welfare system, which provides all citizens with free education and health care, and which guarantees that the less well-off citizens can have housing, transport and some essential services at very low prices. Certainly it can be said, with Fraser, that this system favours capitalist entrepreneurs, because it allows them to pay low wages to workers, who can live thanks to the benefits that the welfare state provides them. But the same situation could also be conceptualized in a very different way. One could say that such a system does not really favour capitalist entrepreneurs in the first place, because they have to spend a considerable amount of money in taxes to finance all these services. Therefore, it could be argued that a society organised in this way is not really a "capitalistic society", but rather a society where different modes of economic organisation coexist: capitalist modes, where goods and services are offered on the market by companies aiming to make a profit, and "socialist" modes, where goods and services are provided by the State or by public institutions, according to egalitarian or solidary principles.

It is true, as Fraser points out, that capitalism needs to be surrounded by a certain amount, perhaps limited, of welfare institutions, otherwise it would not be socially sustainable. And it is also true that, when neoliberalism tries to reduce the welfare state

to a minimum, it risks eroding its own conditions of sustainability. This, however, is not a sign of its strength; it is a sign of its weakness: it means that capitalism cannot work on its own, and that society can only function if it also incorporates other, *non-capitalistic* principles.

Also a Marxist thinker such as Eric Olin Wright (2019) has argued, in his book *How to Be an Anticapitalist in the 21st Century*, that in modern Western societies different modes of economic organization (capitalist, statist and socialist) coexist (or can coexist). According to Wright, we can speak of capitalistic societies because, in them, capitalistic modalities are predominant over the others. However, if we further radicalize Wright's considerations, we could say that the capitalistic character of a society then becomes a matter of degree, according to the weight that the different elements composing that society have in it.

The final question, therefore, is the following: is it appropriate to define today's society as a capitalistic society? Or is it preferable to consider it as a particular configuration of modern society, characterized by the conflictual coexistence of different principles of organization, where a capitalist logic coexists, albeit from a position of strength or hegemony (in certain times and places) with different and even opposing logics?

If we reason according to this last perspective, the consequence is that the very idea of "overcoming capitalism" becomes problematic. It is no longer a question of replacing "capitalism" with "socialism". Perhaps it can be more useful and productive (and not far from the way Fraser rethinks socialism) to reason about a society that, so to speak, shifts or balances the weight of its different components differently: a society that can, therefore, develop further the aspects of its economic organization that are already socialist, cooperative or solidary, giving them a greater importance than they have in present times.

But, as Fraser rightly points out, to change our society does not only mean trying to establish a different economic organization, as social movements have done in their struggles for the welfare state, for cooperatives and for an economy based on solidarity, and by defending the rights of the workers employed in capitalist enterprises. It also means, at the same time, opposing all those other forms of domination that have accompanied "historical capitalism" and from which the latter has benefited and still benefits, such as *patriarchal domination* (which has been weakened, though not overcome, in recent decades) and what we could call (taking up Wallerstein's term) *systemic domination*; namely, the domination which finds its ancient roots in the colonial and imperial oppression that the hegemonic capitalist powers exercised over the whole world. This colonial oppression still exerts its consequences today, for example in the racialisation of many workers and in their overexploitation, as well as the cultural inferiorization of several cultures. Changing our society also means opposing what we might call the "political domination" which occurs when the democratic forms characterizing (albeit with a lot of limitations) many societies in the West, are emptied out or colonized by the intrusiveness of economic and media powers or by the autonomisation of political power with respect to the citizens. In any case, to understand and criticize the complex articulation of the modern forms of domination and exploitation (and the resulting negations of freedom), Nancy Fraser's insights constitute very important contribution, which deserves to be explored and discussed.

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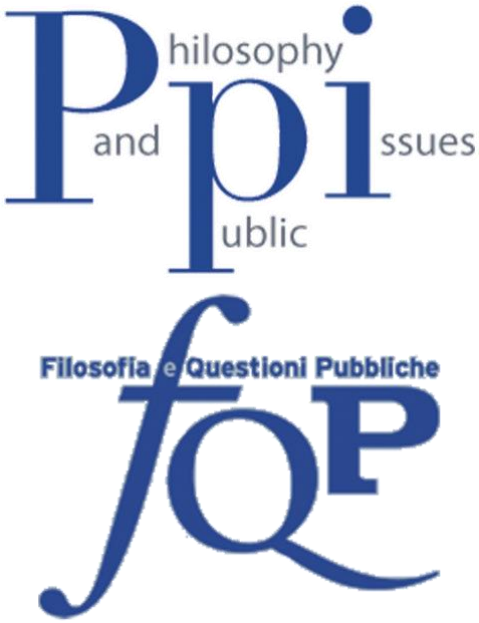

CAPITALISM IN NEOLIBERAL TIMES: RETHINKING THE LEFT

BY

ALESSANDRO FERRARA

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Capitalism in Neoliberal Times: Rethinking the Left

Alessandro Ferrara

Nancy Fraser is one of the leading representatives, in our times, of an approach to Critical Theory that deliberately stays away from agonizing over "the ground of critique", but instead aims at articulating a *Zeitdiagnose* that reflects, interprets, gives voice, and ultimately aims at enhancing the prospect of social movements radically opposed to the injustices and the inequality inherent in a capitalist society. With remarkable and outstanding continuity – exemplarily embodying Gramsci's "optimism of the will" – over time Fraser has engaged in an original reflection on the current transformation of capitalism as an "institutionalized social order", as well as on the challenges raised by these new developments for those committed to overcoming capitalist oppression. Her reflection is very poignantly presented in her book *Capitalism. A Conversation in Critical Theory*, co-authored with Berlin-based critical theorist Rahel Jaeggi (Fraser-Jaeggi 2018).

In this paper, I would like to offer a few comments and engage her main theses. Although it is generally difficult to partition a

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conversation, which is the original format of the text, in this case the authors must be praised for doing an excellent job at creating partitions that are self-sufficient and do reflect the unavoidable items of the agenda of any critical theory that intends to confront "capitalism": how to conceptualize capitalism, capture its historical development, articulate grounds of critique, figure out pathways for actual contestation on the ground to be successful. I'll follow this thematic sequence in the first section, in order to highlight and briefly address the important insights and advances offered by Fraser. Taken together, these insights amount to a long-needed and timely rethinking of Marx's notion of capitalism and its dynamics. However, in the next three sections I will dwell on three areas of Fraser's critical reflection that in my opinion would benefit from a supplement of elaboration and detailing. To anticipate, these grey areas are a) the problems raised by the present "financialization of capitalism", in my terminology the increasing weight of "disembedded financial markets" within "capitalism as an institutionalized social order;" b) Fraser's socialist alternative and its relation to political liberalism and reasonable pluralism; c) the notion of anti-capitalist struggle and Fraser's idea of "progressive populism."

I
Marxism and critical theory reconsidered

Nancy Fraser must be credited for significantly updating the Marxist tradition at four junctures. First, she convincingly argues that the central antagonism between capitalist entrepreneurs and working class is now complemented by almost equally decisive, in any event certainly not peripheral, struggles in the three areas of a) genderized care and discrimination, b) racial discrimination and c) predation of natural resources.

Second, according to Fraser, these contemporary and ever-expanding struggles attest the fact that the predatory, expropriating relation to nature and to not-directly productive, unremunerated subjects is no longer a mere precondition for the primitive accumulation of capital and exploitation proper – as in classical Marxism –, but constitutes an ongoing, albeit ideologically disavowed, condition of the possibility of successful exploitation. Much as in his famous dictum Böckenförde claimed that liberalism consumes cultural resources that it cannot replenish, so the capitalist exploitation of workers for Fraser rests on and consumes other reproductive, natural and political resources that no association of entrepreneurs is capable of replenishing. What Fraser calls the "front-story of exploitation through the appropriation of surplus value" must then be supplemented by critical theorists with an account of the back-stories of gender and racial discrimination, the spoliation of nature and the encroaching of capitalist interests on the democratic process. Consequently, struggles occurring in these areas must be conceived as integral to 'class-struggle' against capitalism. This move allows Fraser to integrate within her 'expanded' critical account of capitalism "the insights of Foucault, Bourdieu, and the neo-Hegelians who focus on 'ethical life'". In fact, she contends, these insights into "subjectivation, habitus, culture, lifeworld and ethical life" "receive their full meaning and importance when they are situated in relation to capitalism as a historically elaborated social totality" (Fraser-Jaeggi 2018, 33).

Third, Fraser's revisitation of Marxism refrains from indulging in the romantic idealization of the integrity of past, tradition-based lifeforms, configurations of the self or natural conditions. When capitalism sets in, all that is solid melts into air, and neoliberal capitalism – the latest reincarnation of capitalism – is no exception. I grew up in Sicily in the 1960's, with honor killing as a mandatory remedy for the reputational costs incurred by male relatives for

women's "sexual misconduct." Neoliberal global capitalism and neoliberal consumerism must be credited for eradicating that code of conduct. Who is nostalgic for patriarchal, mafia-infiltrated, exclusionary community?

Fourth, Fraser avoids the two pitfalls, common to many critical thinkers of the past and the present, of a) suggesting that exploitation-induced and commodity-fetishism-induced reification spreads from the workplace and the market to the whole of society (as Lukács and sometimes the first generation of the Frankfurt school maintained), or b) conceding that the capitalist economic system, based on the strategic coordination of action, delivers its output but negatively affects society insofar as it unduly expands its mode onto life-world areas that are sort of naturally integrated via communicative action. Fraser then elucidates her idea of capitalism as an "institutionalized social order" (though one wonders which social order is not institutionalized): a form of societal organization that produces economic profit and growth via exploitation and makes exploitation possible via expropriation in the non-profit-driven, but profit-dominated, areas of reproduction, nature and politics (*ibid.*, 52-53).

After highlighting the many points of consonance that I share with Fraser's version of Marxism and emphasizing their innovativeness, let me move on to the few "grey areas" where I feel that extra-clarification would be welcome and would strengthen Fraser's argument further.

II
Capitalism in neoliberal times

Marx analyzed competitive 19th century Manchester-like capitalism. In Chapter 2 we get a convincing enumeration of the types of capitalism, in the plural, that have prevailed in different historical times: mercantile capitalism, competitive liberal

capitalism, state-managed monopoly capitalism, and now globalizing financial capitalism. Let me focus on the latter.

In this version, existing since the 1980's, after the election of Reagan and of Thatcher, capitalism poses specific problems, unprecedented within the other forms of capitalism. Two of these new problematic complexes have paramount significance for progressive struggles. First, global capitalism, through the de-localization of work-force, enhanced competition, then precarization[1] undermines the workers' chances to build solidarity in struggle and fragments the potential unity of any counterhegemonic bloc so far envisaged. Second, as a set of disembedded financial markets, it brings rent (another putative remnant of the precapitalist past, in the orthodox Marxist tradition…) back into the equation and yields profits without producing anything, thus technically with no extraction of surplus value.

A cursory look at the profits gained in the financial sector shows that at certain peak moments, in 2001, those profits accounted for 46%, nearly half of all domestic corporate profits in the US. Joseph Stieglitz has estimated that rate of financial profits to profits in the traditional economic industries at a regular 40% even at times of financial crisis.[2] OECD gives a more conservative estimate of about 20% of the proportion of financial operations relative to the global economy, where the traditional sectors are more represented than in the US. This tendency of the financial sector to grow exponentially raises problems on which we need to reflect: what are the characteristics and crisis tendencies of a capitalist society in which exploitation (which is linked to production only) is so reduced and rent (the typical form of revenue of non-capitalist premodern societies) is back? Are stock-market bubbles

[1] For a reflection on capitalism and "precarization", see Azmanova 2020.
[2] See Stiglitz 2009. See also Khatiwada 2010.

significantly different from cycles in their causes and effects? Are we headed, in the future, towards advanced capitalist societies where most profits are made without producing anything, out of financial gains? These developments incline me to speak, rather than of capitalism, of "disembedded financial markets", that exert an absolute power on national, democratically elected governments, not in the sense that they are above the law, but in the sense that they have the power to obtain the legislation they need for safeguarding or increasing the profit rate.[3] These markets hijack the democratic process insofar as very few ruling parties can win democratic elections in the face of a severe economic downturn, unless they backslide into the regressive nationalistic, populistic, xenophobic playbook.

The changing relative composition of financial and productive capital does not merely affect our critical diagnosis: it also has important consequences for the counterhegemonic project. I'll just mention the main consequence, not exactly in focus throughout Fraser's analysis: the disembedded financial markets involve "us" in a way that classical industrial capitalism did not. On the surface, J.P.Morgan and Goldman Sachs may look like 21st century equivalents of Rockefeller and Ford. But they are not: they are large corporate actors in a market in which millions of people (including critical theorists) are involved and on which these millions of people depend when it comes to their collective pension funds, the savings inherited from their family or set apart during their lives, the few government bonds they own, the securities into which they park the extra money they happen in whichever way to gain. We can't wish the financial markets to crumble, because "the markets" is just a shorthand expression for the choices that countless people like us and, of course, also J.P.Morgan and Goldman Sachs, make for their own benefit.

[3] For a more extended discussion, see Ferrara 2015.

Thus we the working people of all walks – those not included in the 1% – occupy a structural position, in the overall social organization of what we still call, for lack of a better term, capitalism, extremely different from that of the exploited proletarians of the Manchester or Detroit type factory. We are somehow co-players, however small, in the global financial markets, co-players who act directly or indirectly, through pension funds, life-insurances, and the like, and at the same time we are victims of these markets as citizens of democratic polities condemned to legislate under their sway. This twofold relation has no equivalent whatsoever in classical capitalism but needs to be figured in by critical theorists who focus on the capitalist social order, but the reader won't find much attention devoted to it within Fraser's pages.

III
Socialism and political liberalism

Reading now the insightful conversation by Fraser and Jaeggi from the angle of their alternative to the capitalist social order, I'm struck by two things. The first is the extent to which what they understand by "socialism" looks like what the later Rawls called "property-owning democracy" and he himself described as not dissimilar from "liberal socialism". While former regimes which abusively called themselves "socialist" "tried simply to 'liquidate' the capitalist division between polity and economy, establishing command economies directed by the Party-State, and that proved truly disastrous in many senses", Fraser argues that we cannot defensibly aim at liquidating that dividing line: we need to consider alternatives such as, for example, "democratic planning, participatory budgeting, or market-socialism, combining 'political' and 'economic' forms of coordination" (Fraser-Jaeggi 2018, 173). In another passage, Fraser describes the inherent self-expansionary

thrust of capitalism as a tendency toward "displacing the human beings who have made it and turning them into its servants." Then she adds: "the removal of fundamental questions from the purview of human determination, the ceding of them to an impersonal mechanism geared to the maximal self-expansion of capital – this is really perverse. And it's really distinctive of capitalism. Whatever socialism might mean, it must entail collective democratic self-determination of the allocation of social surplus!" (*ibid.*, 25).

Let's now hear Rawls on property-owning democracy. Engaging Marx's critique of liberalism, he concedes that by and large "no regime with private property in the means of production can satisfy the two principles of justice" (Rawls 2001, § 52.2, 178) and specifically the second principle. Then he compares his own property-owning democracy and "liberal socialism". In both cases, Rawls contends, "the first principle of justice includes a right to private personal property, but this is different from the right of private property in productive assets" (*ibid.*, 42.2., 138). Finally, he proceeds to illustrate the difference between his own property-owning democracy and the welfare-state capitalism of the turn of the century:

The big difference is that the "background institutions of property-owning democracy work to disperse the ownership of wealth and capital, and thus to prevent a small part of society from controlling the economy, and indirectly, political life as well. By contrast, welfare-state capitalism permits a small class to have a near monopoly of the means of production. Property-owning democracy avoids this, not by the redistribution of income to those with less at the end of each period, so to speak, but rather by ensuring the widespread ownership of productive assets and human capital (that is, education and trained skills) at the beginning of each period, all this against a background of fair equality of opportunity" (*ibid.*, 42.3, 139).

In the light of all of the above, I'm not convinced that the later Rawls's political liberalism is just about distributive justice or policy recommendations based on a freestanding theory of justice – as all forms of contemporary liberalism are accused by Fraser and Jaeggi of limiting themselves to. The allegation of free-standing normativism only stands if we consider *A Theory of Justice*. As of 1980, with *Kantian Constructivism in Moral Theory*, the normative credentials of "justice as fairness" descend for Rawls not from its reflecting "an order antecedent to and given to us", but from "its congruence with our deeper understanding of ourselves and our aspirations, and our realization that, given our history and the traditions embedded in our public life, it is the most reasonable doctrine for us" (Rawls 1980, 519).

This formula is replicated in *Political Liberalism* (Rawls 2005) and is combined with the idea that justice as fairness, like any other political conception of justice, becomes fully binding not when the argument of a philosopher carries the day among his colleagues, but when an overlapping consensus coalesces among differently-minded free and equal citizens over constitutional essentials that reflect its principles. I wonder why this game-changing development within contemporary liberalism, which breaks away from all forms of foundationalism, substantive and procedural alike, is glossed over in Fraser's and Jaeggi's text, in favor of a trite and unexamined view, prevailing in leftist circles, according to which all normative liberalism advocates freestanding ahistorical normativity and left-liberalism is what critical theorists must distance themselves from (Fraser-Jaeggi 2018, 6-7).

Having said this, my quoting the later Rawls of "political liberalism" and "property-owning democracy" does not stem from a philological penchant for crossing T's and dotting the I's. My purpose is to highlight how embedded in political liberalism is a more promising way of handling pluralism, the soft spot of all talk about socialism. In one key passage, the crossfire of left-liberalism

and deconstructionism is accused of having "effectively killed the left-Hegelian project, at least for a time" (*ibid.*), by severing the link between social analysis and normative critique. Whereas political liberalism certainly is not freestanding and ahistorical, the so-called left Hegelian project has possibly contributed to its own current obsolescence by failing to convincingly address the new philosophical horizon inaugurated by Wittgenstein's and Heidegger's versions of the Linguistic Turn and continuing to operate as though one privileged standpoint existed from which the "real contradictions or systemic crisis tendencies" could be grasped, and the dissonant perception and will of putatively free and equal fellow citizens could be dismissed as epistemically unsound.

This way of thinking is perfectly fine and legitimate in Habermas's public sphere or Rawls's background culture: but should the "expanded conception of capitalism", that integrates insights of Foucault, Bourdieu, neo-Hegelian views of subjectification and the ethical life, suddenly become "the law", scripted in a constitution, and then enforced on a societal level, it would instantly become oppressive. By 'oppressive' I do not mean in the least that the proponents of a "counterhegemonic bloc" would intentionally pursue the oppressive policies of the real-socialist nomenklatures of the past. I simply mean that they do not offer a 'political' account, in the sense of "political liberalism", of how they would accommodate pluralism. And insofar as they offer us a 'comprehensive' critique of capitalist arrangement, it is the comprehensive, not political, quality of their conception that, in spite of their democratic good intentions, requires the enlisting of the coercive force of law in order "to maintain a continuing common affirmation of one comprehensive religious, philosophical, or moral doctrine" (Rawls 2003, 161).

Why would the expanded conception of capitalism, of its crisis tendencies and of the prospect for overcoming its injustices be

immune from the "burdens of judgment"? A similar problem affects Honneth's view of social freedom and his comprehensive reconstruction of the functional contribution offered to the establishing of social freedom by the three spheres of "personal relationships", relations mediated by the market, and democratic will-formation.[4] Such narratives as the institutional affirmation of social freedom or the expanded conception of capitalism have their proper place in the public sphere or the background culture, where ideas and values are debated, but cannot be the basis for a rule of law reflective of these contested comprehensive views without resulting in the oppression of those who dissent. In *Socialism*, however, Honneth acknowledges that his socialist view of society is a comprehensive conception alongside others, perhaps even unlikely to ever become the inspirator of a "political conception of justice."

Similarly, a closer look at Fraser's socialist alternative in fact proves reassuring: the criteria for "distinguishing emancipatory from non-emancipatory claims" about the way capitalism shapes the larger society, in the end, come down to the triad of "non-domination, functional sustainability and democracy" (Fraser-Jaeggi 2018, 178), three criteria understood as "generalizations of the first-order norms that participants use" and as such "accessible to them" (*ibid.*, 179). Thus, in the end, the Fraser's position really oscillates between a programmatic ambition to offer a comprehensive theory of capitalism and its relation to the spheres of gender, race, politics and nature on one hand, and a very moderate view of the socialist alternative, which makes it hard to distinguish her socialism from a political liberal/liberal socialist or property-owning democratic order, with a diffuse ownership of means of production, democratic participation and entrenched rights.

[4] See Honneth 2014.

IV
Concepts that need clarification

Finally, two important terms that occupy a strategic place in Fraser's argument may benefit from further clarification. Ubiquitously, throughout the entire volume the word "struggle" recurs and yet its meaning remains somewhat unclear: what does it mean that a social group "struggles"? Is struggle the same if undertaken by an exploited or an expropriated social group? And do non-emancipatory struggles count as struggles? Are struggles within the frame of the rule of law or beyond it? Do struggles presuppose mobilization in the classical repertoire of forms of struggle (sit-ins, demonstrations, strikes, occupations, boycotts, etc.), or may legal actions, for example class-actions on behalf of oppressed groups of citizens, also count as struggles? Does simply engaging in electoral campaigns or crowd-funding for a progressive candidate count as a struggle? Are struggles by definition extra-institutional collective action? If not, does filibuster count as struggle, even when conducted in parliament by conservative parties?

One is reminded of Hobbes' famous "proto-emotivist" observation that – when it comes to the evergreen political-philosophical task of distinguishing regime-types – what really counts is the number of hands that handle power, the rest being projections of one's own sentiments of approval or disapproval: "They that are discontented under Monarchy, call it Tyranny; and they that are displeased with Aristocracy, call it Oligarchy: So also, they which find themselves grieved under a Democracy, call it Anarchy" (Hobbes 1651, ch. 19, 240). Is the action of "struggling" and the social and political "struggles", so often referred to in the book, perhaps to be understood, within a similar "emotivist" framework, as synonymous with the kind of social mobilization we approve of?

The second term is "progressive populism," the pivot of the counterhegemonic bloc (Fraser-Jaeggi 2018, 216): does it refer to the "left-wing project" associated with Sanders, Corbyn, Mélenchon, Podemos, the early Syriza? In her courageous adoption of the term "populism" Fraser is in the company of Chantal Mouffe (Mouffe 2018). The aim of progressive populism is described as bringing together, under an egalitarian rallying banner, "the whole working class and not just the fractions historically associated with manufacturing and construction… but also those portions of the broader working class who perform domestic, agricultural, and service labor." Such a project could "position the working class, understood expansively, as the leading force in an alliance that also includes substantial segments of youth, the middle class, and the professional-managerial stratum" (*ibid.*, 216-217). Assuming that generational and cultural gaps between these segments of the counterhegemonic bloc could be bridged, which is far from certain, one would need to know why the quite sensible project of "joining a robustly egalitarian politics of distribution to a substantively inclusive, class-sensitive politics of recognition" (*ibid.*, 223) would have to be qualified as populism. What would be missed by describing it as regular progressive policy-making or campaigning for gaining office on as transformative a platform, as the New Deal was in relation to classical laissez-faire capitalism, yet in full recognition of the checks and balances, the separation of powers, and the distinction of constituent and constituted power, that together form the hallmark of constitutional democracy? If nothing significant can be said to be missed by so re-describing it, then Fraser's project seems rather to be the opposite of populism.

Conclusion

To recap in a nutshell: profits made on global disembedded financial markets account for an increasing share of all profits (peaking at 46% in the US in 2001) and do not rest on the appropriation of surplus values; plus the majority of citizens of complex societies, directly or more frequently indirectly, have something at stake in these markets in a way that has no equivalent in the relation of the workers to their employers. Second, political liberalism has nothing to do with the freestanding prescriptive and individualist penchant cavalierly attributed to all kinds of liberalism. In addition, Rawls's "property owning" democracy offers all that a democratic socialism can offer and offers an account of pluralism that thick, comprehensive conceptions of "socialism" have trouble matching. Third, key terms such as "struggle" and "progressive populism" would benefit from further clarification.

These observations and remarks, however, do not detract from the value of Fraser's thought-provoking contribution to Critical Theory and to a long overdue reflection on the current transformation of capitalism and the challenges it raises. They are rather meant as rejoinders and stimuli for a conversation under way.

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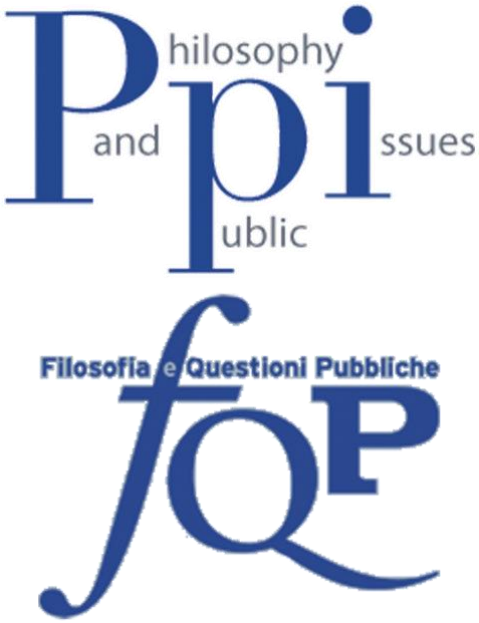
SYMPOSIUM

CAPITALISM AND CRITICAL THEORY



CAPITALISM, SOCIALISM, AND DEMOCRACY

BY

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Capitalism, Socialism, and Democracy

Giorgio Fazio

Introduction

Capitalism. A Conversation in Critical Theory, written in the form of a dialogue between Nancy Fraser and Rahel Jaeggi, two eminent scholars of contemporary Critical Theory, is an extremely rich book, full of very inspiring thoughts, suggestions and points for reflection. It constitutes a sort of point of convergence for the different research paths that Fraser – as well Jaeggi – has been pursuing over recent years through an enormous quantity of articles, presentations, interviews. But it represents also a sort of compendium of the themes and issues that are currently at the centre of the debates within contemporary Critical Theory. In the following presentation and discussion of the main issues elaborated in the text, I will focus mainly on Fraser's research project. I will leave aside a discussion of the different research paths of Rahel Jaeggi, who is not only a

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dialogue partner of Fraser but who also outlines, in some passages of the book, her own different theoretical approach.

As one reads in the first pages of the book, the discussion developed in this book is motivated by a fundamental aim: the aim of actualizing "the original idea of critical theory as an interdisciplinary project aimed at grasping society as a totality" (Fraser-Jaeggi 2018, 5). In the most recent decades – so argue Fraser and Jaeggi – most of those who think of themselves as critical theorists abandoned the terrain of a large-scale social theory of capitalist societies and went on to freestanding moral, political, or legal theory. On the one hand, they no longer linked normative questions to the analysis of societal tendencies and to a diagnosis of the times; on the other hand they simply stopped trying to understand capitalism as such (*ibid.*).

Accordingly, the dialogue in Critical Theory between Fraser and Jaeggi seeks to contribute to reversing this tendency. Fraser's main task, in particular, is to elaborate a large-scale social theory of capitalism, focused on its "deep structures and driving mechanisms, its defining tensions and contradictions, or its characteristic forms of conflict and emancipatory possibilities" (*ibid.*). This theory should therefore renew the original spirit of the left-Hegelian project, still present in the first Critical Theory of Frankfurt School: it should renew the link between normative critique and social analysis.

In developing her project, Fraser is also motivated by a sharp diagnosis of our current situation. In her view, we are faced nowadays with a deep crisis of the social order in which we live: a crisis that makes evident the "palpable fragility of capitalism." The current crisis is multidimensional. Certainly, with the economic crisis of 2008 we experienced an economic and financial crisis, comparable to that of 1929, which has meant further growth in inequality, unemployment, and maldistribution of wealth. But we are also living in other forms of crisis: an ecological crisis, a

democratic crisis, a general care crisis. A large social theory of capitalism focused on its "crisis tendencies" and "contradictions" should clarify that all of these different crises can be structurally connected. All of those crises are not merely objective dysfunctionalities that we observe from the outside in a neutral way. We experience them also from a participant perspective, and from this point of view they can become for us historical occasions for a praxis oriented toward radical transformations. They can motivate social action that "transgresses the bounds of the established social order and opens the possibility for major institutional change" (*ibid.*, 68). So we need a large-scale social theory of capitalism also to find an orientation for those of our political struggles and efforts which are triggered by the crisis. This is another way of rediscovering another fundamental characteristic of the original Critical Theory: its capacity to link social theory and normative critique with a political praxis of emancipation.

For Fraser, the first step to develop a large-scale social theory of capitalism is to abandon a restricted view of capitalism, which sees it exclusively as an economic system – an autonomous, self-regulating system that functions independently of the rest of society. We have to analyze capitalism not as an economic system but as a social totality: a set of institutionally differentiated social spheres, interrelated with each other, of which the economic is only a "subsystem," albeit a predominant one.

To reach this new understanding of capitalism Fraser integrates the insights of Marxism with those of newer paradigms, including feminism, ecology, and postcolonialism. The lessons of Karl Polanyi, the Hungarian philosopher, sociologist, historian, and economist, author of the well-known book *The Great Transformation*, also plays a very important role in her project: not by chance does Fraser call her approach "a neo-Polanyian approach to capitalism."

I
Conceptualizing capitalism

To clarify what an enlarged view of capitalism consists of, Fraser and Jaeggi clarify anyway first of all what a narrow conception of capitalism consists in. In the first step, Marx and Weber are the main points of reference. In the next steps they try to de-orthodoxize the initial definition of capitalism, by showing how its core features relate to other things and how they manifest in real historical circumstances.

Capitalism is initially defined as a mode of organization of the economy characterized by four defining features:

(1) The private ownership of the means of production and class division between owners and producers; historically connected with the break-up of prior social formations in which most people had some access to means of subsistence and to means of production without having to access these through labor markets;

(2) The institutionalized marketization and commodification of wage labor and the related tendency to exploit the labor force;

(3) The dynamic of capital accumulation, premised on an orientation toward the expansion of capital as opposed to consumption. Capitalism is peculiar in having an objective systemic thrust: namely, toward the accumulation of capital. As Fraser writes "Everything the owners do is and must be aimed at expanding their capital. Not to expand is to die, to fall prey to competitors" (*ibid.*, 18);

4) A peculiar centrality of markets. Capitalism uses markets not only for distribution of goods for personal consumption, but also for allocating productive inputs and general societal resources that are intrinsically trans-individual or collective. Capitalism hands the most important human matters over to market forces – for example, where people want to invest their collective energies, the surplus accumulation of the economy and so on. For Fraser what is really distinctive of capitalism is "the removal of fundamental

questions from the purview of human determination, the ceding of them to an impersonal mechanism geared to the maximal self-expansion of capital". "Whatever else socialism might mean, it must entail collective democratic determination of the allocation of social surplus" (*ibid.*, 25).

Already these four characteristics are sufficient to explain why the capitalistic economy has a constant tendency to generate economic crises, such as the succession of cycles of expansion and decline, the formation of structural unemployment, the tendency of capital to move from production to finance and the tendency of the rate of profit to fall. So far, however, the analysis of capitalism follows an "orthodox" Marxian model – as Fraser admits. This is not enough to gain a wider view of capitalism and its crises. The second step is therefore to clarify in what sense capitalism is something more than those institutions and social practices that are directly economic. Fraser invites us to shed light on the hidden "conditions of possibility" of the capitalist economy and its processes of capital accumulation. She wants to show exactly why the Marxian definition of capitalism is inadequate – by demonstrating that the four core features we have identified rest on certain other things, which constitute their background conditions of possibility. As Fraser explains, one should reiterate the method that Marx applied in *Capital* when he shifted attention away from the exchange of goods to their production, and away from the relations of production and exploitation to the primitive capitalist accumulation.

If Karl Marx is the main theoretical reference of the first step of Fraser's analysis, Karl Polanyi is her reference for the second step. In his book *The Great Transformation*, as is well known, the Hungarian social theorist shows, through historical arguments, how the birth of the idea of a capitalist market economy represents a radical discontinuity with respect to all previous eras. According to Polanyi, in the past, the economic order had always been a

function of the social order in which it was contained. Embedded markets were the historical norm; throughout most of history, markets were subject to external controls (political, ethical, religious), which limited what could be bought and sold, by whom, and on what terms.

