

UICP Booklet 12

History and Heteronomy

Critical Essays

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Preface

On July 2008 the University of Tokyo Center for Philosophy (UTCP) held a lecture series by Prof. Moishe Postone of Chicago University. The program included two seminars and a conference on Marxism, all of which the audience found very stimulating:

1st Seminar, “An Introduction to Marx’s Critical Theory”
(26/7/08)

2nd Seminar, “Habermas and the Trajectory of Critical Theory”
(29/7/08)

Conference “Marxism, Time and the Problem of History”
(31/7/08)

This booklet consists of the texts of Prof. Postone’s seminar sessions, several other articles, and an introduction written by Prof. Viren Murthy of the University of Ottawa.

In his book *Time, Labor, and Social Domination* (Cambridge University Press, 2003), Postone offers a radical re-reading of Marx’s *Capital*. For Postone, as well as for myself, the heart of the question of capitalism has to do with time. For instance, when he writes that “the radical form of social mediation in capitalism is exactly the domination of people by time.” If I am not mistaken, we might have to ask ourselves whether what we have here is time abstracted as “labor time” or time itself inserted into the present in the form of “value.” Here I believe there might be a non-negligible gap between Poston’s theory and my own thought—a gap that I intend to continue thinking in a more prudent manner as a task of our friendship.

I would like to express my thanks to both Moishe Postone and Viren Murthy for their texts.

Yasuo KOBAYASHI
Director of UTCP

Introduction

Reconfiguring Historical Time *Moishe Postone's Interpretation of Marx*

Since the fall of the state-socialist regimes in 1989 and China's turn towards market-capitalism shortly after, socialism and Marxism seem to be things of the past. Societies that once appeared to be resisting capitalism and provided hopes for an alternative have all capitulated and their success is now often measured with respect to the extent to which they can develop market capitalism. For example, while Russia is criticized for falling into mafia-like politics and corruption, scholars, and even Chinese leftists, have praised China for making a successful transition to capitalism or developing an alternative form of market-organization.¹ On the whole, Marxists have had a difficult time coming to grips with the transformations that have taken place from the late 1960s to the present. In particular, they have been unable to grasp critically both the socialist-bloc and capitalist societies as part of a larger global form of domination. Indeed, explicitly or implicitly, Marxists have often thought of the socialist-bloc as a type of alternative.

After the fall of the Berlin Wall, the absence of an alternative encouraged many former Marxists to abandon Marxism and affirm theories such as post-structuralism or deconstruction. Such theories seem to have the advantage of giving up totalizing narratives and

1. See for example, Zhiyuan Cui and Roberto Mangabeira Unger, "China in the Russian Mirror," in *New Left Review*, Vol. 208, Nov. 1994, 78–87. This essay argues against "institutional fetishism" when dealing with China and Russia, thus claiming that we should go beyond the dichotomies of plan and market. While this is helpful, the essay fails to offer categories to make sense of China and Russia's different responses to the large historical transformations in capitalism.

grandiose projects of human emancipation. They offer the possibility of criticizing totalization, rationalization and bureaucratization (often understood under generic terms such as “violence” or “power”) regardless of whether they occurred in ostensibly socialist states or permeates the neo-liberal capitalism that pervades our world today. Although such theories have some critical purchase, they are in general unable to make sense of the historical trajectories of twentieth and twenty-first centuries and because proponents of post-structuralism usually do not think of domination or liberation in terms of global dynamics and structures, their ideals and their critiques of violence result in little more than some form of liberalism.

The opposition between post-structuralist historical indeterminacy and traditional Marxists’ narrow focus on economic domination has thus led to an impasse. On the one hand we have Marxists who emphasize concrete power-relations, but are unable to make sense of larger global dynamics of domination that pervaded both state-socialism and capitalist societies. At best, traditional Marxists focus on class relations in actually existing socialist states to develop an extremely localized critique. From this perspective, socialist domination appears to have nothing to do with capitalism. On the other hand, post-structuralists gesture in a fruitful direction by attempting to grasp larger problems related to totalization. However, the critical standpoint of post-structuralism (one could add here other posts, such as post-colonialism) comes at a significant price, namely an inability to deal with the historical specificity of capitalism. To develop their arguments post-structuralists often invoke some type of quasi-ontological and often transhistorical concept, such as *différance*, the repressed other, specters, the list is almost infinite. As a result, they are unable even to pose the question of whether totalization and rationalization are integrally related to capitalist modernity. Following Martin Heidegger and Friederich Nietzsche, we often find post-structuralists tracing problems of totality and metaphysics to Plato and Aristotle and locating violence in categories such as presence and representation. With such assumptions, it becomes impossible to examine whether totality and rationalization are constituted in relation to a historically specific dynamic, namely capitalism.

Moishe Postone's interpretation of Marx's mature theory of capitalism is significant precisely because it provides a path out of this impasse. Through a close reading of Marx's *Das Kapital*, Postone develops a theory of capitalism at a level of abstraction sufficient to analyze not only the logic behind state-socialism and post-war state and economic formations in the so-called North-Atlantic democracies, but more importantly, his framework allows us to grasp the reproduction of a certain core dynamic during different phases of capitalism, such as the liberal-phase, the fordist-phase and our contemporary neo-liberal phase of capitalism. In fact, from Postone's perspective, both the state-socialist regimes and the post-War welfare state mode of capitalism belong to the same period of state-centric capitalism, also known as the Fordist period of capitalism (from the 1930s to the 1970s). This response to capitalism became obsolete beginning in the 1970s, with the emergence of the neo-liberal mode of capitalism, which is now itself running into a serious crisis.

If Postone stopped at providing a theory to understand our present world as part of a larger dynamic of capitalism, he would have made a great contribution, but it would be largely academic—a framework with which to interpret the world, rather than to change it. But at the heart of Postone's work is precisely an imperative to change the world and provide for the first time the possibility of freedom. Postone contends that the possibility of human emancipation is both precluded and enabled through capitalism. To understand this point it is helpful to situate his work in relation to traditional Marxists and the theories associated with Georg Lukács and the Frankfurt school. Since Postone develops his position largely in response to traditional Marxism and builds on the Frankfurt School's critique of traditional Marxism, I begin with a brief sketch of traditional Marxism and the position of the Frankfurt School. Then, I will introduce certain central aspects of Postone's work, focusing more specifically on how he develops a theory of historical time and human emancipation by critically engaging Georg Lukács' work. In passing, I briefly assess recent criticisms of Postone's work by Peter Osborne and Christopher J. Arthur.

Traditional Marxism and the Possibility of Socialism emerging out of Capitalism

During the late 19th and early the 20th century, Marxists generally described history as consisting of a sequence of stages including slave society, feudalism, capitalism, socialism and communism. They contended that socialism would emerge out of the contradictions of capitalism and more specifically from the conflict between workers and capitalists. On this view, capitalism differs from previous modes of production because in capitalist society overtly political ties or hierarchies binding people are dissolved. For example, in the West, the positions of serf and lord were overthrown and with the emergence of capitalism, people had to satisfy their needs by buying and selling commodities in exchange for money. The majority of people in capitalist society have nothing to sell except their labor power and they sell this to capitalists who own the means of production. The capitalist makes surplus-value by buying labor on the market and then selling the products of this labor for a greater price than what he paid for the labor. S/he drives to increase profits and thus aims to squeeze as much labor out of workers as possible. According to this basic reading of Marxism, eventually, workers will not tolerate being exploited and when they realize that they have nothing to lose but the chains that force them to sell their labor, they will revolt and create a new society, in which the means of production are collectively owned by workers.

From the above perspective, the possibility of socialism is contained in the contradictions of capitalism. There are a number of reasons for this. For example, it is only in capitalism that there emerges a class that is at once free from the transparent hierarchical bonds and yet systematically exploited. Moreover, in order to increase surplus-value, capitalists greatly develop technology and science, but this requires a new mode of production (or new relations of production), namely socialism.

This view of the movement of socialism posits a transhistorical subject, namely labor, which is supposed to be the basis of productivity in all societies, but gains self-consciousness in capitalism because

the workers are freed from overt hierarchical ties. Indeed, on this view, the evolution from one mode of production to another is largely made necessary due to labor's increasing productivity. Thus from the perspective of orthodox or traditional Marxism, the transition from capitalism to socialism is basically the same as the transition from any other mode of production. Of course, the significance of negation of capitalism greatly outweighs previous shifts in the mode of production because the abolition of capitalism represents the realization of the historical subject, namely labor, and this realization is synonymous with human emancipation, which is the goal of history.

The Response of the Frankfurt School and Postone's Reading of Marx

The Hungarian Marxist, Georg Lukács, in his early work, and especially the scholars of the Frankfurt School, such as Theodore Adorno and Max Horkheimer, made an innovative contribution to Marxist theory by delinking capitalism from a narrow framework of class analysis and broadening their analysis to include what Max Weber would call rationalization. Hence Marxism could now account for the huge bureaucracies that emerged after the Great Depression around the world. Their theories would differ from many Marxists of the time, who would champion the bureaucracies in socialist countries by claiming that such regimes countered capitalism and represented the working-class. In Adorno and Horkheimer's view, the bureaucracies that enveloped the world were actually expressions of one logic namely that of the commodity-form or capitalism. In other words, following Lukács, they argue that both modern legality and the exchange-value side of the commodity form entail the same type of indifference to particularity. From the standpoint of exchange-value, any commodity can be exchanged for another, since they all represent quantities of value; thus commodities' specific use and particularity are negated. Similarly, in a modern legal system, the law functions independently of individual particularity. They contend that with the emergence of large bureaucracies, this indifference to particularity had become increasingly totalizing. However, this left them with a problem, name-

ly they could not explain how a post-capitalist society was possible. Because Adorno and Horkheimer had renounced labor as the transhistorical subject, they were left with little or only vague standpoints from which to resist the totalizing rationalization of capitalism, such as Adorno's ideas about radical negativity. The insights of the Frankfurt school, like those of the Poststructuralists might be useful, but only when connected to the contradictory dynamic of capitalism itself. In Postone's view, a key part of this analysis involves a return to the role of labor in capitalism.

Postone returns to the work of Marx to formulate a theory that is able to follow Adorno and Horkheimer in grounding modern rationalization in capitalism, but he echoes Lukács in making labor a central part of his analysis. In other words, through his reading of Marx, Postone shows the way in which the abstract nature of modernity is grounded in a new type of mediation by labor. The very first line of Marx's *Das Kapital* tells us that the wealth in capitalist societies appears as an immense agglomeration of commodities. Everything in our life, such as the clothes we wear, the food we eat and the homes we live in are purchased or rented as commodities. These commodities are products of other people's labor which we must buy with money that we earn through our own labor. This is one sense in which life in capitalist society is mediated by labor.

While orthodox Marxists conceive of labor transhistorically, Postone stresses that labor in capitalism is historically specific and that labor itself, rather than being the standpoint of critique, must become the object of critique. In other words, in Postone's view, labor did not always perform this universally mediating function. In pre-capitalist society, hierarchical ties were often more important than direct labor. Moreover, although there is no denying that capitalists and workers are involved in a number of significant struggles over conflicting interests, the logic of capital and the commodity form operate at a deeper level and provide the conditions for the possibility of this struggle. Put simply, when the proletariat struggles for greater wages or a shorter work-day or even for greater benefits, they battle within an arena of generalized commodity production and against capitalists who are aiming at increasing profits. The terms of such struggles are

determined by the value-form and do not in-themselves point beyond capitalism. Moreover, Postone asserts that by affirming their identity as laborers, the proletariat actually re-affirms the fundamental characteristic of capitalism, namely mediation by labor and the creation of a class of laborers. We will return to this point towards the end of this essay, but now we should note that according to Postone, what makes capitalism unique is not the formation of a capitalist class, but the emergence of a proletariat and a society mediated by labor. Thus Postone leaves us with an interesting twist to Marx's famous phrase in the Communist Manifesto, namely "The history of all society up to now is the history of class struggle."² In Postone's view, the Marx of *Das Kapital* did not hold such a transhistorical view of class. From the perspective of the later Marx, class struggle becomes a central part of history only in capitalism. In other words, precapitalist modes of life are not characterized by a totalizing dynamic and class has a different function in such cases. Thus the term history itself must be differently understood when analyzing capitalist society.

The Temporality of Relative Surplus-Value and the Possibility of Human Emancipation

Postone's remarks about the proletariat do not lead him to a mere pessimism about the prospects of creating a post-capitalist society. He does not simply ground the possibility of post-capitalist society in a proletarian movement; he locates the potential for historical transformation in the contradictions of capitalism related to the production of relative surplus-value. Readers of Marx will be familiar that with the idea of surplus value and the famous formula $M-C-M'$, where M refers to the money with which the capitalist buys commodified labor-power and M' refers the money that the capitalist gets by selling the products produced through labor. The capitalist seeks to maximize the difference between M and M' or surplus value and he mentions two ways to do this. One way is by creating "absolute surplus value," which involves increasing the length of the work-day, but this runs into certain natural limits. Hence the more salient way to create surplus value is by increasing by speed at which laborers produce. Capitalists do this

2. Karl Marx, "Manifesto of the Communist Party" *Later Political Writings*, Terrel Carver ed. and trans. (Cambridge: Cambridge University Press, 1996), 1.

by implementing new modes of organization and developing the use of machinery and technology, in short, the creation of relative surplus-value.

The creation of relative surplus value involves a dialectic between two sorts of time, abstract-time and “historical-time.” In capitalist society, wage-laborers are paid by the hour and in so far as every hour is 60 minutes, we are dealing here with abstract time, or in Postone’s terms, time as an independent variable. Postone distinguishes this idea of time as an “independent variable” or abstract time from concrete time or time as a “dependent variable.” For the most part, time as a dependent variable refers to time in pre-modern societies, where time was a function of concrete changes, such as the changes in the seasons or the movement of the sun.

However, he claims that capitalism itself has a peculiar type of concrete time, which Postone calls historical time. Here is how Postone describes this movement in his groundbreaking book, *Time, Labor and Social Domination: A Reinterpretation of Marx’s Critical Theory*.

The movement resulting from the substantive determination of abstract time cannot be expressed in abstract temporal terms; it requires another frame of reference. That frame can be conceived as a mode of concrete time. Earlier, I defined concrete time as any sort of time that is a dependent variable—a function of events and actions. We have seen that the interaction of the two dimensions of commodity-determined labor is such that socially general increases in productivity move the abstract temporal unit “forward in time.” Productivity, according to Marx, is grounded in the social character of the use-value dimension of labor. Hence, this movement of time is a function of the use-value dimension of labor as it interacts with the value frame, and can be understood as a type of concrete time. In investigating the interaction of concrete and abstract labor, which lies at the heart of Marx’s analysis of capital, we have uncovered that a feature of capitalism is a mode of (concrete) time that expresses the motion of (abstract) time.³

3. Moishe Postone, *Time, Labor and Social Domination: A Reinterpretation of Marx’s Criti-*

Concrete time as historical time refers to the following phenomenon: because of the development of technology, a single hour can become denser—the amount that one can and must produce in an hour increases. These increases in technology are linked to the production of relative surplus value and such increases reflect the use-value side of labor or the way in which labor produces wealth. Postone specifically refers to the following passage in Marx, which is worth quoting in full because it helps to explain a crucial point, namely the distinction between value and wealth.

In itself, an increase in the quality of use-values constitutes an increase in material wealth (*stofflichen Reichtum*). Two coats will clothe two men, one coat will only clothe one man, etc. Nevertheless, an increase in the amount of material wealth may correspond to a simultaneous fall in the magnitude of its value. This contradictory movement arises out of the twofold character of labour. By “productivity” of course, we always mean the productivity of concrete useful labor; in reality this determines only the degree of effectiveness of productive activity directed towards a given purpose within a given period of time. Useful labour becomes, therefore, a more or less abundant source of products in direct proportion as its productivity rises or falls. As against this, however, variations in productivity have no impact whatever on the labour itself represented in value. As productivity is an attribute of labour in its concrete useful form, it naturally ceases to have any bearing on that labour as soon as we abstract from its concrete useful form. The same labour, therefore, performed for the same length of time, always yields the same amount of value, independently of any variations in productivity. But it provides different quantities of use-values during equal periods of time; more, if productivity rises; fewer if it falls. For this reason, the same change in productivity which increases the fruitfulness of labor, and therefore the amount of use-values produced by it, also brings about the a reduction of value of this increased total amount, if it cuts down the total amount of labour-time necessary to produce

cal Theory, (Cambridge: Cambridge University Press, 1993), 293.

the use-values. The converse also holds.⁴

When increases in technology are sporadic and limited to one firm or even a few firms, the average is not affected to a significant degree and thus the firms with advanced technology can capitalize on their ability to produce more quickly and increase their surplus value. They are able to exploit more labor-power in a given hour than their competitors. However, in Marx's view, the tendency in capitalist society is for the average labor-time necessary to produce a given commodity to decrease because the other firms will need to increase their rate of productivity to remain in business and compete with capitalists who have greater technological capabilities. In this case, the value of individual commodities decreases, since the average necessary labor time required to produce them decreases. As a result, the total value produced tends to remain constant, since one is required to produce more in every individual hour. Since the average speed of production increases and, as a consequence, firms must produce more just to exist and produce the same amount of value, Postone calls this the "treadmill effect" or the "treadmill dynamic."

