

SYMPOSIUM
CAPITALISM AND CRITICAL THEORY



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IN DIALOGUE WITH NANCY FRASER

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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

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 features¹), 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 institutionalized 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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