In contrast, the disembedded market is historically anomalous and specific to capitalism. In theory, disembedded markets are "self-regulating": they establish the prices of the objects traded on them through supply and demand, a mechanism internal to the market, which trumps external norms.

However, to produce this effect – noted Polanyi – capitalism must transform the rest of society into a "market society." To create a self-regulating market, free-market politicians have sought to commodify all the necessary preconditions of commodity production. Turning labour, nature and money into objects for sale on "self-regulating" markets, they proposed to treat those fundamental bases of production as if they could be commodities like any other. In fact, however, as Polanyi stresses, this project of "fictitious commodification" was self-contradictory. From Polany's perspective, an unregulated labour market undermines and violates individual abilities. If money is left up to the unrestricted competitions of supply and demand, there will be uncontrollable financial speculation; and finally, if land becomes a commodity on a deregulated market, the plundering of nature and environmental damage will be the immediate result. This explains why any radical liberalization project – as that of the liberal capitalism of the nineteenth century – sooner or later produces counter-movements aimed to protect society from the marketization.

Fraser updates Polanyi's approach.

She emphasizes how, on the one hand, capitalist economic production is not self-sustaining, but relies on background conditions of its possibility: these are social reproduction, non-

human nature, and political power. On the other hand, the capitalist's drive to unlimited accumulation threatens to destabilize the social, natural and political processes that capital requires. The effect over time can be to jeopardize the necessary background conditions of the capitalist economy.

More in detail, Fraser's neo-Polanyan approach aims to show how capitalism must be conceived as an "institutionalized social order." This formulation points out the existence of structural divisions and institutional separations. Capitalism's economy stands in a complex relation to its background conditions that are institutionally divided from it: in "a relation of division-dependence-disavowal." It is divided from them but, at the same time, "it depends on them for various 'inputs,' including people, and for various forms of political and social organization without which it couldn't profitably produce and sell commodities, access and exploit labor, and accumulate and appropriate surplus value on a sustained and ongoing basis" (*ibid.*, 72). But "capitalism's economy also stands in a relation of *denial* vis-à-vis its background conditions. It disavows its dependence on them by treating nature, social reproduction, and public power as 'free gifts,' which are inexhaustible, possess no (monetized) value, and can be appropriated *ad infinitum* without any concern for replenishment" (*ibid.*). This kind of relation is a built-in source of potential instability, a recipe for periodic crisis (*ibid.*).

Four divisions are constitutive in the capitalist society. "First, the institutional separation of economic production from social reproduction, a gendered separation that grounds specifically capitalist forms of male domination" (*ibid.*, 52) Second, the institutional separation of economy from polity, a separation that expels matters defined as "economic" from the political agendas of territorial states, while freeing capital to roam in a transnational no-man's land, where it reaps the benefits of hegemonic ordering while escaping political control; third, the ontological division

between its (non-human) "natural" background and its (apparently non natural) "human" foreground which predates capitalism but is massively intensified under it; and finally, the institutionalized distinction between exploitation and expropriation, which grounds specifically capitalist forms of imperial predation and racial oppression (*ibid.*, 52-53).

To sum up: Capitalism harbors other, 'noneconomic' contradictions and crisis tendencies. It contains a social-reproductive contradiction: a tendency to take as much 'free' reproductive labor as possible for capital's benefit, without any concern for the replenishment of this labor. As a result, it periodically gives rise to 'crises of care,' which exhaust women, families, and communities. It contains an ecological contradiction; an inherent tendency to reduce nature to a 'tap' dispensing energy and raw materials on one hand, and to a 'sink' for absorbing waste on the other – both capacities that capital freely appropriates but does not replenish. Likewise, this social formation houses a political contradiction: a tendency to limit the purview of politics, devolving fundamental matters of life and death to the rule of "the markets," and turning state institutions into capital's servants. As Fraser writes: "for systemic reasons capitalism is disposed to frustrate democratic aspirations, to hollow out rights and public powers, and to generate brutal repression – entanglement with imperialism and racial oppression – endless wars, and crises of governance."

Fraser emphasizes that these other contradictions are often muted, and the associated crisis tendency remains obscured. It becomes acute, however, when capital's drive to expanded accumulation success to fully escape from its social bases and turns against them.

II
Historicizing capitalism

In the second chapter of their book, Fraser and Jaeggi emphasize that capitalism is also "a historical social order that changes over time and that has different significant characteristics as things evolve through history."

For this reason, over the course of its history, the capitalist organization has undergone important historical changes, often as a result of political struggles arising as a reaction to its contradictions and their sharpening in times of crisis. The idea here is that new regimes of accumulation react to crises of the old regime. But each regime of accumulation also introduces new problems of its own, which it is unable to resolve. For regime of accumulation Fraser means "a relatively stabilized institutional matrix, in which the accumulation dynamic is shaped and channelled by a specific organization of its background conditions": "by a specific organization of public power at both the state and geopolitical levels, including political membership, citizenship rights, hierarchies of political subjectivation, and core/periphery relations"; "by a specific organization of social reproduction, including family forms and gender orders; and finally, by a specific ecological organization, including characteristic ways of generating energy, extracting resources, and disposing of waste" (*ibid.*, 64-65).

In the book, four capitalistic regimes of accumulation are distinguished:

1. mercantile or commercial capitalism;
2. liberal (competitive) capitalism;
3. the state-managed or social-democratic capitalism;
4. financialized and neoliberal capitalism, in which we presently find ourselves.

A fundamental thesis elaborated in this chapter is that a proper explanation of capitalist "regime change" must encompass (at least) two different levels: a system-level explanation and a social-level explanation. The first level aims to focus on crisis tendencies that are located within capitalism's economy ("'Marxian' crisis tendency") and that arise at the *boundaries* that divide the economy from its non-economic conditions of possibility ("quasi-Polanyian crisis tendencies"). The second level aims to focus on the level of experience and social action, and on the "social action that transgresses the bounds of the established social order and opens the possibility of major institutional change" (*ibid.*, 68). Fraser explains how capitalist societies are inherently prone to generate two types of struggle: "class struggles", in the Marxian sense, and "boundary struggles," in a sense reminiscent of Polanyi, which erupt at the sites of capitalism's constitutive institutional divisions: where economy meets polity, where society meets nature, and where production meets reproduction. The key question is how these two types of struggle relate to each other in general crisis, in which all of capitalism's inherent contradictions exacerbate one another (*ibid.*, 69).

III
Criticizing capitalism

In the third chapter of the book, Jaeggi and Fraser try to clarify what are the most appropriate strategies to criticize capitalism. They distinguish three strategies of critique: a functionalist critique, a moral critique, and an ethical critique. The functionalist argumentative strategy holds that capitalism is intrinsically dysfunctional; the moral or justice-oriented mode of argument asserts that capitalism is morally wrong, unjust, or based on exploitation; finally, the ethical critique contends that a life shaped by capitalism is a bad, impoverished, meaningless, or alienated life.

In general, this chapter attempts to show how an adequate critique of an enlarged understanding of capitalism should succeed in integrating all three of these types of criticism.

In the narrow view of capitalism, typical of Marxism, capitalism can be criticized because it is an irrational system, inasmuch it has an intrinsic tendency to generate crisis (functionalist critique); it is an unfair economic system, inasmuch it exploits workers and appropriates their surplus value (moral critique); it is a physiologically undemocratic system, which limits political freedom and autonomy, in that it undermines the social conditions of democracy and removes the economy from democratic government (ethical critique).

But the capitalist system is also the source of non-economic crises: social, political, environmental crises (functionalist critique). It feeds many non-economic injustices: it reinforces gender asymmetries; it generates racial oppression, imperialism and expropriation against indigenous people; it generates an environmental injustice (moral critique). Finally, it generates normative contradictions that undermine the conditions of a good life, as conceived by the social actors themselves (ethical critique).

IV
Contesting capitalism

In the fourth and last chapter all the threads of the complex discussion converge on the question about the political perspectives opened up by the critical theory of capitalism as instutionalized social order. The enlarged conception of capitalism, outlined in the text, also implies an enlarged conception of social conflicts. As already outlined, there are not only political struggles within economic relations – class struggles on income, for example – but also struggles on the borders that delimit the economy from society, the economy from political democracy, the economy from

ecology. These "struggles on borders and over borders" – for the protection of social reproduction, of democracy, of natural ecosystems – are also anti-capitalist struggles, insofar as they stem from the will to oppose forms of domination anchored to the structure of capitalism. For Fraser, sexism, racism, imperialism, devastation of ecosystems, the attack on democracy, are all ideologies anchored, in modernity, in the functional divisions of capitalism.

The problem is that the social struggles – class struggles and boundary struggles – do not automatically converge on a single trajectory, as was assumed by Marxism with respect to class struggles. Evaluation criteria are therefore needed to differentiate which of these struggles on borders and overs borders have a truly emancipatory character and which, instead, have a regressive character. In this regard, Fraser elaborates three criteria: each proposal for revision of the institutional divisions of capitalism must not reproduce forms of domination; it must be functionally sustainable in the long run; it must have the potential to be democratically institutionalized, so as to make it possible for the participants to question this same revision later. It is in the light of these three criteria, therefore, that the limits and potentials of the current social movements not strictly related to class conflicts are analyzed: anarchist, de-growth, post-colonial, decolonial and indigenous movements.

V
Three questions: social differentiation, reforms, and populism

After having summarized the main themes of the book, I would like to put the attention on three aspects of Fraser's reflections which, in my view, need some further clarification.

1) The first aspect is related to the social theory on which Fraser's conception of the "enlarged view of capitalism as an institutionalized social order" is based. It seems to me that it is not entirely clear what role Fraser assigns at the level of social theory to the concept of modern functional differentiation.

On the one hand Fraser traces the modern process of functional differentiation back to capitalism, making it structurally related and dependent on capitalism itself. On the other hand, however, she seems not to consider the modern process of functional differentiation – the differentiation between economy and politics, economy and social reproduction, economy and nature – as something that can be simply overcome, in the same way as for her capitalism can and should be. According to this second line of argumentation, Fraser seems to distinguish more clearly between capitalism and the modern process of social differentiation. It remains however unclear what the latter's normative status might be.

This problem can also be formulated by referring to Fraser's critique of Habermas's conception of functional differentiation elaborated in *Theory of Communicative Action*. Fraser claims that her social theory is "far more historicist and anti-essentialist" than Habermas's dual social theory of modernization, which is based on the sharp differentiation between system and life world. On the one hand, Fraser admits that her approach is similar to Habermas's (and to Weber's), in the sense that it holds that capitalist society encompasses a plurality of "value spheres", each of which has its own inner logic of development, which must not be denied by a functionalist account reading each social sphere as a mere function of capitalist economy (*ibid.*, 68). *A social-level explanation* can show how each of the different modern social realms is based on different normativities and ontologies, on "sedimented patterns of action and interpretation, which are themselves subject to contestation, disruption, and transformation" (*ibid.*, 52). The

economic "system" of capitalist society can also be interpreted from this social-level perspective: it should be not conceived as a "norm-free" zone, devoid of communication, cooperation and struggle and sharply defined by a sphere-specific "action logic", as Habermas conceived it. Capitalist economy has rather its own normativity: it is legitimized to the social actor's eyes in regard to ethical values like autonomy, negative freedom, meritocracy, formal equality. On the other hand, Fraser underlines that the different social spheres in question must be viewed as "artefacts of capitalism" (68). *A systemic-structural explanation* can show how "each of them gets its distinctive quality (its normativity, its social ontology) from the position it occupies in the larger institutional structure – from the way it is set apart from, and made to contrast with, the other constitutive elements of that structure, including the capitalist economy" (*ibid.*, 68).

It seems to me that, while it is fully clear how Fraser's account is "far more historicist and anti-essentialist" than Habermas's account, it is not equally clear in which sense her approach can justify the legitimacy of the autonomy of social spheres of action, not from the empirical point of view of their occurred realization, but from the normative perspective of their desirability. As is well known, Habermas's "essentialist" social theory justifies the modern process of social differentiation from a functionalistic as well from a normative perspective. On the one hand the "Entkoppelung" of the systems (economy and state) from the lifeworld makes possible a gain in efficiency with respect to social basic needs related to the material reproduction of society. On the other hand, the cultural autonomization and modernization of the lifeworld corresponds to the social basic needs of the symbolic reproduction of society and also frees potentials of communicative rationality. How Fraser's "non essentialist and historicist" account can legitimize in normative terms the process of functional

differentiation? In which sense is it possible for Fraser to differentiate functional differentiation from 'capitalism'?

2) The second question has to do with Fraser's use of the concepts of contradiction and crisis. As we have seen, Fraser's critical theory aims to be a theory of the crisis tendencies of capitalist societies. She makes a particular use of these concepts. Fraser does not think that contradictions and crises lead necessary to their dialectical overcoming. In this sense she doesn't embrace any teleological and deterministic schemes related to a dialectical philosophy of history. However she continues to think that contradictions and crises could contain indications of a possible overcoming of them. More specifically, she thinks that the solution to the crisis that time over time affect capitalist societies can come only from an overcoming of capitalism as such, in a direction of a socialist society.

But is it possible to use the concepts of crisis and contradictions in another way? Given that today capitalist societies are living in a multidimensional crisis, why to exclude the possibility that these crises might be overcome in the future by a democratic regulation and limitation of capitalist processes of accumulation – by a reincorporation of economy in the 'society' and in the 'ecology,' which will not deprive society of the advantages that capitalist economy can offer in terms of innovation and efficiency in production and distribution, as well as in terms of the promotion of values like negative liberty, autonomy, and efficiency? Why exclude the possibility that capitalist societies might be able to overcome their current crisis by finding a new "regime of accumulation" based on a new social, democratic and ecological compromise?

3) The last theme it seems to me that needs some further clarification has to do with Fraser's embracing of "progressive

populism." In many passages of the book Fraser explains why Polanyi's approach must be deeply revisited. Polanyi reads the dynamics of capitalism in the light of a double movement: in his reading of the desembedding of nineteenth century liberal capitalism from society, there were on the one hand the forces that were pushing for a deregulation of the markets and for an extension of commodification; and as a reaction, there were the political 'countermovements' that sought to protect society from market devastation. In contrast to Polanyi, Fraser believes a "triple movement" must be theorized. In fact, there exist in capitalist societies a spectrum of political and social struggles that cannot be reduced either to the pole of 'marketization' or to that of 'social protection.' These are the struggles of 'emancipation,' such as those carried out by anti-racist, anti-imperialist and pacifist movements, by the new left, by the second wave of feminism, by the LGBT liberation movement, and by multiculturalism.

I find extraordinarily important the way in which Fraser explains that each of the three political projects characterizing capitalist societies – the "triple movement" made by marketization, social protection, and emancipation – is inherently ambivalent. Struggles for social protection stem from opposition to the disintegrative effects of the market on communities, but can also strengthen the cultural hierarchies within communities themselves. Marketization can also have emancipatory effects, not only in a disintegrating way. Finally, even emancipatory movements can have the unwanted effect of legitimizing the logic of capitalist domination. An example of the latter is the "progressive neoliberalism" of recent years, which succeeded in ideologically integrating the battles of the new social movements of the sixties, making them functional for the new phase of capital expansion.

So, in light of the transformation of Polanyi's scheme, Fraser analyzes the contemporary political scenarios, describing them as suspended between a crisis of hegemony of "progressive

neoliberalism," born at the end of the last century from the convergence between economic neoliberalism and emancipation movements for recognition, and the recent rise of an "authoritarian and xenophobic populism," born from the convergence of instances of social protection and anti-emancipatory struggles. The question for Fraser is now therefore what are prospects for a "progressive populism," in order to produce a new counter-hegemonic social bloc, capable of addressing the general crises of neoliberalism. In any case, Fraser conceives "progressive populism" only as a transition to democratic socialism.

Regarding this point it seems to me that the way Fraser embraces the concept of populism and of a left-wing populism in particular – a concept elaborated currently also by Chantal Mouffe – needs further clarification.

In the first place, it seems to me that Fraser in her book doesn't fully explain her interpretation of the idea of representative and constitutional democracy. In *The Democratic Paradox* (2000) Chantal Mouffe argues that the liberal democracy is the result of the articulation of two logics, which are intrinsically incompatible: the logic of equality and of popular sovereignty on the one hand, and the logic of individual liberties on the other. If the tension between equality and liberty manifests itself in an 'agonistic' way – in the form of a struggle between 'adversaries' – it guarantees the existence of pluralism. Would Fraser embrace C. Mouffe's formulation? Or would she rather embrace Habermas's idea, as formulated in *Facts and Norms*, of a circularity between public autonomy and private autonomy? And if the latter is the case, how reconcile this conception with her embrace of populism? Put otherwise: what role do the principles of constitutional democracy – separation of power, fundamental rights, etc. – play in her conception of a post-capitalist and socialist society?

The second question relating to the issue of populism has to do with another problem. How can Fraser reconcile the national-

popular concept of the people, as mediated by all versions of populism, including left-wing populism, with the internationalist perspective that in her view must orient a renewal of socialism and emancipatory anti-capitalist struggles?

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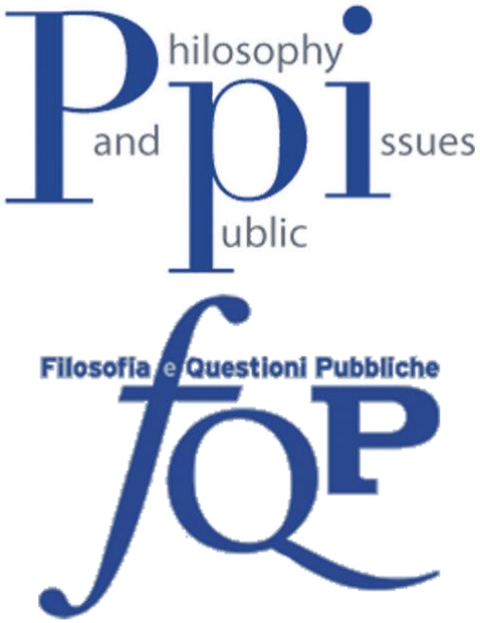

IS "STATE-MANAGED CAPITALISM" ONLY A PHASE IN A SUCCESSION OF "REGIMES OF ACCUMULATION"?

BY

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Is "State-Managed Capitalism" only a Phase in a Succession of "Regimes of Accumulation"?

Laura Pennacchi

I
Interest in capitalism is really surging

The book *Capitalism. A Conversation in Critical Theory* by Nancy Fraser and Rahel Jaeggi is a very positive sign of the fact that the interest in capitalism is now really surging. With this book, Nancy Fraser and Rahel Jaeggi indicate that the moment has arrived to reconsider capitalism itself. I agree Fraser and Jaeggi on two general aspects of their reflection: 1) social analysis should contain some transformative and emancipatory aims, meaning that we must not lose sight of the normative basis of practices like the economy, and, at the same time, we have to depart from the account of superstructure determined by production; and 2) we must not accept the view of capitalism as a simple economic system. Fraser redefines capitalism as "institutionalized social order", criticizing orthodox Marxism (based on deterministic mono-casual explanation: production and technology). Following these same

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lines, we can learn something from Lukács, who identified capitalism with "a grammar of life" based on the commodity form, and the alienation theorists. But Frasen is right: she wants to replace Lukács' view (based on a uniformly reified model of ethical life) with a more differentiated model.

But what is capitalism? For Fraser (and Jaeggi) capitalism is: a) private ownership of the means of production; b) the institution of a free labor market; c) orientation toward the expansion of capital (as opposed to consumption) and toward making profit instead of satisfying needs; d) the centrality of markets.

Because the relation between capitalism and markets is very complicated, Fraser distinguishes between the use of markets for distribution and their use for allocation. This is very important for discriminating the nature of productive investments and the market allocation of productive inputs and social norms. Insisting on the centrality of markets runs the risk of orienting the relations to the world in terms of instrumental (as opposed to intrinsic) values. This is dangerous: "there is no other kind of society in which it is left up to market forces to decide questions about how people want to live" (Fraser-Jaeggi 2018, 25).

II

Regimes of accumulation and the symbolic sphere

For Fraser, the history of capitalism is a sequence of regimes of accumulation: mercantile or commercial capitalism; so-called "liberal" (competitive) capitalism; State-managed (or social-democratic) capitalism; financialized capitalism. While for orthodox Marxism there is only one dynamic (which stems from the development of forces of production), the dynamic is plural. As feminist thought teaches, the dynamic involves many variables included in the "symbolic" sphere and the "spiritual" dimension. This point is crucial: in two of my books I claim that the destructive

implications of the neoliberal model are more serious than is normally thought, because it has affected not only economic processes, but, permeated as it is by emphasis on Homo oeconomicus and the self-regulation of the markets, it has had a profound influence on subjectivities, anthropology, desires and imagination, spreading an irresponsibility, ethical and otherwise, that comes with the pre-analytical belief in its assumptions.

In the evolution of capitalism, Fraser reconstructs specific ways in which States are related: the relation between production and reproduction, the relation between non-human nature and human societies. These relations are aimed at controlling tensions, because some tensions are inherent in any capitalist society. These tensions constitute "crisis tendencies": a) classical crisis tendencies concern falling profit rates, boom-bust cycles, mass unemployment, the moving of capital from production to finance; b) but there are also tensions between economic production and social reproduction, between economy and polity, between society and nature. The tensions that I would define "quasi-Polanyian", as opposed to Marxian, are to my mind very important; these arise at the boundaries, dividing market activities from non-market activities and the economy from its non-economic conditions of possibility. Jaeggi criticizes Polanyi for his concept of "embedness," which assumes that there is a stable "bed" (society), upon which alone can this bad economic dynamic arise. But the "quasi-Polanyian" tensions can help us to clarify the "centrality of market."

We have to remember the following elements: the relations between capitalism and market are very complicated; we have to discriminate between the use of markets for distribution and the use for allocation, and this drives us to give great importance to the role of public institutions (like welfare states, public planning and so on); it is very dangerous when the market is the only master of allocation, both of production (material and immaterial) inputs and social norms.

III
State-managed capitalism

There is a crucial point here demanding of further reflection. For example, I don't think that State-managed capitalism is merely a phase in a succession of "regimes of accumulation". It seems to me much more than this, because it contains the very breaking apart of capitalism. If we don't recognize this break, we risk making two (connected) mistakes. 1) The first mistake is to undervalue the extraordinary results of the Keynesian compromise of the first decades of the Second World War. We have to see the limits of the Keynesian compromise and the welfare state: in particular, family wages institutionalized the dependency of women and heteronormativity. State-managed capitalism was not a "golden age". But we mustn't remain under the influence of Foucault. The critique of the disciplinary society, the administrative power, the normalizing tendencies of the welfare state strengthened the tendency to cast the public power and the public institutions in a negative light. 2) The second mistake is to undervalue the entity and the nature of the planned effort to reverse the Keynesian compromise (for example that exerted by the Virginia School of public choice directed by James Buchanan) and to impose "financialized capitalism". In this double process of undervaluation, we can too literally assume Boltanski and Cappiello's analysis, which ascribes to capitalism a hyper-rational ability to "capture" the revolt movements through seduction and rhetoric. We mustn't forget that the new liberalism was a political operation connecting politics and policies, composed by processes and policies: finanzialization, commodification, denormativization, privatization – all "moral catastrophes" in the words of Tony Judt.

IV
New liberalism under scrutiny

It is the new liberalism that we have to view as a specific phase in the history of capitalism. Consider the present debate on recurrent tendencies to secular stagnation. The term was coined in 1938 by Alvin Hansen, who argued that the depression of the thirties was not so much a severe cyclical crisis as a symptom of the exhaustion of a long-term dynamic. Hansen claimed that "secular stagnation" was simply another way of describing the equilibrium of underemployment identified by Keynes. From this interpretation Hansen concluded that counter-cyclical public spending was not enough to stabilize employment, but that large collective projects were necessary, like the electrification of rural areas, the redevelopment of run-down areas, and the conservation and protection of natural resources, so as to identify new investment opportunities and to bring back dynamism to the economic system.

Hansen's theories and concerns were belied by the great development of the "thirty glorious years" following the end of the Second World War, including the extraordinary baby boom, and continued to be cultivated exclusively by Marxists like Paul Sweezy. But some economists, such as Paolo Sylos Labini, had been trying, ever since the years immediately following the war, to get beyond the weaknesses in Hansen's account, shifting the focus from the decline in the inclination to consume, to the slowdown in investment caused by the behavior of the great oligopolistic companies. And, rather than echoing the concern for what, already in the mid 1970s, seemed like capitalism's structural reluctance to invest, appeared in the Meidner Plan of Swedish social-democracy. Finally, many of Hansen's analyses have become newly topical since the faltering economic recovery and the long stagnation and repeated recessions, following the global crisis of 2007/2008. "This is the essence," claims Hansen, "of "secular stagnation": sick

recoveries which die in their infancy and depressions which feed on themselves and leave a hard and seemingly immovable core of unemployment."

The tendencies to stagnation and the origins of the crisis should be traced further back in time, as they are the basis of finance capitalism, which has introduced a stimulation of demand through asset-bubbles that can obscure underlying stagnation. In analyzing an economy that cannibalizes itself through the unequal distribution of income and debt, and thus needs large speculative bubbles to grow, which are logically followed by stagnation unless the paradigm is overturned, Thomas Palley claims there is a profound analytic difference between his approach and that of more classically Marxist writers. They see stagnation as inherent in capitalism, while Palley regards it as the product of neoliberal economic policy, which should be specifically addressed, and also overturned by restoring a Keynesian structural framework, recommending the restoration of mechanisms for generating income and demand through policies that include the reinforcement of trade-union bargaining power, the reform of globalization, and the control of corporations and the financial markets.

V
New liberalism and "secular stagnation"

Larry Summers and Paul Krugman, too, start from the worried observation that the "endless" crisis means that employment as a percentage of the population of working age is not increasing, while the gap between real and potential output is; they identify the causes of this in a permanent weakness of demand expressed by the global economy, which is marked by extremely low levels of inflation. Secular stagnation today doesn't mean no growth, but "an ordinary growth achieved through extraordinary policies and

special financial conditions", which in turn lays the foundations for new crises, encouraging unhealthy indebtedness (unconventional monetary policies also create paradoxical new increases in debt, which may reinforce vulnerability to financial and economic instability), abnormal risks, and the formation of bubbles.

Summers actually invokes the need for a 'politicization' of investment, openly echoing the "socialization of investment" that Keynes and Minsky spoke of. The point is that this reproduces conditions strikingly similar to those studied by those two economists: the destruction of net financial assets and illiquidity hurt all operators, investments collapse but profits remain unchanged, and there is a reduction in income and mass unemployment when financial turbulence is transmitted to the real economy combined with debt deflation. To prevent destabilizing forces from gaining the upper hand, Keynes and Minsky theorized that the intrinsic instability of capitalism entails, not just new regulations, but the need for large-scale public fiscal stimulus, that direct intervention of the state that neoliberals are the first to demand when it is a question of saving the banks and financial operators, while they are otherwise satisfied with cuts and privatizations.

And so, the difficulties of the "endless" crisis and tendencies toward "secular stagnation" combine to force us to raise basic questions about capitalism as such – in particular about the problematic nature of its fundamental motor force of development, the investment process. Here we return to the relevance of Hansen's warning: his thesis may have been belied by the exceptional development of the "thirty glorious years" following the Second World War, but it nevertheless contained some prophetic elements. There was something in Hansen's concerns that is proving very fertile today: namely, his research underlying the analysis of "secular stagnation", research into the deep reasons for the underemployment equilibrium identified by

Keynes. Once again, just as in the thirties, we are forced to recognize the urgency of a "radical reform of capitalism" – a recognition which is encouraged all the more by a collective Italian work significantly entitled *Riforma del capitalismo e democrazia economica* (*Reform of Capitalism and Economic Democracy*). This "reform of capitalism" would be just as exacting as that required in the 1930s, an exceptional reforming response to the devastating legacy of the "great crisis" of 1929 and the totalitarian governments that established themselves in the heart of Europe. On that occasion there was an extraordinary input of daring and original thinking, thanks to Keynes and the reforms that were put into effect on both sides of the Atlantic: over here, Swedish social-democracy, inspired by the Myrdals, and the English Labour Movement, influenced by Beveridge; over there, Roosevelt's New Deal.

VI
The spirit of Roosevelt's New Deal and "full and good employment" today

From this perspective, we can rediscover the meaning of extraordinary goals like "full and good employment," abandoned by governments around the world, even those of center left. Toward this end, we have to enlarge our vision of the role of "public sphere" and public institutions, taking into account also the hypotheses of "State as employer of last resort" and creation of activities outside the market. It is worthwhile to note the significance of the flourishing of initiatives around the world (including USA) regarding "guaranteed work" in which the guarantee of the universal right to work is interpreted as a contemporary version of the Keynesian objective of "full and good employment." A value and goal that for too long was held to be obsolete, "full and good employment" has finally been adopted with an admirable analytical energy and political determination,

anticipated by the Italian CGIL when it launched its Work Plan in 2013. In turn, the goal of full employment is rooted in an urgency to concentrate every effort on the revival of public and private investments, enlivened by a renewed effort of major planning for a new model of development which places at its heart questions about "for what, for whom and how to produce." To this indissoluble group of values and objectives we have to link the reaffirmation of the democratic legitimacy of progressive taxation and liberation from a subordination to the neoliberal dogma of the "extreme reduction of taxes always and in every case," proposing, instead, a steep increase in higher rates for the wealthiest and more incisive taxation on businesses and assets. Among other things, bringing the center of gravity back to employment and work – opposing the inevitability of the jobless society which is intrinsic to the spontaneous functioning of capitalism (the fallacious argument many people use to support "citizen income") – also raises the possibility of dealing with questions of inequality, not simply as a problem of redistribution, through a new inconclusive rhetoric, but also as a problem primarily concerning the productive sphere, the allocation, the structures in which the various development models are articulated.

The profound transformations of these years push every country towards a development model that is less export-led and more centered on domestic demand, which if it is to be nourished requires mission-oriented intervention by the public operator, powerful industrial and territorial policies, and vigorous initiatives in innovation and research. We have to reject the rhetoric of the naturalness and neutrality of technological phenomena and to reaffirm the possibility of what Tony Atkinson called a public and collective direction of innovation. In Europe, the end of quantitative easing accentuates the gap between the desired volume of work and that made available by businesses. Moreover, we see the emergence of dramatic problems, such as those of the

environment, and of huge unsatisfied social needs (which typically shape domestic demand), all things that the market alone cannot resolve, ease or deal with. The breakdown of environmental equilibrium is taking place at an unprecedented rate, while in housing, nutrition, mobility, leisure, culture, education, training and health, citizens' needs remain unmet, and in the wider country (from large metropolitan areas to small and medium cities to rural and peripheral areas) the quality of life is declining. All these sectors and areas require an exceptional mobilization of energies.

The commitment to "guaranteed work" reminds us that the spirit of Roosevelt's New Deal, which is often completely misunderstood, lay in extraordinary collective projects (such as the electrification of rural areas, the redevelopment of neighborhoods in decline, the creation of large parks, the conservation and protection of natural resources) with the aim of creating extensive employment and for all categories (even for artists and theater actors) through the Job Corps. It is a gap similar to today's where we should turn away from the solution provided by a sick model of development – based on the drug of financial and real estate "bubbles," of an exponential increase in the value of assets and of private speculative debt – and toward a new model of development, oriented towards the green revolution, urban regeneration and the redevelopment of territories, cultural assets, education and universities, human and civil well-being.