Historical time refers to the constant increase in productivity created by machines and improved technology. Although the total amount of value produced tends to remain constant, the amount of wealth or use-values produced increases. At first, one might wonder why the increased technology is called "historical time," but we must keep in mind that in Postone's view, the vast historical changes in capitalism from liberal, to fordist to neo-liberal modes of capitalism are driven by this dialectic between increases in productivity and the reconstitution of the standards of the labor hour. Specifically, as productivity and the speed of production increases it causes crisis related to, among other things, overproduction and the inability to realize value on the market. To deal with such crisis states often initiate new forms of political organization.

Such crisis are often related to the difference between abstract and historical time, which in turn reflects the gap between value, which is

4. Karl Marx, *Capital* Volume 1, Ben Fowkes trans. (London: Penguin, 1990) 136–137.

measured in terms of average necessary labor time, and wealth, which refers to the concrete products or use-values produced (and which must be purchased/consumed to reproduce the M-C-M' cycle). Marx expressed the distinction between wealth and value in the above cited passage by distinguishing the use-value side of labor and the production of value. Notice that an increase in productivity increases material wealth (*stoffliche Reichtum*) but will decrease value because less labor-time is expended. In Postone's view, this dialectic between wealth and value or historical and abstract time embodies a contradiction, which ultimately points the way to a new future. In other words, as technology improves, wage-labor becomes obsolete, but at the same time, the capitalist mode of production is organized around the exploitation of wage-labor; value is measured in terms of labor-time. Because of this dynamic based on exploitation, increased productivity from technology does not simply benefit the worker or the people at large, but often leads to economic crisis and unemployment. Within capitalist society, as technological advances make wage-labor less necessary, the natural result is unemployment. However, such technological developments also make capitalism—a society organized around factory-oriented labor, capitalists and surplus value—obsolete and this makes it possible for people to delink technological advances from the logic of surplus-value and democratically organize productive power for the benefit of humanity, rather than for the creation of surplus-value. In such a case, history ceases to be “an alienating treadmill dynamic” that controls the lives of people; in post-capitalist society, for the first time, collectively make history.

However, the realization of this possibility is not a natural outgrowth of capital society; it is a political project that must negate the link between historical time and abstract time that is unique to capitalism. We will return to this problem when we deal with Postone's critique of Lukács in final section of this essay. But first I will turn to a recent critique of Postone idea of historical time, since through responding to this critique, we can understand more fully the goals and parameters of Postone's project.

Peter Osborne's Critique of Postone

Recently Peter Osborne criticizes Postone's concept of historical time, in the following manner:

Postone is equivocal (at worst, simply contradictory) about historical time. On the one hand, it is on occasion treated synonymously with concrete time, as the time of events; on the other hand, it is considered the result of the dynamic relationship between abstract time (as the universalizing time of capital) and concrete time. In neither case is it situated in the context of the complex ontology of the human; or theorized in relation to the concept of time itself.⁵

Osborne's criticism becomes clear once we return to the above cited passage from Postone's book: "We have uncovered that a feature of capitalism is a mode of (concrete) time that expresses the motion of (abstract) time." Osborne refers to an ambiguity in Postone's text between two types of concrete time, namely concrete time in pre-capitalist societies, where time is a function of concrete changes and concrete time as historical time in capitalist society. In short, he claims that Postone has two definitions of historical time in capitalism: it is both concrete time as the time of events and the result of a dynamic relationship between abstract and concrete time.

In the last sentence of the above cited passage, Osborne suggests that Postone has failed to situate concrete or historical time in the ontology of the human or the concept of time itself. This remark shows that Osborne has misunderstood Postone's project and hence it is helpful to begin by responding to this last demand and then work back to the semantic complexities in Postone's formulations. Postone's project explicitly avoids ideas such as "the ontology of the human" or "the concept of time itself," since his main aim is to historicize the production of ontology and the concept of time as well. He would of course not deny that there are elements that now appear universal to the human condition, but these elements are not the standpoint of a

5. Peter Osborne, "Marx and the Philosophy of Time" *Radical Philosophy* 147 January/February 2008 15–22, 19.

critique of capitalism. Moreover, Postone would ground this appearance and the type of continuity that it presupposes in the concepts of time produced by capitalism.⁶

Both historical time and abstract time are unique to the dynamic of capitalism rather than being part of a transhistorical ontology of the human. In Postone's view, there is no totalizing historical dynamic before capitalism and hence one cannot speak of historical time at that point. Moreover, while one might argue that there were sporadic instances of abstract time, such as the time of Aristotle's *Physics*, such a concept of time was not generalized and did not develop into a system of social domination before the advent of capitalism. Thus, in Postone's view, not only is it incorrect to refer to a universal concept of time for the whole of humanity, it is probably misleading to assume that pre-capitalist societies had one concept of time governing their various ways of life.

Hence to understand the ambiguities associated with Postone's use of the term concrete time, it is helpful to focus on the process to which he refers. What distinguishes historical time is precisely that it is linked to an increase in productivity that capitalists bring about through the production of relative surplus-value. Historical time or the time of relative surplus value is concrete in the sense that it cannot be grasped by mere abstract determinations such as the hour; rather it refers to the way in which the hour itself becomes denser with increases in technology and general productivity. However, this type of concreteness is unique since the movement of the hour depends on mediation by abstract-time. Without abstract-time, there would be

6. Peter Osborne's misreading is surprising since his writings often bear an uncanny resemblance to Postone's *Time, Labor and Social Domination*. In particular, he also seems to want to historicize the production of continuity in time. In his book, *The Politics of Time*, he criticizes "historicism" for the "re-establishment of an abstract continuity with the past in a naturalized and merely chronological form." *The Politics of Time: Modernity and Avant-Garde*, (London and New York: Verso, 1995), 140. He also discusses this form of continuity by making an analogy between the money in capitalism and abstract time. Invocations of a concept of time itself seem to presuppose precisely such an abstract continuity. Moreover, like Postone, Osborne does not ground the possibility of human emancipation in a transhistorical dynamic related to the working-class, but in the difference between value and wealth. See, Peter Osborne, "Marx's Philosophy of Time," op. cit., 21.

no treadmill dynamic associated with the compulsions related to the standard of average necessary labor-time. This abstract standard compels firms to either go out of business or increase productivity.

So, when we read Postone's phrase, the movement of time "can be understood as a sort of concrete time," it is important to emphasize what "sort of" concrete time this is. In short, the sort of concrete time in capitalism and in pre-capitalist societies are qualitatively different. First of all, in pre-capitalist societies, concrete time does not refer to a totalizing dynamic, nor does it refer to a reflexive attempt to grasp such a society. Indeed, when we use the term "concrete time" to describe practices associated with pre-capitalist society, we do so from a standpoint outside that society in order to highlight the historical specificity of capitalism. In pre-capitalist societies, concrete time often was connected to various symbolic systems, which give meaning to events and actions, such as seasonal changes. Historical time in capitalism, on the other hand, is concrete when compared to abstract time in capitalism, but this concreteness is not really a function of events. Rather, the concreteness of historical time in capitalism lies in a process of increasing productivity and this type of time is blind and not innately connected to a symbolic world. Moreover, unlike abstract time with which we interact everyday and use to set our appointments, historical time is a dynamic that shapes our lives without our usually taking note of it as such.

Historical time in capitalism is always already mediated by abstract-time, since in capitalism, wealth is mediated by value. Postone discusses historical-time as the qualitative side time in that it represents the production of use-values. However, historical time appears to us in quantitative terms, as an increase in the quantity of use-values or as an increase in the speed of production. But this gap returns us to the possibility of human emancipation. Postone notes that the above dialectic need not always govern our lives. He claims that one can produce wealth without the mediation of value.

The dialectical dynamic [between abstract and historical time] does, however, give rise to the historical possibility that production based on historical time can be constituted separately from production

based on abstract present time—and that the alienated interaction of past and present, characteristic of capitalism, can be overcome.⁷

As in the case of his discussion of concrete time in the passage cited above, in this passage, one must be careful to avoid being led astray by the semantic ambiguities associated with the term “historical time.” In Postone’s view, there is no historical time prior to capitalism and in capitalism historical time is precisely mediated by abstract time. In this case, what would production based on historical time separate from production based on abstract time be? Indeed, when historical time is separated from the compulsion related to abstract time it would cease to be historical time as we know it. History would no longer be a runaway dynamic related to the production of surplus value; it would become production for use that is mediated by people collectively controlling production. In such a case, history ceases to be a totalizing and alienating dynamic that controls people; in post-capitalist society people create history together.

Moreover, the possibility that people collectively reconfigure historical time and bring it under their control emerges through the alienating dynamic of capital, which for the first time introduces a mediation that connects people around the world. Reconfiguring historical time involves a type of re-mediation of social relations through democratic alliances rather than through a blind interdependence that goes on behind the producers’ backs. There are a number of conditions that must be met before people can reconfigure history. For example, people would need to create new forms of identity that facilitate cooperation beyond nation-states, which have conditioned history in the past few centuries. To some extent, the foundations for such new forms of identity have already been laid because capital is already a transnational dynamic, which acts like the subject of history. But here again, in order for people to negate capitalism, they must take what is given to them in alienated form and bring it under conscious control. This would of course involve establishing new institutions that would facilitate the type of coordination required to foster and

7. Postone, *Time, Labor and Social Domination*, 301.

develop collective control on a large scale. These are all issues that go beyond the scope of this introduction, but I will now return to a major issue in Postone's reading of Marx, namely the role of the working class in negating capitalism as the subject of history.

*How Does One Negate Capitalism?:
Postone's Critique of Lukács and the Role of the Working Class*

Postone's theory of capitalism shows us how the contradictions of capitalism produce the possibility of different type of society, one which is not mediated by labor and the treadmill dynamic. However, it is unclear what type of political practice would be required to realize such a society. Postone spends much time distinguishing himself from traditional Marxists, who uphold the working class as the revolutionary subject of history. His main aim is to grasp the role of the working-class in relation to the nature of history in capitalism. In a recent essay on Georg Lukács, he focuses specifically on the problem of history and time in relation to human emancipation. He voices his criticisms of Lukács by citing the following passage from Lukács *History and Class Consciousness*:

This image of a frozen reality that nevertheless is caught up in an unremitting ghostly movement at once becomes meaningful when the reality is dissolved into the process of which man is the driving force. This can be seen only from the standpoint of the proletariat because the meaning of these tendencies is the abolition of capitalism and so for the bourgeoisie to become conscious of them would be tantamount to suicide (Lukács, 1971, p.181).⁸

Postone contrasts Lukács' position to Marx's in the following manner.

The form of mediation constitutive of capitalism, in Marx's analysis, gives rise to a new form of social domination—one that subjects

8. Georg Lukács, *History and Class Consciousness: Studies in Marxist Dialectic*, Rodney Livingstone trans. (Cambridge, Mass.: MIT Press, 1971), 181.

people to impersonal, increasingly rationalized structural imperatives and constraints. It is the domination of people by time. This temporal domination is real, not ghostly.⁹

The problems in interpreting the above passage in Lukács and Postone's critique of it are compounded by infelicities in the English translation of Lukács. The above passage by Lukács would probably be better translated as

This image of continuous moving and spectral stillness becomes meaningful when this stillness is dissolved into a process of which man is the driving force.¹⁰

Based on this translation of the passage, Lukács wants to criticize both the moving and frozen dimensions of capitalism from a standpoint from which man is the driving force. But how should we understand the question of whether this temporal domination is real or spectral? A closer look at the passage shows that Lukács would probably agree with Postone that temporal domination in capitalism is both real and spectral.

By translating "gespenstischen" as ghostly, the translator buries the way in which Lukács draws on a specific passage in Marx's *Das Kapital*. Lukács begins the first section of his essay, "Reification and the Consciousness of the Proletariat" with the following remarks.

The essence of commodity-structure has often been pointed out. Its basis is that a relation between people takes on the character of a thing and thus acquires a "spectral objectivity" (*gespenstige Gegenständlichkeit*).¹¹

9. Moishe Postone, "The Subject and Social Theory: Marx and Lukács on Hegel," in this volume.

10. Georg Lukács, *Geschichte und Klassenbewusstsein*, in Georg Lukács, *Werke, Frühbeschrieben 2* Berlin: Herman Luchterhand Verlag GmbH, 1968, 367. The original German reads „Dieses Bild einer sich ununterbrochen bewegenden gespenstischen Starrheit loest sich sogleich ins Sinnvolle auf, wenn ihre Starrheit sich in den Prozess, dessen treibende Kraft der Mensch ist, auflöst.“

11. Lukács, Eng, 83, Ger., 257. The English translation of Lukács can be confusing

Here the term spectral objectivity refers to a passage in Marx's *Das Kapital* which notes that once we disregard the use-value of the commodities,

all that remains in each case is the same spectral objectivity (*gespenstige Gegenständlichkeit*), a pure jelly (*eine bloße Gallerte*) of undifferentiated human labor.¹²

This undifferentiated labor is precisely what Postone describes as abstract-labor, which is the form of labor that mediates capitalist society. “‘Abstract labour’, as a historically specific mediating function of labour, is the content or, better, ‘substance’ of value.”¹³ In this context, that we can argue that Lukács’ basic point overlaps with the above cited passage from Postone’s book, where he claims that historical time can be constituted separately from abstract time. After all, this would be a situation in which humanity becomes the driving force of history for both Lukács and Postone. The difference between the two lies in the fact that in Postone’s view people become the driving force of history only when they abolish proletarian labor, while from Lukács’ perspective, the proletariat realizes this goal of humanity.

Postone stresses that abstract labor is both the form and the content of value and so contends that labor is inextricably linked to capital. Moreover, in Postone’s view because capital’s fundamental characteristic is mediation by labor, one cannot simply rely on the working-class to negate capitalism. Thus rather than realizing the subject of history as labor, in Postone’s view, Marxists should aim to negate the subject of history, namely capital.

In other words, in Postone’s view, rather than labor, capital is the

because the translator does not consistently translate the term *gespenstige*. In this passage, he translates it as “phantom-like,” which is accurate and does correspond to the translation of the relevant passage of Marx’s *Capital*, but we lose the connection with Lukács’ later use of the term.

12. Karl Marx, *Das Kapital Kritik der Politischen Ökonomie*, (Berlin: Dietz, 2007), 52.

Chris Arthur, *The New Dialectic and Marx’s Capital*, 171.

13. Postone, “The Subject and Social Theory: Marx and Lukács on Hegel”

subject of history. Postone explains this point by making a comparison to Hegel's Spirit:

For Hegel, the Absolute, the totality of the subjective-objective categories, grounds itself. As the self-moving "substance" that is "Subject," it is the true *causa sui* as well as the endpoint of its own development. In *Capital*, Marx presents the underlying forms of commodity-determined society as constituting the social context for notions such as the difference between essence and appearance, the philosophical concept of substance, the dichotomy of subject and object, the notion of totality, and, on the logical level of the category of capital, the unfolding dialectic of the identical subject-object.¹⁴

In some sense, this is Marx's true turning Hegel on his head, since unlike Lukács who replaces Hegel's transhistorical subject, namely Spirit, with the working-class, Marx historicizes Hegel's dynamic of spirit by claiming that the logic that Hegel describes is actually the logic of capital. Moreover, according to Postone, capitalism is unique in having a totalizing immanent logic and later thinkers and social theorists often anachronistically transpose this logic to other periods in order to develop an overarching "theory of history."

From Postone's perspective, capital is a historical subject which behaves in many ways like Hegel's spirit; however, unlike Hegel's spirit, capital is blind, moving towards increasing productivity. It is a subject but does not have subjectivity, knowledge, self-consciousness or a *telos*. Recently, Christopher J. Arthur has explained how something such as capital, which does not have subjectivity could still be a subject. He explains:

From a Hegelian point of view, the most abstract capacity of a subject, that which makes possible its freedom, is the capacity to range things under their universal concept and treat them accordingly. It is the way heterogeneous commodities are posited by capital as bearers of value and surplus-value, the universal substance of capital, and the

14. Moishe Postone, *Time, Labor and Social Domination*, (Cambridge: Cambridge University Press, 1993), 156.

way the production process is shaped so as to maximize valorization, that means were are faced with a ‘Subject’ here, albeit of a logical kind rather than a flesh and blood one. Moreover, the complementary moments of consciousness, knowing etc. are secured insofar as this structure of valorization imposes its logic on the personifications of capital, namely owners and managers.¹⁵

Arthur’s comments are helpful in explaining how Postone conceives of capital as a subject, but he criticizes Postone for not recognizing that the working class is the counter-subject of history, which can negate capitalism.¹⁶ We have seen that Postone rejects Lukács vision of the

15. Christopher Arthur, “Subject and Counter-Subject” *Historical Materialism: Research in Marxist Theory*, Volume 12.3, 93–102, 95–6.

16. There are other aspects of Arthur’s critique that go beyond the scope of this essay. However, because some of Arthur’s criticisms overlap with those of others in volume 12.3 of *Historical Materialism*, which was devoted to Postone’s book, I will briefly deal with one of Arthur’s criticism in this footnote. Arthur summarizes Postone’s work in the following manner:

He introduces the notion of abstract labour in a different way from Marx, who brings it in as the substance of value. Rather, Postone argues that, in generalized commodity exchange, labour is abstract in the sense that, while its own activity is concrete and produces a specific product, it appears socially as a means of acquisition of any and every product through the exchange mechanism; hence its concrete specificity is displaced, and it takes on a form of abstract generality. It is only because all labours taken thus are integrated in a special social totality that their products take the form of value.