VII
Thought and emotional energy as strategic resources

To venture into this gap, intellectual arguments about the nexus between capitalism and democracy must be combined with ethical ones: then the entire political context might change profoundly and rapidly. Thought and emotional and moral energy are confirmed as strategic resources, in order to overcome the poisoned legacy of

neoliberalism, the contemporary lack of interest in politics, populism, personality- and leader-cults as wild and divisive forces, the reshaping of intermediate bodies such as trade unions, the emptying of political parties as educational structures and places of mediation and representation, the domination of image and communication at the expense of thought and deliberation, the fading of the values of principles and of normative fabrics of universal application. We have to face the irrepressible re-emergence of the "emotional" as a constitutive trait of the present, an emotional way similar to that which Ernst Bloch described in the thirties of the past century, to deal with what should first be redefined as a territory that is primarily ethical and cognitive, within which we can reconstruct individual subjects, meaning and concrete answers.

The taking up of the institutional relations between capitalism and democracy as an unfinished constitutional process can inspire us. It could be given a dual meaning of breadth and strength: constitution in the classical sense, i.e. constitutional charter, and constitution in the broad sense, i.e. values and normative structures. In modern Constitutions, in fact, there is always a condensation of learning, both cognitive and normative, of extraordinary importance, which Walter Benjamin summed up in what he saw as the "tender task" of overcoming the outrage with which violence destroys the law. The revolutionary achievements – which are lessons along the road of human emancipation, therefore exceptional in terms of humanism – could not be attained without the values and regulations developed by the Constitutions. The values, duties and rights dealt with by the Constitutions have, by definition, a superabundant normative content. Today as well, the constitutional formulations – especially the constitutional formulation behind the unification of Europe – appear largely indeterminate and therefore open to interpretations and normative concretizations that might be diametrically opposed

to each other. There are plenty of gaps through which values subversive to the given order can be channelled: having/not having, right/wrong, true/false, equal/unequal, free/not free. And it can channel an intense spirit of planning that involves environmental redevelopment, the criticism of the neutrality of science, the reinvention and generation of employment, the extension of economic democracy. Western universalism arose from the revolutionary paradigm and from the history of Europe, which conceived of itself as a permanent 'revolution.' Kant was recognized as the philosopher of the French Revolution because he hailed its achievements as a "historical symbol" of a normative path that sought to be irreversible, the keys of which are universality*, individualization, emancipation, equality and inclusion.*

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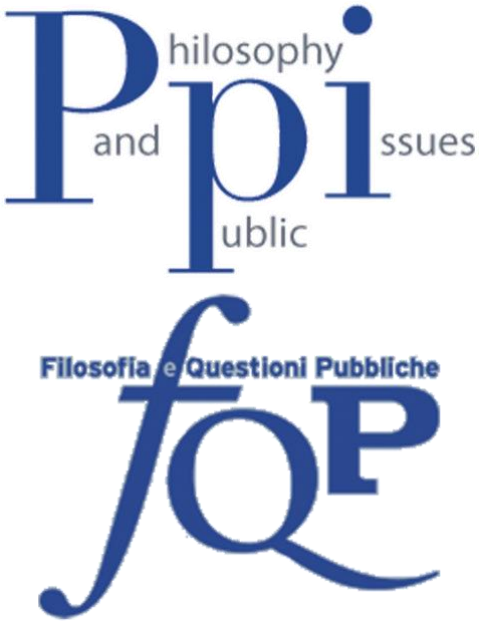

CAPITALISM, CRITICAL THEORY, AND MIGRATIONS

BY

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Capitalism, Critical Theory, and Migrations

Angela Taraborrelli

Introduction

Some years ago, Nancy Fraser wrote that we were "living through a capitalist crisis of great severity without a critical theory that could adequately clarify it" (Fraser 2014, 157). She went on to argue that we lacked conceptions of capitalism and the capitalist crisis adequate to our time. In *Capitalism. A Conversation in Critical Theory* she suggests a path that could serve as a remedy to fill these two gaps. What she offers is a definition of capitalism as "an institutionalized social order" (Fraser-Jaeggi 2018, 12): this definition avoids reducing capitalism to a purely economic system or a reified form of ethical life; it encompasses instead the social, political, and natural background conditions of capitalism. In this

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expanded conception, capitalism is constituted by a set of four structural divisions and institutional separations, which, according to Fraser, are constitutive of capitalism, and give capitalist society its specific form. These are: the ontological division between human nature and non-human nature; the institutional separation of economic production from social reproduction; the institutional separation of economy from policy; the institutionalized distinction between exploitation and expropriation. Fraser highlights that the economic foreground of capitalist society requires non-economic backgrounds (non-human nature, social reproduction, politics). As Jaeggi points out, Fraser's analysis of capitalism as an institutionalized social order differs from the orthodox account in so far as she does not see non-economic backgrounds as superstructure determined by production: quite the opposite, in her view, production is dependent upon them (*ibid.*, 69). This analysis aims to show how capitalism is not accidentally but structurally imbricated with gender oppression, political domination and ecological degradation together with its "equally structural, nonaccidental foreground dynamic of labor exploitation and expropriation".[1] It also aims to promote an understanding of capitalism's instability and its crisis tendency not as economic *per se*, but as "grounded in contradictions between the economic foreground and the non-economic background" (*ibid.*, 177). While capitalism depends on several non-commoditized background conditions (such as unwaged social reproductive

[1] It worth noting that according to Fraser, capitalism's institutional divisions are not simply given once and for all. As she points out: "precisely *where* capitalist societies draw the line between production and reproduction, economy and polity, human and nonhuman nature varies historically under different regimes of accumulation". She understands competitive laissez-faire capitalism, state-managed monopoly capitalism, and globalizing financialized capitalism as "three historically specific ways of demarcating economy from polity, production from reproduction, and human from non-human nature, and exploitation from expropriation" (Fraser 2018, 69).

labor, non-human nature, public powers, as well as the expropriated labor and resources of racialized groups), it nevertheless disavows the value of these activities and resources: the capitalist economy simultaneously needs and destabilizes its own non-economic background conditions (*ibid.*, 178). To these "contradictions of capitalism" – the ecological, the social, and the political – correspond three "crisis tendencies." Capitalism, therefore, harbors a plurality of crisis tendencies, some of which stem from intra-economic contradictions, while others are grounded in "inter-realm" contradictions: "in contradictions *between* the economic system and its background conditions of possibility – that is, between economy and society, economy and nature, economy and polity" (Fraser 2014, 157). Contradictions are not only internal to the economy but are premised on a view of the relations *among* domains. In her view, all the tensions built into the capitalist social order are grounded in three distinctive features, namely division, dependence, and disavowal. First, capitalism *divides* economy from reproduction, polity, and non-human nature and then it makes economy *dependent* on them. In addition, capitalist societies *disavow* or deny the value that the capitalist economy siphons from these realms constituted as "non-economic." In so doing, capitalist economies constantly draw value from those realms while simultaneously denying that they have any value. Capitalist society harbors a proclivity to (self-)destabilization along all three of its constitutive boundaries: production/reproduction, economy/polity, human society/non-human nature. All of which represent crisis tendencies specific to, and inherent in, capitalism. Fraser sums this up in a four Ds scheme: division, dependence, disavowal, destabilization (Fraser-Jaeggi 2018, 189 ff.).

Even though she does not directly address the ongoing border/refugee/migrant "crisis", this four Ds scheme might, nevertheless, be applied to shed new light on the issue. The

migration crisis seems to arise from the way capitalism relates to each of its three background conditions (non-human nature, reproduction, political powers). As regards its relation to non-human nature we may, paraphrasing Fraser (2018) formulate the four Ds scheme as follows:

> Capitalist societies *divide* human nature from non-human nature. Its economies are *dependent* on nature (natural resources, raw materials, etc.) in order to operate. But because capital recognizes only monetized forms of value, it draws heavily on natural resources and *disavows* their replacement costs. Geared to endless accumulation, finally, the capitalist economy, endangering the very natural processes that sustain life and provide the material inputs for social provisioning, is primed periodically to *destabilize* the background conditions that it itself needs.

We are currently witnessing the effect of this destabilization in the environmental crisis affecting all nations with the developing countries of the Southern Hemisphere, however, being disproportionately impacted by an excessive share of this global environmental damage. As Fraser points out, "extreme pollution in cities, hyper-extractivism in the countryside, and vulnerability to increasingly lethal impacts of global warming, such as rising seas and extreme weather" have created climate-induced migrations and environmental refugees on a growing scale (Fraser 2018, 125).[2]

What do we learn from the application of the four Ds scheme in relation to the division of human nature from non-human nature? That the capitalist division between human nature and non-human nature and the kind of relationship capitalist society

[2] See https://news.un.org/en/story/2019/07/1043551

has with non-human nature are among the causes of mass migration. More specifically we learn that the environmental crisis is not due to Homo Sapiens as such, but more specifically to capitalism as an institutionalized social order; consequently, the ongoing phenomenon of climate-induced migrations and environmental refugees would also be partly due to capitalism.

If we apply the four Ds scheme to the relationship between economic production and social re-production, we may reformulate it as follows:

> Capitalist societies *divide* economic production from social reproduction, that is – the creation and maintenance of historically gendered, social bonds. It then constitutes their economies as *dependent* (also) on social reproduction in order to operate. But, because capital recognizes only monetized forms of value, it free rides on social reproduction and *disavows* its cost. Geared to endless accumulation, it threatens the sociocultural processes that "supply the solidary relations, affective dispositions, and value horizons that underpin social cooperation while also furnishing the appropriately socialized and skilled human beings who constitute 'labor'".[3] In so doing, the capitalist economy consumes and *destabilizes* a background condition of its function, that is – the capacity for social reproduction that it itself needs.[4]

The capabilities available for social reproduction are taken for granted, treated as free and infinitely available "gifts" which require no attention or replenishment. It is assumed that there will always

[3] This social-cultural process "suppl[ies] the solidary relations, affective dispositions, and value horizons that underpin social cooperation while also furnishing the appropriately socialized and skilled human beings who constitute 'labor'" (Fraser 2014, 157).
[4] See Fraser 2018.

be sufficient energy to sustain the social connections on which economic production, and society more generally, depend; whereas, in fact, social reproductive capacities are not infinite. As Fraser points out, "between increased working hours and public service cutbacks, the financialized capitalist regime is squeezing social reproduction to the breaking point" (Fraser-Jaeggi 2018, 111).

The current, financialized form of capitalism is systematically consuming the capacities to sustain social bonds. The result of this is a 'care crisis', which according to Fraser is structural, precisely like the current ecological crisis.

The care crisis has affected and continues to affect migration flows. Historically the separation between economic production and social reproduction has underpinned the domination of women and has relegated them to unpaid care work and to the domestic private space. Today, qualified women pursue demanding professions and subcontract "their traditional care-work to low-waged immigrants or racial/ethnic minorities" (*ibid.*, 210). The inequality that exists in the distribution of reproductive work has changed: women do such work to a greater extent than men, but from a racial and class perspective, we see that reproductive work is performed mostly by migrants and members of minority and stigmatized social groups. We are witnessing a scenario in which reproductive work is divided and delegated from one woman to another: workers in the core countries offload reproductive work "onto migrants from poor regions (often racialized women), who leave their own families in the care of other still poorer women, who must in turn do the same, and on and on" (Fraser-Jaeggi 2018, 111). Hochschild coined the expression "global chains of care" (Hochschild 2000) to suggest the existence of a bond between women from different parts of the world who, in different ways, bear the care burden imposed on

them by gender inequalities. This shift of carework onto migrant women has an impact on their lives: as Fraser says, "today, millions of black and migrant women are employed as caregivers and domestic workers. Often undocumented and away from their families, they are simultaneously exploited and expropriated – forced to work precariously and on the cheap, deprived of rights, and subject to abuses of every stripe" (Arruzza, Bhattacharya, and Fraser 2019, 45). This shift has an impact also on their countries: as Hochschild pointed out, this produces a "drainage of care" towards industrialized countries, as an "importation of care and love from poor countries to richer ones" (Hochschild 2002, 17). Moreover, it influences the kind of development seen in poor countries: there are, in fact, countries whose "development" strategy consists in facilitating the emigration of women to wealthy countries and regions: the Philippines, for instance, relies on remittances from the domestic workers it sends abroad. This indebted state needs to send its women out to do carework, leaving their own offspring behind in the care of either their families or other poor women.[5]

Let us now apply the four Ds scheme to the relation between economy and policy.

> Capitalist societies *divide* the economy from policy; it then constitutes their economies as *dependent* (also) on politics (and territorial states) in order to operate. But because capital recognizes only monetized forms of value, it free rides on politics and *disavows* its cost and importance. Geared to endless

[5] In 1974 labor export was first institutionalized by the Philippine government as a developmental policy. On women migrant workers see: https://www.ecoi.net/en/file/local/1037003/1930_1466505623_filipino-women-migrant-workers-factsheet.pdf

> accumulation, the capitalist economy consumes and *destabilizes* the political powers (and territorial states) that it itself needs.[6]

Neoliberalism tends to undermine the international system of territorial states and to weaken them despite representing an indispensable precondition for the accumulation of capital. Capitalism, in fact, relies on public powers to establish and enforce its constitutive norms.[7] First of all, "transnational space in which capital operates must be constructed politically" (Fraser 2018, 102); secondly, territorial states are "the paradigmatic agencies that afford or deny protection"; thirdly, they perform the work of political subjectivation: "they codify the status hierarchies that distinguish citizens from subjects, nationals from aliens, entitled workers from dependent scroungers […]" (*ibid.*, 57). And precisely these, according to Fraser, are essential distinctions for accumulation given that "they construct and mark off the groups subject to brute expropriation from those destined for 'mere' exploitation" (*ibid.*).

The neoliberal economy acts as if there were no boundaries but, Fraser emphasizes, "borders do exist" (*ibid.*, 102). Neoliberals portray a world based on free markets as one where anyone and anything can go anywhere and everywhere, and where employers and workers encounter each other as free legal subjects, with equal rights to make contracts. But this harmonious picture, Fraser holds, is often very far from reality. Neoliberalism and the cultural

[6] See Fraser 2018.

[7] After all, Fraser points out, "a market economy is inconceivable in the absence of a legal framework that underpins private enterprise and market exchange. Its front-story depends crucially on public powers to guarantee property rights, enforce contracts, adjudicate disputes, quell anti-capitalist rebellions, and maintain, in the language of the US Constitution, 'the full faith and credit' of the money supply" (Fraser-Jaeggi 2018, 52).

cosmopolitanism associated with the new globalizing economy "has fueled a nostalgic reaction towards old fashioned family values and life worlds" (*ibid.*, 243); politicians in labor-importing countries, aware of popular hostility to immigration "have responded with a rhetoric of national sovereignty and control". This interplay between market forces demanding freedom of movement and political forces demanding control has created, as Castle pointed out, a global labor market differentiated, not only according to 'human capital' (possession of education, training, etc.), but also according to gender, race, ethnicity, origins and legal status. Therefore, also Fraser would conclude, as Castle does, that the cosmopolitan dream of free mobility in a competitive global labor market usually linked to "the idea of cultural openness and growing acceptance of diversity" is far from the experience of most migrant workers.[8]

Fraser holds that another division typical of capitalism is the division between *exploitation* and *expropriation*. The four Ds scheme can also be applied here, if only partially: i.e. capitalist societies *divide* exploitation from expropriation; then they constitute their economies as *dependent* (also) on expropriation in order to operate. As Fraser maintains, expropriation has always been entwined with exploitation in capitalist society: "the racialized subjection of those whom capital expropriates ('the others') is a hidden condition of possibility for the freedom of those whom it only exploits ('the workers')".[9] While there was

[8] Cf. Castles 2012, 1850.

[9] Fraser distinguishes exploitation and expropriation in two respects, economic and political: in exploitation, "capital assumes the costs of replenishing the labor it employs in production, whereas in expropriation it does not." Moreover, "the exploited workers are free individuals and rights-bearing citizens with access to state protection, whereas expropriated subjects are dependent beings, who cannot call on public power to shield them from predation and violence" (Fraser-Jaeggi 2018, 130).

once a clear separation between the exploited who lived at the "core" and the expropriated who lived in the "periphery" of the world, as a result of migrations, the expropriated have been introduced into our societies as migrants necessary to the capitalist system. In this case, accumulation leads to consuming not so much the expropriated as the *very* separation between the exploited and expropriated, reducing the rights and social protection of the former without benefiting the latter: in financialized capitalism, on the one hand, "expropriation is becoming universalized, afflicting not only its traditional subjects but also those who were previously shielded by their status as citizen-workers […]" (Fraser 2018, 132); on the other hand, there is a continuum between the forcibly expropriated and the "merely" exploited: as Fraser affirms "at one end lies a growing mass of defenseless expropriable subjects; at the other, the dwindling ranks of protected exploited citizen-workers; and in the middle sits a new hybrid figure, formally free and acutely vulnerable: the expropriable-and-exploitable citizen-worker." Not surprisingly, the expropriation/exploitation continuum remains racialized, "with people of color (and migrants) still disproportionately represented at the expropriative end" (133).

Concluding remarks

Fraser's view of capitalism as an institutionalized social order based on some structural and institutional divisions, offers three main advantages. First of all, it allows us to read migration within a unified framework. The migration crisis derives from the contradictions and the crises that inhabit the four structural separations which are characteristic of capitalism. Ultimately the very cause of the *current* migration crisis is neoliberal capitalism. In

this framework, the migration crisis is interpreted as a systemic crisis, not just as the result of one or more push/pull factors (such as individual choices, social economic and cultural policies, distributive inequalities, wars, climate changes, the presence of social networks, etc.). Second, it allows us to analyze and understand migration as a complex and multidimensional phenomenon (ecological, political, economic) and to treat it not simply in ethical terms. Third, it allows us to take the concerns of natives seriously. As mentioned above, Fraser explains that the separation – both geographic and demographic – between exploitation and expropriation which was once clearly separated the one from the other, has more recently become blurred: today, more and more free workers "who formerly enjoyed the status of being 'only' exploited have found themselves increasingly subject to expropriation" (Fraser-Jaeggi 2018, 127). In this condition citizens feel vulnerable and seek protection.

I would like to dwell on this last point. As we have seen, the effect of crisis tendencies is to incite *class struggles* at the point of production and *boundary struggles* over the separations of society, polity, and nature from the economy, to produce, once they succeed in converging, a new counter-hegemony. Fraser is optimistic that today there is room for "the construction of a counter-hegemonic bloc around the project of a *progressive populism*" (*ibid.*, 258). *Progressive populism* should combine in a single project "an egalitarian, pro-working-class distributive program with an inclusive, nonhierarchical vision of a just recognition order" – or as she summarizes it "emancipation plus social protection" (*ibid.*, 213). In other words, *progressive populism* should fulfill two objectives: to create a united working class and to guarantee emancipation plus social protection.

However, the goal of creating a united working class (*ibid.*, 258), of uniting the exploited and the expropriated in order to create a

counter-hegemonic block against neoliberal/financialized capitalism (*ibid.*, 265), does not seem to be easily achievable. *Progressive populism* (or better, a political party capable of adopting such a program) should be capable of uniting the traditional industrial working class with those who "perform domestic, agricultural, and service labor – paid and unpaid, in private firms and private homes, in the public sector and civil society – activities in which women, immigrants, and people of color are heavily represented" (*ibid.*, 217). Yet it seems unlikely that it could achieve this objective. As Castles (2010) pointed out, indigenous workers fear that migrants – "an unemployed reserve army of workers" – will take away the jobs of local labor, and that they will be used by the employers to keep down wages and weaken the power of strikes; for this reason they regard them "not as class comrades, but as alien intruders who pose an economic and social threat".[10] Moreover, by making immigrants the causes for the insecurity and inadequate conditions they live in (which depend on the capitalist system), workers' attention is diverted from the real causes of their condition. The presence of immigrant workers contributes to the lack of class consciousness among large sections of the working class also in another way: "the existence of a new lower level of immigrants changes the worker's perception of his own position in society" (Castles 2010, 35). Many workers see themselves as belonging to an intermediate level, superior to the unskilled immigrant workers and "do not perceive that they share a common class position and class interests with immigrant workers" (*ibid.*, 34). These do not seem to be favorable conditions for the development of class consciousness: in addition, the working class of contemporary societies is divided by identity conflicts between indigenous workers and migrants. Therefore, even the possibility of creating class solidarity appears to be lacking

[10] Castles and Kosack 2010, 34.

let alone the awareness of having a common enemy, namely predatory neoliberal capitalism (assuming that this awareness would be sufficient to fuel class or boundary struggles and to identify which struggles are emancipatory and which are not).

No less problematic seems the possibility of guaranteeing "emancipation plus social protection." More specifically, and as Jaeggi asks, what form should social protection in a globalized world take? "Who should be protected or who belongs in the 'circle' of people who are counted under social protection?" (Fraser-Jaeggi 2018, 255). In other words, would it be acceptable and to what extent for *progressive populism* to prioritize "emancipation plus social protection" for its own citizens and residents?

Fraser argues that social protection cannot be envisioned only at a national level, and that there is a need for some form of global governance (*ibid.*, 256). However, what this might imply from a political-institutional point of view, remains unclear. In fact, on the one hand she says that states are still active protagonists,[11] that they should not be liquidated, not only because of some problems needing to be solved locally, but also because democracy needs them (*ibid.*, 224). On the other hand, she grounds the possibility of local governance (and social protection) on the realization of a large-scale governance which will be just, democratic, sustainable.

Finally, it would be interesting to understand whether mass migration can play a role in the struggle against the capitalist system and whether claims and struggles around migration can somehow be emancipatory struggles. From this point of view then, is the

[11] "Cultural cosmopolitanism associated with the new globalizing economy has fueled a nostalgic reaction towards old fashioned family values and lifeworlds" (Fraser-Jaeggi, 2018, 243). The sense of cultural superiority of cosmopolitans has imbued "progressive neoliberalism with a superior 'tone'" (*ibid.*, 250) which has generated *ressentiment* in the working class.

migration crisis part of the process of transformation of capitalist structures and institutions in the host societies as well as globally? As a certain level of cultural, civic, and social integration seems to be necessary for the creation of a social bloc, and a sense of commonality between natives and migrant working class is required for both to fight capitalism, which model of integration of migrants would it be preferable to implement? (Fraser does not seem to appreciate the multiculturalist model defended by progressive neoliberalism). Finally, which criteria does her theory offer for assessing the effects of migration on national identity, social cohesion, and democracy?

As we have seen, Fraser holds that contradictions can give rise to crisis which in turn gives rise to boundary struggles and such struggles might possibly turn into emancipative struggles against capitalism. She also offers some criteria for discerning emancipatory from non-emancipatory claims about structural transformation (about capitalist divisions and boundaries), that is – nondomination, functional sustainability, democracy (*ibid.*, 219).[12] Which claims, then, relating to current migrations satisfy these criteria? For example, are the claims for open borders or for *ius soli* citizenship, emancipatory? In other words, are these claims and the struggles regarding them, and above all *their possible effects* on democratic societies, anti-capitalist? If not, should these claims and struggles be pursued anyway?

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[12] According to Fraser the three criteria should be used together, as a toolkit. "To be acceptable", she says, "a proposed structural transformation must satisfy all three" (Fraser -Jaeggi 2018, 219).

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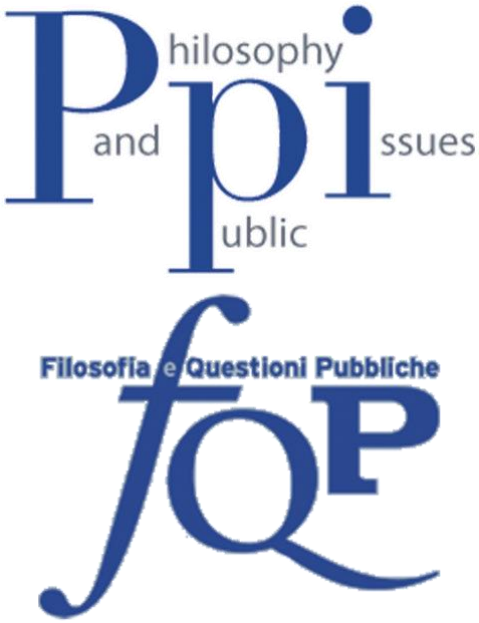
SYMPOSIUM

CAPITALISM AND CRITICAL THEORY



CAPITALISM, SOCIALISM, POPULISM: CONTINUING THE CONVERSATION

BY

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Capitalism, Socialism, Populism: Continuing the Conversation

Nancy Fraser

I

What are the implications for critique? What I've said so far implies two major defects of capitalist society: its structural entrenchment of injustice and its inherent proneness to crisis. For me, accordingly, a robust critique of capitalism must interweave those two strands, the first typically seen as normative, the second conventionally viewed as functionalist. In fact, however, "the dysfunctional" and "the wrong" are not so neatly separable. Far from occupying discrete compartments, they intermingle, even presupposing one another. After all, we can't specify what "doesn't work" independent of normative assumptions. Nor can we pronounce on what's unfair without making assumptions about what's possible. On this point, then, I'm on board with Rahel Jaeggi. Like her, I reject free-

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standing normative theorizing in favor of a left Hegelian view of the inextricable entanglement of "is" and "ought."

This puts me odds with Stefano Petrucciani, who proposes to separate normative philosophy from social theory – and, as I read him, to prioritize the first over the second. For Petrucciani, moral philosophy, aimed at grounding normative principles, is the indispensable first step of critique, to be followed by a second, separate step in which the justified principles are applied to capitalist society to determine whether it violates them. That view is problematic, I think, because it prioritizes moral criticism of capitalism, which appears to stand aloof from social theory, while discounting other genres that are bound up directly with it. I've already mentioned one such genre: crisis critique, which considers whether a society can sustain itself over time as opposed to eating its own tail. Disregarding that strand of critique, the two-step model misses damages that capitalism generates non-accidentally and that constitute societal "bads" even when they do not constitute moral wrongs. Planetary heating, as I'll explain later, is one such bad. Surely, it would count as a major black mark against capitalist society even if its burdens were justly distributed.

Let me restate the point in Jaeggi's terms: the two-step model rules out critique of forms of life in which normativity is immanent to social practice. Separating ought from is, it fails to clarify how social criticism can arise within a given society and simultaneously point beyond it. Thus, I find Petrucciani's approach inferior to left Hegelianism. The latter qualifies critique as historically situated and, in that sense, as context-dependent. It thus overcomes the abstract externalism of moral-philosophical stances that adopt "the view from nowhere." At the same time, left Hegelianism conceives society as internally contradictory and historically dynamic, thereby allowing for the possibility that critique can be context-transcendent. It thus overcomes the frozen internalism of

historicist approaches that imprison criticism within the given and preclude its radicalization. What enables this balancing act is a view of capitalism's history as unfolding dialectically, through periods of societal renovation aimed at resolving societal impasses. In those periods of normative-cum-structural crisis, social actors find themselves challenged to transform institutional arrangements that block the actualization of their norm-laden aspirations.

In Alessandro Ferrara's view, all the advantages of such a perspective can be gained more simply and easily from an unlikely source: the later thought of John Rawls. According to Ferrara, Rawls escaped the charge of free-standing normative theorizing when he abandoned the game-theoretic foundations of *A Theory of Justice* for the method of reflective equilibrium. It's an intriguing claim, but I have my doubts. As I read it, Rawls's shift toward situated social criticism went hand in hand with the marginalization of social theory. Granted, the latter makes a faint appearance in *Political Liberalism*, where social stability is broached as a problem. But that issue is treated idealistically, so to speak, as if it depended exclusively on the ability of social actors to achieve an overlapping consensus. What is missing, by contrast, is the "objective" side of crisis critique: the thought that the institutional design of capitalist society could itself be source of instability. In this respect, at least, I prefer *A Theory of Justice*, which identified the primary subject of justice as the "basic structure of society." Granted, Rawls's 1971 account of the basic structure left something to be desired, as it focused one-sidedly on the political constitution of a "closed society" and failed to probe the (dys)functional relation of a global capitalist economy to nature, families, states, and peripheral communities. Still, the concept encapsulated a genuine insight: to serve critique, moral philosophizing must be joined with social theorizing.

Unfortunately, Ferrara jettisons that Rawlsian insight in the name of pluralism. Citing Rawls again, he marshals the latter idea against large-scale, unified theories of capitalist society. In Ferrara's telling, such theories are "comprehensive"–hence sectarian and anti-pluralist, authoritarian and undemocratic. Leaving aside the echoes of red baiting here, this claim rests on an equivocation, as it conflates macro-level accounts of societal order with comprehensive doctrines of the good. These, however, are not the same. Whereas the second fall under the logic of ethical value, where pluralism arguably reigns, the first belong to that of truth, whose regulative ideal is convergence at the end of inquiry. Like scientific theory in general, social theory aims to get things right. As such, it is fallibilistic, subject to revision in light of evidence, reasons, and arguments that withstand critical testing in open scientific debate. Thus, far from running afoul of the burdens of judgment, unified social theory respects them scrupulously. It can claim a legitimate, even necessary, place within the broader precincts of public reason. What interest would be served, after all, by excluding social-theoretical insight about capitalism from political debates in the current conjuncture about the relative merits of reform versus transformation?

II

I conclude that critical theory needs a social theory of capitalism that can register at least two types of inherent defects: structurally entrenched domination and built-in crisis tendencies. What conception of capitalism fits that bill? My answer, as noted, is an expanded conception that problematizes the economy's relation to the non-economic supports on which it relies–and which it is primed to destabilize. This conception traces the wrongs

and the bads of the system to its institutional design, which separates production from reproduction, economy from polity, exploitation from expropriation, and society from nature. When combined with the inherent drive of capital to limitless accumulation, that design sets up an ongoing drain of uncapitalized wealth from the supporting zones, entrenching injustices and crisis tendencies beyond the economic: not "just" class exploitation, but also gender and racial/imperial domination; inherent proneness not "just" to economic crises but also to crises of care, ecology, and governance. In short, the expanded conception overcomes the economism of received understandings of capitalism.

Stefano Petrucciani raises doubts about this conception. He worries that in conceiving capitalism as an institutionalized social order, I risk conflating historically variable contingencies with structural necessities. Perhaps, for example, gender domination and racial oppression are not inherent in capitalism as such but only in historical capitalism. Perhaps, too, what I have conceived as co-constituted foreground and background components of a single system (work/care, market/state, core/periphery, society/nature) are loosely linked features that can be altered piecemeal and re-combined. In that case, the social formation would be less well described as "capitalist" than as "mixed." Because its defects would not then be deeply anchored in system dynamics, they could be remedied without a heavy lift. To resolve the present crisis, we needn't overcome capitalism but only rebalance our society's elements, decreasing the weight of its capitalist features and enhancing socialist elements that are already present.

Deeply considered, Petrucciani's concerns resonate with widespread suspicions of grand social theory. Like proponents of poststructuralism, intersectionality, and dual or triple systems theory, he challenges efforts to build a unified theory. In place of

a single but internally differentiated social system, which encompasses several distinct but structurally linked logics of social action, he envisions an amalgam of contingently linked elements. That suggestion certainly fits the *Zeitgeist*. But it doesn't, from what I can see, disqualify unified theory or rebut the arguments I have made for a version of it.

Those arguments can be characterized as quasi- or weak transcendental. Inspired as much by Polanyi as by Marx, they begin by identifying the non-economic conditions of possibility for accumulation. On that basis, they go on to show that capital's "self"-expansion cannot proceed without substantial helpings of unremunerated carework, dependent labor, and stolen lands. If that's right, then the historical persistence of racial/imperial and gender domination in capitalist society is not contingent. These injustices are non-accidental features of a societal order that splits off expropriation and social reproduction, on the one hand, from exploitation and commodity production, on the other, all the while incentivizing capital to drain social wealth from the first pair as a condition for racking up profits from the second.

Analogous weak-transcendental arguments hold for planetary heating and hollowed out public power. These menaces, too, have structural bases in capitalist society, as capital needs natural inputs and public goods for whose replenishment it does not pay. The owning and investing classes can do nothing without those inputs yet are primed by the system to trash them. Far from amalgamating loosely with the dynamics of accumulation, then, ecological damages and political dysfunctions flow directly from them. Granted, those dynamics spawn acute impasses only occasionally– when a given regime of accumulation can no longer provisionally displace or defuse the system's built-in destructive tendencies. And granted, too, the social forces that have prevailed in all such moments to date have reconfigured capitalism, as opposed to

overcoming it. But that's precisely why, as I'll explain later, succeeding regimes have always unraveled in turn within a few decades. If history is any guide, a definitive resolution requires more: not just rebalancing but wholesale reinvention of the relation between the economy and its background conditions of possibility.

Related reflections inform my response to Giorgio Fazio. Querying the status of societal differentiation in my framework, he detects an ambivalence: on the one hand, capitalism's institutional divisions figure centrally in my criticisms of it; on the other, I oppose political projects that would simply liquidate them. Thus, Fazio pointedly asks, how can I have it both ways? How can I lay claim to modernity's achievements in differentiating economy, state, family, and nature, while simultaneously implicating those separations in capitalism's irrationalities and injustices?

The question is incisively posed. My answer draws on the concepts just elaborated. What is problematic, for me, is not institutional differentiation per se but the perverse, destructive form it assumes in capitalist societies. The difficulty is not, in other words, that these societies separate social reproduction from economic production, society from nature, economy from polity, but rather that they do so in a self-contradictory way. I articulated this idea in the book with reference to four English words that begin with the letter D: first, capitalist society divides its economy from the latter's non-economic supports, while second, making it depend on them and third, disavowing that dependence, thus tending, fourth, to destabilize the entire edifice. All told, I claim, that's a recipe for serious trouble.

What underlies this perverse dynamic is capitalism's ontology of "value." That's the stuff that distinguishes the society's economy, where value resides and accumulates, from those essential backstage realms, where it is absent in principle or not yet constituted. Value is also what capital is made of and what it is

wired to increase. Yet capital can only accumulate this mysterious substance by consuming non-capitalized wealth as it goes about exploiting waged labor. Ergo, the perverse equation: institutional division plus structural dependence and ontological disavowal equals periodic but non-accidental destabilization.

I've already suggested, moreover, that the form differentiation assumes in capitalist society leads directly to structural injustice. After all, this society divides production from reproduction by means of gender; thus, capital's free riding on carework institutionalizes the subordination of women. Likewise, the system divides exploitable "workers" from expropriable "others" by means of a global color line; thus, capital's thirst for cheap nature and labor is inextricably tied to racial/imperial oppression. Here, as before, I don't claim that modern societal differentiations are inherently oppressive and not worth preserving; for me, that remains to be seen. But I do say that if we decide to keep them, we must institutionalize them in a different way. Only by breaking the capitalist chains that tie those divisions to dysfunction and domination can we realize their emancipatory potential.

III

That last assertion meets a spirited challenge from Laura Pennacchi. Like Petrucciani, she contends that reformist policies are sufficient to redress capitalism's defects. In her case, the argument is historical–derived, specifically, from the purported success of the New Deal in overcoming the system's fundamental weakness, which she defines as the reluctance of private capital to invest in socially useful production in the absence of sufficient demand. In Pennacchi's view, U.S. state spending on large-scale projects surmounted that obstacle in the 1930s by promoting "full

and good employment." By priming the pump of working-class consumption, these policies enticed capital to abandon speculation for productive investment. The result was not only to resolve a specific historical crisis but also to chart a path for future development. For Pennacchi, in other words, the New Deal was no mere phase of capitalist development but a precious exemplar with the potential to "crack" the system. By applying its lessons today, in a new, greener form, we can alter the course of development, rerouting the flow of private capital from fictitious assets to real production aimed at satisfying human needs. Far from representing a superseded past, then, a new variant of state-managed capitalism should become our future.

Pennacchi's contribution is rich and probing. But it seems to me that she overstates the New Deal's successes and misses the endogenous sources of its unraveling. There's debate, of course, as to what overcame the Great Depression, but many historians give more weight to cost-plus war production and the postwar Marshall Plan than to state spending on public infrastructure and social needs prior to U.S. entry into World War II. There's debate, too, as to what killed state-managed capitalism; where Pennacchi pins the rap on a neoliberal political putsch, others, such as Robert Brenner and Wolfgang Streeck, cite the regime's internal contradictions, linking declining profit rates in manufacturing in the 1970s to rising wage costs, intensified intra-core competition, and the generalization of productivity gains from war- and reconstruction-sparked innovations–all of which combined to incentivize the offshoring of production to low-wage regions. For these critics, the "full and good employment" that Pennacchi counts on to tame capitalism was hijacked by system imperatives that ended up rendering it more feral. If that's right, then the demise of state-managed capitalism was prepared by dynamics internal to it. It was those dynamics, and not a contingent exogenous shock, that created conditions in which neoliberal

policies, otherwise discredited, could (re)gain the appearance of plausibility.

In any case, the lessons of state-managed capitalism must turn as much on the regime's failures as on its successes. On that score the conclusions I draw diverge from Pennacchi's. For me, the regime's strategy of using state power to rejigger investment incentives for private capital did not cut deeply enough. By leaving in place the profit motive as the primary motor of societal development, the New Deal project fell prey to all those destabilizing forces that flow from the "law of value." And every effort to woo capital on behalf of a public interest to which it is congenitally blind only served to entrap the regime more deeply in its clutches.

Those lessons deepen when we assume the expanded view of capitalism as an institutionalized social order. That view directs our attention to the system's non-economic failings–its tendency to cannibalize the background conditions of accumulation. Certainly, one aim of the state-managed regime was to stabilize (domestic) social reproduction in the face of economic turmoil by expanding public provision of "social welfare." But its achievements on that plane rested on cost-shifting. It was not "only" that many welfare regimes presumed the family wage and/or the mommy track, thereby entrenching heteronormativity and women's dependency; nor "only" that the U.S. variant excluded paid domestic and agricultural labor from Social Security, thereby entrenching racial oppression. There was also the even more inconvenient fact that social democracy was powered by an industrial-extractivist complex centered on autos, steel, and oil. What financed public protection of families in the Global North, then, was private plunder of nature–especially, though not exclusively, in the Global South. In what can only be described as a perverse tradeoff, capital agreed to pay for some social reproduction costs here in exchange

for license to dodge a larger bill for natural reproduction costs there–all the while pumping out CO2 in quantities exceeding the planet's capacity for sequestration.

Can we avoid such tradeoffs–nature for family, them for us–today, in a world that is even hotter and more globalized? Pennacchi's focus on domestic policy and the national frame finds an implicit challenge in Angela Taraborrelli's intervention, which adopts a wider – transnational – lens. Applying the expanded view of capitalist society to our current financialized regime, she identifies migration as a convergence point for all the various strands of the present crisis. It is there, she tells us, in the massive movements of people desperate to escape unlivable situations, and in the determined attempts of others to repulse them, that we see the gruesome confluence of all the system's contradictions: economic, social, political, ecological. In Taraborrelli's account, today's migration crisis represents the coming together of uneven vulnerability to intensifying climate change; ballooning debt – both sovereign and personal; a neo-imperial care drain from South to North amid retrenchment of public provision and declining real wages; the generalization of expropriation from its usual racialized targets to populations that were relatively protected from it until recently; the growing power of mega-corporations and financiers vis-à-vis states and public powers; violence, pandemic, and war. All these aspects of neoliberalism's general crisis merge to create a global humanitarian disaster and a major political flash point.

Rich and masterful, Taraborrelli's account raises fundamental doubts about whether national social democracy remains a viable and justifiable project in the present era. Is it possible in a capitalist society to protect nature and social reproduction simultaneously–and to do so on a global scale? Can capital's hunger for cheap inputs be satisfied when the door is shut to both those historic sources of uncapitalized wealth – in the periphery as well as in the

core? Where exactly will their profits come from if the owners are made to pay for the true reproduction costs of social labor and non-human nature across the board?

IV

Today, as in every period of acute crisis, the critical question is, what is to be done? All the participants in this symposium engage passionately with that issue, which is one reason I find their essays so compelling. Two questions loom large throughout. Can we achieve an emancipatory resolution of the current crisis without overcoming capitalism, or do we need to abolish it? And, in either case, what sort of praxis is needed to achieve the desired result?

The answers I have proposed can be condensed in a simple formula: democratic socialism is the end; left populism is the means. Both elements of that proposition meet ample skepticism here. As already noted, several contributors favor reforms of present-day capitalism that stop short of overcoming it – witness Petrucciani's case for rebalancing, Pennacchi's brief for a Green New Deal, Ferrara's plea for a "property-owning democracy," and Fazio's proposal to re-embed the capitalist economy in society and nature. Many also doubt that leftwing populism represents a defensible and viable political strategy – witness Fazio's and Ferrara's concerns about authoritarianism, Taraborrelli's and Fazio's worries about nationalism, and Ferrara's and Taraborrelli's doubts about the possibility of working-class solidarity today. The verdict is overwhelming. My views on ends and means need clarification.

Let me start with the question of ends. I've offered several arguments, both here and in the book, as to why a capitalist

solution to the present crisis is unlikely if not impossible. Some of these arguments are conceptual. I maintain, for example, that profit-making necessarily depends not only on the exploitation of waged workers but also on unremunerated inputs from outside the official economy: on unwaged carework, public goods, and wealth expropriated from nature and peripheralized communities. If that's right, then any social organization that holds societal development hostage to profit-making will entrench multiple crisis tendencies and structural injustices. Conversely, whoever wants to overcome those bads and wrongs must disjoin societal development from the appropriation of social surplus by private investors. That in turn requires dismantling the 4–D logic of accumulation and its underlying ontology of value, which sets up non-economized zones of wealth for cannibalization.

To my mind, this means socialism, but not in the traditional sense. Once we enlarge our understanding of capitalism's ills, we must also expand our reckoning of what's needed to overcome them: not "just" socializing ownership of the means of production, but reinventing production's relation to reproduction, both social and natural – as well as economy's relation to polity and society's relation to nature. That is tantamount to democratizing fundamental decisions about societal development: what, how much, and how to produce–on what social, ecological, and political basis; how to relate to non-human nature, future generations, and the legacies of past oppressions; whether to produce a social surplus and if so, how to allocate it; what role if any to give to markets and private property. These matters are currently decided behind our backs – in ways that ensure capital's health and threaten ours. Whatever else it entails, then, socialism must treat them as public matters, just as it must treat social surplus as collective wealth. These are among the central elements of an "expanded" view of socialism. If that view sounds wildly ambitious, it follows directly from my conceptual arguments about what capitalism is,

how it works, and why it is imperiling our prospects for life on Earth.

But I've also made my case on historical grounds, where the inferences we can draw are less conclusive. In that register, I've theorized capitalism's development as a crisis-driven process wherein system reconfigurations are responses to system breakdowns. Seen this way, capitalism's history appears as a sequence of phases (or "regimes of accumulation") punctuated by interregna. Each regime in the sequence follows the general capitalist template, dividing economy from polity, society from nature, production from reproduction, exploited "workers" from expropriated "others." But each does so in a distinctive way, which finesses the system's contradictions for a while–until its workarounds unravel. In such periods of general crisis, the accumulated dysfunctions erupt into view, fraying the regime's authority and prompting mass defections. The result is a hegemonic vacuum – and intense struggles to fill it among rival political blocs with competing projects, some regressive, some emancipatory, most mixing bits of both. The interregnum ends when one of them defeats its competitors and installs a new regime that provisionally resolves the crisis – until it unravels in turn, triggering a new iteration of crisis and renovation. This process has been repeated several times in capitalism's history. It led first from the mercantile capitalism of the 16th through 18th centuries to the liberal-colonial phase of the 19th, then to the state-managed regime of the middle third of the 20th, and finally to the neoliberal financialized capitalism whose crisis we are now living through.

This picture of crisis-driven development within capitalism complicates matters. The premise here, as before, is that renovations within capitalist terms are doomed to unravel in time for structural reasons. But the process of transition is contingent, and good outcomes are not guaranteed. The result could be a new

form for capitalism – or something better – or something worse. And those who inhabit an interregnum can't know in medias res how the story will end.

Under these conditions, the stance I recommend is strategic agnosticism. That's a posture that combines frank skepticism about the possibility of an emancipatory capitalist resolution (especially now, given escalating planetary heating) with a non-sectarian attitude of "wait and see." It invites potential allies to fight together now for a social order that decarbonizes the world economy, ends racialized expropriation, prohibits free riding on carework and public goods, and marshals our collective powers to meet human needs. We can join in that struggle now, it tells them, without having to decide in advance whether it's tantamount to fighting for socialism, a reformed capitalism, or something else. We can face that question later, as the struggle unfolds, and we get a clearer sense of what sorts of changes capitalism's defenders can and will accommodate. Such a stance could unite democratic socialists and social democrats, immigrants and trade unionists, feminists and anti-racists, eco-socialists and Green New Dealers, all the contributors to this symposium, myself included, notwithstanding our disagreements. Together, we might even manage to assemble a counterhegemonic bloc of sufficient breadth and vision to defeat our common enemies and resolve the present crisis in an emancipatory way.

I have raised plenty of hackles by characterizing that counterhegemonic bloc as "left-populist." So let me explain how my use of that phrase differs from some other thinkers'. For me, populism is not inherently opposed to individual rights, the rule of law, separation of powers or democratic representation. What its best variants do reject, however, are interpretations of those principles that entrench the rule of property. Likewise, populism is neither an intrinsic feature of politics as such nor a desirable end

state or political goal. It is rather a transitional formation that often emerges in situations of hegemonic crisis. It's centered on the rejection of ruling elites and can assume two principal forms. Right-wing populism combines opposition to elites with demonization of a despised underclass, while valorizing "the people" caught between them in the middle. Left-wing populism trains its fire on the top, refrains from scapegoating the bottom, and defines "the people" inclusively, as encompassing both middle and bottom. There is also another difference. Whereas right-wing populism portrays its enemies in concrete identitarian terms – as, for example, Muslims, Mexicans, Blacks, or Jews, leftwing populism construes them numerically or functionally – as, for example, "the 1%" or "the billionaire class."

On both points, leftwing populism is massively preferable. A relatively spontaneous response to crisis, it's an accessible entry point into counterhegemonic struggle, capable of mobilizing masses and winning some victories. It can and should be worked with. But its folk sociology is far too crude to educate those drawn to it about the nature of the system they're fighting and what must be done to change it. Nor, as Taraborrelli and Fazio have noted, does its affinity with the national frame befit the crisis of a social system that is thoroughly global. In the best-case scenario, then, left populism serves as a transition to a more radical emancipatory project–more "analytically precise," transnationally oriented, and politically demanding.

If that project is democratic socialism, as I hope it will be, then it should invite potential participants to see themselves as members of an expanded (global) working class. Rejecting producerist orthodoxies, it should conceive that class as encompassing the expropriated as well as the exploited; reproducers as well as producers; those who wear blue collars, white collars, pink collars, no collars; the unwaged as well as the waged; the unemployed,

underemployed and excluded–both young and old; citizens and migrants–both with and without papers; slumdwellers and peasants–both with and without land; those whose lives are stunted by predatory debt and crumbling infrastructure, food insecurity and lack of health care, rising seas and toxic waste. Of special salience today, the expanded working class includes two groups that are now pitted against each other: those who are losing what rights, protections, and resources they once enjoyed and those who never had much of those things to lose in the first place.

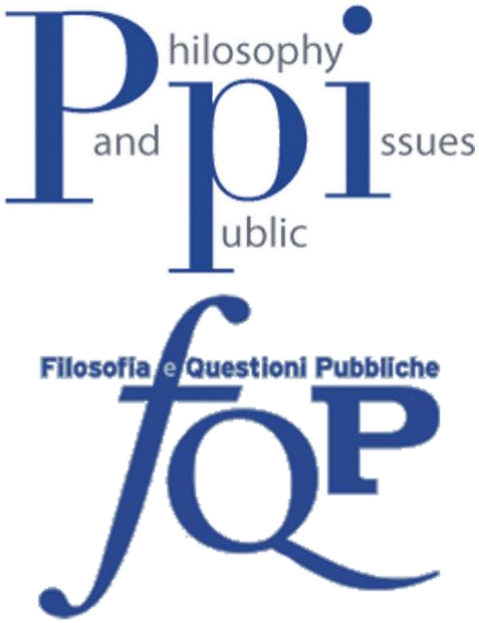
Hugely disparate, this expanded class would be hard to unify in the best of circumstances. Today, moreover, some of its segments construe their interests as diametrically opposed to that of others. Ferrara notes, for example, that stably employed workers with pensions have a stake in financial markets and may thus feel themselves at odds with other class fractions with everything to gain from their suppression. Similarly, Taraborrelli notes that workers who are citizens or long-term residents often fear that migrants will take their jobs or drive down their wages. Both point to real empirical obstacles to class solidarity. But such obstacles are hardly new. Analogous hurdles have characterized every phase of class struggle in capitalism's history – and have sometimes been overcome. What changed the game in the past were counter-narratives of sufficient vivacity and cogency to induce people to reframe their interests, replacing established zero-sum benchmarks with new, win-win scenarios that altered their views as to who their allies were and what was possible. That sort of frameshifting could in principle occur today. It only awaits development of a compelling counterhegemonic narrative.

As it turns out, we already have to hand some of the ingredients of such a narrative. I am thinking especially of the expanded view of capitalism elaborated here. That view is not only a theoretical construct but also a practice-guiding map for social action. By

locating themselves on this map, social actors can gain a broader view of the struggles in which they are engaged and of the political terrain on which they must wage them. Above all, they can trace the concerns of seemingly distant others, along with their own, to one and the same social system, thereby distinguishing those with whom they should ally from those whom they need to fight. The expanded view of capitalism can serve, in other words, to orient actors practically. Paired with the expanded view of the working class that I just outlined, it offers at least some of the resources we need to construct that class as fighting force.

On this point, as on so many others, the contributors to the present symposium have provided much food for thought. Responding to them here has obliged me to deepen my thinking on many issues. I am truly grateful to them for turning what began as a dialogue with Rahel Jaeggi into something bigger–an expansive multilogue on critical theory, capitalist society, and the state of the world. May the conversation continue!

New School for Social Research



WITHIN THE SHELL OF THE OLD
ON CRITICAL THEORY AND PREFIGURATIVE POLITICS

BY

ADRIAN KREUTZ

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Within the Shell of the Old
On Critical Theory and Prefigurative Politics*

Adrian Kreutz

It's a difficult business, creating
a new, alternative civilization
– David Graeber

Introduction

This paper puts forward an immanent critique of Nancy Fraser and Rahel Jaeggi's immanent critique of capitalism. As it stands, Fraser and Jaeggi's proposal for a critique of capitalism is subject to a Hegelian pitfall: critique alone, even if normatively salient, cannot facilitate a transformation of society along the normative standards it bemoans. Only the transformation of society itself can empower a critique of the bemoaned circumstances and endow the critique with transformational

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potency. After introducing the relevant aspects of the left-Hegelian underbelly of contemporary Critical Theory I dissect Fraser and Jaeggi's critique of capitalism understood as the critique of a 'form of life' into its constitutive components. I then address a further problem: even if there are social practices with which Critical Theory can assume 'unity', we don't know how to identify the 'right' social movements. If you listen carefully to white supremacists, for instance, they too have a victim narrative. So, how can we, the Critical Theorists, single out the 'good' social movements? I will conclude by proposing an alternative approach to critique, one that works genealogically and prefiguratively, capable of emancipating Critical Theory from its Hegelian heritage.

I

In search for something to hold on to

Critique, Robin Celikates (2018, 1) advises, referring to Marx, "has to be based in an analysis of social reality and its contradictions, and can only find its criteria in the social practices, struggles, experiences, and self-understandings to which it is connected". Critical Theory is an emancipatory theory: critique supports oppressed groups by enabling them to clarify and designate the inner workings of their struggle and helps them transform the situation. Theory alone, however, is so to speak 'transformatively impotent': if reality is the 'midwife', as Engels (1877) put it, then theory is the midwife's assistant. Reality can only be changed by *real* forces; intellectualisms can only help us understand and thereby contribute to a social transformation that is already under way. This opens up questions about the theory-practice relation; about what it means for critique to have transformative potential in the first place. In other words: can theory change the world, and if so, how?

Critical theory, when done the right way, is as much receiving input from social reality as it is a form of social practice itself. While traditional theory did offer piecemeal critique of singular elements within societal structures, a critical theory takes the whole structure of society as its object of critique. It seeks to transform the structure and thereby emancipate the agents caught inside. Rather than promoting "a division of labor [...] in social conflicts" (Horkheimer 1972, 222), critical theory must enter assume *unity* with those social conflicts. According to Horkheimer, this unity with social practice makes a theory "not merely an expression of the concrete historical situation but also a force within it to stimulate change" (*ibid.*, 215). Critical Theory becomes the "continuation, by means of a controlled scientific methodology, of the cognitive labor that oppressed groups have to perform in their everyday struggles when they work to de-naturalize hegemonic patterns of interpretation and to expose the interests by which these are motivated" (Honneth 2017, 919). But what precisely does it take for a theory to stimulate such change?

Horkheimer's contentions are undeniably placed on top of a vast (left-)Hegelian underbelly. From Hegel, to Marx, to the Frankfurt School, to contemporary Neo-Critical Theory, critique seeks to escape the 'empty ought' of ineffectual (liberal) moralism by searching for the inner normativity of historical reality itself. As Marx puts it: "the weapons of critique will never replace the critique of weapons […] the material force must be overthrown by material force, which theory, too, can become, once it seizes the masses" (1976, 385, my translation).[1] This remark stresses the

[1] The German original reads: "Die Waffe der Kritik kann allerdings die Kritik der Waffe nicht ersetzen; die materielle Gewalt muß gestürzt werden durch

materialist commitments of the (left-)Hegelian tradition: critique must latch on to something material, a social movement, for instance, in order to (at least in principle) gain transformative or subversive momentum within social reality. The nominalisms of theory alone are weak and feeble.

It might be considered comical to back up a point about social transformation with a reference to Horkheimer. It was his original Critical Theory agenda (1937), however, which picked up on Hegelian core-commitments. For Hegel, critique is the "embodiment of a reason that realizes itself in history" (Jaeggi 2005, 77). Hegelian critique acquires its transformative momentum by assuming this unity with the dialectical self-unfolding of real contradictions [*Wirklichkeit*] pushing towards reconciliation (i.e., the *Aufhebung* [sublation]).

To put this in more schematic terms, Horkheimer's (1937) critical theory project starts from a situation in which a norm is accepted and simultaneously a certain practice is enacted, but norm and enactment are in conflict.[2] One of the most pertinent examples is Marx's analysis of 'double-freedom'. Marx reminds us that every proletarian is free to sell her labour to any capitalist she wants to, and that she can also decide to *not* to sell her labour (to any specific capitalist), but this creates a sense of 'double-freedom': the *norm* of freedom, the freedom of contract, conflicts with the worker's experience of unfreedom, the *practice* of unfreedom'. The proletarian worker is free to starve, but that's about as far as her freedom goes: norm and practice are in perpetual conflict.

Critique which seeks to identify situations of conflict between norm and practice, such as the conflict between *de jure* freedom and

materielle Gewalt, allein auch die Theorie wird zur materiellen Gewalt, sobald sie die Massen ergreift." (Marx, 1976, 385)

[2] Cf. Honneth 2003, 2015 on factual and justified norms.

de facto unfreedom of the workers in capitalist society, are usually thought to have acquired a sense of 'immanence' (cf. Walzer 1993). Traditional theory, on the other hand, is normativistic (*normativistisch*) in establishing some abstract norm by which social reality is being assessed.[3] If we take the unity of social theory and social practice as our desideratum for the transformative potential of social and political theory, normativistic theory falls short of being transformative.[4] The transformative potential of immanent critique is arguably anchored in contradictory reality, in reality being such that norms and practices are in conflict.[5] Critique acquires its transformative momentum by forming a unity with the dialectical self-unfolding of real contradictions [*Wirklichkeit*] pushing towards reconciliation (i.e., the *Aufhebung* [sublation]). That's the Hegelian underbelly worth shedding.

II

In the absence of emancipatory interest

What happens when critical theorists can no longer "identify struggles of oppressed groups which could serve as [its] point of

[3] Normativism is a term of art of the Critical Theory tradition first introduced by Hans Sluga (2014), used to describe a form of theory (or critique) which demands for a normative element to be introduced from the external (cf. Jaeggi, 2009: 238).

[4] To be clear, through *Aufhebung* both norm and practice will be transformed and strive towards alignment. However, this reassembling may not necessarily resolve in a harmonious relationship, but in any case, in a *transformed* relationship: amelioration is not a given.

[5] After all, Marxism (and Hegelianism and so the Frankfurt School project, for that matter), as Ágnes Heller was keen to repeat, is metaphysics.

reference in practice", asks Celikates (2018, 208)? Critical Theory is in a predicament. That's its Hegelian hereditary load. With there being no social movements with which to unite, with there being nothing material to 'latch on to,' Critical Theory will always find itself incapable of endorsing any serious attempt at a transforming the *status quo*. What is more, a point that is rarely discussed, even if theorists find social movements in reality, how can we choose between them? If you listen carefully to white supremacists, for instance, they too have a victim narrative. On what grounds then can we distinguish emancipatory movements from their opposite, regressive movements? What if all of a sudden the totality of social reality regresses?

The destruction of political space through fascism was such that it "seemed to throw critical theory back upon itself. […] Social struggles, if they have not turned regressive seemed to have been neutralized by being preempted, integrated, or co-opted," says Calikates (*ibid.*). Honneth (2017, 66) considers the impending possibility of material ungroundedness an existential threat to the idea of a critical theory: "in the absence of […] an emancipatory interest on the part of the entire species, the demand for social progress would remain a merely moral 'ought,' lacking any support in historical reality. […] Without some form of proof that its critical perspective is reinforced by a need or a movement within social reality, Critical Theory cannot be further pursued in any way today, for it would no longer be capable of distinguishing itself from other models of social critique in its claim to a superior sociological explanatory substance or in its philosophical procedures of justification."

This pessimistic withdrawal from social reality, the loss of confidence in a directed unfolding of dialectical history, and the absence of some identifiable agent of social transformation cleared the way for Habermasian normativism through which the program

of *critical* theory became largely indistinguishable from *traditional* (i.e. liberal, normativistic) theory (cf. Stahl 2017).

Decades after the seeming decline of Critical Theory's emancipatory forces, Neo-Critical Theorists today, says Celikates, who is very much part of this comeback, re-emphasizes the importance for Critical Theory to uphold unity with "pre-theoretical experiences, oppositional forms of consciousness, and actually existing practices of critique and resistance" (*ibid.*). Giving up on this material connection – the unity between theory and practice – is unacceptable, for that would turn the Critical Theory project into "a piece of dead scholarship, a matter of complete indifference to us as living minds and active, living human beings," as Adorno said (2001: 6). The possibility of the absence of emancipatory interest, however, is the lasting predicament of Critical Theory. Nancy Fraser and Rahel Jaeggi's (2018) critique of capitalism, as I will now argue, falls prey to this Hegelian heritage-trap.

III

Understanding capitalism (the expanded view)

Nancy Fraser and Rahel Jaeggi wish to resuscitate Critical Theory, and more precisely Critical Theory's critique of capitalism. Their discussion of the ills of capitalism starts with the observation that since the inter-war period, Western societies have never been as crisis-prone as they are today (cf. Benhabib 2018). The economy and social order have once again become unstable and unpredictable. This, Fraser and Jaeggi think, calls for a revitalisation of Critical Theory and its critique of capitalism.

On the one hand, they argue that a critique of capitalism is always a form of critique which strives towards theoretical totality; it requires an all-encompassing social theory, and it has to be a rejection of the piecemeal social engineering of the liberal analytic tradition and certain currents in late twentieth-century and contemporary Critical Theory (*ibid.*, 51-59).[6] Returning to a critique of capitalism understood as an all-encompassing social theory, Critical Theory could potentially halt its descent into the shoals of status-quo apologetic, liberal-mainstream political philosophy. Fraser and Jaeggi's ambitions are twofold: first, dismantle and overcome capitalism, and second, rescue Critical Theory from its 'abyss.'

Their point of entry, as mentioned above, is crisis: Fraser puts an emphasis on the structural reasons behind a myriad of crisis tendencies inside capitalist social totality, based on class, sex, gender, ability, but also, and somewhat idiosyncratically, on our promethean relationship with nature (*ibid.*, 135). Jeaggi, on the other hand, operates with the notion of a *Lebensform* [a form of life]; a concept that she coined in her 2014 book *Kritik an Lebensformen* (Critique of Forms of Life). Capitalism, for Jaeggi, is a form of life, a historically situated ensemble of social practices, some of which are economic, others which are cultural or political. The core of her analysis of the capitalist form of life is much closer aligned with Marxian orthodoxy than is Fraser's, who urges us to look behind Marx's 'hidden abodes', those back-stories of social reproduction

[6] Elsewhere, Jaeggi & Loick (2017: 322) described this as the black-box approach to social analysis and critique. The black-box approach to capitalism describes the tendency, as Jaeggi puts it, to only talk about how wealth inside an economic system is to be distributed, normatively speaking. Jeaggi criticizes this approach, saying that it fails to discuss *how* this wealth is being produced and *what* kind of wealth is being produced, and whether our answers are currently, normatively speaking, acceptable, and, if they are not, what could be a desirable alternative.

and primitive accumulation that are curtained largely unproblematized behind the front-story of capitalist production (cf. Fraser 2014, 39-43).

Feminist thought, postcolonialism, and ecology are largely absent from both the early and the late works of Critical Theory, Fraser argues, and are only now finding their ways into the canon.[7] Without those impulses, a systematic analysis and critique of capitalism will fail to live up to its own standards, she argues.[8] As Fraser (2014, 56) suggested elsewhere, "we lack conceptions of capitalism and capitalist crisis that are adequate to our time." Marx

[7] One of the reviewer's has raised an interesting point here to which I will respond. Both Fraser and Jaeggi formulate critiques of capitalism – in Fraser's case, regarding reproduction and ecology, in Jaeggi's case regarding cultural struggles about forms of life – that are at issue in many contemporary social movements. Therefore, it's not clear why they fail in being sufficiently connected. To that I'd respond we must point out the historical contingency of this fact. Adorno's pessimism was very clear about that: the point is not whether there are, or are not, emancipatory movements around with which to enter in this dialogue. The point is the contingency of lack or absence of those social movements. The normative power of Critical Theory depends on the historical circumstances (strongly normative in times of Fridays for Future; hardly normative at all in times of Nazi rule).

[8] While Fraser's observation might be correct for what concerns Critical Theory, it is quite certainly not correct with respect to what concerns Marxism more broadly construed. Marxists, in the broad sense, such as Nyerere, Fanon, Lenin, Luxemburg, Bukharin, Mao, and Ho Chi Minh have written extensively on anti-imperialism and decolonization. Marx himself was writing on ecology (cf. Kohei Saito, 2017). Luxemburg, Bebel, and Zetkin, to name only a few German Social Democrats, have written on women's liberation. Fraser could have referred to those thinkers while expanding the narrow circles of Critical Theory. This would not only have weakened Frasers case against the frontispieces of the Frankfurt School, but also helped eradicate the misleading impression that Marxist thinkers are unduly focused on wage-labour.

gave us the front-story about production and exploitation, now we must look behind that, at the back-stories of reproduction and expropriation. Later in the conversation, we sense a certain de-economification of capitalism: "by revealing [capitalism's] dependence on the non-economic backgrounds of social reproduction, ecology, and public power we stress the latter's weight and societal importance, as well as their capacity to impact and indeed to destabilize historical entrenched regimes of accumulation," says Fraser (*ibid.*, 48).

Fraser and Jaeggi agree that (1) capitalism is a *form of life*; (2) that this *form of life* can claim totality (i.e., it encompasses all aspects of the social world)[9]; (3) that this *form of life* is characterized by a certain set of practices that pertain to class, gender, sex, ability, and our relationship with nature; that those practices are engrained in institutional structures; (4) that those practices can be both distinctly financial, economic, cultural, ecological, or political, but also all of that at the same time; (5) that, chiefly, this capitalist *form of life* is prone to crisis; and, (6) most importantly perhaps for this paper, that the fact that capitalism *qua* institutionalized *form of life* is crisis-prone makes capitalism worthy of critique.