This argument strikes me as similar to putting the cart before the horse. In an exchange economy as such, labour certainly does not have the form of a means of acquisition in general, but only partially so, if one can find that interlocutor who happens to have a particular need for what one offers. It is only in a money economy that labour becomes a means of acquisition in general. The conditioning sequence does not run: abstract labour→value→money, but the reverse. Money posits all commodities as values, and their positing of value brings about the abstract identity of the labours embodied in all products. (*Historical Materialism*, 12.3, 2004, 99)

First, we have seen that Postone explicitly claims that labor is the substance of value. But more specifically, here, rather than Postone, it appears to be Arthur who is putting the cart before the horse, since he bestows money with the power to posit all commodities as values. But we must ask why is it that money never performed this function in previous societies? This is precisely the question that Marx asks in the first chapter of *Das Kapital*, when he discusses Aristotle’s inability to derive the value-form. Recall that

working-class as the transhistorical subject-object. Nonetheless, we should pause before concluding, as many readers of Postone do, that Postone's rejection of labor as the transhistorical subject implies a complete rejection of the working-class' role in the negation of capitalism. Indeed, given that the proletariat is the primary producer of value, it would have to play a crucial role in transforming capitalism. In his book, he suggests that in order for a movement concerned with workers to point beyond capitalism,

it would both have to defend workers' interests and have to participate in their transformation—for example, by calling into question the given structure of labor, not identifying people any longer in terms that structure and participating in rethinking those interests.¹⁷

This passage shows that when we read Postone's work, we should not leap from his denial that the proletariat is the subject of history, to the conclusion that he refuses the proletariat an essential role in a political movement that would gesture beyond capitalism. The problem of course is that the proletariat must participate in a paradoxical movement that negates itself and points to a world not dominated by proletarian labor. They must realize that they are part of the solution only to the extent that they acknowledge that they are part of the

the reason that Aristotle could not derive the value-form, was not that he did not have a concept of money, but that he did not have a concept of value, in which all things could be reduced to a homogenous substance, namely labor. This homogenous substance cannot be concrete labor, but, as Postone, points out, a type of abstract labor, that is specific to capitalism. Hence Arthur misleads readers by opposing labor as the subject of value and the idea that labor appears socially as a means of acquisition of any and every product. It is precisely because abstract labor is the substance of value that labor is the means of acquisition of use-values in capitalist society

Arthur's criticism is further confusing, because by accusing Postone of betraying Marx's original theory, Arthur conceals the way his own theory of money departs for the one Marx outlines in *Das Kapital*. In his recent book, which presents, on the whole, an extremely helpful reading of Marx, he explicitly criticizes both Hegel and Marx because "neither of them understood just how 'peculiar' a money economy is." [Christopher J. Arthur, *The New Dialectic and Marx's Capital*, (Leiden: Brill, 2004), 9]. In short, Arthur intends to give money a greater function and more power than Marx endows to it in *Das Kapital*.

17. Postone, *Time, Labor and Social Domination*, 372.

problem. However, it is precisely because they are a fundamental part of capitalism that they must be an integral part of any attempt to overcome capitalism.

Conclusion

Postone's book, *Time, Labor and Social Domination: A Reinterpretation of Marx's Critical Theory* was first published in 1993 a few years after the fall of the Berlin Wall and, since then, the relevance of the ideas in this work and of Postone's theory in general have become more apparent. As I write this introduction, people around the world face a crisis in global capitalism. Explanations for this crisis vary, but given the increase in layoffs and unemployment, it seems clear that the contradiction that Postone repeatedly highlights, namely that of the dynamic of capital making proletarian labor at once necessary and obsolete, plays an important role. The question for the future remains how a political movement could seize the opportunity in such crisis to transform the dynamic that dominates our lives and makes a mockery of ideals such as democracy and freedom. Postone's work shows that the hope for democracy does not lie in mere institutional reforms, but in political action to negate the un-democratic processes that propel and destroy contemporary organizations. Such a call may appear utopian, but it is in fact necessary. As Christopher J. Arthur has pointed out, the dynamic of capitalism constantly exploits both nature and human labor and thus it will eventually be overcome in the short run through revolution or in the long run through ecological collapse.¹⁸ The latter result would in some sense be the ultimate triumph of heteronomy, since the conditions for human life would no longer exist. Postone's work represents an attempt to lay the groundwork to realize the former possibility and create a path out of heteronomous history.

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18. Christopher J. Arthur, "Subject and Counter-Subject," op. cit. 99.

Rethinking Marx's Critical Theory

I would like to outline why, in my judgment, a critical theory of capitalism is indispensable for understanding the contemporary world. The historical developments of the twentieth century strongly suggest, however, that such a theory must be different from traditional critiques of capitalism if it is to be adequate to our social universe. In order to outline the basis for such an adequate theory, I shall interrogate some common understandings of the fundamental social relations of capitalism and outline a different understanding of those relations and, hence, of capitalism.

The fundamental historical transformations of the recent past—such as the rollback of welfare states in the capitalist West, the collapse or fundamental metamorphosis of bureaucratic party-states in the Communist East—more generally, the weakening of national states as economically sovereign entities—along with the apparently triumphant emergence of a new, neo-liberal, global capitalist order, and the possible development of rivalries among competing capitalist blocs—have reasserted the central importance of historical dynamics and large-scale global structural changes.

Because these changes have included the dramatic collapse of the Soviet Union and the fundamental metamorphosis of China, they have been interpreted as marking the historical end of Marxism and, more generally, of the theoretical relevance of Marx's social theory.

I wish to suggest a very different way of understanding the theoretical implications of recent historical transformations.

The past three decades can be viewed as marking the end of a peri-

od of the state-centered organization of social and economic life whose beginnings can be located in World War I and the Russian Revolution—a period characterized by the apparent primacy of the political over the economic. What is significant about this trajectory is its global character. It encompassed western capitalist countries and the Soviet Union, as well as colonized lands and decolonized countries. Differences in historical development did, of course, occur. But, viewed with reference to the trajectory as a whole, they were more a matter of different inflections of a common pattern than of fundamentally different developments. For example, the welfare state was expanded in all western industrial countries in the twenty-five years after the end of World War II and then limited or partially dismantled beginning in the early 1970s. These developments occurred regardless of whether conservative or social democratic (“liberal”) parties were in power. Such general developments cannot be explained in terms of contingent political decisions, and strongly suggest the existence of general structural constraints and imperatives.

Consideration of such general historical patterns suggests, then, that positions, such as poststructuralism, that attempt to deal with history in terms of contingency are inadequate empirically to the history of capitalist society. Nevertheless, such considerations do not necessarily dispense with what might be regarded as the critical insight driving such attempts to deal with history contingently—namely, that history, grasped as the unfolding of an immanent necessity, should be understood as delineating a form of unfreedom.

That form of unfreedom is the object of Marx’s critical theory of capitalism, which is centrally concerned with the imperatives and constraints that underlie the historical dynamics and structural changes of the modern world. That is, rather than deny the existence of such unfreedom by focusing on contingency, the Marxian critique seeks to uncover its basis and the possibility of its overcoming.

I am suggesting that, ironically, the very processes underlying the collapse of regimes of accumulation that had declared themselves heirs to Marx have reasserted the central importance of global historical dynamics, that those dynamics can be understood best within the framework of a critical theory of capitalism, and that approaches that

do not engage this level of analysis are fundamentally inadequate to our social universe. That is, the historical transformations of recent decades point to the importance of a renewed encounter with Marx's critical analysis of capitalism.

As I noted above, however, the trajectory of the past century suggests that, if a critical theory of capitalism is to be adequate to the contemporary world, it must differ fundamentally from traditional Marxist critiques of capitalism. I would argue that Marx's mature social theory not only is the most rigorous and sophisticated theory we have of the historical dynamics of the modern world, but also provides the point of departure for precisely such a reconceptualized critical theory of capitalism. I shall outline a reinterpretation of Marx's mature social theory that rethinks his analysis of the basic nature of capitalism—its social relations, forms of domination, and historical dynamic—in ways that break fundamentally with traditional Marxist approaches. This reinterpretation could help illuminate the essential structuring elements and overarching historical dynamic of the contemporary world while providing a basic critique of traditional Marxism. It also recasts the relation of Marxian theory to other major currents of social theory.

By “traditional Marxism” I do not mean a specific historical tendency in Marxism, such as orthodox Second International Marxism, for example, but, more generally, all analyses that understand capitalism essentially in terms of class relations structured by a market economy and private ownership of the means of production. Relations of domination are understood primarily in terms of class domination and exploitation. Within this general interpretive framework, capitalism is characterized by a growing structural contradiction between that society's basic social relations (interpreted as private property and the market) and the forces of production (interpreted as the industrial mode of producing).

The unfolding of this contradiction gives rise to the possibility of a new form of society, understood in terms of collective ownership of the means of production and economic planning in an industrialized context—that is, in terms of a just and consciously regulated mode of distribution that is adequate to industrial production. Industrial pro-

duction, in turn, is understood as a technical process, which is used by capitalists for their particularistic ends, but is intrinsically independent of capitalism and could be used for the benefit of all members of society.

This general understanding is tied to a determinate understanding of the basic categories of Marx's critique of political economy. The category of value, for example, has generally been interpreted as an attempt to show that social wealth is always and everywhere created by human labor. The theory of surplus-value, according to such views, seeks to demonstrate the existence of exploitation by showing that the surplus product is created by labor alone and, in capitalism, is appropriated by the capitalist class.

At the heart of this theory is a transhistorical—and commonsensical—understanding of labor as an activity mediating humans and nature that transforms matter in a goal-directed manner and is a condition of social life. Labor, so understood, is posited as the source of wealth in all societies and as that which constitutes what is universal and truly social. In capitalism, however, labor is hindered by particularistic and fragmenting relations from becoming fully realized. Emancipation, then, is realized in a social form where transhistorical “labor,” freed from the fetters of the market and private property, has openly emerged as the regulating principle of society. (This notion, of course, is bound to that of socialist revolution as the “self-realization” of the proletariat.)

This basic framework encompasses a broad range of very different theoretical, methodological, and political approaches. Nevertheless, to the extent they all rest on the basic assumptions regarding labor and the essential characteristics of capitalism and of socialism outlined above, they remain bound within the framework of traditional Marxism.

And although powerful economic, political, social, historical, and cultural analyses have been generated within this traditional framework, its limitations have become increasingly evident in the light of twentieth century developments such as the rise of state-interventionist capitalism and “actually existing socialism,” the growing importance of scientific knowledge and advanced technology in the process of pro-

duction, growing criticisms of technological progress and growth, and the increased importance of non-class-based social identities. Indeed classic social theorists such as Weber and Durkheim had already argued at the turn of the last century that a critical theory of capitalism—understood in terms of property relations—is too narrow to grasp fundamental features of modern society.

A number of theorists within the broader Marxist tradition—notably Georg Lukács as well as members of the Frankfurt School—attempted to overcome the traditional paradigm's limitations, and develop a critical social theory that would be more adequate to twentieth century historical developments. These theorists proceeded on the basis of a sophisticated understanding of Marx's theory as a critical analysis of the cultural forms as well as the social structures of capitalist society, rather than as one of production and class structure alone, much less of economics. Moreover, they grasped such a theory as self-reflexive, that is, as a theory that attempts to analyze its own social context—capitalist society—in a way that reflexively accounts for the possibility of its own standpoint.

In their appropriation of Marx, these thinkers sought to respond theoretically to the historical transformation of capitalism from a market-centered form to a bureaucratic, state-centered form. Yet they were not able to fully realize this theoretical aim. On the one hand, their approaches tacitly recognized the inadequacies of a critical theory of modernity that defined capitalism solely in nineteenth century terms—that is, in terms of the market and private ownership of the means of production. On the other hand, however, they remained bound to some of the assumptions of that very sort of theory.

This can be seen clearly in the case of Lukács's *History and Class Consciousness*, written in the early 1920s, which adopted Weber's characterization of modern society in terms of a historical process of rationalization, and embedded that analysis within the framework of Marx's analysis of the commodity form as the basic structuring principle of capitalism. By grounding the process of rationalization in this manner, Lukács sought to show that what Weber described as the "iron cage" of modern life is not a necessary concomitant of any form

of modern society, but a function of capitalism—and, hence, could be transformed. At the same time, the conception of capitalism implied by his analysis is much broader than that of a system of exploitation based on private property and the market; it implies that the latter are not ultimately the central features of capitalism.

Yet when Lukács addressed the question of the possible overcoming of capitalism, he had recourse to the notion of the proletariat as the revolutionary Subject of history. This idea, however, is bound to a traditional conception of capitalism in terms of private property. It cannot illuminate the forms of bureaucratization and rationalization that Lukács himself had focused on. That is, Lukács's traditionalistic theory of the proletariat was in tension with the deeper and broader conception of capitalism implied by his analysis.

Lukács deeply influenced Frankfurt School theorists, whose approaches can also be understood in terms of a similar theoretical tension. This, however, is not a theme I shall further pursue here.

What I do wish to emphasize is that coming to terms with the inescapable and obvious centrality of capitalism in the world today requires a reconceptualization of capital, one that breaks fundamentally with the traditional Marxist frame.

It has become evident, considered retrospectively, that the social/political/economic/cultural configuration of capital's hegemony has varied historically—from mercantilism through nineteenth century liberal capitalism and twentieth century state-centric Fordist capitalism to contemporary neo-liberal global capitalism. Each configuration has elicited a number of penetrating critiques—of exploitation and uneven, inequitable growth, for example, or of technocratic, bureaucratic modes of domination. Each of these critiques, however, is incomplete; as we now see, capitalism cannot be identified fully with any of its historical configurations. This raises the question of the nature of capital, of the core of capitalism as a form of social life.

My work attempts to contribute to a critical understanding of that core of capitalism, one that is not limited to any of that social formation's epochs. I argue that at the heart of capitalism is a historically dynamic process, associated with multiple historical configurations,

which Marx sought to grasp with the category of capital. This core feature of the modern world must be grasped if a critical theory of capitalism is to be adequate to its object. Such an understanding of capitalism can only be achieved on a very high level of abstraction. It could then serve as a point of departure for an analysis of epochal changes in capitalism as well as for the historically changing subjectivities expressed in historically determinate social movements.

In attempting to rethink Marx's analysis of capitalism's most basic relations, I try to reconstruct the systematic character of Marx's categorical analysis, rather than relying on statements made by Marx, without reference to their locus in the unfolding of his mode of presentation.

I argue that the categories of Marx's mature critique are historically specific to modern, or capitalist, society. This turn to a notion of historical specificity implicitly entailed a turn to a notion of the historical specificity of Marx's own theory. No theory—including that of Marx—has, within this conceptual framework, transhistorical validity.

This means that all transhistorical notions—including many of Marx's earlier conceptions regarding history, society and labor, as expressed in the idea of a dialectical logic underlying human history, for example—became historically relativized. In disputing their transhistorical validity, however, Marx did not claim that such notions were never valid. Instead, he restricted their validity to the capitalist social formation, while showing how that which is historically specific to capitalism, could be taken to be transhistorical. On this basis Marx criticized theories that project onto history or society in general, categories that, according to him, are valid only for the capitalist epoch.

If, however, such notions were valid only for capitalist society, Marx now had to uncover the grounds for their validity in the specific characteristics of that society. He sought to do so elucidating the most fundamental form of social relations that characterizes capitalist society and, on that basis, unfolding a theory with which he sought to explain the underlying workings of that society. That fundamental category is the commodity. Marx took the term "commodity" and used it to designate a historically specific form of social relations, one

constituted as a structured form of social practice that, at the same time, structures the actions, worldviews and dispositions of people. As a category of practice, it is a form both of social subjectivity and objectivity.

What characterizes the commodity form of social relations, as analyzed by Marx, is that it is constituted by labor, it exists in objectified form and it has a dualistic character.

In order to elucidate this description, Marx's conception of the historical specificity of labor in capitalism must be clarified. Marx maintains that labor in capitalism has a "double character": it is both "concrete labor" and "abstract labor." "Concrete labor" refers to the fact that some form of what we consider laboring activity mediates the interactions of humans with nature in all societies. "Abstract labor" does not simply refer to concrete labor in general, but is a very different sort of category. It signifies that, in capitalism, labor also has a unique social function that is not intrinsic to laboring activity as such: it mediates a new form of social interdependence.

Let me elaborate: In a society in which the commodity is the basic structuring category of the whole, labor and its products are *not* socially distributed by traditional ties, norms, or overt relations of power and domination—that is, by manifest social relations—as is the case in other societies. Instead, labor itself replaces those relations by serving as a kind of quasi-objective means by which the products of others are acquired. A new form of interdependence comes into being where people do not consume what they produce, but where, nevertheless, their own labor or labor-products function as a quasi-objective, necessary means of obtaining the products of others. In serving as such a means, labor and its products in effect preempt that function on the part of manifest social relations.