IV

Criticizing capitalism

Is there something systematically at odds with capitalism? Can we find grounds for a critique that is uniquely related to capitalism, and not first and foremost a critique of something else, such as a critique of modernity, for instance, or the *conditio humana* in general? Yes, capitalism is crisis-prone, but on what grounds can we criticize

[9] And, we might say, some aspects of the natural world as well, given that capitalism has already and irreversibly infiltrated the natural world.

a proclivity towards crisis? Capitalism can be criticized from different angles, all of which expose a unique ill of the capitalist form of life. We may criticize capitalism because it is unjust, irrational, and dysfunctional, says Jaeggi (2017).[10] Let me briefly introduce and then go through each in more detail:

First, the *functional* critique: capitalism as a social and economic system is intrinsically dysfunctional and crisis-prone.

Second, the *moral* or justice-based critique: capitalism withholds from us the fruits of our own labor and entraps us in servitude to a system that *expropriates* and *exploits* us.

Third, the *ethical* critique: a life shaped by capitalism is impoverished, alienated, and destroys essential components of what makes the good – and truly free – life.

A functional critique problematizes some of the economic or non-economic sources of functional crisis (2018, 116-120). For Jaeggi, the crisis-theorem of the immiseration thesis (or pauperization thesis, as it is sometimes called) is a possible contender for an economic functional critique. The detrimental effects of capitalism on our physical and mental health, or the depletion of nature's resources it fosters, are the grounds for a non-economic functional critique, Nancy Fraser adds to it.

The crisis-theorem of the immiseration thesis implies that capitalism stabilizes real wages while reducing wage growth relative to the value creation of the economy, leading to a self-induced collapse of capitalism (cf. Geuss 2004). We thus see a decline in living standards of the waged population relative to the unwaged,

[10] We may want to debate whether a genealogical form of critique, as discussed in more detail below, is a *sui generis* form of critique and could thus be an addition to Jaeggi's framework. Especially the genealogical ideology-critique, as it has been advocated by Horkheimer and Adorno (cf. Abromeit 2016).

capital-owning population. In other words: the power of capital thereby increases, as the power of waged labor decreases. 'In proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse", says Marx (1990: 799). Real wages stagnate proportionately to the increase in productivity, increasing the 'rate' of exploitation. In absolute terms, this implies (the empirically dubious claim) that a decline in living standards for the waged population as wages tend down to the absolute subsistence minimum.

Capitalism's proclivity towards immiseration makes capitalism problematic and worthy of critique. When we understand the immiseration thesis teleologically, the immiseration thesis predicts the collapse of capitalism as capitalism abrades its own pedestal: the life and livelihood of the workforce. This very movement of exposing the self-destructive nature of capitalism within the functional critique makes this functional critique immanent: capitalism cannot live up to its own standards, norm and practice are in conflict.

Capitalism is highly adaptive, Fraser and Jaeggi agree, yet their proposed form of critique appears rather static. So how can the functional critique of capitalism on economic grounds be anything but a historically situated snapshot? How can this critique take into account the totality of capitalism (a desideratum for a Critical Theory, as Fraser and Jaeggi are keen to emphasize repeatedly)? How can a functional critique be a critique of capitalism *as such*, and not just some teleologised critique of capitalism *as it plays out* in this or that historical moment? If the (ostensibly) inevitable crisis is the anchor of critique without which the functional critique lacks its normative force and direction, then the fact that capitalism can potentially adapt and possibly escape this perceived crisis deprives the functional critique of its normative force.

Moving away from the shortcomings of functional critique, there are several arguments Jaeggi puts forward in its favor: chiefly, the functional critique has no demand for externally situated first premises, i.e., no external standards of critique which would themselves require justification; the standards of critique are already innate to the object of critique. Capitalism is thus manifestly malfunctioning *on its own terms*.

The argument from capitalism undermining its own foundation urges us to make certain teleological assumptions about capitalism.[11] From the fact that a capitalist economy is premised on the existence and access to (sufficient) natural resources we may *not* take for granted that capitalism will necessarily undermine its own livelihood by destroying those natural resources. The looming crisis of capitalism is something we infer from some heavily teleologised first premises and the empirically untenable idea that capitalism will *not*, by itself, undergo any adaptive processes in order to avoid its own self-induced deterioration. The question is whether the adaptive powers of capitalism will always be greater than the magnitude of its crisis.[12]

The validity of the argument of capitalism undermining the livelihoods of our grandchildren is furthermore premised on the

[11] In her recent work on moral and social progress, Jaeggi (2018) is explicitly attempting to steer away from unfounded teleologising. The concept of progress she advocates is non-teleological, pragmatic-materialist and pluralistic (i.e. anti-ethnocentric). It is surprising therefore that her concept of critique, however, remains dressed in teleological assumptions.

[12] Accelerationists (cf. Rosa, 2015) fall into a similar trap. They seem to agree that, come long, the problem with capitalism will solve itself. They too thus overlook that capitalism itself can undergo processes of adaption in order to avoid its own deterioration. The idea of accelerating the propagation of the current ills is predicated on the erroneous idea of a fixed, unchanging, and unchangeable present.

normatively tainted presumption that an economic system is (morally) required to secure those livelihoods. But is it? What if we take 'the devil takes the hindmost' as our moral guiding principle? If economic systems are indeed required to secure the livelihoods of future generations, then there are norms and values which are predetermined – i.e., first premises – and applied to normatively assess economic systems.

The critique of capitalism's proclivity towards the pauperization of future generations is thus no longer a functional critique alone, it is a moral one. There is poverty and wealth in a capitalist society, and it is the distribution which is crooked. But bemoaning the injustice of maldistribution is no longer a (purely) functionalist issue, it is a moral issue. In light of this push towards moral assessment, Fraser and Jaeggi propose a "turn directly to the normative questions involved" (*ibid.*, 120). Call this 'the normative turn'.

V

The critique of capitalism after the normative turn

The maldistribution of wealth in a society calls for a justice-oriented critique: capitalism is unjust, it produces and reproduces an unjust society and thus morally harms people. The most prominent moral critique of capitalism is perhaps the critique of exploitation (*ibid.*, 120-127). Simply put, capitalism exploits humans by refusing to return them the fruits of their own labor. This is morally indefensible. Capitalism is unjust.

Other than the functional critique, this moral form of critique cannot do without some external first premises. Here is why: as discussed above, Nancy Fraser is keen to look behind the front-story of exploitation where she finds the hidden abode of

expropriation. For our purposes, we must ask where does the normative valence of a critique of exploitation and expropriation come from? One possible approach, as I have already mentioned, is to resort to a first premise saying that exploitation and expropriation are a denial of freedom, that a denial of freedom is morally wrong, and that this wrongness needs no further justification.

When the functional critique demands a moral critique, but the moral critique cannot do without some external first premises, then the one selling point of the functional critique – its alleged normative independence – has thereby been undercut. By means of an immanent critique we may thus criticize the normative turn for undercutting itself. Fraser and Jaeggi's idea is to turn directly to the normative questions involved in order to elevate functional critique from its anemic status thus seems to have run directly against its own ambitions.

Marx's critique of capitalism, as he makes clear in the Gotha Program*,* is not that capitalism robs the worker of the surplus of her labour, it is not simply unjust. There is nothing morally wrong with capitalism when viewed from *inside* a system which is based on contractual agreement and compensation, as Jaeggi puts it (ibid.: 124). There is no injustice, in the narrow sense of what constitutes an injustice. Only when viewed from *outside* the system, with external parameters of justice imposed from the outside, as it were, can we see what's the flaw in capitalism. This is what we talk about, when we talk about the infamous 'empty ought' of moral critique (cf. Jaeggi, 2005b). Schematically put, the moral critique of capitalism is a critique of capitalism only in a secondary sense: x is morally wrong, x (also) appears in capitalism, hence, by transitivity, capitalism is morally wrong.

The x might be an exploitative practice. But to say that x is morally wrong, and that an economic system or form of life ought

not include *x* or indulge in *x-ing* is, once again, to move away from morality and towards foreign territory, the territory of ethics. Again, we observe how Fraser and Jaeggi's critique of capitalism demands for a 'quick fix', expanding the critique to a different domain altogether: from functional, to moral, to ethical. Their functional and moral critique of capitalism has found itself in an argumentative cul-de-sac.

VI

Ethical critique

An ethical critique of capitalism (*ibid.*, 127-130) claims that capitalism destroys essential parts of what constitutes the good life. It conceives of capitalism as a world-self relation. It interrogates how capitalism structures our relations to ourselves, to the world, and the objects around us. The upshot: capitalism arguably contributes to the qualitative impoverishment of those life-circumstances.

Frazer and Jaeggi hold that Marx's critique of alienation in his early writings makes for an apt example of the ethical critique of capitalism (*ibid.*, 134; Jaeggi 2014, 342). It is the spiritlessness of mercantile interests, of a world that is limited to utilitarian values, they argue, that already withholds from us the prospects of living the good life. What we take to be marketable, interchangeable objects largely determines how we conceive of those objects, us, and our relations to those objects.

Again, we can ask if the ethical critique gets to the core of what is problematic with capitalism. Is capitalism uniquely responsible for the fact that many of us live indecent lives? Couldn't it be that much of what makes us miserable is related to what we could call the conditions of modernity, something that has nothing to do

with capitalism itself? Could we even possibly distinguish an ethical critique of modernity from an ethical critique of capitalism? Under scrutiny I contend the ethical critique is as aimless as the moral form of critique.

Unlike at previous argumentative obstacles, however, Nancy Fraser and Rahel Jaeggi do not offer yet another quick 'fix.' What they do instead is to reaffirm the entanglement of all three strands of critique (*ibid.*, 137). As disclosed above, it might be possible to overcome some of the weaknesses of each respective form of critique by referring (or migrating) the problem to yet another form of critique. The shortcomings of the functional critique took us towards a moral critique. The shortcomings of the moral critique took us towards an ethical critique. And indeed, it may be possible to overcome some disorientation of the ethical form of critique by referring back to the functional critique which, if all else fails, puts forth at least some very unique functional flaws of the capitalist form of life.

So much for my exposition of Nancy Fraser and Rahel Jaeggi's immanent critique of capitalism which takes elements from functional, ethical, and moral critique. The method of immanent critique has certainly established itself as a powerful tool. But is it powerful enough to transform the societal immoral, unethical, and functionally defective *status quo* it denounces? The capitalist form of life fails in a myriad of ways: it fails economically, socially, and culturally. Nancy Fraser's and Rahel Jaeggi's critique of capitalism, however, fails transformatively, as I shall argue below. This relates back to the Hegelian underbelly discussed above.

VII

Transformative failure

We can think of the normative aspirations of the practice of critique in two ways: (1) as a striving towards the transformation of the object of critique (which could be a reactionary, conservative, or emancipatory desire), or (2) as indifferent with respect to its actual effects on the object of critique.

While there is nothing that speaks against (2) from the point of view of an intellectual practice, it would make the practice of critique "a piece of dead scholarship, a matter of complete indifference to us living minds and active, living human beings", to once again repeat a line from Adorno (2001, 6). Not to aim at the transformation of the object of critique seems normatively unambitious.

It is elsewhere that Jaeggi (working paper) discusses the relation between (1) and (2) in more detail: critique, for Jaeggi, is a non-affirmative, non-authoritarian transformative practice—a critique which must not pretend to know-it-all, but in any case, work as a catalyst for the transformation of existing conditions. Critique is not (merely) the exercise of the rational faculties with the desire to bring about change, but a way of conduct, a practical endeavour itself, a form of life. I will return to this thread below.

In what sense, then, (if any), is Nancy Fraser and Rahel Jaeggi's critique of capitalism transforming capitalism? If their critique of capitalism claims to have transformative import, as the fourth chapter of *Capitalism* entitled 'Contesting Capitalism' suggests, then I wish to argue that it fails to live up to its own standards.

An immanent critique of Rahel Jaeggi's and Nancy Fraser's immanent critique of capitalism is in order.

We can establish an immanent critique precisely because Jaeggi and Fraser's immanent critique's ambitions to transform the object of critique that is capitalism – the norms it sets forth for itself, so to say – don't accord with the enactment of those norms. This is not a coincidence, as I hope to have argued dissolutely above, but the systematic failure of any free-floating, materially ungrounded critique.

With the ambition to resuscitate the Critical Theory tradition comes a hereditary baggage of which both Fraser and Jaeggi are well aware. Rethinking alienation without the Hegelian essentialisms, for instance, was one of Rahel Jaeggi's earlier and thoroughly convincing projects (2005a). Getting rid of other aspects of Hegel's spiritual omnipresence in contemporary Critical Theory could thus be a viable step towards the emancipation of Critical Theory from itself. I am thus surprised that neither Nancy Fraser nor Rahel Jaeggi addresses the left-Hegelian underbelly of their model of critique, especially with respect to what above I have called the Hegelian pitfall: only when the reason realizes itself in history will the world transform itself. Critique, at least when Hegel thinks of it as transformative, is neither the external bystander which oversees crises unfold in reality, nor is it a mere afterthought of those transformative events. Otherwise, judged by Critical Theory's own standards, the processes of transformation remains oddly disoriented in normative space.

It is this unity which needs to be addressed. How can we inaugurate thinking of critique as in unity with social practices? Critique being in unity with present social practices of the current situation might require more than taking its orientation from the inherent crises of the current situation, as Frazer and Jeaggi suggest. Since Frazer and Jeaggi make no effort explaining how/that/why, with regards to the theory-practice relation they break with the Hegelian heritage of Critical Theory, I take their

critique of capitalism to fail transformatively. We need ways of re-conceptualizing this unity, both in order to stay true to the Hegelian legacy of Critical Theory, and the prospects of surpassing it. Re-conceptualising the theory-practice relation, and therefore the question of what it means for theory to have transformative power, is what I will now turn to. In doing that, we have to pay attention to the fact that not only the contingency of social movements but also the nature of those movements can be problematized. The intimate theory-practice relation of Critical Theory is prone to 'abuse.' There may be social movements in the present, but how can Critical Theory decide which social movements are genuinely progressive, worth assuming unity with? The thought is, even if there are social movements with which to form a unity, we don't know how to identify the *right* social movements. If you listen to white supremacists, they also have a victim narrative. How do we know which are the good ones? A prefigurative approach to social activism can provide an answer.

VIII

Prefigurativism

For Richard Rorty (1993, 277), "the best way to expose or demystify an existing practice would seem to be by suggesting an alternative practice, rather than criticizing the current one". In other words, proposing an alternative social practice is better than merely pointing at the flaws of the *status quo*. But still better than proposing an alternative social practice is living and embodying this alternative social practice. So why don't we put the cart before the horse and try to think about the theory-practice and the critique-transformation relation by commencing at the transformative and moving towards a critique, or from practice

towards a theory? Why don't we turn Hegel on his head – once again?

I now wish to briefly sketch an alternative framework of a critique of capitalism and its potential for social transformation which I think is, first, sufficiently in line with the Critical Theory tradition, which is, second, not in conflict with any of Jaeggi and Fraser's 'expansions' of the domain of Critical Theory to Feminist theory, etc., and third, able to overcome the Hegelian pitfall. What is more, it argue can guide us towards 'the good' social practices, and single out those that are regressive. This approach takes its cue from the late Mark Fisher (2009, 80-81).

> The long, dark night of the end of history has to be grasped as an enormous opportunity. The very oppressive pervasiveness of capitalist realism means that even glimmers of alternative political and economic possibilities can have a disproportionately great effect. The tiniest even can tear a hole in the grey curtain of reaction which has marked the horizons of possibility under capitalist realism. From a situation in which nothing can happen, suddenly anything is possible again.

In recent years we have seen movements like 21st Century Socialism, the Movement of Squares, and Occupy.[13] What they have in common, according to Paul Raekstad (2018, 358), is their "commitment to a radical conception of democracy, human emancipation, and what is sometimes called 'prefigurative

[13] Some argue these are attempts to combine radical-democratic and (left-) populist practices. For a discussion, see Kim 2020.

politics"'. The core idea of prefigurativism[14] is that "the social nexus you inhabit (the social movement you are part of, for instance), not only determines vastly your attitude towards reality as it reveals itself today, but also your attitude towards how reality could tomorrow be different" (Kreutz 2020). Prefigurativism becomes the "deliberate experimental implementation of desired future social relations and practices in the here-and-now" (Raekstad & Gradin 2020, 10). Prefigurative Politics, or prefigurativism, is thus a way of engaging in social change activism that seeks to bring about this *other* world by means of "planting the seeds of the society of the future in the soil of today's" (*ibid*., 3). The slogan of the Industrial Workers of the World (2014, 4) puts it nicely as "forming the structure of the new society within the shell of the old." Adding to the pedigree, Marx (1969, 5) might be interpreted as referring to a quasi-prefiguration in his second thesis on Feuerbach: "In practice, men must demonstrate the truth, i.e., the reality, power, worldliness of his thinking".[15]

As a form of activism, prefigurativism stresses the idea that the means match the ends. It highlights that social structures enacted in the here-and-now, in the small confines of our organisations, institutions and rituals, mirror the wider social structures we can expect to see after transforming those societies along the lines of one's own principles. From a hands-on perspective, prefigurative politics entails that if you desire an anti-hierarchical society you

[14] See, inter alia, Graeber 2009, 2013, Maeckelbergh 2012, Yates 2015. Bloch's 'Concrete Utopia' and Wright's 'Lifestyle Politics' may also be considered instances of prefigurative thought.

[15] There is an interesting discussion to be had about whether Marx and Engels rejection of the idea that societal change can come about through moral argument and demonstration projects – of founding isolated phalanstères – in the Communist Manifesto applies also applies to prefigurative action (cf. Lovell 1992).

first have to build a non-hierarchical movement yourself. If that worked out well, you then expand the movement outwards, step by step, transforming society along your ideals (egalitarian or otherwise). Prefigurativism is thus, as the Average White Band funk classic says, about 'picking up the pieces' yourself.

What is the relation between prefigurativism and social critique? According to prefigurativists, activism itself fosters a better understanding of how power relations and social structures work, and how stubborn they are. Prefigurativists thus start with the practice and from there, based on an (arguably epistemically privileged) insight into the flaws of the *status quo*, begin to formulate a theory or critique.

IX

Objections to Prefigurativism

One might object to the idea of prefigurativism in a number of ways. Here are some possible objections of relevance to the project of overcoming the Hegelian pitfall and reviving a critique of capitalism in the spirit of Critical Theory.

(1) Since there is neither theory nor critique prior to the political practice of prefigurativism, the political practice must remain, at least in its first instance, without a clear normative direction.

(2) Where did prefigurative politics' 'radically alternative' practices come from if not from a critique of the *status quo*? In what sense can social practice ever be prior to social theory? In other words, in what sense can action ever be prior to thought?

(3) From an anti-capitalist perspective, is the idea of finding niches and cracks within the capitalist system and building alternative subcommunities within it anything but a form of

escapism? Is 'opting-out' a credible anti-capitalist strategy or the mere manifestation of hedonism?

(4) There are multiple social struggles and a plurality of social conflicts, misery, and suffering, but not all of those experiences of injustice and suffering give rise to a corresponding social movement, or in any case movements that could be considered *progressive*.[16] Again, we are approaching the Hegelian pitfall: what happens to the transformative potential of progressive theory in the absence of emancipatory interest?

(5) A failure to address latent crises (see point three above) "leads to ideology and other impediments to social learning–that is, to specific forms of irrationality", writes Jaeggi (working paper), tapping into Critical Theory's tradition of ideology-critique. Before long, flawed norms "have sedimented into social institutions" Jaeggi (2009: 274, my translation). How can ideological obfuscation be overcome?

X

Objections addressed

This fifth point can be straightforwardly addressed by reviving Critical Theory's exercises in ideology-critique. As Adorno remarked, we must make it "possible for us to break open this total matrix of delusion (*totaler Verblendungszusammenhang*), within which we are positioned" (2012, 155; my translation), referring to the overcoming of ideological obfuscations by means of ideology-

[16] For a brief discussion about prefiguravism and its potentially progressive, reactionary or conservative 'host-ideologies', see Kreutz 2020.

critique. Solutions to the other problems will fall into place once a robust notion of ideology-critique has been (re-)established.

A successful (and eventually transformative) critique of capitalism will have to proceed with a (genealogical) critique of (instances of) capitalist-ideology. Prefigurative politics is thus by no means a way of opting-out of capitalism. It is tearing holes into the fabric of capitalism, epistemic holes perhaps, in order to erode it from within, which answers the second and third problem.

Ideology-critique can work as the catalyst of epistemic liberation. Miranda Fricker (2009) has coined the concept of hermeneutic injustice which describes a situation in which an injustice is *phenomenologically* apparent but cannot *rationally* be processed because of a lack of hermeneutical resources. Sometimes there is a lack of terminology for the perception of those injustices, usually because those who experience injustice already have a disadvantage in getting their voices heard in public deliberation. This makes it a case of hermeneutical injustice. There is not only a manifest injustice in the first place, but also the higher-order injustice of not having the necessary hermeneutical resources to communicate about the perception of injustice. This addresses the fourth problem: it is true, not all experiences of injustice and suffering give rise to a corresponding social movement. The hermeneutical shadows that conceal injustices may be a contributing factor to injustices not being followed by an emancipatory movement. Ideology-critique can potentially solve this problem, too.

Finally, there is the problem of directionlessness: because there is no theory or critique prior to political practice, the prefigurative political practice must remain, at least in its first instance, without a predefined and unchangeable normative direction. Would a clear normative direction be at all desirable? Is a technocratic (or rather epistocratic) idea of a vanguard-lead social transformation

preferable over "inherently experimental and experiential" social practices (cf. Sande 2015, 189)? For most of its advocates, prefigurative politics is the "hypothetical formulation of alternatives and their continuous reformulation through 'trial and error'" (*ibid.*). We can consider this 'radical openness' of prefigurative politics an acknowledgement of the perpetual flux to which normative action too must be subjected, for otherwise one's normative desires are likely to develop into one's most stubborn dogmatism.

This is how we turn the Hegelian underbelly, the difficult theory-practice relation of Critical Theory, on its head: we start with the practice and the theory will follow. This is a grassroots anti-establishment approach to theory, one that I think is truthful to theory's frail potential to change the world.

One could object that the prefigurative approach to theory outlined above is subject to same Hegelian pitfall: where there's no practice, there's no theory. To some extent, that's true, but contrary to the all-time negative vibes at the Frankfurt School, the prefigurative approach doesn't bemoan those circumstances. High-flying thoughts won't topple the statues of dictators. It's window dressing to expect theory to have this transformative potential to begin with. Theory, in its high-flying, vindicatory forms, becomes relevant only once prefigurative action has torn those holes into the fabric of the (capitalist) *status quo*. On those grounds, prefigurativists and Hegel agree.

I now want to suggest that there is a place for pre-practice intellectual activity, namely in the form of ideology-critique. Yet I don't want to suggest that ideology-critique has the status of a full-fledged theory for that would undermine my claim that prefigurative grassroots action must proceed theory. On the contrary, ideology-critique is an activity which tears holes into the epistemic fabric of the *status quo* and thus possibly opens up the

floor to the grassroots anti-establishment approach to theory that I have outlined here. It might here suffice to say to ideology-critique has varying significance depending on the reasons we indulge in it: in order to support direct-action, or otherwise to have higher thoughts on the highs and lows of the art industry, as it's the Adornoian approach.

For what comes next, I think about my proposal as a form of pre-political pre-theory. I describe an epistemic practice which I think itself, albeit ostensibly part of the intellectual superstructure, floats free from the material base, as it were. Crudely, that's because epistemic notions are generally assumed to be more stable, less variant and dependent on the historical circumstance, and thus less prone to the Hegelian pitfall. I take this to move my proposal for a critical theory towards a middle-ground between some prefigurativist's total theory-as-activism view and the high-flying universalism of moralistic, liberal political philosophy.[17]

[17] One of the reviewers for this journal was concerned that if prefigurative politics does not start with any normative self-understanding then how can it exactly prefigure the practices of a desirable future society (would one not need to have some sense of what is desirable first, and of what is thus undesirable about the present society)? How does 'trial and error' work if one has no standards of what an error is and when a trial was more or less successful? To that I want to add the following clarification: I agree, it is an open question to what extent prefigurative politics can work without normative standards and ideas of what is desirable. The idea seems to be that the standards of error and success evolve from the practice itself, much like a learning process. They are not pre-defined. In that sense, prefiguration works without those normative standards but soon develops them. In any case this concerns only the prescriptive part of the project. The norms to which the pre-practice part of the proposal refer are purely epistemic, and we don't need to discuss epistemic norms in the same way we have to discuss ethical norms as contingent on history and power.

XI
Prefigurativism and Genealogical Ideology-Critique

There has been a recent resurgence of genealogical critique in anglophone political theory, in the form of ideology-critique and otherwise (cf. Srinivasan 2015; Stanley 2015; Celikates, Haslanger, Stanley, forthcoming). Srinivasan (2015, 326) writes that "the 'two cultures' of the modern intellectual world are no longer […] the humanities and the sciences, but rather the culture of those on the one hand who think that everything must be genealogised, and on the other, those who think that there is nothing to be learned from genealogy." There's also an armada of political realists advocating a non-status quo biased form of realism which Enzo Rossi calls Radical Realism. These radical realists utilize genealogy as critique (cf. Brinn 2019; Cross 2019; Honig & Stears 2011; Prinz 2016; Raekstad 2016; Rossi 2019; Prinz & Rossi 2017, Rossi & Argenton 2020).

Genealogical ideology-critique seeks to detect and dismantle epistemic flaws and replace them with fully epistemically transparent beliefs. Some authors committed to political realism (cf. Rossi 2019; Rossi & Argenton 2020) take legitimation-stories (quasi-*epistemes*, in Foucault's terminology) as their target, which, via genealogy inquiry, can either be debunked or vindicated (cf. Craig 2007). A legitimation-story, a narrative which legitimizes a certain authority, is vindicated when its epistemic pedigree is traced and deemed flawless, reliable or truth-conductive.[18] In that case, we have good reason to accept this legitimation-story. If not, if it's epistemic credence can be debunked, then we have good reason to discard it and question the legitimacy of the authority in question.

[18] The Hegelian teleological story of a conflict between norm and practice striving towards sublation, i.e., Hegel's teleological historicism, might be considered a vindicatory genealogy itself.

The case for vindication is relatively straightforward: empirical observations that are based on reliable sensory input, such as my belief that I am right now writing on a MacBook keyboard, are a good example for a vindicatory genealogy. I have antecedent reasons to think that the beliefs I base on those sensory inputs reliably track mind-independent reality. In the case of morality, metaphysics, and pretty much every *a prioriism* we generally lack those antecedent reasons from which we could infer that our *a priori* beliefs, or our beliefs about the making sense of legitimation stories, reliably track some mind-independent truth. That forms the basis for a debunking genealogy.

A legitimation-story is debunked when it is shown to have emerged in an epistemically dubious way, or "as a consequence of ignoble historical events" (*ibid.*). If that's the case, "it should be criticized if not straightforwardly abandoned" (*ibid.*).[19]

The idea is roughly that legitimation stories can have epistemic defects: they may be circular, they may be non-sequitur, they may commit a genetic fallacy or be committed to any other kind of epistemically dubious behavior (cf. Rossi 2008 for circularities in consent-based liberal-legitimacy). Those defects can be described as *epistemic* defects. Dismantling the epistemic overhang via the mechanisms of genealogy has the potential to reveal whether a given legitimation story *really* makes sense (whether it is epistemically flawless) or whether their making sense is merely the

[19] Genealogical critique is not immanent, it is external. What makes it look internalist is the circularities in reasoning it is supposed to unveil. The normative standards are epistemic standards (i.e., don't have circular reasoning; if origin and object of a belief are the same, that's dubious, etc. there may be other standards of good epistemic practice), but they are external from what is their content. Thanks to an anonymous reviewer for pressing me on making this clearer.

product of some epistemic distortion. This is to say, genealogy is there to examine whether a given legitimation story is epistemically reliable, or not. Rossi (2019, 646) gets to the heart of it: "[C]ritique need not tell us that a given social structure is oppressive or unjust. It aims instead to tell us that the legitimation stories supporting that structure are epistemically suspicious and so should be discarded, or that the stories supporting other actual or hypothetical structures should be taken seriously."

In Rossi & Argenton (2019) we learn about a legitimation story for the (liberal) state which seeks to derive legitimacy from the fact that the (liberal) state protects private property. This legitimation story can be debunked by looking – as is the method of genealogy – at historical, anthropological, and archeological evidence (cf. Foucault 1990). These indicate that the concept of private property (and I suspect citizenship, the nation-state, money, and many others, too) is both the *product* of the (liberal capitalist) state and at the same time *employed*, in a functional sense, in its legitimation-stories – a classic case of circularity.[20] If this is a correct genealogical assessment, a legitimation story for the 'manufacturer' of private property, the (liberal) state which derives its normative valence from the concept of private property, is defective. Genealogy as critique thus plays a problematizing role, "offering a stimulus to critical examine the concepts [usually taken] for granted" (Prinz & Raekstand 2020, 6).

The prefigurative critical theorist I suggest can employ ideology-critique to tear those holes into the epistemic fabric of capitalist-ideology in which prefigurative activism can then take

[20] This goes back to Bernard Williams, who introduced this as his Critical Theory Principle (CTP): "The acceptance of a justification does not count if the acceptance has been produced by the coercive power which is supposedly being justified" (2005, 6).

place, and on the basis of which a vindicatory, prescriptive, no longer purely negative Critical Theory may flourish.[21] From the perspective from *within* the object of critique, prefigurative critical theorists can formulate a social and political theory without fearing the Hegelian pitfall. Critical Theory is no longer on the receiving end, waiting for emancipatory projects to come around, but is actively involved, through the practice of ideology-critique, in making possible those emancipatory projects. This practice, however, is pre-political and in a sense pre-theoretical. It is pre-political since it concerns our epistemic practices, and it is pre-theoretical because it shuns normative prescription. This makes Critical Theory neither (or both) a purely Nietzschean project, which takes theory to be *unzeitgemäß* (out of synch with the present), essentially looking towards the future, *nor* Hegelian, which takes theory to be "time grasped in a concept", something that is essentially retrospective (cf. Geuss 2014).

For Srinivasan, referring to Geuss's *Idea of a Critical Theory* (1981), genealogical critique has been a part of immanent critique all along (cf. Honneth 2000). She says, "for the Frankfurt School theorists, for example, ideology critique […] which might be thought of as a kind of critical genealogy […] has a dual epistemic and practical character: emancipating us from the grip of bourgeois ideology precisely by revealing to us its deficient epistemic status" (2019, 140). As I have argued above, Critical Theory, when done the right way, is as much addressee of the social reality as it is a form of social practice itself.

[21] This is not to say that a debunking genealogy is the necessary first step to make possible prefigurative practice; there may be lacunas for prefiguration for a whole host of other reasons.

Conclusion

Max Horkheimer's (1993, 9) original project of Critical Theory as a social philosophy began with "the idea of a continuous, dialectical penetration and development of philosophical theory and specialized scientific praxis." A prefigurative politics made possible by genealogical disruptions in the epistemic fabric of the (capitalist) *status quo* may thus be the catalyst of Critical Theory's own emancipation. It's the approach that aims to provide 'self-clarification of the struggles and wishes of the age'. This concludes my (admittedly sketchy) attempt to overhaul Critical Theory by guiding it both away from and back to the center of Hegelian thought.