In Marx's mature works, then, the notion of the centrality of labor to social life is not a transhistorical proposition. It does not refer to the fact that material production is always a precondition of social life. Nor should it be taken as meaning that material production is the most essential dimension of social life in general, or even of capitalism in particular. Rather, it refers to the historically specific constitution by labor in capitalism of a form of social mediation that

fundamentally characterizes that society. On this basis, Marx tries to socially ground basic features of modernity, such as its overarching historical dynamic, and changes in its process of production.

Labor in capitalism, then, is both labor as we transhistorically and commonsensically understand it, according to Marx, and a historically specific socially-mediating activity. Hence its objectifications—commodity, capital—are both concrete labor products and objectified forms of social mediation. According to this analysis, then, the social relations that most basically characterize capitalist society are very different from the qualitatively specific, overt social relations—such as kinship relations or relations of personal or direct domination—which characterize non-capitalist societies. Although the latter kind of social relations continue to exist in capitalism, what ultimately structures that society is a new, underlying level of social relations that is constituted by labor. Those relations have a peculiar quasi-objective, formal character and are dualistic—they are characterized by the opposition of an abstract, general, homogeneous dimension and a concrete, particular, material dimension, both of which appear to be “natural,” rather than social, and condition social conceptions of natural reality.

The abstract character of the social mediation underlying capitalism is also expressed in the form of wealth dominant in that society. Marx's “labor theory of value” frequently has been misunderstood as a labor theory of wealth, that is, a theory that seeks to explain the workings of the market and prove the existence of exploitation by arguing that labor, at all times and in all places, is the only social source of wealth. Marx's analysis is not one of wealth in general, any more than it is one of labor in general. He analyzes value as a historically specific form of wealth, which is bound to the historically unique role of labor in capitalism; as a form of wealth, it is also a form of social mediation.

Marx explicitly distinguishes value from material wealth and relates these two distinct forms of wealth to the duality of labor in capitalism. Material wealth is measured by the quantity of products produced and is a function of a number of factors such as knowledge, social organization, and natural conditions, in addition to labor.

Value is constituted by human labor-time expenditure alone, according to Marx, and is the dominant form of wealth in capitalism. Whereas material wealth, when it is the dominant form of wealth, is mediated by overt social relations, value is a self-mediating form of wealth.

As I shall elaborate, Marx's analysis of capital is of a social system based on value that both generates and constrains the historical possibility of its own overcoming by a social order based on material wealth.

Within the framework of this interpretation, then, what fundamentally characterizes capitalism is a historically specific, abstract form of social mediation that is constituted by labor—by determinate forms of social practice—that becomes quasi-independent of the people engaged in those practices.

The result is a historically new form of social domination—one that subjects people to impersonal, increasingly rationalized, structural imperatives and constraints that cannot adequately be grasped in terms of class domination, or, more generally, in terms of the concrete domination of social groupings or of institutional agencies of the state and/or the economy. It has no determinate locus and, although constituted by determinate forms of social practice, appears not to be social at all. (I am suggesting that Marx's analysis of abstract domination is a more rigorous and determinate analysis of what Foucault attempted to grasp with his notion of power in the modern world.)

Significant in this regard is Marx's temporal determination of the magnitude of value. In his discussion of the magnitude of value in terms of socially-necessary labor-time, Marx points to a peculiarity of value as a social form of wealth whose measure is temporal: increasing productivity increases the amount of use-values produced per unit time. But it results only in short term increases in the magnitude of value created per unit time. Once that productive increase becomes general, the magnitude of value falls to its base level. The result is a sort of treadmill dynamic. On the one hand, increased levels of productivity result in great increases in use-value production. Yet increased productivity does not result in long-term proportional increases in value, the social form of wealth in capitalism.

Note that this peculiar treadmill dynamic is rooted in value's temporal dimension, and not in the way that pattern is generalized, e.g. through competition. The historically specific, abstract form of social domination intrinsic to capitalism's fundamental forms of social mediation is *the domination of people by time*. This form of domination is bound to a historically specific, abstract form of temporality—abstract Newtonian time—which is constituted historically with the commodity form.

This dynamic is at the core of the category of capital, which, for Marx, is a category of movement. It entails a ceaseless process of value's self-expansion, a directional movement with no external telos that generates large-scale cycles of production and consumption, creation and destruction.

Significantly, in introducing the category of capital, Marx describes it with the same language that Hegel used in the *Phenomenology* with reference to *Geist*—the self-moving substance that is the subject of its own process.¹ In so doing, Marx suggests that a historical Subject in the Hegelian sense does indeed exist in capitalism. Yet—and this is crucially important—he does not identify that Subject with the proletariat (as does Lukács), or even with humanity. Instead he identifies it with capital.

Marx's critique of Hegel in *Capital* suggests that capitalist relations are not extrinsic to the Subject, as that which hinders its full realization. Rather, he analyzes those very relations as constituting the Subject. In his mature theory, then, Marx does not posit a historical meta-subject, such as the proletariat, which will realize itself in a future society, but provides the basis for a critique of such a notion. This implies a position very different from that of theorists like Lukács, for whom the social totality constituted by labor provides the *standpoint* of the critique of capitalism, and is to be realized in socialism. In *Capital*, the totality and the labor constituting it have become the *objects* of critique. The historical Subject is the alienated structure of social mediation that is at the heart of the capitalist formation. The contradictions of capital point to the abolition, not the realization of

1. G.W.F. Hegel, Preface to the *Phenomenology of Spirit*, in Walter Kaufmann, ed., *Hegel: Texts and Commentary* (Garden City, NY, 1966), p. 28; *Capital*, vol. 1, pp. 255–6.

the Subject.

In *Capital* Marx roots capitalism's historical dynamic ultimately in the double character of the commodity and, hence, capital. The treadmill dynamic that I have outlined is at the heart of this dynamic. It cannot be grasped if the category of surplus-value is understood only as a category of exploitation—as *surplus*-value—and not also as *surplus-value*—as the surplus of a temporal form of wealth. The temporality of this dynamic is not only abstract. Although changes in productivity, in the use-value dimension, do not change the amount of value produced per unit time, they do change the determination of what counts as a given unit of time. The unit of (abstract) time remains constant—and, yet, it is pushed forward, as it were, in (historical) time. The movement here is not the movement *in* (abstract) time, but the movement *of* time. Both abstract time and historical time are constituted historically as structures of domination.

This dialectic of value and use-value becomes historically significant with the emergence of relative surplus value and gives rise to a very complex, non-linear historical dynamic underlying modern society. On the one hand, this dynamic is characterized by ongoing transformations of production, and more generally, of social life. On the other hand, this historical dynamic entails the ongoing reconstitution of its own fundamental condition as an unchanging feature of social life—namely that social mediation ultimately is effected by labor and, hence, that living labor remains integral to the process of production (considered in terms of society as a whole), regardless of the level of productivity. The historical dynamic of capitalism ceaselessly generates what is “new,” while regenerating what is the “same.” This dynamic both generates the possibility of another organization of social life and, yet, hinders that possibility from being realized.

Marx grasps this historical dynamic with his category of capital. As capital develops, it becomes less and less the mystified form of powers that “actually” are those of workers. Rather, the productive powers of capital increasingly become socially general productive powers that are historically constituted in alienated form and that no longer can be understood as those of immediate producers. This constitution and accumulation of socially general knowledge renders proletarian

labor increasingly anachronistic; at the same time the dialectic of value and use-value reconstitutes the necessity of such labor.

One implication of this analysis of capital is that capital does not exist as a unitary totality, and that the Marxian notion of the dialectical contradiction between the “forces” and “relations” of production does not refer to a contradiction between “relations” that are intrinsically capitalist (e.g., the market and private property) and “forces” that purportedly are extrinsic to capital (labor). Rather, it is one between the two dimensions of capital. As a contradictory totality, capital is generative of the complex historical dynamic I began to outline, a dynamic that points to the possibility of its own overcoming.

The contradiction allowing for another form of life also allows for the possibility of imagining another form of life. That is, the theory grounds the possibility of itself by means of the same categories with which it grasps its object—and demands of all attempts at critical theory that they be capable of accounting for their own possibility.

Because the dynamic I have outlined is quasi-independent of its constituting individuals, it has the properties of an intrinsic historical logic. In other words, Marx's mature theory no longer hypostatizes history as a sort of force moving all human societies; it no longer presupposes that a directional dynamic of history in general exists. It does, however, characterize modern society in terms of an ongoing directional dynamic and seeks to explain that historical dynamic with reference to the dual character of the social forms expressed by the categories of the commodity and capital. The existence of a historical dynamic is now taken to be a manifestation of heteronomy.

In this evaluation, the critical Marxian position is closer to poststructuralism than it is to orthodox Second International Marxism. Nevertheless, it does not regard heteronomous history as a narrative, which can simply be dispelled discursively, but as a structure of domination that must be overcome. From this point of view, any attempt to rescue human agency by focusing on contingency in ways that bracket the existence of such historically specific structures of domination is—ironically—profoundly disempowering.

As an aside, it should be noted that, by grounding the contradictory character of the social formation in the dualistic forms expressed by

the categories of the commodity and capital, Marx historicizes the notion of contradiction. The idea that reality or social relations in general are essentially contradictory and dialectical appears, in light of this analysis, to be one that can only be assumed metaphysically, not explained. This also suggests that any theory that posits an intrinsic developmental logic to history as such, whether dialectical or evolutionary, projects what is the case for capitalism onto history in general.

The understanding of capitalism's complex dynamic I have outlined allows for a critical, social (rather than technological) analysis of the trajectory of growth and the structure of production in modern society. The category of surplus-value not only indicates, as traditional interpretations would have it, that the surplus is produced by the working class—but it shows that capitalism is characterized by a determinate, runaway form of “growth.” The problem of economic growth in capitalism, within this framework, is not only that it is crisis-ridden, as has frequently been emphasized by traditional Marxist approaches. Rather, the form of growth itself—one entailing the accelerating destruction of the natural environment—is problematic. The trajectory of growth would be different, according to this approach, if the ultimate goal of production were increased quantities of goods rather than of surplus value.

This approach also provides the basis for a critical analysis of the structure of social labor and the nature of production in capitalism. It indicates that the industrial process of production should not be grasped as a technical process that, although increasingly socialized, is used by private capitalists for their own ends. Rather, the approach I am outlining grasps that process as intrinsically capitalist. Capital's drive for ongoing increases in productivity gives rise to a productive apparatus of considerable technological sophistication that renders the production of material wealth essentially independent of direct human labor time expenditure. This, in turn, opens the possibility of large-scale socially-general reductions in labor time and fundamental changes in the nature and social organization of labor. Yet these possibilities are not realized in capitalism. Although there is a growing shift away from manual labor, the development of technologically sophisti-

cated production does not liberate most people from fragmented and repetitive labor. Similarly, labor time is not reduced on a socially general level, but is distributed unequally, even increasing for many. (The actual structure of labor and organization of production, then, cannot be understood adequately in technological terms alone; the development of production in capitalism must be understood in social terms as well.)

According to the reinterpretation I have outlined, then, Marx's theory extends far beyond the traditional critique of the bourgeois relations of distribution (the market and private property); it is not simply a critique of exploitation and the unequal distribution of wealth and power. Rather, it grasps modern industrial society itself as capitalist, and critically analyzes capitalism primarily in terms of abstract structures of domination, increasing fragmentation of individual labor and individual existence, and a blind runaway developmental logic.

This approach treats the working class as the crucial, most basic element of capitalism, rather than as the embodiment of its negation. It reconceptualizes post-capitalist society in terms of the overcoming of the proletariat and of the organization of production based on proletarian labor, as well as of the dynamic system of abstract compulsions constituted by labor as a socially mediating activity. That is, it conceptualizes the overcoming of capitalism in terms of a transformation of the general structure of labor and of time. In this sense, it differs both from the traditional Marxist notion of the realization of the proletariat, and from the capitalist mode of "abolishing" national working classes by creating an underclass within the framework of the unequal distribution of labor and of time nationally and globally.

By shifting the focus of analysis to the mode of mediation and away from the market and private property, this reinterpretation provides the basis for a critical theory of post-liberal society as capitalist and also could provide the basis for a critical theory of the so-called "actually-existing socialist" countries as alternative (and failed) forms of capital accumulation, rather than as social modes that represented the historical negation of capital, in however imperfect a form.

Although the logically abstract level of analysis outlined here does not immediately address the issue of the specific factors underlying the structural transformations of the past thirty years, it can provide a framework within which those transformations can be grounded socially and understood historically. (It provides the basis for an understanding of the non-linear developmental dynamic of modern society that could incorporate many important insights of postindustrial theory while also elucidating the constraints intrinsic to that dynamic and, hence, the gap between the actual organization of social life and the way it could be organized—especially given the increasing importance of science and technology.)

Inasmuch as it seeks to ground socially, and is critical of, the abstract, quasi-objective social relations, and the nature of production, work, and the imperatives of growth in capitalism, this interpretation could also begin to address a range of contemporary concerns, dissatisfactions and aspirations in a way that could provide a fruitful point of departure for a consideration of the new social movements of recent decades and the sorts of historically constituted world views they embody and express. It might also be able to approach the global rise of forms of “fundamentalisms” as populist, fetishized forms of opposition to the differential effects of neo-liberal global capitalism.

Finally, this approach also has implications for the question of the social preconditions of democracy, inasmuch as it analyzes not only the inequalities of real social power that are inimical to democratic politics, but also reveals as socially constituted—and hence as legitimate objects of political debates—the systemic constraints imposed by capital’s global dynamic on democratic self-determination.

By fundamentally rethinking the significance of value theory and reconceptualizing the nature of capitalism, this interpretation changes the terms of discourse between critical theories of capitalism and other sorts of social theory. It implicitly suggests that an adequate theory of modernity should be a self-reflexive theory capable of overcoming the theoretical dichotomies of culture and material life, structure and action, while grounding socially the overarching non-linear directional dynamic of the modern world, its form of economic growth, and

the nature and trajectory of its production process.

In addressing such issues, the interpretation I have presented seeks to contribute to the discourse of contemporary social theory and, relatedly, to our understanding of the far-reaching transformations of our social universe.

Critical Theory and the Twentieth Century

I.

I propose writing a book on the historical trajectory of Critical Theory—the ensemble of approaches developed by theorists of the Frankfurt School, and critically extended by Jürgen Habermas and others. Critical Theory is arguably one of the richest and most powerful attempts (to come to grips with the twentieth century by formulating a social and historical theory adequate to it). Eschewing conventional disciplinary boundaries as well as orthodox Marxist “base-superstructure” understandings of social life, Critical Theory sought to synthesize various dimensions of modernity—political, social, economic, cultural, legal, aesthetic, psychological—systematically and intrinsically, rather than eclectically and extrinsically. To this end, these approaches thought together Marx, Weber, and Freud in rich and complex ways. Moreover, they rejected as spurious the notion of a social-scientific standpoint independent of its social and historical context. Instead, they insisted on epistemological self-reflection as a condition of an adequate social theory.

In general, Critical Theory set itself a double theoretical task—to critically illuminate the great historical changes of the twentieth century, and to self-reflexively ground its own critique as an historical possibility. It is, in that sense, emphatically contextual—a self-reflexive theory of historical context.

I intend to contextualize these sophisticated theories of context with reference to large-scale historical patterns that have become

increasingly evident in the past decades. Most books on Critical Theory are either general and internalist, or emphasize the direct effects of historical phenomena on the development of that theoretical approach. Moreover, they tend to do so from a standpoint whose presuppositions are not thematized. I also intend to approach these theories as attempts to respond to important historical phenomena, but with reference to large-scale structural transformations of capitalism in the twentieth century. Moreover, I shall do so from the standpoint of a late twentieth century understanding of those structural developments that both grows out of and criticizes the theoretical framework developed by Critical Theory. This projected book, then, is ultimately concerned with the complex interrelation of social theory to its historical context as the object, as well as the purpose, of its investigation. By historically relativizing the theoretical tradition of Critical Theory, I am also attempting to delineate a more adequate theory of context and, in this way, to contribute to the ongoing project of developing a critical theory adequate to the contemporary world.

The book I am proposing will not attempt to write another comprehensive account of the Frankfurt School, but will be a shorter book (approximately 150–200 pages) that will present a historical-theoretical argument by focusing on a limited number of authors and their works. This book should appeal to scholars and students in modern intellectual history, social theory, political theory, as well as literature, philosophy, and cultural studies.

II.

I shall take as my point of departure Eric Hobsbawm's masterful history, *The Age of Extremes*. In attempting to make sense of the short twentieth century, Hobsbawm discerns three basic periods:

The first, from 1914 until the aftermath of World War II, was an "Age of Catastrophe", marked by two world wars, the Great Depression, the crisis of democracy, and the rise of Stalinism, Nazism, and

Fascism. This was followed by an unexpected "Golden Age" from about 1947 until the early 1970s, an age of rapid economic growth, expansion of welfare states, relative political stability, and a functioning international system. This "golden age" was superseded in the early 1970s by a new period marked by the reemergence of economic crises, mass unemployment, increasing social differentiation, the collapse of the international system, catastrophic downturns in parts of the world, and the collapse of Communism.

One dimension of Hobsbawm's periodization I will emphasize is that of the changing relations of state and (capitalist) economy. The first period can be characterized in terms of a number of different attempts to react to the world crisis of nineteenth century liberal capitalism through increasing state intervention in the economy, whereas the second period was marked by a successful state-centric synthesis, in both East and West. The last third of the century has been characterized by the unraveling of this synthesis—the weakening of national states as economically sovereign entities, the undermining of welfare states in the capitalist West, the collapse of bureaucratic party states in the Communist East, and the apparently triumphant reemergence of unchecked market capitalism.

These recent social and economic restructurings have undermined any notion of historical linearity. They have placed the problems of historical dynamics and global transformations back on the agenda of critical analysis and discourse. In particular, they have underscored the central significance of capitalism as a critical category of our times.

It is with reference to this overarching historical trajectory that I wish to discuss the relation of Critical Theory to historical context. Attempts to contextualize the first generation of Critical Theorists have frequently interpreted their theoretical revisions of orthodox Marxist conceptions (such as the notion of the proletariat as the historical subject), with reference to historical developments such as the failure of revolution in the West, the development of Stalinism, the rise of fascist mass movements, and the growing importance of mass-mediated forms of consumption, culture, and politics.

Such attempts do not always consider that the Critical Theorists sought to make sense of these historical developments with reference to a larger context—a large-scale transformation of capitalism. Understanding their interpretation of that transformation is essential to understanding the trajectory of Critical Theory.

It has been claimed, for example, that in the early 1940s Critical Theory moved away from the critique of political economy to a critique of instrumental reason, culture, and political domination. I would argue that this shift did *not* signify a move away from the former critique, but expressed a specific understanding of the political-economic dimension of the transformation of capitalism. This understanding then became an important aspect of Jürgen Habermas' later attempt to reconstitute Critical Theory. And it is precisely this underlying political-economic understanding that has been called into question by historical developments since 1973 and that must be rethought if Critical Theory is to remain adequate to its object.

In the first chapter I shall analyze the most important theoretical precursor of Critical Theory—the approach developed in the early 1920s by Georg Lukács in *History and Class Consciousness*. In that work, Lukács sought to respond to the historical transformation of capitalism from a market-centered to a bureaucratic form by synthesizing Marx and Weber. He adopted Weber's characterization of modern society in terms of a historical process of rationalization, and attempted to embed that analysis within the framework of Marx's analysis of the commodity form as the basic structuring principle of capitalist society. By grounding the process of rationalization in this manner, Lukács sought to show that what Weber described as the "iron cage" of modern life is not a necessary concomitant of any form of modern society, but a function of capitalism—and, hence, could be transformed. At the same time, the conception of capitalism implied by his analysis is much broader than that of a system of exploitation based on private property and the market; it implies that the latter are not ultimately the central features of capitalism.

Lukács's interpretation was based on a brilliant reading of the categories of Marx's critique of political economy (commodity, capital), which Marx had characterized as forms of being-in-the-world

(*Daseinsformen*) or determinations of existence (*Existenzbestimmungen*). Consonant with that characterization, Lukács treated Marx's categories as structured forms of practice that structure forms of social being as well as forms of consciousness. This approach breaks decisively with the "base-superstructure" conception of orthodox Marxism, avoiding the functionalism and reductionism associated with that conception. More generally, it represents a systematic attempt to get beyond the classical Cartesian subject/object dualism. (Indeed, as a social theory of knowledge, it seeks to explain that dualism itself socially.)

Lukács's reading deeply influenced Critical Theory's attempt to grasp the historical transformation of modern capitalism by means of categories that would overcome the classical subject/object dualism. Yet Lukács's attempt to conceptualize post-liberal capitalism was deeply inconsistent. When he addressed the question of the possible overcoming of capitalism, he had recourse to the notion of the proletariat as the revolutionary Subject of history. This idea, however, only makes sense if capitalism is defined essentially in terms of private ownership of the means of production, and if labor is considered to be the standpoint of the critique. Although, then, Lukács recognized that capitalism could not be defined in traditional terms if its critique were to remain adequate as a critique of modernity, he undermined his own historical insight by continuing to regard the standpoint of the critique in precisely those traditional terms, that is, in terms of the proletariat and, relatedly, a social totality constituted by labor.

Lukács has been strongly criticized for his strong affirmation of totality, of the dynamic of history, and of the proletariat as the Subject of history who will realize itself once it overthrows capitalism. And indeed, in its development, Critical Theory took issue precisely with these positions.

Nevertheless, before investigating the trajectory of Critical Theory more directly, I shall examine in depth Lukács's understanding of the categories of the critical political economy in order to show that Lukács's powerful general approach to those categories as historically specific, subjective/objective forms of practice is separable from his specific understanding of those categories, which in some respect rep-

licated precisely the sort of dualism Lukács criticized. In this way, I shall be taking a first step in rendering more explicit the theoretical position from which I analyze the theories discussed in this book.

III.

The chapter on Lukács will be followed by chapters on “first generation” Critical Theorists, Max Horkheimer, Theodor Adorno, and Herbert Marcuse. I shall begin the second chapter by outlining a theoretical difficulty at the heart of Critical Theory’s attempt to grasp the transformations of capitalist society in the first half of the twentieth century. Proceeding on the basis of a sophisticated understanding of capitalism, Frankfurt School thinkers analyzed those large-scale historical changes in terms of the historical transformation of capitalism from a market-centered form to a bureaucratic, state-centered form.

In so doing, these theorists recognized the inadequacy of a traditional Marxist critique that grasped capitalism solely in nineteenth-century terms—that is, in terms of the market and private ownership of the means of production. Within such a traditional framework, the structural contradiction of capitalism is between those basic social relations and the sphere of labor, transhistorically understood as an activity mediating humans and nature that is the principle of social constitution and the source of wealth in all societies.

It should be noted that the notion of contradiction is crucial for critical theories of capitalism; it serves to explain both the historical dynamic of capitalist society as well as the immanently generated possibility of social critique and opposition. That is—capitalism is seen as generative, as well as constraining.

For the central strand of Critical Theory, the transformation of capitalism rendered the traditional Marxist critique anachronistic. Nevertheless, in their attempts to overcome the limits of that critique, these Frankfurt School theorists retained some of its basic presuppositions. The resulting tension has been constitutive of Critical Theory.

This can be seen most clearly in an important shift in Max Horkheimer’s conception of Critical Theory in the late 1930s. In

1937, Horkheimer still characterized capitalism in traditional terms, however sophisticated—namely in terms of a structural contradiction between a social totality constituted by labor, which could be organized in a just and rational manner, and the fragmented, irrational form imparted on that whole by the market and private property. Like “totality,” labor here is understood transhistorically, positively valorized, and closely related to reason and emancipation. Critical Theory is grounded reflexively in the contradiction between the totality constituted by labor and the way that totality is mediated by capitalism’s relations.¹

Horkheimer’s understanding of the larger context changed fundamentally in 1940, when, like Pollack, he concluded that what earlier had characterized capitalism—the market and private property—no longer were its basic organizing principles.

Yet Horkheimer did not, on the basis of this insight, reconceptualize the basic social relations of capitalism. Instead, he retained the traditional understanding of capitalism’s contradiction (as one between labor, on the one hand, and the market and private property, on the other), and argued that the contradiction had been overcome—the market and private property had been effectively abolished. Society was now directly constituted by labor. Rather than being liberating, however, this development had led to a new historical form of unfreedom, state capitalism, characterized by a new technocratic form of domination.

This indicated, according to Horkheimer, that labor (which he continued to conceptualize in traditional, transhistorical terms) could not be considered the basis of emancipation but, on the contrary, should be grasped as the source of technocratic domination, as instrumental action. Capitalist society, in his analysis, no longer possessed a structural contradiction, it had become one-dimensional. This analy-

1. Note that, although Horkheimer wrote this essay long after the Nazi defeat of working-class organizations, he did not take the absence of effective social opposition to signify the end of structural contradiction.

This shows that Horkheimer’s later theoretical pessimism cannot be understood solely as a response to the bleakness of his immediate historical context, but must also be understood with reference to his understanding of the larger context.

sis suggested that capitalism no longer had an immanent dynamic, that this dynamic had been superseded by state control.

Because Horkheimer retained some of traditional Marxism's pre-suppositions regarding labor and capitalism's contradiction, his attempt to overcome the limits of that theory was problematic. Not having elaborated an alternative conception of capitalism's basic social relations, he could not justify his continued characterization of modern society as capitalist, given his contention that the market and private property had been effectively abolished. Moreover, his critical analysis could no longer ground itself and, hence, lost its reflexive character. This is the theoretical background for *Dialectic of Enlightenment* and its transhistorical categories.

IV.

Against this background, Jürgen Habermas's project can be understood as an attempt to reconstruct a critical theory of the contemporary world that overcomes the theoretical dilemmas generated by Critical Theory's pessimistic turn. His project can also be located with reference to the trajectory of the twentieth century. Historical developments in the 1960s and 1970s undermined the thesis of one-dimensionality in several distinct ways. In the 1960s, the rise of new social movements called into question the notion of a totally administered world. In the 1970s, the overt reemergence of capitalism's dynamic contravened the notion that the state could direct economic processes as it saw fit, and suggested that capitalism's contradictory character—whatever its content—had not been overcome. Habermas's project is rooted in the former set of developments; its limits have been made manifest by the latter.

Habermas first formulated his approach in the 1960s, when the postwar welfare state was at its height, and as new social movements began to emerge. Against the background of prosperity which was becoming generalized, Habermas extended the Frankfurt School critique of technocratic domination, and criticized capitalist welfare states and socialist states for separating out issues of material welfare

from those of democratic self-determination.

On the other hand, Habermas—seeking to reestablish the self-reflexive character of Critical Theory and also grasp the rise of new oppositional movements—criticized the Frankfurt School thesis of the one-dimensionality of post-liberal society.

Yet Habermas did not locate the conditions of possibility of critique and opposition in capitalism itself (which would have entailed fundamentally rethinking the traditional paradigm). This decision reflected the widespread consensus, during the 1960s, that states had finally achieved control over economic processes and that the working classes had become fully integrated into capitalism. It was reinforced by consideration of the values expressed by the new social movements, which appeared less interested in issues of material welfare than in cultural, aesthetic, and political issues.

Instead of rethinking capitalism, Habermas essentially accepted Horkheimer's position that post-liberal capitalism is constituted by labor (transhistorically understood as instrumental action) and is non-contradictory. In order to ground the possibility of critique, Habermas then argued that labor constitutes only one dimension of social life, which is paralleled by another dimension, constituted by interaction. The sphere of interaction grounds the possibility of critique, according to Habermas, while that of labor constitutes the object of that critique.

Habermas's magnum opus of the early 1980s, *The Theory of Communicative Action*, refines and deepens this general approach, even as it departs in some important respects from his earlier schema. Habermas's general intention is to ground the possibility of a self-reflexive critical theory of modern society in the development of what he calls communicative reason—while formulating a critique of post-liberal society in terms of the growing domination of instrumental forms of rationality.

To do so, Habermas posits a universal evolutionary logic of socio-cultural development in which linguistically-mediated communication increasingly structures the lifeworld. He sharply distinguishes that logic (which points toward the rationalization of worldviews and the generalization of moral and legal norms) from the empirical historical

dynamic of worldview development. Indeed, that logic serves as the immanent standard against which the actuality of modern development can be judged.

What characterizes the modern world is that system integration becomes effected by quasi-objective steering media: money and power. These media allow social processes to be regulated in a purposive-rational manner, and result in an uncoupling of system integration from the lifeworld. The crisis of the contemporary world, according to Habermas, is rooted in the growing expansion of instrumental rationality (which is appropriate for systemic spheres) into lifeworld realms structured by communicative rationality. Habermas claims that this process results in disturbances in the symbolic reproduction of the lifeworld—and thereby runs up against a new form of resistance. On the basis of this analysis, he then attempts to historically ground the "new social movements" of the past three decades.

V.

The Theory of Communicative Action succeeds in recovering the theoretical self-reflexivity of critical social theory, but at the cost of weakening Critical Theory's power to grasp contemporary historical transformations.

These transformations, which I outlined earlier, are undermining the sort of state-centered order (characteristic of much of the twentieth century) with whose emergence earlier Critical Theory wrestled. They indicate that, in spite of appearances, state structures—both West and East—had not managed to gain control over capitalism's dynamic during the Golden Age. These historical processes must be grasped if a critical theory of contemporary society is to be adequate.

But Habermas's mature theory is ill-suited to illuminate or respond to these recent processes of historical transformation, for this would require a critical rethinking of capitalism's dynamic.

Habermas, however, has adopted a systems-theoretic approach in lieu of a critical theory of capitalism. This has severely constrained the scope of his analysis. The categories of "money" and "power" are

essentially static and indeterminate. They neither illuminate the specific structures of the economy and polity, nor can they elucidate the historical dynamic of modern, capitalist society.

Habermas's understanding of contemporary historical dynamics is essentially linear and spatial—a matter of extension—rather than temporal—a matter of transformation. His critique is that the organizing principles of state and economy are overstepping their “legitimate” bounds. This critique does not grasp the massive restructuring of the world today that is fundamentally changing political, economic, and social structures within a new global framework. It presupposes a configuration of state and economy that has been unraveling since the early 1970s, and does not allow for a vision of a fundamentally different form of state and of economy.

Moreover, because Habermas grounds system and lifeworld in two very different ontological principles, it is difficult to see how his theory can explain interrelated historical developments in economy, politics, culture, science, and the structure of everyday life.

In other words, however well-taken Habermas's critique of orthodox Marxism may have been, his attempt to reconstitute critical theory brackets the centrality of capitalism's dynamic in ways that undermine his attempt to bridge the normative and the historical/factual and thus render it anachronistic.

The weaknesses in Habermas's approach are ultimately rooted in his appropriation of systems-theory, his quasi-ontological distinction between system and lifeworld, and his insistence on distinguishing evolutionary logic from empirical historical development. As I have indicated, Habermas draws these distinctions in order to be able to reflexively ground his critique of post-liberal society. This, in turn, presupposes that such a critique cannot be grounded in the nature and dynamic of modern capitalism itself.

Earlier Critical Theory's analysis of postliberal capitalism as “one-dimensional” is the basis for that presupposition. Having adopted that analysis, Habermas attempted to theoretically recover the possibility of a reflexive social critique by positing a social realm that exists outside of capitalism.

The result is a linear, evolutionary theory of historical development

that does not allow Habermas to elucidate a central feature of modern society—its unique historical dynamic—and, hence, to deal with the significant transformations of the contemporary world.

VI.

I have argued that, in attempting to come to grips theoretically with large-scale historical transformations, Critical Theory retained some traditional Marxist presuppositions even as it sought to overcome the limits of that theoretical framework. This ultimately undermined Critical Theory's ability to fulfill its double theoretical task—to adequately illuminate the large-scale historical transformations of the modern world in a historically self-reflexive manner.

The transformations of the past decades strongly indicate the need for a renewed critical theory of the present and suggest that, if such a critical theory is to be adequate, it must be centrally based on an adequate theory of capitalism. At the same time, the course of the twentieth century suggests that, if a critical theory of capitalism is to be adequate to the contemporary world, it must differ in important and basic ways from traditional Marxist critiques of capitalism.

What seems clear, considered retrospectively, is that the social/political form associated with the hegemony of capital has varied historically—from mercantilism through nineteenth-century liberal capitalism and twentieth-century state-centric, organized capitalism, to contemporary neo-liberal capitalism. Each form has elicited a number of penetrating critiques—of exploitation and uneven, inequitable growth, for example, or of technocratic, bureaucratic modes of domination. Each of these critiques is incomplete, however—for, as we now see, capitalism cannot be identified fully with any of its historical forms. Rather, the category of capital delineates a historically dynamic process that is associated with a number of historical forms.

That dynamic is a core feature of the modern world. It entails an ongoing transformation of all aspects of social and cultural life that can be grasped neither in terms of the state, nor in terms of civil society. Rather, that dynamic exists “behind” them, as it were, as a socially-

constituted compulsion that transforms the conditions of people's lives in ways that seem beyond their control.

An adequate theory of capitalism could allow for an approach that might be able to accomplish the two-fold theoretical task defined by Critical Theory— to develop categories that can illuminate the historical transformations of our world and be historically self-reflexive—that is, develop an approach to the modern world (and to theories of that world) that is fundamentally historical.

The Subject and Social Theory

*Marx and Lukács on Hegel**

It is very difficult to imagine addressing the relation of Marx and Hegel—and, relatedly, the question of the Subject and critical social theory—without considering the towering figure of Georg Lukács. In *History and Class Consciousness*, written in the aftermath of the Russian Revolution and the failure of revolution in central Europe, Lukács (1971) effects a fundamental theoretical break with Second International Marxism by reasserting the Hegelian dimension of Marx's thought. On this basis, he fundamentally criticized scientism and faith in linear historical progress, arguing that such positions were the deep theoretical grounds for the world-historical failures of Social Democracy to prevent war in 1914 and bring about radical historical change in 1918–1919.

In appropriating Hegel, Lukács places the issue of subjectivity and the notion of praxis at the center of the Marxian project in ways that broaden and deepen the critique of capitalist society. His essays grasp Marx's critique as a dialectical theory of praxis, on the basis of which he develops a rich theory of history, culture, and consciousness, a powerful revolutionary social theory very different from the mechanical, affirmative, and reductionist Marxism of the Second International.