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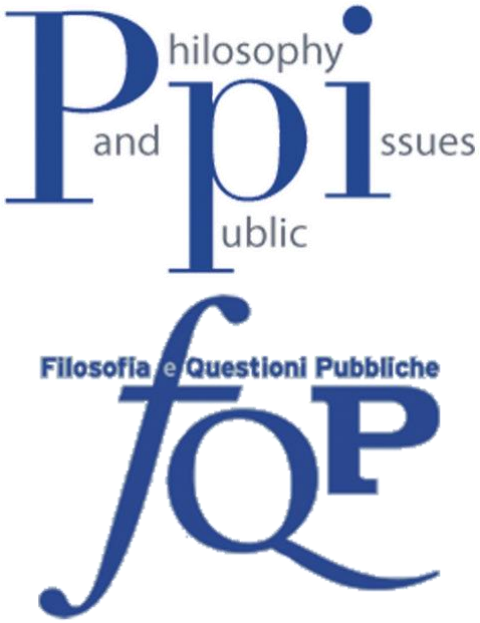

IMMEDIACY, MEDIATION, AND FEMINIST LOGISTICS
RETHINKING THE QUESTION OF "FUNCTIONAL SUSTAINABILITY"

BY

TANIA RISPOLI

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Immediacy, Mediation, and Feminist Logistics

Rethinking the Question of "Functional Sustainability"

Tania Rispoli

Introduction

In an article published in 2016 by *The New Left Review* Nancy Fraser denounced the crisis of care produced by capitalism: in order to accumulate value, capitalism destroys the forces of labor and the resources of nature that are necessary to its own reproduction (Fraser 2017, 22). At that time, Fraser's article followed and reshaped a particularly lively debate in the field of feminist studies on the "care deficit" that our societies are affected by. According to the conventional definition given by Fisher and Tronto, care is defined as all the activities "we do to maintain, continue and repair our 'world' so that we can live in it as well as possible. That world includes our bodies, ourselves, and our environment, all of which

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we seek to interweave in a complex, life-sustaining web" (Tronto 2013, 19). As reported first by Fisher and Tronto, and then in *Caring Democracy* by Tronto, these interlinked activities underwent a revolution during the last century, since they were restructured through altered arrangements. Housework, childcare, eldercare, as well as our relationship with nature and objects, are currently mediated by the market and organized following patterns that are "often unequal, particularistic, and pluralistic" (Fraser 2017, 10). While for Tronto this inability to take care within our society is strictly related to the arrangements of our policies, such that the "care deficit" is also a "democratic deficit," for Fraser it is necessary to look at the "systemic roots" of the "crisis of care" (*ibid.*, 22). Not only, according to Fraser, the "strand" of the "general" crises of care "encompasses other strands – economic, ecological, and political, all of which intersect with and exacerbate one another" but also "every form of capitalist society harbors a deep-seated social-reproductive 'crisis tendency' or 'contradiction'" (*ibid.*, 21). In order to accumulate profits, capital needs human and nonhuman resources, but at the same time it "tends to destabilize" their system of social reproduction. This destabilization often takes the form of exploitation, if not of destruction through extraction, exhaustion, and pollution. The emphasis that Fraser puts on the Marxist-Feminist concept of social reproduction, while re-reading it through a neo-Polanyian framework, precisely aims to connect economic and social spheres, showing that the crisis of social reproduction is, in reality, a necessary crisis of "capitalism as such" (*ibid.*, 22-24).

The crisis of care has become even more patent after the outbreak of the COVID-19 pandemic that has shown all the flaws and the untenability of the capitalist system. The deadlock denounced by Fraser in 2016 with explicit reference to the financial economic crisis of 2008 was just the beginning of a new phase that the pandemic has recently intensified. The effects of extraction and

the production of waste on ecosystems and the climate that are responsible for the zoonotic "spillover" originating the virus (Quammen 2012); and the differentiated access to specific universal rights such as education and healthcare, together with high rates of unemployment; race, gender, and class divisions of labor are only some of the effects through which capitalism "eats its own tail" (Fraser 2017, 24). In this sense, in order to reproduce itself capitalism destroys the natural and social forces which are necessary for its own sustainment. The idea of the crisis of capitalism as a crisis of social reproduction has recently been further explored by several scholars, activist and intellectuals, to explain the impact of COVID-19 on the economic system and social life. For Sandro Mezzadra, for example, the pandemic "has hit a point of no return in the development of global capitalism, since it shows "the fragility and the precarity" of our lives in common and our systems of "care" (Mezzadra 2020). Montanelli, Rigo, and Tola, emphasize, instead, the interdependence of the crisis of social reproduction, with the ecological crisis and with migration (Non Una di Meno 2020). At various levels of associated and common life, the outbreak of the pandemic revealed pre-existing and pre-determinate crises of the capitalist system in relation to its means of reproduction through nature, human, and even nonhuman forces and entities across different borders.

The crisis of social reproduction became evident during the pandemic in many ways: from the inability and inadequacy of healthcare systems to cope with an event of this type, to the contradictions of unpaid and unrecognized work within the family unit – delegated to women most of the time. For the first time, through the rhetoric around the importance of "essential workers" – such as nurses, doctors, hospital staff, workers of the food and logistics chain – the infrastructure of care that sustain our system became visible. More generally, the lockdown has exposed the crisis of an immense sector of reproductive capitalism, often highly

developed and specialized, as is the case of hospitals, schools and universities which, together with large retailers, are the major employers at least in the Global North. On a more theoretical level, it can be argued that social reproduction (and its crisis) develops on multiscale levels, ranging from the most immediate proximity necessary in the care of a child, an elderly person or a sick person to more distant and institutionalized forms, as occurs in healthcare and education systems, which become places for the reproduction of bodies and minds, across infrastructures that regulate the flows and exchanges of different types of workers through the complex mechanisms of global value chains.

Framed in the debate around the crisis of social reproduction as a constitutive effect of capitalist accumulation and development, my article aims to discuss what options are at stake in "contesting capitalism," following the expression used by Fraser and Jaeggi in *Capitalism. A Conversation*, within the crisis of the current system of production and social reproduction (Fraser and Jaeggi 2018, 115). More in general, it focuses on the ways in which some political theorists, feminist scholars and activists, and eventually media and platform theorists have re-thought forms of social and political organization in contesting capitalism in the last decades, referring to existing movements, parties, or political transitory experiences that actually are contesting capitalism. The ultimate goal of this article is to envision the necessity of building new social and political infrastructures that are able to face the complexity of contemporary capitalism, while at the same time to assemble a common feminist logistics of care. In particular, logistics is a crucial term for understanding the functioning of contemporary capitalism and the interconnected operations of production, distribution, and circulation of "flows of materials, information, and people" (Chua et al. 2018, 617-619). The idea of subverting terms and concepts that are crucial to the shape and the development of current capitalism comes from the observation of

the importance of the processes of digitalization and platformization in our systems of production and reproduction, as well as from Autonomist methodology, according to which all the instruments of capital – technologies and infrastructures included – could be seen not only as means for reproducing capital accumulation through destruction, but also for their "revolutionary" potentiality, as expressions of living forces of labor (Tronti 2019, 73-80; Hardt and Negri 2017, 107-123).

According to Fraser – as discussed with Jaeggi in the fourth chapter of *Capitalism. A Conversation* – one fundamental strategy in contesting capitalism is to produce "boundary struggles" that take place "at the points where production meets reproduction, economy meets polity, and human society meets non-human nature" (Fraser and Jaeggi 2018, 167). In Fraser's terms, boundary struggles occur in the intermediate spaces between production and reproduction, economic and political spheres, and natural and social domains, and should meet three "normative" criteria in order to become concretely "emancipatory". The first is that a boundary struggle should tend to "nondomination", so that the struggle itself aims at creating more equal societal and political arrangements. The second is its "functional sustainability": since a social movement cannot sustain itself, it should be institutionalized. Finally, the third normative criteria are that those struggles should be based on an internal democratic principle. The specific aim of my article is to focus on the question of "functional sustainability" and to unpack its meanings and possible practices in order to see not only how the current ways of contesting capitalism are conceived but also to explore the issue of how they might be enhanced in order to be actually sustainable. In exploring this question, my goal is to avoid a two-staged perspective, that is based on the idea that first struggles happen and then they will be institutionalized in the traditional mediated forms of unions and parties. Fraser's emphasis on the boundary between the social and

the political dimension precisely goes in the direction of exploring the border between grassroots struggles produced by social movements and their possible interaction with institutionalized structures. In this article, I label the first theoretical perspective – oriented towards social movements, or to localized eruptions and single events of struggles – as immediacy, whereas the second that emphasizes parliamentary or bargaining procedures as mediation. Compared to these two strands of analyses, Fraser's neo-Polanyian elaboration addresses the dichotomy between political conflicts mediated by the state and those based on the assumption that their immediate expression could constitute an exit from the capitalist system.

Focusing primarily on the cycle of struggles that took place between 2011 and 2015, and with some references to the years just after 2000, Fraser examines virtues and vices of movements such as Occupy Wall Street (OWS), de-growth, decolonial and indigenous movements. In her terms, one of the problems of movements such as Occupy is that they are not sustainable "over time" (*ibid.* 180). In fact, she adds, they often "erupt in spectacular ways, occupy public space, capture public attention, and then suddenly disappear without leaving trace" (*ibid.*, 182). On the other hand, the main issues of some de-growth, decolonial and indigenous movements appear to be the insufficient emphasis in addressing capitalism and its systems of economic and cultural production, advocating for a de-growth or for a "cultural pluralism" without changing the current system of production. However, for Fraser, social movements that were able to couple tumults in the streets with parliamentary actions, such as the movement of Indignados that eventually organized itself into a structured party, Podemos, succeeded in producing some forms of continuity and durability. The same could be said for "Sanders, Corbyn, Mélenchon, the early SYRIZA" that expanded the set of possibility in contesting capitalism, and for feminist and black

movements that have progressively included an extended "working class" (*ibid.*, 221). Fraser's underlying proposal is that it is necessary to imagine a wide "counterhegemonic bloc" able to hold together "a politics of distribution" with a "substantially inclusive, class sensitive politics of recognition" (*ibid.*, 223). The idea of the production of a counterhegemonic bloc, very often promoted by Gramscian scholars and thinkers, combines grassroots activities of social movements with the constituency of a party. While the Spanish Podemos and the Greek SYRIZA created two parties that emerged directly from the action of social movements, Corbyn and Sanders-AOC acted as a movement within the Labour Party and the Democratic Party, respectively – Corbyn being oriented toward a left-wing radical model, and Sanders-AOC toward a social democratic one, and now toward strongly anti-racist and feminist politics. Expanding on Fraser's problem of "functional sustainability" – with the awareness that the political framework is already partially divergent from that of 2018 when Fraser's book was published – and trying to avoid a two staged perspective – first come movements, then they will be institutionalized as parties –, and specifically looking at the current arrangements of contemporary capitalism, my speculative question is whether it would be possible to produce institutions, which are always forms of mediation, directly within struggles that are often unmediated.

I

The question of "functional sustainability" in contemporary critical political theory

With the idea of the "functional sustainability" of "boundary struggles," Fraser sets forth a brilliant response to the two

dominant approaches in critical political theory that either argue that "contesting capitalism" means to create new social democratic parties able to enter the parliamentary battlefield, or to exit capitalism, creating alternatives micro-communities. In doing this, Fraser is not alone, but joined by other scholars and activists who have shown the relation between conflict and institutions. For example, in their last major book *Assembly*, Michael Hardt and Antonio Negri, posing the challenge of the continuity of social movements, call for the necessity of the invention of "nonsovereign institutions" grounded in overcoming traditional systems of representation – which have often failed to mediate social instances within political procedures through reformism (Hardt and Negri 2017, 38). They see the movements as based on a "leaderless" model of organization, in which the problem of leadership becomes relegated to a tactical and temporary role, instead of a strategical one (*ibid.*, 22). Looking at the sphere of "social production" in which multitude expresses its power of "cooperation" and "entrepreneurship" within the joint productive/reproductive spheres, they propose the "assembly" as the political center of making institutions (*ibid.*, 143-146). Since in late capitalism the "superposition" between the social realm and the political sphere is accomplished, the three strategies of "exodus" from capitalism, of "antagonistic reformism" through new parties that act as movements and that of "hegemonic strategy" can be combined to organize a "new form of governance" of "the common" (*ibid.*, 274-280). Assemblies are the visible space in which a multiplicity of subjects can "take the word" and, at the same time, the complex results of "machinic" assemblages of various social, natural and technological subjectivities – women, migrants, workers, indigenous people, and even humans, animals, and machines (*ibid.*, 120).

Also, Sandro Mezzadra and Brett Neilson in *The Politics of Operations. Excavating Contemporary Capitalism* reflect on the

processes of disintermediation produced by the combined activities of operations of capital of extraction, finance, and logistics, and their legal and governmental tools and procedures, which nevertheless include some nation-state interventions. In this context, their proposal is that movements, in order to last and effectively change the status quo, have to produce "counterpowers" that are radically autonomous from the state but at the same time able to mediate and "reckon" with the state (Mezzadra and Neilson 2019, 243). In their terms, counterpowers are also forms of coalitions that connect and translate local and transnational struggles beyond nation-states.

This proposal of producing coalitions, as an "identity of differences", while claiming for a strategical demand was also posited by Kathi Weeks in her "defense" of UBI (Weeks 2020, 585)., Analyzing a speech of the activist and Black feminist theorist, Berenice Johnson Reagon, Weeks explains the dangers and the fatigue of practicing coalitional politics: coalitions, as for Reagon, are not "safe spaces" such as one's own home, but they take place "in the streets" (*ibid.*, 586). This unsettling result of experiencing the connection with different subjectivities (or political takes; gender, race and class differences) is the very locus of any autonomous and feminist politics. The same demand for basic income involves a multiplicity of local, national, and (perhaps even) supernational entities – such as in the case of the struggles during the COVID-19 pandemic in Europe, since several social movements are reclaiming basic income and welfare redistribution to be funded by the European Union.

In conclusion, all these scholars and activists focus on the question of political forms of grassroots organization, while posing what Fraser calls the problem of "functional sustainability." A social movement is functionally sustainable when it can last over time directly producing infrastructures and/or mediating with

(often local and state) institutions – such as the long wave of Black Lives Matter has done from 2014 to today – when it can produce a long term strategy, such as the demand for basic income as a form of generalized distribution of accumulated wealth (often in the hands of a few), and when it leaves the "safe space" to enter the complex and multifarious world of the streets with their contradictory directions and intertwined spatiality.

II

Theories of mediation and theories of immediacy

In the last decades, the publication by Verso of several books by Nicos Poulantzas, contributed to the development of a theory of state mediation in the context of neoliberalism. Poulantzas was mainly active as a philosopher between 1968 and 1979 and his reflections on the political, the dynamics of social classes and the state have influenced the European Left and communist debate at that time. Working with the conceptual tools borrowed from Vladimir Lenin, Louis Althusser, and Antonio Gramsci, Poulantzas claimed that Marxian theory, in its effort to analyze economic dynamics, had left a reflection on the state underdeveloped. According to Stuart Hall's eulogy for Poulantzas' death (now published in Verso's edition of 2001 of *State, Power, Socialism*), Poulantzas deciphered the state firstly by recognizing, in Political Classes and Social Power, the centrality of the state "in organizing the power bloc and disorganizing the dominant classes" (Hall 2001, ix) and then identifying it as the "capitalist state" permanently in crisis, while questioning the problem of a transition to a socialist state (*ibid.*, 11). According to Poulantzas, the state is not absolutely but relatively autonomous from the social sphere, and this has consequences for the way we conceive the

development of different forms of state, which follow the different stages of capitalism, and of the relationship between class struggles and the state itself (Hall 1979, 198-199). More specifically, "the establishment of the State's policy must be seen as the result of the class contradictions inscribed in the very structure of State", so that "class contradictions" are always embedded in the state's "material framework" and in "its organization" (Poulantzas 2001, 138). This vision of the state also informs the theorization of the relationship between "state" and "popular struggles": in fact, while "state apparatuses" and "state relative autonomy" are often deployed to reaffirm the power of the dominant class, they also contain the conflict "between […] the bloc" of the dominant classes and of "the dominated classes" (*ibid.*, 140). From this point of view, even if "popular struggles" go beyond the state, "insofar as they are genuinely political, they are not really external to the State" (*ibid.*, 141). They are both the expressions of "direct forms of contradiction" between the two classes, but are also "present in a mediated form through the impact of popular struggle on contradictions among the dominant classes" (*ibid.*, 141). Poulantzas's proposal, therefore, is that popular struggle beyond the state should be accompanied and implemented with the entrance of those struggles into the parliamentary and representative arena.

Furthermore, several re-interpretations of Gramsci's insights, such as that of Ernesto Laclau, have gone in the same direction, often emphasizing the necessity of a populist moment within the political process, an idea that implies the possibility of a group of individuals being organized as a "people" and the necessity of building a hegemonic and expansive action of intervention (Laclau 2005, 137). The idea of a Left populism, as mentioned at the beginning of this article, has gained some interest in Europe, especially with the rise of popularity of Podemos. In fact, the proposal of building a hegemonic bloc has recently been voiced in

the context of the rise of Podemos, for example in a conversation between the philosopher Chantal Mouffe (long term intellectual partner of Laclau himself and co-author of *Hegemony and Socialist Strategy*) and Íñigo Errejón Galván, one of the movement's main representatives until 2019, together with Pablo Iglesias of the Podemos party, now contained in the book *Podemos: In the Name of the People*. The Podemos party arose following the 15 May Movement of the *acampadas* at Puerta del Sol in Madrid and, according to Íñigo Errejón and Chantal Mouffe, the construction of the party guaranteed the continuity of the social movement. As argued by Chantal Mouffe:

> I believe that 15M would have come to nothing without Podemos, which finally managed to capitalize on all that energy. […] That is the reason why it's very important to channel these protests movements in a direction that seeks to engage with existing institutions in order to transform them. The explosion of protest is a first step, but without a second moment of channeling a movement can acquire a direction other than progressive (Errejón and Mouffe 2016, 70-71).

Here we see the logic of the two stages at play: first a social movement arises and takes the streets, and then it organizes in the more stable and functional form of the party. Even if, as acknowledged soon after by Errejón, there is not a direct correspondence between the 15M movement and Podemos (since the movement was more various and complex than the party itself), we can observe here in action an idea of a movement that produces a "climate cultural change" that will then be substituted or integrated by the political moment of a system of representation (*ibid.*, 108-117). While Errejón and Mouffe's proposal remains interestingly formulated and Podemos was and is a quite successful

party, one of the questions of my argument is if social movements that may also immediately be expression of "the political" are possible. One of the problems of the theories of mediation, in fact, seems to be a reliance on the idea that politics should be mainly organized through the party system or the system of representation, while these structures are increasingly in crisis both because they fail the needs and aspiration of the voters and because of the influence of certain means of communication such as social media for the development of the public discourse. Moreover, they often take the nation-State and "the people" – conceived as an actual or potential unity of different citizens, if considered according to their race, class, or gender – as a limited unit of comparison to think of "the political".

On the contrary, the critical theories of immediacy consider the party and the representation system as insufficient means to contrast the effects of capital on society. Some instances of those theories can be found in the claims for communization (from the group and the journal "Théorie Communiste" to "Endnotes") and in the theorizations of the "anarchist" groups The Invisible Committee. Looking at this last example, we might notice that their refusal of the capitalist system goes hand in hand with an idea of organization based on communities. For example, in their first book, *The Coming Insurrection* (2007 in the French edition), The Invisible Committee, observing the riots that took place in France and Greece in 2005 and 2007, argues that, despite all the geographical differences and political specificities, the various "revolutionary movements" do have the power of spreading "by resonance". Focusing on the global connection of the multiple insurrections, the collective aims at a model of organization that is radically against and beyond the state, and able to put at the center of political practice the ability of "sharing" and building "bonds", both "materially" and "spiritually" (The Invisible Committee 2009, 12 and 14). In each event of insurrection, there is a production of

the commune, intended as a "unity of partisan reality" in which the participants built "ties" directed toward the "self-sufficiency" and to the organization of "material and moral survival" (*ibid.*, 103 and 102). The circulation of knowledge and actions makes the various communes connected to each other without any need of affirming a "hegemony" (*ibid.*, 124).

This fundamental idea of avoiding any mediation with the state and the traditional institutions of unions and parties is further developed by The Invisible Committee in their next book, *To Our Friends*, published in France in 2014 (The Invisible Committee 2015). In this work, the collective specifies that the insurrections are not a claim for democracy, that they rely on the power of blockading capitalist logistics, and that they should refuse "technology" while fostering the "techniques". In their terms, "the miracle of insurrection" is "at the same time that it dissolves democracy as a problem" and "it speaks immediately of a beyond-democracy". While the model of the "general assembly" does not fulfill the need of a crowd that expresses anger and rage, and it repeats the form of "foundation" of the constitutive power, the insurrection affirms a destituent power, able "to take away its legitimacy, compel it to recognize its arbitrariness, reveal its contingent dimension" (*ibid.*, 74 and 75). The idea is to create a self-organizing process, moving "from the outside" of state and democracy and moving "on a different plane" of communal experience (*ibid.*, 78). In addition, the idea that contemporary power does not affirm itself through "institutions" but "resides in the infrastructure of this world" and "has become environmental itself" shows the necessity of organizing the insurrection around actions that block logistics (*ibid.*, 82 and 83). Finally, this power is developed through the surveillance system of the Internet and of the various forms of profiling enabled by platforms, which should be refused in their systematization within "technology" while counteracted through different hackers' "techniques of sabotage"

– beyond a logic of "technophilia" and "technophobia". On the basis of these proposals, The Invisible Committee delineates the future commune produced within the episodes of insurrection. In their terms, "what constitutes the commune is the mutual oath sworn by the inhabitants of a city, a town, or a rural area to stand together as a body" (*ibid.*, 199). The commune is the construction of "qualitative" bonds aimed to "conspiracy." It is notably a way of inhabiting "the world" within a specific and material "territory" that "offers […] a dwelling place and a shelter" (*ibid.*, 201 and 202). Moreover, the commune put at the center the "res communes", both natural and infrastructural, that are not appropriable and of which "one can only make use" (*ibid.*, 206). However, contrarily to Elinor Ostrom, and Hardt and Negri, The Invisible Committee does not think that commons could be democratically managed without rehearsing liberal principles of democracy; they should, instead be immediately shared. More extensively:

> Contemporary communes don't claim any access to, or aspire to the management of any "commons". They immediately organize a shared form of life – that is, they develop a common relationship with what cannot be appropriated, beginning with the world (ibid., 208).

Here we clearly find at play a theory of immediacy, according to which to contrast capitalist systems it would be sufficient to produce several immediate destituent actions (of blockade or of riots) while building a parallel communal reality of self-organized groups of people in the forms of "'integral co-ops" that would deal with every aspect of life (*ibid.*, 209). This fractional interpretation of the inspiring and multifarious social movements that erupted during the last twenty years – from the Zapatistas during the turn of the century to Gezi Park in 2013, from Greek social movements

against austerity from 2010 to 2012 to Spanish Indignados in 2013 during the same years – encounters one impasse when confronted with the question of the "functional sustainability" and the potential global connections of those social movements. In fact, for The Invisible Committee the commune faces what in their view is a "paradox", since on the one side it should be grounded on a specific territory in order to have a "local" consistency, but at the same time "it must detach itself from the groundedness that constitutes it" in order to establish links between different communes around the world (*ibid.*, 205). As for the issue of "functional sustainability," The Invisible Committee does not pose the question of the possible continuity of experiences of struggles, since the immediacy of the commune is in its self-sufficiency already a realization of the form of contesting capitalism. While the reality of the last years showed that many struggle events fade away or are beaten by repression when they do not build an organizational continuity, several other social movements have grown (and sometimes have obtained some local victories) when they are transversally organized – not only in one territory or community – such as Black Lives Matter in the USA and beyond.

As we have seen, the main limit of the theories of mediation is their reliance on a two-staged perspective, according to which social movements have to be supplemented by the formalized structures of representation. These theories only partially analyze the profound crisis of the party form, emerged at the beginning of the 70s with neoliberalism, and they assume the nation-state as the main entity on which to cast their proposals. On the contrary, the main problem that arises with the theories of immediacy is that, in praising an ephemeral and contingent event of struggle, they do not put into question the problem of "functional sustainability" of those experiences of struggle. Moreover, both the theorists of mediation and the theorists of immediacy see the political as separated from the social domain. For the former, it would be

necessary to build a truly political (and party) action, whereas for the latter, it is enough to affirm the social reality, conceiving it as a form of immediate and collective life. Finally, they both risk misreading the capitalist system. According to the theories of mediation, capitalism could be somehow reformed through parliamentary and "popular" actions, while for the theories of immediacy capitalism should be destituted by impressive actions and by the creation of communes outside of its grids and infrastructures. In other terms: for the first group the basic unity of analysis for their critical political theory is the nation-state, while for the second group it is the local dwelling in a specific territory. My argument is that, analyzing the actual functioning of the capitalist system, we can concretely observe how infrastructures play out and how they organize the blurred boundaries of the economy and politics. In fact, today's production is organized well beyond the borders of a single nation or the micro-community but connects the entire world across complex and multi-scale spaces. This transformation of capitalism also produces a way of mediating the social and the political dimensions. The question then becomes whether contemporary social movements might reuse or radically transform the potentiality of this wide capacity of connection and logistics to shape a society oriented to social justice and to the common.

III

The problem of mediation in platform capitalism

The transition from Fordism to post-Fordism and the effects of globalization on the economy and politics transformed the way through which capitalism has reorganized the system of its own reproduction. In *The Crisis of Care*, Fraser analyzes this transition

showing the shift in "regimes" from a "nineteenth-century regime of liberal competitive capitalism" to a stage of "state managed capitalism" in the twentieth century, to "globalizing financialized capitalism" (Fraser 2017, 25). For each of these regimes Fraser pinpoints the transformations occurred in the sphere of social reproduction, especially in the family models, often in connection with colonialism and exploitation of "peripheries" (Fraser 2017, 25-35). More in general, forms of political mediation changed according to the variations in the capitalist ability to intervene in and re-organize space, as we have seen is showed by Mezzadra and Neilson in their last work on the intertwined capitalist operations. Independently from the name attributed to this specific phase of capitalism – "cognitive" or "informational" or "platform" capitalism – a shift in the modes of production towards a service economy, the use of technology and a contradictory mode of relation of capital to space have occurred. These new specific means of accumulating capital through extraction and the new forms of exploitation have produced several effects on the institutions of political mediation, disintermediating their traditional roles. The processes of disintermediation have led to a severe crisis of traditional mass political parties, and in general the institution of mass politics organized in communities, enhancing the tendency of reducing electoral politics to lobbying committees and mass media, as well as haunting the labor movement in the last decades and threatening their ability of unionize. My argument is that one of the problems that contemporary social movements face is the question concerning the possibility to overturn the center of command in the production process in the epoch of the machinical, algorithmic, and logistics control of production through platforms. In other terms, the possibility of producing political mediation or the effectiveness of unmediated actions varies in relation to a model of organization that is increasingly algorithmically self-organized and where the negotiation between

the different links in the chain seems to be self-propelled and self-correcting, with no minimal human center of command. Understanding the shape of contemporary capitalism, could help to redefine the meaning of functional sustainability and to rethink the purpose of forms of mediated and unmediated political actions.

According to Nick Srnicek, platform capitalism is defined by its ability to coordinate "infrastructures" on which "two or more groups interact" (Srnicek 2017, 43). Two laws regulate platform capitalism: platforms are intermediaries between different users or entities; and they are governed by the so-called "network-effect", so that a single platform increases its value when multiple users or entities use it (Srnicek 2017, 43-48). This process does not lead only to monopolistic positions, cross-subsidization (i.e., Google is free for its users but generates revenue with advertisements) and extreme outsourcing; it also leads to a new form of politics based on predictions, governance, and app regulations. According to Srnicek, one of the major consequences of platform capitalism is its complete lack of profitability, which will likely lead in a near future to forms of "enclosures" and privatizations: the only way to counter-act this outcome is to act on multiple scales, from the municipal scale to the national one and on international levels, given all these different forms of mediation (and especially those created by the states) would have the capacity to contrast the monopolistic tendencies of major corporations (Srnicek 2017, 126-129).

Whereas Srnicek deals with platforms in terms of economic sociology, Benjamin Bratton analyzes them in the framework of media theory and theory of design. For him, technological totality is the "armature of society" and represents an "accidental megastructure" organized as a multi-layered "Stack" (Bratton 2015, 5). The single layers of the Stack (earth, cloud, city, address, interface, user) are not necessarily only computational but made by

technical and biological, material, and virtual components tied one to another in a complex networks and grids of interdependencies. Each of them acts as a self-enclosed but variably connected partial totality. However, if the structure of the reality is designed as such sovereignty itself, traditionally related to concrete spatial coordinates of interactions among states, is modified by the specific "nomos" of the new space of ethereal cloud, a new "Google Grossarum" that regulates the governance of the Stack (Bratton 2015, 34-40). In this framework, platforms' main feature is their ability to design and organize reality through protocols and programs. As for Srnicek, Bratton's platforms are defined by their power of concentration, standardization, and regulation. However, according to him, they also produce systematic totalities able to re-program and absorb mistakes, corrections, and alterations (Bratton 2015, 41-46). Interestingly, for Bratton the only way to counter-act the current model of the Stack is the production of another accidental comprehensive and totalized system connecting earth, clouds, cities, addresses, interfaces, and users in a radically diverse mode. The "Black Stack", as he calls this resistant and alternative "megastructure", should not only predict different subjects (not citizens anymore but "users") but new connections between human and nonhuman beings as well, able to inhabit a "post-Anthropocene" era (Bratton 2015, 351-365).

Both Srnicek and Bratton pose the problem of scale and scaling in analyzing platforms: for Srnicek one way to contrast platforms' power of economic concentration is to rely on multiple levels of mediation, whereas for Bratton a way of exiting the current Stack would be to create another total and comprehensive system, even if on drastically different bases. These two modes of analyzing platforms are grounded in different approaches: the former on a Marxist analysis that aims at exploring capitalist contradictions; the latter on media theory and theory of design, through which reality is conceived as a totalized and enclosed system that is not

necessarily split by a conflictual dialectic among parts. While with Srnicek, I tend to conceive the platform as a re-organization of a mode of production that hides class antagonism, with Bratton I understand how platform designs are not only economic, but juridical and political as well. Platforms are, therefore, not only software interfaces but algorithmic and infrastructural reorganizations of the entire value chain that have a significant effect on political and social processes of mediation.

More specifically, during the last twenty years, technological improvements and transformations of the productive forces have radically reshaped production processes: Big Data, Clouds, the Internet of Things, the use of robotics and the development of AI engendered a technical reorganization of the cycle of capitalist accumulation. This transformation provoked a restructuring of the organizational management-core of the production process: there has been a shift toward an increasingly larger concentration of capitals (fusions of companies and in general an increase of the size of the financial corporations responsible for finding larger investment capitals on the financial markets) without an organizational centralization of the production process, which is rather continuously fragmented and divided throughout the value chain. The production process is now increasingly structured by the algorithmic rationality of the platform that has substituted the entrepreneur in prescribing the business strategies of the various links of the value chain. From a Marxist point of view, with the new central role of platforms we are witnessing a profound reorganization of the relation between the process of capitalist accumulation and its spatial conditions. While capital's drive to accumulate value always had the tendency to become liquid, independent of the material and social resistances that it encounters from below, space and technology, on the other hand, have always constituted a problem but also an opportunity for capitalist exploitation (Harvey 2007, 133-136 and 433-442). On the

one hand, platforms helped to rationalize the processes of production and circulation, minimizing the costs and maximizing the turnover rate; on the other, they facilitated the re-assemblage of the value-chain around those hubs where labor costs were the lowest, while at the same time guaranteeing the maximum efficiency in terms of business performances.

In addition, platforms have also intensified the so-called "logistic revolution" that, starting in the 60s, has contributed to the neoliberal turn by minimizing the irrational elements of the supply-chain and fostering circulationist capital. Keller Easterling emphasizes the "governing" processes associated with "infrastructure space" – which is the "medium of information" or "an updating platform" through which the logistics of everyday life is organized. Examining three different cases of "infrastructure space", such as free zones, broadband mobile in Kenya, and ISO's protocols, Easterling shows how those spaces are "medium" of "extrastatecraft" that combine the action of the states with governmental and technical interventions across global and local scales (Easterling 2014). Giorgio Grappi, building upon Easterling and other theories, underlines how "logistics redefines sovereignty" through governance and a "politics of corridors" (Grappi 2016, 121-129). Finally, Deborah Cowen shows the violence implicated in the process of logistical re-organization, in which the production of commodities is not only realized "across logistics spaces" but implies an entire new politics of "military" and "civilian" strategies (Cowen 2014, 1-5); at the same time, she also suggests that through activism and struggles it would be possible to explore "the potential of logistics space done differently", ultimately "queering logistics" (Cowen 2014, 229 and 224).