Hegel and the Hegelian turn in Marxism, as powerfully represented by Lukács, however, have been strongly criticized more recently by structuralists and post-structuralists for whom concepts, such as total-

* This article is based, in part, on Postone (2003). I would like to thank Mark Loeffler for critical feedback.

ity and the historical Subject, which are central to Lukács's project, are anti-emancipatory concepts of domination. Nevertheless, the global historical transformations of recent decades—including the crisis of the Fordist/Keynesian welfare state, the collapse of Soviet communism, and the emergence of a neo-liberal capitalist global order—have underlined the importance of the issue of historical dynamics, and cannot be elucidated adequately by the poststructuralist and postmodernist theories that were dominant in the 1970s and 1980s. They suggest the need for a renewed theoretical concern with capitalism.

I am going to outline a reading of Marx that, while indebted to Lukács, seeks to get beyond the opposition of Hegelian and anti-Hegelian critical approaches. The relation of Marx's mature theory to Hegel, I argue, is different from that which Lukács presents. Indeed, Marx's critical appropriation of Hegel provides the basis for a critique both of Lukács as well as of post-structuralism, in ways that can avoid the weaknesses of each while incorporating their strengths.

I.

Lukács's theory of praxis—especially as developed in his essay, “Reification and the Consciousness of the Proletariat”—does not grasp the categories of Marx's mature critique, such as the commodity, simply as economic categories. Instead, Lukács interprets them as determinations of both subjective and objective dimensions of modern social life.¹ On the basis of this argument, that the subjective and objective dimensions of social life are intrinsically interrelated, Lukács develops a sophisticated social theory of consciousness and of knowledge entailing a fundamental critique of Cartesianism, of subject-object dualism. His theory of praxis allows him to argue that the subject is both producer and product of the dialectical process (Lukács, 1971, p. 142). Consequently:

1. Thus, Lukács (1971, p.293) criticized Ernst Bloch for assuming that the critique of capitalism is only economic (rather than an analysis of the system of forms that defines the real life of humanity), and, therefore, supplementing it with religious utopian thought.

[t]hought and existence are not identical in the sense that they “correspond” to each other, or “reflect” each other, that they “run parallel” to each other, or “coincide” with each other (all expressions that conceal a rigid duality). Their identity is that they are aspects of the same real historical and dialectical process (Lukács, 1971, p. 204).

Within the framework of Lukács’s categorial analysis, then, “consciousness ... is a necessary, indispensable, integral part of that process of [historical] becoming” (Lukács, 1971, p. 204).

In analyzing the interrelatedness of consciousness and history, Lukács’s primary concern is to delineate the historical possibility of revolutionary class-consciousness. At the same time, he presents a brilliant social and historical analysis of modern western philosophy. Such thought, according to Lukács, attempts to wrestle with the problems generated by the peculiar abstract forms of life characteristic of its (capitalist) context, while remaining bound to the immediacy of the forms of appearance of that context. Hence, philosophical thought misrecognizes the problems generated by its context as transhistorical and ontological (Lukács, 1971, pp. 110–12). It was Marx, according to Lukács, who first adequately addressed the problems with which modern philosophy had wrestled. He did so by changing the terms of those problems, by grounding them historically in the social forms of capitalism expressed by categories such as the commodity.

Recovering this mode of analysis, Lukács provides a social and historical analysis of modern philosophical and sociological thought. Significantly, he does not do so first and foremost with reference to considerations of class interest. Rather than focusing on the *function* of thought for a system of social domination, such as class domination, Lukács attempts to ground the *nature* of such thought in the peculiarities of the social forms constitutive of capitalism such as the commodity.

By intrinsically relating social and cultural aspects of life, this appropriation of Marx’s categorial analysis breaks decisively with classical Marxist base-superstructure conceptions. Such conceptions are themselves dualistic—the base being understood as the most funda-

mental level of social objectivity, the superstructure being identified with social subjectivity. Lukács's approach also differs from that of the other great theorist of praxis, Antonio Gramsci, inasmuch as it relates forms of thought and social forms intrinsically, and does not treat their relation as extrinsic or in a functionalist manner. It not only elucidates the hegemonic function of those forms, but also delineates an overarching framework of historically determined forms of subjectivity within which class-related differentiation takes place. Lukács's approach, in other words, can serve as the point of departure for an analysis of the nature of modern, capitalist cultural forms themselves.

In addition to providing the basis for a sophisticated historical theory of subjectivity, Lukács, in his "Reification ..." essay, also shifts the focus of the critique of capitalism, rendering it more adequate to the significant social, economic, political, and cultural features of twentieth-century capitalism. His reading of Marx's categories goes far beyond the traditional critical analysis of capitalism in terms of the market and private property. Instead, he regards as central the processes of rationalization and bureaucratization emphasized by Weber, and grounds those processes in Marx's analysis of the commodity as the basic structuring form of capitalist society. Lukács argues that the processes of rationalization and quantification that mould modern institutions are rooted in the commodity form (Lukács, 1971, pp. 85–110). Like Marx, he characterizes modern capitalist society in terms of the domination of people by time, and treats the factory as a concentrated version of the structure of capitalist society as a whole (Lukács, 1971, pp. 89–90). This structure is also expressed in the nature of modern bureaucracy (Lukács, 1971, pp. 98–100), and gives rise to a determinate form of the state and of law (Lukács, 1971, p. 95). By grounding these features of modernity in Marx's categories, Lukács seeks to show that what Weber described as the "iron cage" of modern social life is a function of capitalism and, hence, transformable.

Lukács's essay on reification demonstrates the power and rigor of a categorially-based critical theory of modern capitalist society, both as a theory of the intrinsic relatedness of culture, consciousness and society, and as a critique of capitalism. His critique extends beyond a concern with issues of class domination and exploitation. It seeks to

critically grasp and socially ground processes of rationalization and quantification, as well as an abstract mode of power and domination that cannot be understood adequately in terms of concrete personal or group domination. The conception of capitalism implied by Lukács's analysis is much broader and deeper than the traditional one of a system of exploitation based on private property and the market. Indeed, his conception implies that the latter ultimately may not be the most basic features of capitalism. On the other hand, Lukács's analysis provides a level of conceptual rigor absent from most discussions of modernity. It indicates that "modern society" is basically a descriptive term for a form of social life that can be analyzed with greater rigor as capitalism.

Yet, in spite of the depth he introduces to the critique of capitalism, Lukács misrecognizes central aspects of the remarkable theoretical turn effected by Marx and fails to realize the promise of the sort of categorial critique he outlines. Consequently, although Lukács's approach presents a critique of capitalism fundamentally richer and more adequate than that of traditional Marxism, it ultimately remains bound to some of that theory's fundamental presuppositions. This weakens his attempt to formulate a more fundamental critique of capitalism, one that would be adequate to the twentieth century.

II.

In order to elaborate these contentions let me briefly outline what I regard as a fundamental difference between Lukács's appropriation of Hegel and that undertaken by Marx in his mature works. As is well known, Hegel attempted to overcome the classical theoretical dichotomy of subject and object, arguing that reality, natural as well as social, subjective as well as objective, is constituted by practice—by the objectifying practice of the *Geist*, the world-historical Subject. The *Geist* constitutes reality by means of a process of externalization; in the process, it reflexively constitutes itself. Inasmuch as both objectivity and subjectivity are constituted by the *Geist* as it unfolds dialectically, they

are of the same substance. Both are moments of a general whole that is substantially homogeneous—a totality.

For Hegel, then, the *Geist* is at once subjective and objective; it is the identical subject-object, the “substance” that is, at the same time, “Subject”: “The living *substance* is, further, that being which is ... *Subject* or, what is the same thing, which is ... actual only insofar as it is the movement of positing itself, or the mediation of the process of becoming different from itself with itself” (Hegel, 1966, p. 28; translation modified, emphasis added).

The process by which this self-moving substance/Subject, the *Geist*, constitutes objectivity and subjectivity as it unfolds dialectically is a historical process, grounded in the internal contradictions of the totality. The historical process of self-objectification, according to Hegel, is one of self-alienation, and leads ultimately to the reappropriation by the *Geist* of that which had been alienated in the course of its unfolding. That is, historical development has an end-point: the realization by the *Geist* of itself as a totalizing and totalized Subject.

In “Reification and the Consciousness of the Proletariat”, Lukács translates Hegel’s concept of the *Geist* anthropologically, identifying the proletariat in a “materialized” Hegelian manner as the identical subject-object of the historical process, as the historical Subject, constituting the social world and itself through its labour. Relatedly, Lukács analyzes society as a totality, constituted by labour, traditionally understood as a social activity mediating humans and nature. The existence of this totality, according to Lukács, is veiled by the fragmented and particularistic character of bourgeois social relations. By overthrowing the capitalist order, the proletariat would realize itself as the historical Subject; the totality it constitutes would openly come into its own. The totality and, hence, labour, provide the *standpoint* of Lukács’s critical analysis of capitalist society (Lukács, 1971, pp. 102–21, 135, 145, 151–3, 162, 175, 197–200).

Lukács’s interpretation of the categories and his reading of Hegel, in particular his identification of the proletariat with the concept of the identical subject-object and his affirmative view of totality, have frequently been identified with Marx’s position.² A close reading of

2. See, for example Piccone (1982, p. xvii).

Capital, however, indicates that Marx's appropriation of Hegel in his mature works differs fundamentally from Lukács's affirmation of totality as the standpoint of critique and his identification of Hegel's identical subject-object with the proletariat. This, in turn, suggests that their understandings of a critical theory of modern, capitalist society are very different.

At the beginning of *Capital*, Marx (1976, p. 128) refers to value as having a "substance," which he identifies as abstract human labour. Marx no longer considers the concept of "substance" to be simply a theoretical hypostatization, as he did in his early works, but now conceives of it as an attribute of value—that is, of the peculiar, labour-mediated form of social relations that characterizes capitalism.³ "Substance," for Marx, is now an expression of a determinate social reality. He investigates that social reality in *Capital* by unfolding logically the commodity and money forms leading to the complex structure of social relations expressed by his category of capital. Marx initially determines capital in terms of value, as self-valorizing value. At this point in his exposition, Marx presents the category of capital in terms that clearly relate it to Hegel's concept of *Geist*:

It [value/M.P.] is constantly changing from one form into the other without becoming lost in this movement; it thus transforms itself into an *automatic subject* ... In truth, however, value is here the *subject* of a process in which, while constantly assuming the form in turn of money and of commodities, it ... valorizes itself...[V]alue suddenly presents itself as a *self-moving substance* which passes through a process of its own, and for which the commodity and money are both mere forms (Marx, 1976, pp. 255–6; translation modified, emphasis added).

In *Capital*, then, Marx explicitly characterizes capital as the self-moving substance that is Subject. In so doing, he implicitly suggests that a historical Subject in the Hegelian sense does indeed exist in

3. For an extensive analysis of Marx's conception of abstract labour as constituting a historically specific, abstract form of social mediation, see Postone (1993).

capitalism. Note, however, that he does not identify that Subject with any social grouping, such as the proletariat, or with humanity. Instead, Marx grasps it with reference to the social relations constituted by the forms of objectifying practice expressed by the category of capital.

Marx's interpretation of the historical Subject with reference to the category of capital suggests that the social relations that characterize capitalism are of a very peculiar sort—they possess the attributes that Hegel accords the Geist. This, in turn, indicates that the most fundamental social relations at his critique's center cannot be adequately understood in terms of class relations but as forms of social mediation expressed by categories such as commodity and capital. Marx's Subject is like Hegel's: it is abstract and cannot be identified with any social actors; moreover, it unfolds temporally independent of will.

As the Subject, capital is a remarkable "subject." Whereas Hegel's Subject is transhistorical and knowing, in Marx's analysis it is historically determinate and blind. As a structure constituted by determinate forms of practice, capital, in turn, is constitutive of forms of social practice and subjectivity; as a self-reflexive social form it may induce self-consciousness. Unlike Hegel's *Geist*, however, it does not possess self-consciousness. Subjectivity and the socio-historical Subject, in other words, must be distinguished in Marx's analysis.

Marx's identification of the identical subject-object with determinate forms of social relations has very important implications for a theory of subjectivity. With this theoretical move, Marx recasts the epistemological problem from a consideration of the knowing individual (or supra-individual) subject and its relation to an external (or externalized) world, to one of forms of social mediation (constituted by praxis), considered as determinations of social subjectivity as well as objectivity.⁴ The problem of knowledge now becomes a question of

4. Habermas (1984, p. 390) claims that his theory of communicative action shifts the framework of critical social theory away from the subject-object paradigm. I am suggesting that Marx, in his mature works, already effects such a theoretical shift. Moreover, I would argue—although I cannot elaborate here—that Marx's focus on forms of social mediation allows for a more rigorous analysis of capitalist modernity than does Habermas's turn to communicative action.

the subjective dimension of determinate forms of social mediation.

This reading of *Capital* appropriates Lukács's understanding of Marx's categories as subjective and objective, cultural and social. Yet it also indicates that those categories have a different meaning than that accorded them by Lukács, who implicitly posits "labour" (labour in general, transhistorically conceived) as the constituting substance of a Subject, which is prevented by capitalist relations from realizing itself. The historical Subject in Lukács can be understood as a collective version of the bourgeois subject, constituting itself and the world through "labour." (That is, the concept of "labour" and that of the bourgeois subject [whether interpreted as the individual or as a class] are intrinsically related.)

Note that Lukács's interpretation implicitly treats capitalist relations as extrinsic to labour. Although *History and Class Consciousness* does contain criticisms of the structure of factory labour, its underlying presuppositions are consonant with traditional approaches to capitalism essentially in terms of the market and private property—that is, in terms extrinsic to labour.

Marx's critique of Hegel breaks with the presuppositions of such a position (which, nevertheless, became dominant within the socialist tradition). Rather than viewing capitalist relations as extrinsic to the Subject, hindering its full realization, Marx analyzes those very relations, characterized by their quasi-objective form, as constituting what Hegel grasped as a historical Subject. This theoretical turn means that Marx's mature theory is not bound to the notion that social actors, such as the proletariat, constitute a historical meta-Subject that will realize itself in a future society. Indeed, it implies a critique of such a notion.

A similar difference between Marx and Lukács exists with regard to the Hegelian concept of totality. For Lukács, a social totality is constituted by "labour," but is veiled, fragmented, and prevented from realizing itself by capitalist relations. It represents the *standpoint* of the critique of the capitalist present, and will be realized in socialism. Marx's categorial determination of capital as the historical Subject, however, indicates that the totality and the labour that constitutes it have become the *objects* of his critique. The capitalist social forma-

tion, according to Marx, is unique inasmuch as it is constituted by a qualitatively homogeneous social “substance.” Hence, it exists as a social totality. Other social formations are not so totalized; their fundamental social relations are not qualitatively homogeneous. They cannot be grasped by the concept of “substance,” cannot be unfolded from a single structuring principle, and do not display an immanent, necessary historical logic.

The idea that capital, and not the proletariat or the species, is the total Subject clearly implies that, for Marx, the historical negation of capitalism would not involve the *realization*, but the *abolition*, of the totality. It follows that the contradiction driving the unfolding of this totality does not drive the totality forward towards its full realization, but, rather, towards the possibility of its historical abolition. That is, the contradiction expresses the temporal finiteness of the totality by pointing beyond it.

The determination of capital as the historical Subject grounds capitalism’s dynamic in historically specific social relations (commodity, capital) that are constituted by structured forms of practice and, yet, are alienated: they acquire a quasi-independent existence and subject people to quasi-objective constraints. Capital, as analyzed by Marx, is a dialectical process that, because quasi-objective, quantifiable, and independent of will, presents itself as a logic. The existence of a historical logic is not, within this framework, a characteristic of human history as such but, rather, a historically specific, distinguishing feature of capitalism that Hegel (and Lukács, and most Marxist thinkers) projected transhistorically onto all of human social life as History. Marx’s mature analysis, then, changes the terms of debate regarding history. He neither treats historical logic affirmatively, nor as an illusion, but as a form of domination rooted in the social forms of capitalism.

Paradoxically, this historically specific understanding of History possesses an emancipatory moment not available to those positions that, explicitly or implicitly, identify the historical Subject with the labouring class. Such “materialist” interpretations of Hegel which posit the class or the species as the historical Subject seek to enhance human dignity by emphasizing the role of practice in the creation of

history. Within the framework of the interpretation outlined here, however, such positions are only apparently emancipatory, for the very existence of a historical logic is an expression of heteronomy, of alienated practice. Accordingly, the call for the full realization of the Subject could only imply the full realization of an alienated social form.

It should be evident by now that the critical thrust of Marx's analysis, according to this reading, is similar in some respects to that of poststructuralist approaches inasmuch as it entails a critique of totality, of the Subject, and of a dialectical logic of history. However, whereas Marx grasps these conceptions as expressions of the reality of capitalist society, poststructuralist approaches deny their existence. Seeking to expand the realm of human freedom, such positions ignore the reality of alienated social relations and cannot grasp the historical tendencies of capitalist society. Consequently such approaches are, contrary to their intentions, profoundly disempowering.

Those positions that assert the existence of a totality, but do so in an affirmative fashion, then, are related to those positions that deny totality's very existence in order to save the possibility of freedom. Both positions are one-sided: they posit, albeit in opposed fashion, a transhistorical identity between what is and what should be, between recognizing the existence of totality and affirming it. Marx, on the other hand, analyzes totality as a heteronomous reality in order to uncover the historically emergent conditions for its abolition.

III.

At this point I shall briefly outline a reading of Marx's categories very different from that presented by Lukács. Although indebted to Lukács's focus on the categories, this reading could serve as the basis for a critical theory of capitalism able to overcome the dualism of his specific approach as well as its traditionalist assumptions.

Lukács analyzes central aspects of modernity—for example, the factory, bureaucracy, the form of the state and of law—with reference to processes of rationalization grounded in the commodity form. He describes these processes in terms of the subsumption of the qualita-

tive by the quantitative, arguing, for example, that capitalism is characterized by a trend toward greater rationalization and calculability, which eliminates the qualitative, human, and individual attributes of the workers (Lukács, 1971, p.88). Relatedly, he maintains that time loses its qualitative, variable and flowing nature and becomes a quantifiable continuum filled with quantifiable “things” (Lukács, 1971, p. 90). Because capitalism entails the subsumption of the qualitative under the quantitative, according to Lukács, its unitary character is abstract, general, and formalistic.

Nevertheless, although the rationalization of the world effected by the commodity relation may appear to be complete, Lukács argues, it actually is limited by its own formalism (Lukács, 1971, p. 101). Its limits emerge clearly in periods of crisis, when capitalism is revealed as a whole made up of partial systems that are only contingently related, an irrational whole of highly rational parts (Lukács, 1971, pp. 101–2). The crisis, in other words, reveals that there are qualitative conditions attached to the quantitative relations of capitalism, “that it is not merely a question of units of value which can easily be compared with each other, but also use-values of a definite kind which must fulfill a definite function in production and consumption” (Lukács, 1971, p. 106). Hence, capitalism cannot be grasped as a rational totality. Indeed such knowledge of the whole would amount to the virtual abolition of the capitalist economy, according to Lukács (1971, p. 102).

Lukács, then, grasps capitalism essentially in terms of the problem of formalism, as a form of social life that does not grasp its own content. This suggests that, when he claims the commodity form structures modern, capitalist society, he understands that form solely in terms of its abstract, quantitative, formal dimension—its value dimension. He thereby posits the use-value dimension as the “real material substratum,” as a quasi-ontological content, separable from the form, which is constituted by labour, trans-historically understood.

Within this framework, getting beyond bourgeois thought means getting beyond the formalistic rationalism of such thought, that is, beyond the diremption of form and content effected by capitalism.

And this, Lukács argues, requires a concept of form that is oriented toward the concrete content of its material substratum; it requires a dialectical theory of praxis (Lukács, 1971, pp. 121–42). It is Hegel, according to Lukács, who points the way to such a theory by turning to history as the concrete and total dialectical process between subject and object. Yet, Lukács claims, although Hegel develops the dialectical method, which grasps the reality of human history and shows the way to the overcoming of the antinomies of bourgeois thought, he is unable to discover the identical subject-object in history (Lukács, 1971, p. 145). Instead, he locates it idealistically, outside of history, in the *Geist*. This results in a concept mythology, which reintroduces all the antinomies of classical philosophy (Lukács, 1971, pp. 145–8).

Overcoming those antinomies entails a social and historical version of Hegel's solution, according to Lukács. The adequate "solution" is provided by the proletariat, which is able to discover within itself, on the basis of its life experience, the identical subject-object (Lukács, 1971, p. 149). Lukács then proceeds to develop a theory of the class-consciousness of the proletariat (Lukács, 1971, pp. 149–209). I shall not discuss this theory at length other than to note that, unlike Marx, Lukács does not present his account with reference to the development of capital—for example, in terms of possibilities that emerge as a result of changes in the nature of surplus value (from absolute to relative surplus value) and related changes in the development of the process of production. Instead, he outlines a dialectic of immediacy and mediation, quantity and quality, which could lead to the self-awareness of the proletariat as subject. His account is curiously devoid of a historical dynamic. History, which Lukács conceives of as the dialectical process of the self-constitution of humanity, is indeterminate in this essay; it is not analyzed with reference to the historical development of capitalism.

Indeed, Lukács treats capitalism as an essentially static, abstract quantitative form that is superimposed on, and veils, the true nature of the concrete, qualitative, social content. Within the framework of his account, the historical dialectic, constituted by praxis, operates on the level of the "real" social content, that is, class relations; it is ultimately opposed to the categories of capitalism. Those categories, then, veil

what is constituted by praxis; they are not themselves categories of praxis. The opposition Lukács draws between “the developing tendencies of history” and “the empirical facts,” whereby the former constitutes a “higher reality,” also expresses this understanding (Lukács, 1971, p. 181).⁵ History here refers to the level of praxis, as Lukács understands it, to the “real” social content, whereas the empirical “facts” operate on the level of the economic categories.

How, then, does Lukács deal with capitalism’s dynamic? He does refer to the immanent, blind dynamic of capitalist society, which he characterizes as a manifestation of the rule of capital over labour (Lukács, 1971, p. 181). Nevertheless, Lukács does not ultimately take seriously that dynamic as a historical dynamic, a quasi-independent social reality at the heart of capitalism. Instead he treats it as a reified manifestation of a more fundamental social reality, as a ghostly movement that veils “real history”:

This image of a frozen reality that nevertheless is caught up in an unremitting ghostly movement at once becomes meaningful when the reality is dissolved into the process of which man is the driving force. This can be seen only from the standpoint of the proletariat because the meaning of these tendencies is the abolition of capitalism and so for the bourgeoisie to become conscious of them would be tantamount to suicide (Lukács, 1971, p. 181).

“Real” history, according to Lukács, is the dialectical historical process constituted by praxis. It operates on a more fundamental level of social reality than what is grasped by the categories of capitalism, and points beyond that society. This “deeper,” more substantive, level of social reality is veiled by the immediacy of capitalist forms; it can only

5. The distinction between the tendencies of history and empirical “facts” is implicitly related by Lukács to the difference in logical levels between Marx’s analysis of value and surplus value in Volume I of *Capital* and his analysis of price, profit, rent and interest in Volume III of *Capital*, whereby the latter categories veil the former (Lukács, 1971, pp.181–5). What is significant here is that Lukács reads the concrete dimension of the underlying categories of Volume I such as “labour” and “use-value” as ontological and affirmative.

be grasped from a standpoint that breaks through that immediacy. And this standpoint, for Lukács, is a possibility that is available structurally to the proletariat (Lukács, 1971, p. 149). The historical overcoming of capitalism by the proletariat, then, would involve overcoming the formalistic, quantitative dimension of modern social life (value), thereby allowing the real, substantive, historical nature of society (the dimension of use-value, labour, the proletariat) to emerge openly and come into its own historically.

Lukács, then, presents a positive materialist version of Hegel's dialectical method. Lukács affirms the dialectical process of history constituted by the praxis of the proletariat (and, hence, the notions of history, totality, dialectic, labour, and the proletariat) *in opposition to* capitalism. We have seen, however, that Marx interprets the Hegelian identical subject-object *in terms of* the category of capital. This indicates, as already noted, that precisely what Lukács appropriates from Hegel as pointing beyond capitalism—the idea of a dialectical historical logic, the notion of totality, the identical subject-object—are analyzed by Marx as characteristics of capital. What Lukács understands as socially ontological, outside the purview of the categories, is grasped critically as intrinsic to capital by the categories of Marx's critique of political economy.

Lukács's analysis in the "Reification" essay separates and opposes the quantitative and the qualitative and, relatedly, form and content. These oppositions are bound to his understanding of the relation of value and use-value and, hence, of the commodity form. Lukács, as we have seen, interprets the commodity as a historically specific abstract form (value) superimposed upon a transhistorical concrete substantive content (use-value, labour), which constitutes the "real" nature of society. For Lukács, the relation of form and content is contingent in capitalism. Relatedly, a concept of form that is not indifferent to its content would point beyond capitalism.

This, however, is not the case with Marx's analysis of the commodity. At the heart of Marx's analysis is his argument that labour in capitalism has a "double character": it is both "concrete labour" and "abstract labour" (Marx, 1976, pp. 128–37). "Concrete labour" refers to the fact that some form of what we consider labouring activity

mediates the interactions of humans with nature in all societies. “Abstract labour” does not simply refer to concrete labour in the abstract, to “labour” in general, but is a very different sort of category. It signifies that labour in capitalism also has a unique social function that is not intrinsic to labouring activity as such: it mediates a new, quasi-objective form of social interdependence (Postone, 1993, pp. 123–85). “Abstract labour,” as a historically specific mediating function of labour, is the content or, better, “substance” of value (Marx, 1976, p. 128). Form and content are indeed intrinsically related here as a fundamental determination of capitalism.

Labour in capitalism, according to Marx, then, is not only labour, as we transhistorically and commonsensically understand it, but also a historically specific socially mediating activity. Hence its products—commodity, capital—are both concrete labour products and objectified forms of social mediation. According to this analysis, the peculiar quasi-objective, formal social relations that fundamentally characterize capitalist society are dualistic: they are characterized by the opposition of an abstract, general, homogenous dimension and a concrete, particular, material dimension, both of which appear to be “natural,” rather than social, and condition social conceptions of natural reality. Whereas Lukács understands the commodity only in terms of its abstract dimension, Marx analyzes the commodity as both abstract and concrete. Within this framework, Lukács’s analysis falls prey to a fetish form; it naturalizes the concrete dimension of the commodity form.

The form of mediation constitutive of capitalism, in Marx’s analysis, gives rise to a new form of social domination—one that subjects people to impersonal, increasingly rationalized structural imperatives and constraints. It is the domination of people by time. This temporal domination is real, not ghostly. It cannot be grasped adequately in terms of class domination or, more generally, in terms of the concrete domination of social groupings or of institutional agencies of the state and/or the economy. It has no determinate locus and, although constituted by determinate forms of social practice, appears not to be social at all.⁶ Moreover, the temporal form of domination analyzed

6. This analysis provides a powerful point of departure for analyzing the pervasive and

by Marx in *Capital* is dynamic, not static. Whereas Lukács affirms history as a dynamic reality that is veiled by capitalism, Marx analyzes it critically as heteronomous, as a basic characteristic of capitalism. In *Capital*, the unstable duality of the commodity form generates a dialectical interaction of value and use-value that gives rise to a very complex, non-linear, historical dynamic underlying modern capitalist society (Marx, 1976, pp. 283ff.). The use-value dimension here is not outside of the basic structuring forms of capitalism, but is one of their integral moments (Postone, 1993, pp. 263–384). The dynamic generated by the dialectic of value and use-value is characterized, on the one hand, by ongoing transformations of production and, more generally, of social life. On the other hand, this historical dynamic entails the ongoing reconstitution of its own fundamental condition as an unchanging feature of social life—namely that social mediation ultimately is effected by labour and, hence, that living labour remains integral to the process of production (considered in terms of society as a whole), regardless of the level of productivity. The historical dynamic of capitalism ceaselessly generates what is “new,” while regenerating what is the “same” (Postone, 1993, pp. 287–306). This dynamic both generates the possibility of another organization of social life and yet hinders that possibility from being realized.

Marx’s mature critique, therefore, no longer entails a “materialist,” anthropological inversion of Hegel’s idealistic dialectic of the sort undertaken by Lukács. Rather, it is, in a sense, the materialist “justification” of that dialectic. Marx implicitly argues that the so-called “rational core” of Hegel’s dialectic is precisely its idealist character. It is an expression of a mode of social domination constituted by structures of social relations that acquire a quasi-independent existence vis-à-vis the individuals and that, because of their peculiar dualistic nature, are dialectical in character. The immanent dynamic they generate cannot be understood directly with reference to individual or group action. Rather, the historical Subject, according to Marx, is the alienated structure of social mediation constitutive of the capitalist

immanent form of power that Michel Foucault (1984) described as characteristic of modern Western societies.

formation (capital), whose contradictions point to the abolition, not the realization, of the Subject.

According to this interpretation, the non-linear historical dynamic elucidated by Marx's categorial analysis provides the basis for a critical understanding of both the form of economic growth as well as the proletarian-based form of industrial production characteristic of capitalism (Marx, 1976, pp. 645, 657–8; Marx, 1981, pp. 953–4). That is, it allows for a categorial analysis of the processes of rationalization Lukács critically described. This approach neither posits a linear developmental schema that points beyond the existing structure and organization of labour (as do theories of postindustrial society), nor does it treat industrial production and the proletariat as the bases for a future society (as do many traditional Marxist approaches). Rather, it indicates that capitalism gives rise to the historical possibility of a different form of growth and of production; at the same time, however, capitalism structurally undermines the realization of those possibilities.

The structural contradiction of capitalism, according to this interpretation, is not one between distribution (the market, private property) and production, between existing property relations and industrial production. Rather, it emerges as a contradiction between existing forms of growth and production, and what could be the case if social relations no longer were mediated in a quasi-objective fashion by labour.

(As an aside: by grounding the contradictory character of the social formation in the dualistic forms expressed by the categories of the commodity and capital, Marx implies that structurally based social contradiction is specific to capitalism. In light of this analysis, the notion that reality or social relations in general are essentially contradictory and dialectical can only be assumed metaphysically, not explained.)

The reinterpretation of Marx's theory I have outlined constitutes a basic break with, and critique of, more traditional interpretations. Such interpretations understand capitalism in terms of class relations structured by the market and private property, grasp its form of domination primarily in terms of class domination and exploitation, and formulate a normative and historical critique of capitalism from the

standpoint of labour and production (understood transhistorically in terms of the interactions of humans with material nature). I have argued that Marx's analysis of labour in capitalism as historically specific seeks to elucidate a peculiar quasi-objective form of social mediation and wealth (value) that is constitutive of a form of domination. This form structures the process of production in capitalism and generates a historically unique dynamic. Hence, labour and the process of production are not separable from, and opposed to, the social relations of capitalism, but constitute their very core.

Marx's theory, then, extends far beyond the traditional critique of the bourgeois relations of distribution (the market and private property); it grasps modern industrial society itself as capitalist. It treats the working class as the basic element of capitalism rather than as the embodiment of its negation, and does not conceptualize socialism in terms of the realization of labour and of industrial production, but in terms of the possible abolition of the proletariat, of the organization of production based on proletarian labour, and of the dynamic system of abstract compulsions constituted by labour as a socially mediating activity (Postone, 1993, pp. 307ff). This reinterpretation of Marx's theory thus implies a fundamental rethinking of the nature of capitalism and of its possible historical transformation. By shifting the focus of the critique away from an exclusive concern with the market and private property, it provides the basis for a critical theory of post-liberal society as capitalist and also of the so-called "actually-existing socialist" countries as alternative (and failed) forms of capital accumulation, rather than as social modes that represented the historical negation of capital, in however imperfect a form. This approach also allows for an analysis of the newest configuration of capitalism—of neo-liberal global capitalism—in ways that avoid returning to a traditionalist Marxist framework.

IV.

It has become evident, considered retrospectively, that the social / political / economic / cultural configuration of capital's hegemony has

varied historically—from mercantilism, through nineteenth-century liberal capitalism, and twentieth-century state-centric Fordist capitalism, to contemporary neo-liberal global capitalism. Each configuration has elicited a number of penetrating critiques—of exploitation and uneven, inequitable growth, for example, or of technocratic, bureaucratic modes of domination.

Each of these critiques, however, is incomplete. As we now see, capitalism cannot be identified fully with any of its historical configurations. By outlining the differences between Lukács's critical appropriation of Hegel and that of Marx, I have sought to differentiate between an approach that, however sophisticated, ultimately is a critique of one historical configuration of capital, and an approach that allows for an understanding of capital as the core of the social formation, separable from its various surface configurations.

The distinction between capital as the core of the social formation and historically specific configurations of capitalism has become increasingly important in the course of the past century. Conflating the two has resulted in significant misrecognitions. Recall Marx's assertion that the coming social revolution must draw its poetry from the future, unlike earlier revolutions that, focused on the past, misrecognized their own historical content (Marx, 1979, p.106). In that light, Lukács's critical theory of capitalism, grounded in his "materialist" appropriation of Hegel, backs into a future it does not grasp. Rather than pointing to the overcoming of capitalism, Lukács's approach entails a misrecognition that conflates capital and its nineteenth-century configuration. Consequently he implicitly affirms the new state-centric configuration that emerged out of the crisis of liberal capitalism. Although, paradoxically, Lukács's rich critical *description* of capitalism is also directed against the bureaucratization of society, his specific understanding of the categories of Marx's critical theory does not adequately ground that critical description.

The unintended affirmation of a new configuration of capitalism can be seen more recently in the anti-Hegelian turn to Nietzsche characteristic of much post-structuralist thought in the 1970s and 1980s. Such thought, arguably, also backed into a future it did not adequately grasp. In rejecting the sort of state-centric order Lukács

implicitly affirmed, it did so in a manner that was incapable of critically grasping the neo-liberal global order that has superseded Fordist state-centric capitalism, East and West; on a deep theoretical level, it affirmed, in turn, that order.