This set of theories on platforms and logistics offers a range of arguments that demonstrate how the processes of economic mediation increasingly take place in transnational chains, while

political mediation is increasingly fragmented among a series of actors that include states, international bodies, corporations, extra-state zones. Furthermore, through these notions, it is possible to observe how the invisibilization and machinization of the center of command, and the consequential transformation of the organization of the global value chain, pose several problems regarding the political control of the production process. Who decides what to produce, how to produce, and in which quantity to produce? Who decides over the social cooperation? This huge question (here only sketched out) has been one of the issues at stake for feminist and environmentalist movements, as well as at the center of the struggles of workers of logistics at the global level. One of the challenges these movements are facing is what might be the design or the architecture of social cooperation in the age of platform capitalism? What could be a new subversive logistics against the logistics of the production and distribution of resources and power, of extraction, racialization and patriarchy that continue to be at play in the capitalistic process of accumulation?

IV

Toward a theory of a feminist logistics

The cycle of the economic crisis of 2007 and now the crisis produced by the COVID-19 pandemic have highlighted not only the functioning and the crisis of global logistics, but also the essential role of care-work within this functioning. The debate on the reconciliation between healthcare and the protection of production mystifies a crucial problem: care, broadly intended, emerges as a pre-condition for the functioning of production and its distribution chains, as well as for the entire network of social and ecological connections. Care is not only directly reproductive, as previously discussed, but it is also an essential link in the

production cycle within a platform economy in which interconnections have become increasingly crucial. As Fraser argues throughout her temporal sketches of capitalist regimes, social reproduction has always been central to the private form of domestic work for the reproduction and replenishment of the Fordist workforce and it is now central to the complex post-Fordist class composition – even more during a pandemic that undermined productive and reproductive mechanisms and has made evident the defects of the entire system. Thinking about platform capitalism in terms of architecture allows us to keep together abstract procedures of AI and invisible connections in the global value chain, with ecological and social material entities. Finally, questions around social cooperation and control over production and social reproduction might lead us to re-imagine the architecture we all live in as one oriented to care, instead of extraction, exploitation, and inexorable profit.

The dialectic between immediacy and mediation is currently being discussed in the political theory debate as it has been developed lately – in particular during the pandemic. In an interview, Achille Mbembe argues that the "politics of experience" became "the new way of being at home in the world", a potential answer to technology and detachment produced by neoliberalism that, nevertheless, ends up being "very much in tune with the dominant strictures of neoliberal individualism" (Mbembe 2021). The idea that "mediation is no longer necessary" and the consequent stance that sees "direct, originary experience" as "the new norm" (Mbembe 2019, 215) has often been at the center of some of the claims against the governance of the pandemic enforced through lockdowns, contact tracing apps, vaccine passes – without even considering the debate around vaccine hesitancy, and the question of the relationship with science experts. On the other hand, the idea that mediation should be developed in the form of a "planetary governance" through state action and beyond

has been interestingly developed by Bratton in a framework that considers computing architectures and ecologies but leave aside the social dimension implied in the labor of AI and platforms (Bratton 2021). Nevertheless, both critiques pinpoint in the right direction by emphasizing the importance of elevating ourselves from our personal and direct experience and claiming the necessity of scaling up in order to rethink complex architectures. How to re-build those architectures and multilayered forms of governance not only from above but also from below? How to re-address, posing once again the question suggested by Nancy Fraser, the question of "functional sustainability" of social and political struggles?

Looking at contemporary social movements, we might observe – as already widely acknowledged by several contemporary critical theorists who have more or less directly addressed the issue of "functional sustainability" – how they are hyper-organized and how they aim to connect themselves within coalitions, which are not only based in local grassroots communities but also in national and transnational networks. Examples of these movements can be found in the long path of Black Lives Matter in the United States and in struggles for the freedom of movement of migrants; as well as in the global feminist and transfeminist and in the ecological and climate justice movements arisen in recent years. Each of these movements were able to fabricate a discourse that is increasingly hegemonic, while at the same time they were able to build multifaceted and effective infrastructures. Among their various claims, these movements demand and create alternative forms of social and ecological reproduction, oriented towards new universalistic welfare guarantees, basic income, and the regeneration of environment and care – from mutual-aid networks to defund the police and essential workers for safety on job places, these claims have been conceived as a way of subverting and rethinking the current "anthropogenic" production process. Nick Dyer-Whiteford and others labeled with an interesting definition

the cycle of pre-pandemic struggles of 2018 and 2019 arisen worldwide, from Chile to Hong Kong, as "riot logistics". Those protests aimed first to interrupt logistics and circulation; second to put into question living expenses; and finally, to arrange a "counter-logistics" of the struggles themselves, organizing transportation, supplies and communication (Dyer-Whiteford et al. 2020). According to Dyer-Whiteford and others, and in my perspective as well, the idea that social movements organize in the form of logistics provocatively overturns the definition of logistics as the coordination of flows of commodity production, circulation, and consumption. The logistics that in the global circuits of capitalism employs calculative reason and spatial organization to manage the movements of materials, people, and information, becomes a new form of organization aimed at disrupting the uneven flows of production and consumption, contesting, and redesigning its prevalent modes of circulation (see also Rispoli and Tola 2020, 670-671). Differently from Dyer-Whiteford and others, however, I emphasize the idea that this logistics would be feminist, as made explicit by the multiple practices of non-orthodox modes of strikes (feminist strikes against violence and for reproductive rights in Latin America, Southern Europe, and Poland, climate strikes across the globe, strikes of "essential workers" and of migrants everywhere) that, again, on the one hand interrupt capitalist circulation, acting directly on the productive cycle, and on the other have proven able to design a new transnational logistics of the common.

As we have seen, one of the questions of contemporary critical theory is whether contesting capitalism requires the fostering of forms of party and state mediation or if it is enough to focus on the construction of micro-communities that create immediate "bonds" between militants. Thinking with Fraser and many others, it is possible instead to imagine forms of "functional sustainability" that take into consideration the forms of complex and stratified

mediation characteristic of the contemporary economy while avoiding a two-staged perspective, which solves the problem of effectiveness and duration of a social movement with the intervention of a party. In reality, social movements not only organize spaces of autonomy beyond the state but also create forms of mediation with local, sometimes national (and even party-related) bodies, aiming to build a logistics that goes beyond the borders of the nation state. From this point of view, one way to think about the type of action that these movements are putting into play is to develop forms of unmediated mediations that map, challenge, and subvert the infrastructure with which contemporary economy and politics are structured. One way to think about this question has been offered, for example, by Hardt and Negri, with their elaboration of the notion of the "institutions of the common", which train and educate ("Bildung") the multitude, as an alternative to innatism or spontaneism, collectively organizing desires and practices into veritable "social institutions" (Hardt and Negri 2009, 195-196). Another analogous way, on the other hand, was that proposed by various feminist media theorists, for example Tiziana Terranova and Luciana Parisi, who, taking into consideration the mediation processes intrinsic to the development of the IT network and of AI, propose the construction of "networks" or "architectures" alternative to the capitalist ones, which are able to turn upside down the current "colonial" political epistemology (Terranova 2004, 153-157; Parisi 2004, 194-201; Parisi 2013, 169-177). In all these cases, forms of mediation are conceived as constitutive of a techno-social-ecological development that includes human and non-human entities. In agreement with these scholars, on the one hand, I think of techno-social-ecological infrastructures as unescapable structures of mediation, and, on the other, I believe in the impossibility of reducing the question of political organization to the current technological and economic formations. The mapping of the

platform economy, computing, and current architectures serves the purpose of creating points of attack, examples of autonomy, and new forms of mediation on a plurality of fields and scales. Judith Butler in *Notes Toward a Theory of Performative Assembly* proposes the idea of building "platforms" intended as both programs and political structures that contest contemporary labor and existential precarity (Butler 2015, 95 and 126). Through platforms or logistics, we can pose the problem of imagining not only what Butler calls an "ethics at a distance" that allows to escape from individualism, but also a politics at a distance able to overcome the limited borders of communities entrenched within a territory and the narrow nation-state (Butler 2015, 104). This idea of creating infrastructures, together with Kathi Weeks' proposal via Bernice Reagon, to escape from the "safe space" in order to deal with multiple and stratified differences, traces a path that allows us to identify and intensify the infrastructural and logistical construction processes that current social movements are already putting into place. The future of these interconnections will be played out on the terrain of rethinking mechanical and human domains, technological and ecological dimensions, social and political structures.

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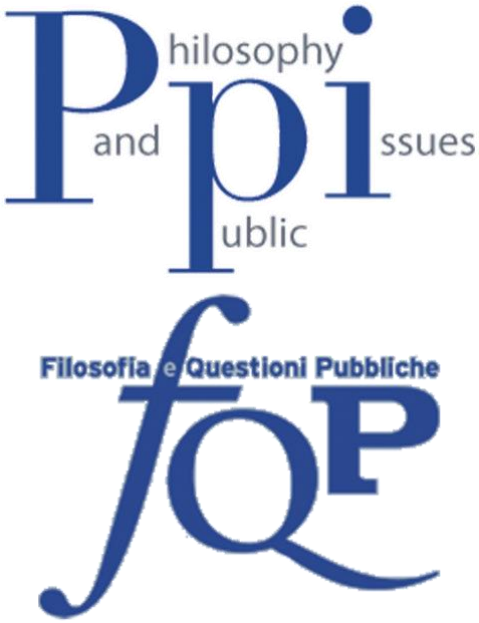

CAPITALISM AND THE FAR RIGHT

REVISITING THE POLLOCK-NEUMANN DEBATE IN THE ERA OF AUTHORITARIAN ETHNONATIONALISM

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Capitalism and the Far Right

Revisiting the Pollock-Neumann Debate in the Era of Authoritarian Ethnonationalism

Matthew Sharpe

I

It's also the economy, critical theorists

The work of Nancy Fraser has been remarkable in the last decades for reintroducing questions surrounding capitalism, economics, and redistribution into the field of critical theory.[1] This period has been marked on the one hand by a massive concentration of wealth globally and within nations like the US, and the privatization and retrenchment of forms of social governance. On the other hand, it has seen a 'cultural turn' within critical theory, whether conceived narrowly (theorists influenced by the Frankfurt School) or more broadly, embracing post-structuralist theorising. In this work, the growing economic disparities since the middle-1970s globally have largely been passed over as a subject of

[1] See Fraser 2003 and Fraser & Jaeggi 2018.

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critical concern, in favour of culture wars over the politics of representation and identity.[2] As a result, many critical-theoretical responses leave us unable to comprehend the uncanny blend of continuing, aggressively neoliberal economics and highly regressive cultural politics that characterises the resurgence of forms of authoritarian ethnonationalism, or what Fraser calls "reactionary populism", globally since 2010. They also provide scant guidance in grasping the connection between these far-right regimes and developments within capitalism over the last four decades.[3]

To approach a more adequate understanding of the relationship between neoliberal capitalism and the rise of far right, authoritarian ethnonationalist forces today[4], this paper proposes to return to

[2] See Fraser 2003.

[3] Cf. Fraser & Sunkara 2019, 15-18.

[4] There is a proliferation of terms for these new types of political movement and government, beginning with "populism", "nativism", "illiberalism", "radical right", "extreme right", "post-fascism", "neofascism", "far right", "authoritarian capitalism", "authoritarian neoliberalism", and each of these is disputed. On this definitional debate, see Berezin 2019 1-17; Mudde, 2019, 5-7. We eschew the term "populism", since there are Leftist forms of "populism" (as for instance, most recently: Venezelos & Stavrakakis 2021), and the claims of rightwing authoritarians to speak (or legislate) for "the people" are highly questionable, and stand in tension with their valuing of natural inequalities. There is also considerable uncertainty as to where to make a distinction (or distinctions) in many cases, as far right ideas, parties, and policies have been mainstreamed in many nations since 2000. One must recognize the differences between regimes and movements as diverse, and changing, as Modi's in India, Putin's in Russia, Orban's in Hungary, Erdogan's in Turkey, and Trump's in the USA – as well as between different, more and less radical elements supporting each of these forces (Mudde 2019, 20-23). For our purposes here, it need only be accepted that today's far right movements' stresses on national, linguistic, ethnic inequalities and differences, xenophobia, hostility to multiculturalism, penchant for palingenetic narratives of rebirth beyond present liberal/multicultural

arguably the decisive moment in the history of critical theory, wherein the path was paved for the subsequent 'cultural turn' whose critical-theoretical sufficiency Nancy Fraser, like Wolfgang Streeck, Christian Fuchs, David Lebow, Wendy Brown and others, is presently contesting.[5] The moment in question is the post-1941 debate within the Frankfurt School between Friedrich Pollock, charged by Horkheimer with the economic work of the Institute for Social Research, and Franz Neumann, the social-democratic legal theorist and author of the monumental study on National Socialism in Germany, *Behemoth* (Neumann 1942). Significantly, the stake of the debate was exactly whether the extreme authoritarian ethnonationalist regimes of interwar fascism and National Socialism in Germany could best be described, as Pollock opined (and as we will examine in Part 2), as forms of "State capitalism" decisively continuous with forms of New Deal social liberalism.[6] As Tobias ten Brink has incisively argued, the impact on critical

"decadence", propensity to embrace strong leaders and to attract groups which openly advertise their white supremacist or "National Socialist" credentials (see Lavin 2018; Feinberg 2017; O'Brien 2017, and also the texts archived at the www-site counter-currents.com) are far closer to historical fascism than to recognized forms of liberalism, democracy, republicanism, and socialism, representing what Mudde calls a "fourth wave" of the far right since the 1920s (2019, 20-23). We use here the labels "far right" or "authoritarian ethnonationalism" to name the kind of far right politics emblematized by Mr. Trump and his "MAGA" movement in the USA, and differently championed by figures like Le Pen, Orban, and Putin; "authoritarian" naming the anti-liberal styles of campaigning and governance, centering around the leader "able to do what is needed" and flout cloying "elite" norms and consensus, and "ethnonationalism", naming their key popular ideological appeal, to the palingenetic rebirth of a threatened collective which has ethnic, racial or linguistic markers, as well as a tense relationship with the modern nation-state (movements like *Génération identitaire* for instance focus squarely on Europe, as in fact do some thinkers of the French *Nouvelle droite* like Alain de Benoist).

[5] See Streeck 2019; Fuchs 2018; 2017; Lebow 2019.

[6] See Pollock 1990 and 1941.

theory of Pollock's analysis of these far right regimes as enshrining a new form of unprecedentedly technically rational Statism, in which economic laws and capitalism's own crisis-tendencies had been transcended, was profound.[7] Pollock's argument not only paved the way for Horkheimer's and Adorno's development of critical theory into a totalising, civilizational critique of instrumental reason in *Dialectic of Enlightenment*.[8] It at the same time afforded 'political economic' justification for subsequent critical theorists to increasingly bracket or jettison economic considerations, focusing instead on the critique of administrative and technological rationality, and questions of ideology, communication, recognition, and identity. In this way, we contend, Pollock's notion of "State capitalism" historically laid the groundwork which has enabled much of the critical-theoretic Left's reduction to rightful but inefficacious, moral criticisms of Mr Trump in the US, and other authoritarian ethnonationalist figures and movements.[9]

To both challenge this cultural turn, and seek out a better framework for understanding authoritarian ethnonationalism today, we therefore turn in Part 3 to the contending position concerning Nazism proposed by Franz Neumann, sometime-associate of the Frankfurt School, who directly criticised Pollock's claims in his opus, *Behemoth* (Neumann 1942). For Neumann, Nazism was less a State, let alone a form of "State capitalism", than a "non-State" based on a permanently unstable compromise between the Party, State bureaucracy, army, and big business. This new regime of "totalitarian monopoly capitalism" (*ibid.*, 179, 472),

[7] Cf. ten Brink 2015: 333-340. See Piep 2004; Dahms 2011, esp. 20-35.
[8] See Benhabib 1986, 149-152 for a periodization of the evolution of critical theory in the first generation from an interdisciplinary program integrating the social sciences to a pessimistic philosophy of history.
[9] Cf. Fraser & Sunkara 2019, 18-28.

indeed, remained decisively capitalistic when it comes to economic and workplace organisation, just as today's forms of authoritarian ethnonationalism are and promise to be – indeed, Nazism enshrined what Neumann at once point calls "the complete subjugation of the state by the industrial rulers," facilitated by the Party's complete destruction of independent, organised labour (*ibid.*, 461).

Recovering Neumann's counter to Pollock concerning National Socialism, economy and the State, hence sets up the basis for the key contention of Part 4: that the former's account of Nazism in *Behemoth* represents a prescient multidimensional, interdisciplinary road not taken for critical theory, as we seek to the connection between neoliberal capitalism and today's rising tides of authoritarian ethnonationalism. In contrast alike to Pollock's account of Nazism as a form of heightened Statism, which can provide little purchase for understanding the ascent of contemporary forms of authoritarian ethnonationalism in "the ruins of neoliberalism" (Brown 2019); and many new Left criticisms of the same, which completely bracket economic considerations, Neumann's position enables us to understand both the political-economic aetiology of revolutionary far right movements under conditions of monopolistic, highly inegalitarian forms of capitalism, and the probusiness agendas of these far right movements, once they attain power.

Our Conclusion underscores the proposition that a post-Neumannian purview on today's authoritarian ethnonationalisms can assist in getting clear on where and how moral and cultural critiques of their xenophobia, misogyny, and cultures of rage are necessary, but not sufficient. If the conditions which enable these forms of hateful politics to win mass appeal are to avoided, we must also repoliticise the economy, to prevent the conditions of

monopolisation, extreme inequality, and socio-political alienation from continuing to sow the seeds of radical reaction.

II

Pollock, State Capitalism, and the Eclipse of the Economic

From 1927 onwards, Friedrich Pollock was the chief administrator and then, after 1931, the codirector of the Institute of Social Research in Frankfurt. In the interdisciplinary division of labour envisaged in Max Horkheimer's 1931 inaugural speech as the new Director of the Institute[10], Pollock was positioned the Institute's chief researcher on economics. He was charged with developing a theoretical account of the developments of capitalism in the 20th century, in contrast to earlier periods.[11] In his studies of the early 1930s, Pollock developed a periodising account of capitalism which we will see Neumann for one accepted. This argued that with the concentration of the means of production by monopolistic corporations since the middle of the 19th century in advanced economies, older models of bourgeois economics had become obsolete: "the question [is] of whether a system of monopoly capitalism has replaced the competitive system today."[12] Pollock, who had visited Soviet Russia in the 1920s, was however also impressed by his experiences of the possibility of a successful, centrally planned economy. In *Die gegenwärtige Lage des Kapitalismus und die Aussichten einer planwirtschaftlichen Neordnung* [The current situation of capitalism and the prospects of a planned economy reorganization], Pollock emphasised that the tendency of capitalism to engender oligopolistic and monopolistic interests capable of buying out smaller competitors, as well as to force

[10] Horkheimer 1993.
[11] Dahms 2011, 20-21; Wiggershaus 1994, 750-751.
[12] Pollock 1930, 460. See also Pollock 1932; Dahms, 2011, 21.

thereby an expanded role for the state, was leading to a supersession of the market order characterising earlier capitalism.[13] Decisions concerning production and distribution were increasingly being made by managerial elites within the monopolistic combines and the administrative state, a situation which he already suggested pointed towards a new form of "state capitalism" (Dahms 2011, 22). It was just such a new order of "state capitalist intervention", Pollock would maintain in 1933, that both the ascent of Adolf Hitler in Germany and Benito Mussolini in Italy attested to, as well as the New Deal in the US.[14]

Pollock would develop this framework in two articles published in 1941 in the *Zeitschrift für Sozialforschung*. The first, "State Capitalism: Its Possibilities and Limitations" lays down the theoretical model at a high level of abstraction; while the second, "Is National Socialism a New Order?" applies the model to the Nazi regime.[15] Any economic order, in order to succeed, Pollock postulates, must be able to "define the needs of society in terms of consumer goods, reproduction of plant, machinery and raw materials, and expansion", manage the production of goods with maximal or tolerable efficiency, relative to societal needs, and "distribute the social product" so that a sustainable satisfaction of social "needs" are fulfilled.[16] Free market capitalism, with the price mechanism as a tool to spontaneously calibrate supply and demand, Pollock argued, had shown itself unable to meet these necessities without "waste and inefficiency", as well as periodic

[13] See Pollock 1932; cf. Dahms 2011, 22.
[14] Pollock 1933, 321-354.
[15] See Pollock 1941, 440, n.
[16] Pollock 1990, 74. Already noticeable in these parameters is something which will continually strike the reader: the disappearance of human labour, the principal creator of value under more classical Marxist theorisations, under the categories of distribution or what Pollock calls "the allocation of all available resources".

crises, "the business cycles with their cumulative processes of destruction" (Pollock 1990, 75). At the same time, the development of new technologies of production and distribution had brought advanced societies to a point "where it seems as if the arguments against the technical workability" of a centrally-planned economy, which could avoid the capitalist boom-bust cycles, "can be refuted." (*ibid.*) All the means for the technical planning of large-scale economies by calibrating production and distribution, Pollock claims, were by now available (*ibid.*, 86).

What had resulted from these political-economic and technological preconditions, for Pollock, is the transition from "private capitalism" towards a "new order" (Pollock 1941, 450-455), characterised at least ideally (and we will return to this) by what he terms a "new set of rules" (Pollock 1990, 75). This order was "the successor of private capitalism", one in which "the state assumes important functions of the private capitalist, … profit interests still play a significant role, and … it is not socialism" (*ibid.*, 72). In particular, firstly, "a general plan" managed by the State or its "planning board" "gives the direction for production, consumption, saving and investment" (*ibid.*, 88, 75). What needs there are, and which needs shall be satisfied, is no longer left to "the anonymous and unreliable poll of the market", but instead becomes the object of "a conscious decision on ends and means" (*ibid.*, 75). Secondly, therefore, "prices are no longer allowed to behave as masters of the economic process but are administered in all important sections of it" (*ibid.*). In particular, the relationship between prices, demand, and the costs of production on the supply side are dissevered "in those cases where they tend to interfere with the general plan" (*ibid.*, 75-76). Production, as such, becomes production for use value, as determined administratively (*ibid.*, 83-84), as against exchange value, with "use" being decided on the basis of the general plan (*ibid.*, 79).

Thirdly, and as such, "the profit interest of individuals and groups as well as other special interests are to be strictly subordinated to the general plan or whatever stands in its place," noting this uncertain qualification (*ibid.*, 76). Profit remains as an "efficient incentive" to enterprise. However, "where the interests of single groups or individuals conflicts with the general plan or whatever serves as its substitute (sic.), the individual interest gives way" (*ibid.*). As such, it operates only within "narrow limits beyond which the pursuit of private interests cannot be reconciled with efficient general planning" (*ibid.*, 77). Indeed, most productive facilities are privately owned but, Pollock claims, effectively "controlled by the government" (*ibid*, 82).

Accordingly, the figure of the capitalist in the old sense, capable of investing where he pleases, in order to maximise his own profits, no longer exists. "The entrepreneurial and capitalist function, i.e., direction of production and discretion in investment of one's capital, are separated" (*ibid.*, 80). Instead, "management" becomes ascendant in controlling these matters, "without necessarily having an important share in corporate property" (*ibid.*) Moreover, the managements' decisions are "interfered with or taken over by government," noting again Pollock's disjunctive qualification (*ibid.*). All production is subject from on-high to a system of quotas and priorities, which determine what will be produced, when, and by which interests (*ibid.*, 82). All of this reduces the capitalist to a mere "rentier", a kind of economic *ancien combatant* (Pollock 1941, 442), and his profits to the status of "compensation for efficient investment and management" (1990, 81). The owners of the means of production now only "receive interest on their investments for as long a time and in the measure hat the new ruling class may be willing to grant" (*ibid.*, 91) In such an order, the "power motive" supplants the profit motive (*ibid.*, 78). The power of the individual cannot be brought or sold by money alone, as we see most clearly with the expropriation of the Jews by the Nazis:

> under state capitalism, men meet each other as commander and commanded: the extent to which one can command or has to obey depends in the first place upon one's position in the political set-up and only in a secondary way upon the extent of one's property (*ibid.*).

Fourthly, the whole presents a picture of ever-tightening central control, facilitated by (and facilitating) the upmost modern technical rationalization. "In all sphere of state capitalism (and … that means in all spheres of social life as a whole)," Pollock writes, "guesswork and improvisation give place to the principles of scientific management" (*ibid.*, 77). Society as a whole becomes in effect a single combine, under the management of a single executive "planning board" (*ibid.*, 88) comparable to a giant vehicle, chemical, or steel plant. The military and war, the management of public opinion, the use of coercive force, international trade and foreign relations; all of these are subject to a top-down "general planning" which at once calibrates each micro-level action and transaction within the larger whole, and as such, ensures the minimisation of "waste or error" at every level (*ibid.*, 78).

It must be said that, at nearly every step of Pollock's argument, the reader can ask for greater specificity, illustration by example, quantitative evidence, and the testimony of actors involved in the momentous historical transformation "State Capitalism" putatively details.[17] *Is National Socialism a New Order?*, which turn specifically to really-existing Nazism, highlights some of the tensions and deficits of Pollock's theoretical perspective. Having stressed in "State Capitalism" that "a general plan for the structure of the

[17] See Dahms, 2011, 21-22.

social product" will be in existence in any such regime (Pollock 1990, 82), and that "the closest approach to the totalitarian form of [state capitalism] is made in National Socialist Germany" (*ibid.*, 72), Pollock is forced into telling concessions. "National Socialism has not created a planned economy so that the whole economic life might be directed and performed according to a well-conceived and detailed plan," he begins his section on "The Operation of Economic Life" disarmingly:

> Its so-called Four Years Plan has never been published, because it does not exist and must be considered a mere ruse to enforce concentration of control and speed-up of armament production. As late as 1941 the *Frankfurter Zeitung* declared that 'the problem of a totally planned economy has never been seriously discussed' (Pollock 1941, 444).

Nevertheless, Pollock insists, "a clearly defined general program exists", which stipulates goals of full employment, "autarchy" in terms of necessary resources, and maximal efficiency in production, notably in armaments (*ibid.*, 445) Those authors, like Neumann (see Part 3) who insist that the absence of a codified general plan indicates that "no new economic order has arisen" are charged by Pollock with having taken "the surface phenomena at face value" (*ibid.*, 445). Even though Nazi officials state otherwise, "the objective force" of the manifold State interferences in the German economy speak louder than "pious wishes": "even against its desires and preferences the objective facts are on the way to destroying the old order" (*ibid.*, 445). It is a matter of a quantity of change, actual or at least projected ("on the way"), putatively effecting a qualitative shift. The same hedging is evident in Pollock's evocative but imprecise claims that "most productive facilities" are "controlled by the government," when the most we

are told, more concretely, about anything like such nationalisation concerns "the trend towards socialisation of medicine, of journalism and other free professions [which] transforms their members into government employees" (*ibid.*) Then there is Pollock's dismissal of the rapid growth of undistributed profits being used by private firms to fund new investments under Nazism (see Part 3), a seeming disproof of his claims concerning State direction of investment. When Pollock addresses this in a note with the claim that "internal financing is deliberately furthered by the ruling groups to facilitate expansion" (*ibid.*, 442 n) it is difficult to avoid the impression that we are in the presence of an explanatory *deux ex machina*, rather than a falsifiable socio-theoretical hypothesis.

In any event, the significance of Pollock's analysis, especially given its take-up by his codirector of the Institute for Social Research, Max Horkheimer, was profound. Firstly, as Pollock himself specifies, this is an economic analysis of the conditions of contemporary societies which heralds the destruction of its own theoretical object. If Pollock's analysis of "State Capitalism" holds, "nothing essential is left to the functioning of laws of the market or other economic laws" (Pollock 1990, 77):

> We may even say that under state capitalism, economics as a social science has lost its object … where the economist formerly racked his brain to solve the puzzle of the exchange process, he meets, under state capitalism, with mere problems of administration (*ibid.*, 87).

In this way, as Tobias ten Brink (2015) has identified, Pollock's argument represents a landmark moment in the history of critical theory. This is the move within the Frankfurt School away from

the kind of interdisciplinary program of social research announced by Horkheimer in 1931 (1993), in which some form of Marxist critique of political economy was to play a key role, towards an increasing focus on "a negative philosophy of history and towards a diagnosis of the self-destruction of reason" (ten Brink 336) In ten Brink's incisive formulation, Pollock's conceptualisation of State capitalism "represented a carte blanche for critical theorists to put aside the work on economic development and economic crises" (*ibid.*). Pollock's work does not yet take a specifically cultural turn, concerning itself exclusively with issues of communication, representation, identity, recognition, and ideology, rather than class and relations of production. But it makes the road straight for such this subsequent turn, which would be taken firstly within the Frankfurt School and then in subsequent post-structuralist-influenced theorising.

Indeed, and this is a second point of significance, Pollock's concept of "state Capitalism," explicitly developed in response to the weakness of free market systems, presented the argument that the new order he envisaged would suffer no necessary or cyclical forms of crisis. "Forewarned as we are," Pollock intoned:

> We are unable to discover any inherent economic forces, 'economic laws' of the old or a new type, which could prevent the functioning of state capitalism. Government control of production and distribution furnishes the means for eliminating the economic causes of depressions, cumulative destructive processes and unemployment of capital and labour (Pollock 1990, 86-87).

Any "limitations" the system might face would accordingly be "natural or non-economic" (Pollock 1990, 87), another reason for

critical theorists to neglect the economic heretofore. As ten Brink again has observed, "Pollock's analysis of a non-contradictory state capitalism became a decisive economic basis for a form of critique that despaired in the face of the closedness of social life and was transformed into general resignation" (ten Brink 2015, 335). Even the object of the total, civilizational critique proposed by Horkheimer and Adorno soon after in *Dialectic of Enlightenment* – a work devoted to Pollock (see *ibid.*) – is anticipated in those passages of Pollock's articles on state capitalism which exalt the putative rationality of the new administrative order (Pollock 1990, 77, 83-85, 86-87). The administrative economy and state apparatuses under Nazism, Pollock claims, present the image, if not yet of instrumental reason triumphant, of "machine-like" precision (Pollock 1941, 448). Hence, the "prophets of downfall" concerning the Nazi regime miss what Pollock's analysis putatively reveals: how "National Socialism applies a new set of rules to its economic policy, rules which make its economic policy more efficient than anything known heretofore" (*ibid.*, 452). Pollock even gestures directly towards the administrative control of needs under Nazism through what Adorno and Horkheimer will soon call the culture industry (Adorno & Horkheimer 2002, 94-136). He assures us, faced with concerns about planning capacities, that no "'God-like' qualities are required" for such control of human needs:

> It has been shown that freedom of consumers' choice actually only exists only to a very limited degree. In studying large numbers of consumers, it becomes evident that size of income, tradition and propaganda are considerably levelling down all individual preference schedules (Pollock 1990, 85).

A third implication of Pollock's analysis is only skirted by ten Brink. It can be said that, for all of Pollock's insistence on the primacy of "the political" in the new era of state capitalism[18], the nature of politics in the new order is unclear. It seems vanishing beneath the ever-more-all-encompassing securing of totalising state control. Labour is treated only passingly in either of Pollock's pieces, principally under the heading of "control of distribution" (*ibid.*, 83) (as if labour was a matter not of production), but the fate of unions and class struggle is not mentioned at all: striking omissions in a piece of post-Marxist social theory. Amongst the "non-economic limitations" State capitalism can face (*ibid.*, 87), Pollock significantly points to antagonisms between the different interests within what he calls "the ruling group" or "ruling class" (*ibid.*, 73, 90-91).[19] This elite has resulted, we are told, "from the merger of the most powerful vested interests, the top-ranking personnel in industrial and business management, the higher strata of the state bureaucracy (including the military) and the leading figures of the victorious party's bureaucracy" (*ibid.*, 73). These vested interests may well disagree about the ends to which the vast machinery of the State, which we are told serves as their "tool" or "power instrument" (*ibid.*, 92, 73) – incidentally setting up another tension in his account concerning what he calls the "seemingly independent" status of these elites (*ibid.*, 92). Outside of this ruling cabal, in any case, "everybody … is a mere object of domination" (*ibid.*, 93) through terror and propaganda 'on the supply side', as it were, and by full employment (albeit at the cost of "brutalization") as a means to purchase compliance or consent (*ibid.*, 92).[20]

Given these parameters, it is not difficult to see why Pollock, fourthly, hesitates before the question of whether "State

[18] See esp. Pollock 1990, 78.
[19] Cf. also Pollock 1941, 451.
[20] See also Pollock 1941, 453.

capitalism" *per se* could be consistent with anything like a democratic form of government. Clearly, he is himself in favour of democratic governance.[21] Yet, Pollock is quick to state that "since no approaches to [democratic State capitalism] have been made in practice, … no attempt will be made here to construct a model for it" (*ibid.*, 92). He asks, but does not answer, about what measures could enable control of the state by the majority, preventing the domination of the "industrial and state bureaucracy under state capitalism," and allowing for the maintenance of political liberty given the loss of economic freedoms, on more than a temporary basis (*ibid.*, 93). These hesitations bespeak eloquently the tendential collapse of differences between fascist, socialist, and liberal-parliamentary regimes the thesis of a new stage of "state capitalism" necessarily brings in its wake. Here we have a further feature that anticipates the terminus reached by the civilizational critique in *Dialectic of Enlightenment*, as well as post-war forms of Rightist total critique of modernity led by that of Martin Heidegger.[22] Fascism in this post-Pollockian configuration is far from being set apart from its modern competitors by its radical, avowed opposition to the ideals of the bourgeois revolutions, led by any notion of equality. Instead, it becomes the fullest realisation of the model Pollock asks us to see as normative for advanced societies in the 20th century.[23]

[21] Cf. Pollock 1990, 72, 93.

[22] On the rebadging of the total critique of modernity which led thinkers into proximity with Nazism, after 1945, as including Nazism (and exonerating specific responsibility for crimes), see Payk 2012, esp. 691.

[23] Cf. Pollock 1990, 93; cf. ten Brink 2015, 335.

III

Totalitarian Monopoly Capitalism:

Franz Neumann on the Nazi Behemoth

Friedrich Pollock is not named in the main text of Franz Neumann's *opus, Behemoth*. He hardly needs to have been. The opening chapter of Part II on "Totalitarian Monopoly Capitalism" bears the title "An Economy without Economics?"[24] Its opening sections address "an increasing tendency" to identify the Nazi system as "brown bolshevism … state capitalism … bureaucratic collectivism, … the rule of a managerial bureaucracy" (Neumann 1942, 222). The thinkers embodying this tendency (Hilferding alone, who influenced Pollock[25], is quoted) believe that there are no longer entrepreneurs in Germany, only managers; no freedom of trade or investment, hence no markets *stricto sensu*; "prices are administrative prices, wages only administrative wages" (*ibid.*). Accordingly, "the obstacles such a society meets are exclusively natural, no longer economic" (*ibid.*, 225).[26] It does not matter that, in fact, the State does not own all of the means of production in Germany; such a 'statist' terminus is in this instance "an ideal type or model, and they believe it is rapidly being realised" (*ibid.*, 223) so far most fully in Nazism (*ibid.*, 225) As such, the political prognosis of these analyses can only be profoundly pessimistic: "in our view, these theorists must admit that their system may well be the millennium" promised the German *Völk* by Hitler and his seconds (*ibid.*): "if we share this view, we must also conclude that nothing but a series of accidents can destroy such systems" (*ibid.*, 226).

[24] Neumann, 1942, 221 ff. See Kettler & Wheatland 2019, 275-292.
[25] See Dahms, 2011, 20.
[26] Cf. also Pollock 1990, 87-90.

Neumann's criticism of Pollock and others' "profoundly pessimistic view" of Nazism as "state capitalism" or a "command economy" is marked by both a theoretical complexity, and a proximity to empirical data (specific legislation, actions and dates, documents, examples and statistics) far greater than in Pollock's two articles in the *Zeitschrift für Sozialforschung*. His is a genuinely interdisciplinary approach to Nazism, bringing together legal, political, economic, and social theoretic approaches. For Neumann, what the data suggests is that National Socialist Germany has enshrined an uneasy combination of a market economy, a monopoly economy, and a command economy – not the complete or even tendential triumph of the latter.[27]

The conclusions of Neumann's analysis are in many ways diametrically opposed to those of Pollock (Part 2). Pollock sees the increasing proximity of the state and big capital under Nazism. But Neumann argues that this proximity reflects *the subordination of the State to the interests of monopoly capital*, on which it depends, not the opposite.[28] Pollock mistakes the destruction of the free market of classical liberalism, with the introduction of price controls and quotas, as signalling the end of the operation of economic laws *per se*[29], rather than their transformation under monopolistic conditions. Pollock overreads the unlimited control over the means of terror and violence (Neumann 1942, 254), including the powers in-principle to close down independent economic activities, for a situation in which private initiative, and the pursuit of private profit, is wholly "subordinated" to a "general 'plan'"

[27] Pollock 1941, 450. Neumann's account of the economic development of National Socialism from 1933-1941 also works with a periodization absent from Pollock's more blanket assertions: the period of consolidation (1933-34), the Schacht reforms (1934-1936), the period of the abortive "four-year plan" (1936-39), and the war period (September 1939-1941).
[28] Neumann 1942, 261, 354.
[29] Pollock 1990, 75.

which we have seen he is nevertheless force to admit did not ever exist under Nazism.[30] Above all, Pollock's analysis of National Socialism involuntarily reproduces the Party's own ideological image of exercising total control over German life, which the economic evidence does not support (Neumann 1942, 225-226).

As a result of these interpretive errors, Pollock in Neumann's view fundamentally misunderstands Nazism, as well as the relationship between this militantly far Right regime's aetiology and formation to monopoly capitalism. Far from the state triumphant, Neumann famously declares the Nazi regime to be a species of polycratic "chaos" or "non-State" (*ibid.*, 459): an unstable arrangement brokered between the competing power blocs of Party, bureaucracy, Army and monopoly capital, held together by nothing but "the reign of terror, and fear lest the collapse of the regime destroy them all" (Neumann 1942, 396)[31] Pollock's analysis, at the same time as it proclaims the triumph of "politics" over economics, systematically obscures the political-economic aspects of the "rationalization" of the German economy. This rationalization involves (on the side of capital) the destruction or "combing out" of small and inefficient operations, favoured by compulsory cartelisation legislation, and favouring the largest industrial interests (*ibid.*, 265). On the side of labour, which Pollock's analysis as we noted largely submerges under the category of distribution (Pollock 1941, 448), Nazism has enshrined the destruction of independent unions at the behest of business, whilst posing fraudulently as a form of "socialism" (Neumann 1942, 337-353). By the time Pollock announces in Nazism the paradigm of "rationality", he has reduced rationality to "one-sided technical rationality" (Pollock 1941, 447) in a way which obscures the manifold irrationalities that characterised the unstable, dynamic

[30] Cf. Pollock 1990, 76.
[31] See also Neumann 1942, 2nd ed. 1944, 523-524.

compromise formation between the polycratic blocs. Yet, what is rationality from above is also not, decisively, rationality from below, in the lived experience of ordinary Germans facing a legal system in which all civil and industrial protections against authoritarian *diktat* were withdrawn.[32] There is also the small matter of the regime proceeding in the absence of any coherent political theory "that derives political power from the will or the needs of man" (Neumann 1942, 463), and amounted to more than a syncretism of "idealism, positivism, pragmatism, vitalism, universalism, institutionalism--in short, of every conceivable philosophy" to justify its competing initiatives (*ibid.*, 462).

Pollock for Neumann finally at most glimpses, and passes over, the contradictions that characterise Nazism as an ideological-political regime: between the all-unifying "Leadership principle" and the polycratic, anomic reality (Neumann 1942, 396-397, 469); between an idealized *Volksgemeinschaft* and industrial laws which enshrined egoism, fear, atomisation, and growing inequality (*ibid.*, 402); between the organizational redundancies of a system in which four competing power blocks all exercised executive and judicial powers (*ibid.*, 468-469), and the demands for coordination of an advanced industrial society (*ibid.*, 471); between the ruling elites, their shock troops, and the vast mass of the disempowered *Gefolgschaft* (*ibid.*); between the potential for creative production and the reality of an economy directed towards war and destruction; and between a ruthless imperialism, driven by expansionary economic and ideological imperatives, and the international resistances such a program necessarily engendered (*ibid.*, 471-472).

It is illegitimate for any theorist to try to sell a putatively descriptive theory, like that of "State capitalism", as naming an "ideal type", when "the new theory [of state capitalism] violates the

[32] See Kirchheimer 1939.

principle that the model or the ideal type must be derived from a reality and must not transcend it" (*ibid.*, 224). Nationalisation in Germany, the take-over of private business by the State, declined under National Socialism, to around 7% of all joint stock companies (*ibid.*, 296). The only exception was the banks, whose relative share in financing capital (relative to industry self-financing through undistributed profile) markedly declined (*ibid.*) Contra Pollock, it is also "impossible to say that investment planning exists in Germany" (*ibid.*, 326). Industry's self-financing through undistributed profits "was completely free from regimentation" (*ibid.*) by the State, in fact, and the 1934 *Dividend Limitation Act* (concerning dividends over 6-8%) "had no intention of cutting down profits but merely of restricting the distribution of dividends to shareholders …" (*ibid.*, 316). Leading Nazi voices repeated that the federal State never intended to "enter into unbearable competition" with industry,[33] let alone "take [them] over" (Pollock 1941, 80). Indeed, even in wartime, the profit motive was considered essential to generating maximum productivity: "extensive restriction of free market production does not mean obstructing the entrepreneurial initiative; on the contrary, the more active, resourceful, and daring the head of the enterprise, the more it will be able to fulfil his war task."[34] Pollock's reading of Nazi legislation handing greater powers to managerial boards over stockholders (Neumann 1942, 287-288) as evidence of the end of the figure of the capitalist under Nazism quietly presupposes what needed proving: that all capitalists under the Nazi regime were effectively reduced to rentiers. However, when we examine the stellar careers of "industrial *condottiere*" under Nazism like Friedrich Flick and Otto Wolff (or Krupp, Haniel, Gutehoffnungshütte, or

[33] Major General von Kannekan, Director of Department II of the Ministry of Economics, at Neumann 1942, 299.

[34] Major General George Thomas, Head of the Division of Defence Economy in the High Army Command, at Neumann 1942, 314.

Klöckner), and of monopolistic enterprises like the Günter Quandt Combine, the Mannesmann Combine, the Count Bellestrem Combine, and the Wintershall potash Combine (*ibid.*, 289-291), we see clearly that the big capitalists:

> are not *rentiers* who at the end of the year cut the dividend coupons of their stock certificates to cash their dividends. Nor are the managers themselves simply managers, that is, salaried employees. They have long ago assumed the role of capitalists proper, investing their savings in shares and often speculating with the funds of their own corporations, thereby strengthening their personal financial power within them … (*ibid.*, 291).

With the Göring combine, likewise, we do not see proof of any attempt by the Nazi Party to effectively control economic activity, so much as testimony to how "even in a one-party system, which boasts of the supremacy of politics over economics, political power without economic power, without a solid place in industrial production, is precarious" (*ibid.*, 305). The Party, one Nazi commentator tells us, "restricts itself to questions of philosophy of life and the selection of leading personalities in the performance of the economy …" (*ibid.*, 355); a kind of "spiritual", as against economic, nationalisation (*ibid.*, 270).

Nor do Pollock's uncertain appeals to the "planning board" or "plan authority" (Pollock 1990, 88, 85), or a "general program" supposedly directing all economic activities[35] serve to clarify the mechanisms and function of industrial legislation passed by Nazism in the different phases of its rule. If we take Nazi pronouncements at face value, Neumann comments, "we shall indeed gain the impression that Germany is a state-capitalist

[35] Cf. Pollock 1941, 445.

country …" (Neumann 1942, 254) However, we should also not forget the way that language, and even law, serves in an antagonistic society to "veil and hide the antagonisms until it becomes almost impossible to piece through the mass of words" (*ibid.*). State subsidies, guarantees on profits, and cheaper credit to business to replace old equipment and write off new investments, alongside tax remissions for new investments, and tax privileges for developing new production methods[36]; these measures do not mark out the profile of *ersatz* State control of industry, for Neumann. They represent the subservient bending of the will of the new regime to the demands of monopolistic capital[37] in a time when technological changes (notably in chemistry, polymerisation, textiles, and glass) made the starting costs of production far too expensive for all but the largest ventures.

If the costs were thus socialised, the profits remained in the monopolists' hands, in a scenario to which more than one neoliberal regime, and Trump's infrastructure program[38], has recently given echo. Likewise, compulsory cartelisation for Neumann[39] does not involve the creation of effective "government agencies for the control of production" (Pollock 1990, 79), so much as a weapon in the hands of the most powerful combines for ruthlessly excluding new entrants to the market, and "combing out" smaller and less efficient competitors without indemnification.[40] Such cartels were not organised in anything more than a formally egalitarian manner, with voting power assigned based on quotas of production, and hence on sheer scale. Accordingly, despite Pollock's assertion, "time and again the

[36] Cf. *ibid.*, 294.
[37] *Ibid.*, 261.
[38] See Fuchs 2018, 97-98.
[39] See Neumann 1942, 263-267.
[40] Cf. Neumann 1942, 307.

complaint has been raised [in National Socialist outlets] that cartels dominate" the trade associations and economic chambers established by the State, "and not *vice versa*" (Neumann 1942, 270).

As for legislative price controls, Neumann stresses that these did not end marketized competition, but reproduced economic conflicts "at a higher level." (*ibid.*, 280-315). In 1936, price controls were established, with penalties imposed from June 1939. Further controls followed with the invasion of Poland.[41] But we can only understand these measures when we note how they applied only to certain "free prices" (as against "bound prices" set by cartels[42]), secured rates of profits for "economically necessary" plants, allowed exceptions "if economically required or urgently required to avoid special harshness"[43], and left individual enterprises "free to undertake in their own right" alternations of sale prices, within set limits, and quotas, in order to maximise profit.[44] Within the new "pseudo-market", competition for raw materials, labour, and market share continued: if anything, the profit motive was "sharpened" (Neumann 1942, 315). By limiting the scope for varying quotas and sale prices, far from enshrining a situation in which "losses for the individual producer and even less economic disaster" was prevented by administrative oversight[45], price controls thus served as another capitalistic means to weed out smaller, less efficient competitors operating with tighter margins and further concentrate industrial capital.[46]

The scant attention Pollock pays to labour relations, as we have indicated, is deeply telling in a post-Marxist theorist. Nevertheless,

[41] Cf. Neumann 1942, 306.
[42] See *ibid.*, 307.
[43] See *ibid.*, 309.
[44] Cf. Neumann 1942, 312-313.
[45] Cf. Pollock 1990, 81.
[46] See Neumann 1942, 307.

Neumann stresses, under the Nazis, the share of income from wages, salaries, and pensions fell from 77.6% (in 1932) to 63.1% (in 1938) at the same time as employment increased by some 55.2%.[47] Welfare spending meanwhile fell from 12.1% to under 10% of GDP: in other words, the exploitation of labour was radicalised.[48] The achievement of full employment was achieved at the cost of the destruction of the trade unions, dramatically expropriated by the SA on May Day 1933[49], the elimination of collective agreements, the introduction wherever possible of individual "piece rates" and bonuses, and the arbitration of individual disputes by the German Workers' Front, a compulsory Party organisation who represented both workers and the "leaders of plants" in said disputes.[50]

"It has been the iron principle of the National Socialist Leadership," Hitler boasted at the Party Congress of Honour, "not to permit any rise in the hourly wage rate but to raise income solely by an increase of performance." (*ibid.*, 432). It is as if the *Führer* was a proud CEO boasting to an industry group today. Nazi ideology meanwhile dressed industrial relations up in quasi-feudal language, claiming to sublate the employer-employee division in "plant communities" (*ibid.*, 419). Workers were to labour with "honour", pledging "faith" in the "plant leaders," with any disclosure of workplace activities (now "state secrets") rebadged as "treason" (*ibid.*, 424-425). In Neumann's summation, far from the triumph of a neutral scientific rationality, labour relations under Nazism attests to "two decades of progress" for organized labour being "wiped out completely," with express political intent (*ibid.*, 433).

[47] See Neumann 1942, 436.
[48] See *ibid.*, 434.
[49] See *ibid.*, 414.
[50] See *ibid.*, 421, 425ff., 432.

This contrasting, empirically far richer account of Nazi economic governance attests for Neumann to the need to reject Pollock's uneasy dismissal (see Part 4) of his earlier category of monopoly capitalism.[51] To understand the new economic configuration, Neumann contends, we need to understand the conflict between liberal-parliamentary forms of governance by the general laws, and the realities created by high levels of economic concentration under monopoly capitalism. When private interests become sufficiently wealthy and monopolistic – a situation which we are again seeing, under new technological conditions, in the US and globally – their governance by general laws (meaningful within the pluralistic marketplaces of classical liberalism) becomes redundant.[52] Moreover, such general laws have an ethical function to defend the small and the powerless,[53] equal in principle under law, in ways monopolists are strong enough to be able to dispense with.[54] The advent of monopolistic economic systems hence places pressure on the rule of law, which Neumann sees reflected in the proliferation during the Weimar period of decisionistic legal theory (led by the political theology of Carl Schmitt),[55] and doctrines celebrating the "free discretion" of judges to interpret law.[56] Parliaments, in an era of democratic mass mobilization, may after all vote to raise taxes on capital or undistributed profits, to loosen protections surrounding cartels and install anti-trust measures, even to promote pro-labour industrial law and expanded social insurance (Neumann 1942, 358-359). If socio-political conditions, and the level of labour organisation, become sufficiently threatening to monopolists, they can hence be readily persuaded

[51] See Pollock 1990, 75.
[52] See Neumann 1942, 445; and Neumann 1957, 52-66
[53] See Neumann 1957, 42-47.
[54] Cf. Neumann 1942, 447.
[55] Cf. *ibid.*, 45-46, 446; Neumann 1957, 52-56.
[56] Cf. Neumann 1942, 446.

that the most "responsible" course of action is to throw their capital behind fascist strongmen. Herein for Neumann lies the explanation of the birth of fascism from the Weimar republic:

> The aims of the monopolistic powers could not be carried out in a system of political democracy, at least not in Germany. The Social Democratic party and the trade unions, though they had lost their aggressive militancy, were still powerful enough to defend their gains … Similarly, the National Socialist Party could not possibly carry out its economic policy on a democratic basis. Its propaganda and program were ostensibly aimed at protecting the small and medium-scale entrepreneur, handicraftsman, and trader--that is, the very groups that have suffered most under the National Socialist regime. The complete subjugation of the state by the industrial rulers could only be carried out in a political organisation in which there was no control from below, which lacked autonomous organisations and freedom of criticism. It was one of the functions of National Socialism to eliminate political and economic liberty by means of the new auxiliary guarantees of property, … the command, ... [and] the administrative act, thus forcing the whole economic activity of Germany into the network of industrial combinations run by the industrial magnates (*ibid.*, 260-261).

It is with such a diagnosis in view that Neumann proposes contra Pollock and others the label "totalitarian monopoly capitalism" to describe the Nazi regime, and its economic bases (*ibid.*, 179-472). The absence of the term "State" here is telling. So is the introduction of the adjective "totalitarian" to describe means of repression and terror not necessarily exercised by the State apparatus, but at the behest of cartelised industry, in uneasy league with the Nazi Party, and justified within the parameters of the

Nazis' particular species of irrationalist, *Völkisch*-populist, anti-semitic ideology (*ibid.*, 469-470).

IV

On rethinking authoritarian ethnonationalism, and its relationship to capitalism, in light of the Pollock-Neumann debate

By 2020, the time has become overdue for critical reconsiderations of the relationship between capitalism, as an "institutionalized social order" based in an economics geared towards "endless accumulation of surplus value" (Fraser & Jaeggi 2018, 52, 195, 62), as Nancy Fraser formulates things, and the rise of forms of far Right, authoritarian ethnonationalist political movements. The GFC in particular, and subsequent debt crises, has shown that the neoliberal attempt to sell privatisation, the divestment of the State, and the deregulation of business as an exercise which does more than promote the freedom for a few to accumulate at the expense of the many has failed. Peoples around the world now are now seeing how these measures produce growing inequality and alienation and how, if pushed, such neoliberal economic policies can be carried forwards, with full support of many economic elites, by the most politically oppressive political forms, from crippling austerity measures to open ethnonationalist authoritarianisms.[57] At the same time, in order to participate in this reconsideration, this paper has argued – again following Fraser – that critical theorists need urgently to reopen paths towards interdisciplinary approaches in which the importance of economics, both in itself and insofar as questions of the organisation of work and distribution of wealth remain political

[57] See esp. Brown 2019 and Schram & Pavlovskaya (eds.) 2017.

and cultural questions, is recognised. To move forwards, and halt what one commentator calls "the fascist creep" (Ross 2016), we need to better understand how far right ethnonationalist movements relate to, and can be engendered within capitalist societies, how they gain popular support, and how they govern economically and socially, if they gain power.

As we flagged in Part 1, scholars rightly debate whether contemporary forms of authoritarian ethnonationalism, such as that of the "MAGA" (Make America Great Again) movement in the USA and its international emulators, are politically identifiable with forms of interwar fascism.[58] The widespread understanding of fascism and Nazism as forms of Statism, hearkening within the critical theory tradition to Pollock, as we saw (Part 2), makes Trump's probusiness, deregulatory policies in power – let alone the fervour for destroying the "deep state" in activists like Steve Bannon[59] – seem deeply "anti-fascist": a proposition which is eagerly publicly upheld by many far Right advocates. At the same time, Trump himself in the US and authoritarian ethnonationalists elsewhere appeal to fears of pervasive cultural decline, conspiracy theorising, xenophobia, masculine protest, appeals to threatened white privilege, nihilistic cynicism, aversive self-assertion, and celebration of the charismatic Leader: all features shared with the interwar fascist regimes, led by National Socialism in Germany.

As the theoretical basis for an account both of the genesis and nature of authoritarian ethnonationalism and its relationship to neoliberal capitalism today, this paper has suggested Franz Neumann's widely-neglected work on the National Socialist "non-State" in Germany proves an invaluable path not taken by critical theory. Unlike Friedrich Pollock, whose far more influential account we saw (in Part 2) presented fascism as a highly-regulated

[58] And see note 4 above.
[59] Cf. Beiner 2019.

form of Statism, Neumann would not be surprised at the coincidence between forms of regressive authoritarianism and appeals to scuttle the regulative state from figures like Trump. National Socialism for him was not the crystallisation of an unprecedentedly rational administrative State, as it was for Pollock, here in close league with Hayek and other neoliberal revisionists[60] – let alone being the triumph of a civilizational rationalization beginning from Homer's *Odysseus*.[61] As we detailed (Part 3), Neumann instead positions embracing even the most extreme authoritarian ethnonationalisms[62] from the perspective of big capital as a devil's compromise worth making at political need with strongmen capable of commanding a popular base, whenever economic power is so concentrated that continuing adherence to the rule of law seems avoidable for them; and whenever parliamentary and extra-parliamentary resistance to the present order, whether through workerist or other progressive opposition, threatens the continuing legal-political realisation of their economic powers.[63]

The potential of this Neumannian explanatory framework in explaining why the neoliberal decades have engendered today's resurgence of authoritarian ethnonationalism, with historical echoes of fascism and National Socialism (as well as the support in the US and elsewhere of avowed neo-Nazis[64]), is clear. The advent of Trump et al, touting irrationalism ascendant, is exactly what Neumann's analyses would predict of forms of highly oligopolistic, inegalitarian capitalism, and the pressures its concentration of wealth and power places on the liberal-parliamentary rule of law.[65]

[60] See Fitzpatrick and Moses 2018.
[61] Cf. Adorno and Horkheimer 2002.
[62] See Mudde 2019, 7.
[63] See Neumann 1942, 358-359.
[64] See Lavin 2018; Feinberg 2017; O'Brien 2017.
[65] See Neumann 1957, 52-65.

In government, we can expect authoritarian ethnonationalist strongmen, given Neumann, to legislate just as Mr Trump did: in ways that favour big business, for instance by massive cuts to taxes on capital[66] and deregulation of environmental protections[67]; all the while touting their "populist" credentials and deflecting blame for peoples' disadvantages, alienation, and even physical sickness in a pandemic onto nefarious globalist "elites" and foreign powers.[68]

The State, as a means of exercising repressive force, is something that Neumann's analyses of National Socialism suggests authoritarian ethnonationalists will be keen to take over and subordinate to their own, non- or extra-Statist agendas. Once installed, they will hand over repressive powers (as well as the delivery of public works[69]) wherever possible to compliant private actors or even militias. They will attempt to remove or neutralise any pockets of parliamentary, judicial, mediatic ("fake news", "lying press") or executive independence. The State as the potential means to progressively redistribute risk and wealth, or to prevent business activities which could harm workers, restrict profits, or damage the environment, must be dismantled--not, contra Pollock, more highly regulated. As Neumann documents, Hitler himself expressed hostility to the modern State form as early as *Mein Kampf*[70], and after the consolidation of power, underlined at the 1934 NSDAP Party Congress that "the state is not our master, we are masters of the state" (Neumann 1942, 65). It is worth underscoring that Nazis always considered their cause as pre-eminently an extra-Statist *Bewegung*, a word which has been

[66] See Fuchs 2018, 87, 105-106.
[67] See *ibid.*, 100-105.
[68] See Fraser & Sunkara 2019, 24-26.
[69] On Trump's infrastructure policies, see Fuchs 2018, 97-98.
[70] See Neumann 1942, 64.

recently appropriated by Steve Bannon and other ethnonationalist ideologues to describe their national and international ambitions.[71]

To misunderstand the nature of today's authoritarian ethnonationalism, by responding solely on a cultural and moral level to its progenitors' provocations and outrages, is thus firstly to miss the political-economic preconditions of their rise. It is secondly to fail to understand and anticipate their continually neoliberal agendas once installed in power, as Nancy Fraser's intervention in the debates in *The Old is Dead, and the New is Yet to be Born* again highlights.[72]

Theoretically, to the extent that our critical methodologies close us to considering economic and structural factors, we can formulate no clear answer to the question of *why now?* concerning the re-emergence of forms of authoritarian ethnonationalism, after four decades of neoliberal economic reforms, then the Global Financial Crisis and consequent Eurozone and sovereign debt crises. As Fraser puts it, despite the Left's materialist, structuralist and functionalist inheritances, today's focus on identity and representation "exaggerates the extent to which the problems are inside people's heads, while missing the depth of the structural-institutional forces that undergird them" (Fraser & Jaeggi 2018, 208).

Politically, while cultural politics remain of decisive significance, the statistics concerning Mr Trump's supporters in 2016, and supporters of authoritarian ethnonationalists from Le Pen to Putin, bespeak not simply an ethnic and gender profile, with strong

[71] According to Carl Schmitt's *Staat, Bewegung, Volk*, the "movement" is the 'politicized', organized element of the otherwise 'unpolitical' *Volk*, without which the State will remain 'static' and ineffective in bringing about the new order. Cf. Caldwell 1994, 416-417; Neumann 1942, 65–66

[72] Esp. Fraser & Sunkara 2019, 18-24.

majorities amongst white males, as has been widely noted.[73] Trump's voters, to take the US example, also have a determinate economic profile, standardly earning between $50000-$250000, coming from the 'burbs or outside of major metropoles, often working in un- or semi-skilled work, concentrated in deindustrialised 'Rust Belt' states.[74] These voters also express, in especially strong majorities, powerful anxieties about the economy: that things are getting worse (79%), and indeed that they had got worse since as recently as 2012 (78%).[75]

Such economic anxieties, as against their ideological expressions, are rational, as Fraser also acknowledges.[76] Neoliberalism has celebrated deindustrialization, lifting capital export to around 20% in the US by 2015, and outsourcing many industrial jobs to lower-paid, less-protected workforces in the global South.[77] Economic productivity has nevertheless never recovered 1970s levels in the global North, including the US. Meanwhile, inequality has grown and the middle class been decimated. Since the 1970s, wage share in US GDP has dropped around 5%, whilst taxation levels on capital (as against wages) have been falling, in a rate accelerated by President Trump's corporate tax cuts.[78] In 1979, whether the richest 0.1% of Americans owned 7% of national wealth, by 2016, this had risen to some 22%.[79] Between 2000 and 2010 alone, the percentage of American

[73] See Fuchs 2018, 83.
[74] See Fraser & Sunkara 2019, 17. Statistics here from Fuchs 2018, 84.
[75] Cf. Fuchs 2018, 84.
[76] See Fraser & Sunkara 2019, 18.
[77] Cf. Fuchs 2018, 90-91.
[78] See *ibid.*, 87, 105-106.
[79] See *ibid.*, 86-87.

households dissatisfied with their economic position rose from around 29% to 36%.[80]

Many in the New Left's exclusive focus on the politics of representation blinds us to the political, social and cultural effects of these startling economic realities, and the rage and alienation to which they have predictably given rise--instead, effectively dismissing these sources of discontentment, beneath their belligerent nativist expressions (Fuchs 2017). The economy is not everything, but neoliberals are right in one thing: the conditions under which people labour, and the distribution of the fruits of that labour, as well as the surplus value they generate, matter for a good society. Especially after many suffering on 'Main Street' were made to witness the craven spectacle of governments bailing out 'Wall Street' after decades of being preached 'austerity' when it comes to welfare, medical, and social insurance (Fraser & Sunkara 2019, 19), material and economic anxiety had become by 2010 a toxic well of discontentment able to be drawn upon by American and European politicians willing to play the race card and scapegoat immigrants, "elites" and minorities, while presenting themselves as the needed messianic saviours (Fraser & Sunkara 2019, 22).

Conclusion

In this paper, we have sought to revisit the moment when, as we have argued, the critical theory tradition turned away from

[80] Relatively speaking, also, the American middle classes have not seen the benefits of the dotcom, financialization, and real estate booms, with around 1% real income growth since 1975, as against the rising middle classes especially in Asia (around 80% in the same time period), not to mention the proverbial 1% of the super-rich in America and elsewhere. See Luce 2017, loc. 345-375.

political economics in ways which it seems especially necessary to reverse today. This moment can be traced back to the acceptance by Max Horkheimer and the Frankfurt School of the notion of State capitalism for National Socialism, as formulated by Friedrich Pollock in 1941. In other words, *the birth of the cultural turn came at the exact moment when critical theory was faced with the task of critically understanding questions akin to those we face today, about how forms of far-right, authoritarian ethnonationalist political movements could emerge from out of capitalist societies*. Once following Pollock even Nazism, with its celebrations of force, race, soil, and blood, could be considered as a maximally technically rational Statism with effective power over industry, investment, and resolving any crisis-tendencies[81], critical theorists had no reason to any longer attend to economic matters. Older forms of Marxist social theory could be dismissed as economistic or reductionistic, especially after the emergence of the new social movements of the 1960s and '70s which successfully politicised race and gender. The clear and verifiable ways in which economic alienation and exploitation feeds forms of political alienation, and the willingness of voters to countenance authoritarian Leaders as a means of salvation, hence has slipped from our critical radars, at the same time as it has been playing itself out with tragic inevitability.

So, with the advent of new waves of authoritarian ethnonationalism globally, the time has come to reconsider the Pollock-Neumann debate within critical theory. But this time, critical theorists should adjudicate it decisively in the favour of the author of *Behemoth*, and by doing so, retake up the task being undertaken by Nancy Fraser and others, of rethinking the nature of capitalism as a system which, if left unchallenged at the political-

[81] Pollock 1990, 87. If crisis tendencies could be found which might point the way to successful progressive resistance, they would be located amongst what Pollock called "natural and non-economic limitations" for the new regimes.

economic level, tends ineluctably to create crisis conditions generating those "morbid symptoms" we see proliferating globally today. Only by doing so, will we be able to prevent the continuing rise and ascendancy of authoritarian ethnonationalist forces in decades to come.

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