By rethinking Marx's relation to Hegel in ways that illuminate his conception of capital as the essential core of the social formation, I have sought to contribute to the reconstitution of an adequate critique of capitalism today, freed from the conceptual shackles of approaches that identify capitalism with one of its historical configurations.

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Theorizing the Contemporary World
Robert Brenner, Giovanni Arrighi, David Harvey

It is widely recognized that the past three decades mark a significant break with the social, political, economic, and cultural order that characterized the decades following the Second World War. Basic changes include the weakening and transformation of welfare states in the capitalist West, the collapse or fundamental metamorphosis of bureaucratic party-states in the communist East, and the undermining of developmental states in what had been called the Third World. More generally, recent decades have seen the weakening of national, state-centered economic sovereignty and the emergence and consolidation of a neo-liberal global order. Social, political, and cultural life have become increasingly global, on the one hand; on the other hand, they have become increasingly decentered and fragmented.

These changes have occurred against the background of a lengthy period of stagnation and crisis: since the early 1970s, the growth of real wages has decreased dramatically, real wages have remained generally flat, profit rates have stagnated, and labor productivity rates have declined. Yet these crisis phenomena have not led to a resurgence of working class movements. On the contrary, the past decades have seen the decline of classical labor movements and the rise of new social movements, often characterized by the politics of identity, including nationalist movements, movements of sexual politics, and various forms of religious “fundamentalism.” Trying to come to terms with the large-scale transformations of the past three decades, then, entails addressing not only the long-term economic downturn since the early 1970s, but also important changes in the character of social

and cultural life.

It is against the background of this problematic that I wish to discuss three very important works—by Robert Brenner, Giovanni Arrighi, and David Harvey¹—that attempt to grapple with current transformations. This paper is intended as preliminary. It does not attempt to provide a definitive critical analysis of these three authors' works, but rather approaches specific works by these authors on a meta-theoretical level, focusing on their theoretical assumptions, in order to problematize the nature and characteristics of an adequate critical theory of capitalism today.

Why a theory of capitalism—or better—a theory of capital? Let me begin with a point that Harvey and others have made in considering the period of postwar prosperity: During the period 1949-1973, Western states engineered stable economic growth and living standards similarly—through a mix of welfare statism, Keynesian management, and control of wage relations—although very different political parties were in power.² One could add that in all Western states the welfare state synthesis unraveled and was rolled back in the 1970s and 1980s regardless of which party was in power.

These large-scale historical developments can themselves be seen with reference to a still-larger historical pattern: the rise and decline of the state-centered organization of social and economic life, of the apparent primacy of the political over the economic. The beginnings of this period can be located roughly in the First World War and the Russian Revolution; its demise can be seen in the crisis of the 1970s and the subsequent emergence of a neo-liberal global order. This general trajectory was global. It encompassed Western capitalist countries and the Soviet Union, as well as colonized lands and decolonized countries. When viewed with reference to this general trajectory, differences in development appear as different inflections of a common

1. Robert Brenner, *The Economics of Global Turbulence: A Special Report on the World Economy, 1950–98*, *New Left Review*, no. 229, May-June, 1998; Giovanni Arrighi, *The Long Twentieth Century: Money, Power, and the Origins of Our Times*, London and New York: Verso, 1994; David Harvey, *The Conditions of Postmodernity: An Enquiry into the Origins of Cultural Change*, Oxford and Cambridge, Mass: Basil Blackwell, 1989.

2. See Harvey, *op. cit.*, p. 135.

pattern rather than as fundamentally different developments. The general character of the large-scale historical pattern that structured much of the twentieth century suggests the existence of overarching structural imperatives and constraints that cannot adequately be explained in local and contingent terms.

Consideration of the general historical patterns that characterize the twentieth century, then, calls into question poststructuralist understandings of history as essentially contingent. This does not, however, necessarily involve ignoring the critical insight that informs attempts to deal with history contingently—namely, that history, understood as the unfolding of an immanent necessity, should be understood as marking a form of unfreedom.

This form of unfreedom is the object of Marx's critical theory of capitalism, which first and foremost is concerned with delineating and grounding the imperatives and constraints that are generative of the historical dynamics and structural changes of the modern world. The critique of capital does not deny the existence of historical unfreedom by focusing on contingency. Rather, it seeks to analyze that unfreedom socially and historically, uncover its basis, and point to the possibility of its overcoming. In other words, an adequate critical theory of capital seeks to elucidate the dynamic of the modern world, and does so from the immanent standpoint of its transformability. Such a critical theory of capitalism, of the historical dynamics of modernity, I would argue, can provide the best basis for a rigorous approach to the global transformations of the past three decades. It can do so, however, only to the extent that it adequately can deal with the deep social and cultural, as well as economic, changes of recent decades.

All three authors I am discussing attempt to come to grips with these recent transformations within the framework of a critical theory of capitalism. In *The Economics of Global Turbulence*, Robert Brenner marshals a great deal of evidence (data on real wages, profit rates, labor productivity rates, and growth rates) to demonstrate that the world economy has been basically stagnant for 30 years.³ Writing in the late 1990s, Brenner argues against the illusion, widespread in that

3. Brenner, *op. cit.*, pp. 1–7.

period (actually, a recurrent capitalist illusion) that the problem of business cycles had been solved, that they had been left behind. His main concern is not only to explain the economic downturn of the early 1970s, but also why it persisted for such a long time. The fall in profitability, heralding the end of the postwar boom, began in the mid 1960s, according to Brenner and not, as many have argued, between 1969 and 1972.⁴ This, according to Brenner, contravenes what he calls “supply-side” theories that attribute the downturn as well as its duration to increased pressure on profits exerted by workers, inasmuch as it indicates that the downturn antedates such pressure.⁵ Moreover, approaches that focus on labor necessarily look at the specific situation in each country. They cannot explain the most salient characteristics of the late twentieth century downturn: that its onset and various phases were universal and simultaneous—encompassing weak economies with strong labor movements (UK) and strong economies with weak labor movements (Japan)—and that the downturn has lasted so long.⁶ On the basis of such considerations, Brenner argues that an explanation of the downturn and subsequent failure of economies to adjust must be on the level of the international system as a whole.⁷ The fall in the rate of profit was not the result of technological factors, or labor pressures, or political controls, according to Brenner, but, more fundamentally, was the result of international market competition and uneven development.⁸

Central to Brenner’s analysis is the general argument that capital in a particular industry cannot easily be diverted elsewhere when much of it is tied up in the form of fixed capital. Consequently, in such a situation, increased competition, resulting in lower margins of profit, does not lead to the diversion of capital to other areas as predicted by mainstream economic theory, but to systemic overproduction. Hence the downturn resulting from overproduction does not result in the predicted shakeout, which then is followed by a recovery, but by a

4. *Ibid.*, p. 36.

5. *Ibid.*, pp. 8, 18.

6. *Ibid.*, pp. 18–24.

7. *Ibid.*, pp. 23 ff.

8. *Ibid.*, pp. 8–11.

long-term fall in the rate of profit.

Specifically, Brenner argues that, as a result of the devastation wrought by World War II, there was basically only one workshop in the world in the immediate postwar period—the United States. By the 1960s, however, the US began to be challenged economically by Germany and Japan. Because of the investment by American firms in fixed capital—for example in the automobile industry—those firms continued to produce at their previous levels, even though the Germans and Japanese were expanding (automobile) production. The result was endemic, global overproduction.⁹

Brenner's argument relates crises of overproduction in capitalism to the contingencies of competition. Were it not for these contingencies, firms would know how much they should be investing in fixed capital. But they do not and cannot have this knowledge; therefore they will be subject to unforeseen pressures. Because of their fixed capital investments, however, they cannot afford to cut back and invest elsewhere. Instead they are impelled to fight for market share. Consequently, profits fall. Firms try to counteract this tendency for profits to fall by squeezing labor, destroying unions, and cutting social welfare and pensions.¹⁰

Brenner's account of boom and bust successfully addresses important features of the long downturn, especially its global character. It clearly shows that capitalism constitutes a global order—one, however, that is dysfunctional. His account is a useful corrective to mainstream economic discourse. It demonstrates the inadequacy of mainstream understandings of capital flows resulting from competition, and the illusory character of the recurrent notion that business cycles are a thing of the past. Brenner's approach also contravenes the widespread idea that the long downturn of the late twentieth century emerged as a result of and response to working class successes between 1968 and 1972, and provides him with the basis for a critique of the Regulation School's account of the decline of Fordism and the emer-

9. *Ibid.*, pp. 91 ff.

10. *Ibid.*, pp. 27 ff.

gence of a post-Fordist regime.¹¹

In spite of Brenner's in-depth examination of the long downturn of the late twentieth century, however, he does not adequately address other, important, dimensions of the transformations of recent decades. In that sense, his approach does not really provide an adequate account of historical change. His analysis of the long downturn with reference to international competition and systemic overproduction does illuminate important dimensions of that crisis. Nevertheless, there is no indication in Brenner's account of a shift in the social, cultural, and political dimensions of life that could be related to the economic processes he discusses. Brenner's focus on economy is such that there is little sense that the general historical context of the late twentieth century is in any way different from earlier periods of downturn and intercapitalist rivalry. That is, Brenner does not thematize the question of qualitative historical changes in capitalist society. Hence, when he criticizes the Regulation School, he does not provide an alternate approach to a central dimension of that theoretical approach--the concern with fundamental social and cultural changes that occur with what regulation theorists call a new mode of regulation.

If a critical theory of capitalism is to adequately deal with the historical transformations of the past three decades, however, it cannot only elucidate economic developments, understood narrowly, but must be able to illuminate changes in the nature of social and cultural life within the framework of capitalism. Only then can a critical theory of capitalism claim to be a critical theory of the modern world, that is, of a historically specific objective/subjective form of social life, rather than a theory of a determinate economic organization—narrowly understood—of modern society. Relatedly (and this is crucially important) a critical theory of capitalism must be capable of elucidating qualitative, interrelated changes in social objectivity and subjectivity if it is to address large-scale cultural changes and social

11. Brenner characterizes the Regulation School as "left-wing Malthusianism," which locates the source of the economy's falling profitability in the declining productive dynamism of the Fordist technological paradigm. See Robert Brenner, "Reply to Critics," in *Comparative Studies of South Asia, Africa, and the Middle East*, Vol. XIX, No. 2, 1999, p. 62.

movements. Only then can it be, at least potentially, a theory of capitalism's possible overcoming.

The question in this regard is not whether Brenner, or any other theorist, explicitly deals with such issues, but whether their approach is intrinsically capable of elucidating historical transformations of politics, culture, and society. Whatever its strengths, Brenner's approach does not deal adequately with the historical development and structure of capitalism as a form of social life. Changes in culture and subjectivity seem to be outside of its purview.

These limitations of Brenner's approach are related to his basic understanding of capitalism. The issue here is not simply one of analytic range—whether a critical account of capitalism should focus on economic processes alone, rather than also addressing other dimensions of social life. Rather, it is whether the basic categories of that account can intrinsically relate different dimensions of life as interrelated aspects of a determinate form of social life. Brenner's analytic point of departure is a traditional Marxist emphasis on the unplanned, uncoordinated and competitive nature of capitalist production.¹² That is, at the core of his analysis of the long downturn are the notions of uneven development and competition. These notions are centrally defining of capitalism in Brenner's approach, and implicitly point to rational planning as the most salient characteristic of the post-capitalist world. The focus of such a critique of capitalism, in other words, is essentially the mode of *distribution*. Issues of the form of production, of work, and, more fundamentally, of social mediation are outside of its framework. Notions such as competition and uneven development, along with categories central to Brenner's analysis, such as profit, fixed and circulating capital, however, are categories of economy; that is, they are categories of the surface that do not adequately grasp the fundamental nature and historical dynamic of capitalism as a historically specific form of social life.

In this essay I can only touch upon the theoretical significance of the distinction between surface and deep structure (as marking the distinction between critical political economy and the critique of

12. Brenner, *The Economics of Global Turbulence*, op. cit., p. 8.

political economy), and why it would make sense to revisit the category of value. At this point I simply wish to note that to characterize a notion such as that of uneven development as one of the surface does not mean that it is illusory, but signifies, rather, that it does not grasp what is most essential to capitalism.

Characterizing notions such as competition and uneven development and categories such as profit as surface phenomena, expresses a position that regards categories such as commodity, value, and capital as those of deep structure. Brenner, however, rejects the latter categories, characterizing approaches based on them as “Fundamentalist Marxism.”¹³ Differences regarding value theory frequently express different understandings of the categories. For example, value usually has been interpreted essentially as an economic category, a category of distribution that grounds prices, demonstrates exploitation (the category of surplus value), and explains the crisis-ridden character of capitalism (as a result of the growing organic composition of capital). The significance of value, so understood, often has been called into question on the basis of arguments that claim prices, exploitation, and crises can be explained without reference to such a category.

I would argue for another understanding of Marx’s category of value. It is not simply a refinement of that category as it was developed by Smith and Ricardo. Rather, it is a category that purports to grasp determinate abstract forms of social mediation, social wealth, and temporality that structure production, distribution, consumption and, more generally, social life in capitalist society. The temporal dimension of the categories of deep structure grounds the dynamic of capitalism; it helps explain, in historically specific terms, the existence of a historical dynamic that characterizes capitalism. Those categories, then, seek to grasp the general contours of that dynamic while indicating that an immanent historical dynamic does not characterize human histories and societies per se. Moreover, the categories of value and capital are not merely economic and are not even categories of social objectivity alone—but are categories that are at once social and cultural. Finally, the dynamic grounded in value is such that value becomes less and less adequate to the reality it generates. That

13. *Ibid.*, p. 11.

is, the dynamic gives rise to the objective and subjective conditions of possibility of a social order beyond capitalism.¹⁴ (I shall begin to further elaborate these contentions when I later discuss the notion of the falling rate of profit, as understood by Brenner and Arrighi.) Far from being categories of economic and social life in general, the underlying categories of the critique of political economy purport to grasp the essential core of a historically determinate form of social life—capitalism—in ways that indicate its historically specific and possibly transient character. The abolition of what the categories purportedly grasp would entail the abolition of capitalism.

Engaging this fundamental problematic fully requires interrogating the nature of temporality in capitalism, an issue that I cannot elaborate extensively in this essay. I would, nevertheless, like to pursue these considerations further with reference to Giovanni Arrighi's *The Long Twentieth Century*. Arrighi is among those theorists who conceptualize the period since 1973 as one of qualitative change, which he characterizes in terms of the "financialization" of capital as its predominant feature.¹⁵ Arguing against positions like Hilferding's, that the increased importance of finance capital marks an entirely new stage of capitalist development, Arrighi maintains that the primacy of financialization is a recurrent phenomenon, a phase of larger cycles of capitalist development that began in late medieval and early modern Europe.¹⁶

Arrighi's study of the crisis of the late twentieth century is embedded in a much larger framework—an analysis of "the structures and processes of the capitalist world system as a whole at different stages of its development."¹⁷ The latter, in turn, is deeply informed by Arrighi's ambitious attempt to think together what Charles Tilly characterized as "the two interdependent master processes of the [modern] era: the creation of a system of national states and the formation of a world-

14. For an extensive elaboration of these arguments, see Moishe Postone, *Time, Labor, and Social Domination*, Cambridge and New York: Cambridge University Press, 2003.

15. Arrighi, op. cit., p. xi.

16. Ibid.

17. Ibid., p. xi.

wide capitalist system.”¹⁸ In order to relate these two international systems, Arrighi has recourse to the theories of Fernand Braudel and Karl Polanyi. He adopts Braudel’s understanding of capitalism as the top layer of a three-tiered structure consisting of a bottom layer of what Braudel calls “material life,” the stratum of the non-economy that can never be molded by capitalism, a middle layer of the market economy, and a top layer of the “anti-market,” the zone of the giant predators. For Braudel, this upper level is the real locus of capitalism.¹⁹ On the basis of Braudel’s understanding, Arrighi claims that, historically, capitalist development has not been simply the unintended outcome of innumerable actions undertaken by individuals and the multiple communities of the world economy, but that the “expansion and restructuring of the capitalist world economy have occurred under the leadership of particular communities and blocs of governmental and business agencies.”²⁰ That is, Arrighi seeks to relate state system and capitalism on the basis of Braudel’s uncoupling of everyday economic activity from the upper strata of economically powerful groups.

He reinforces this approach by appropriating Karl Polanyi’s critique of the nineteenth century idea of a self-regulating economy. For Polanyi, the latter depended on transforming all elements of industry into commodities, including land, labor, and money. The commodity nature of the latter three, however, is completely fictitious, according to Polanyi. A system based on such a fiction is tremendously disruptive socially. Consequently, it generates a counter-movement to restrict its operations. This implies that, for capitalism to function long-term, market mechanisms have to be socially and politically controlled.²¹

On the basis of his appropriation of Braudel and Polanyi, Arrighi outlines the development of the capitalist world system in terms of four systemic cycles of accumulation, each dominated by a capitalist

18. Charles Tilly, *Big Structures, Large Processes, Huge Comparisons*, New York: Russell Sage, 1984, p. 147 as cited in Arrighi, op. cit., p. xi.

19. Arrighi, op. cit., p. 10.

20. Ibid., p. 9.

21. Ibid., pp. 255–258.

hegemonic state—a Genoese cycle, from the fifteenth to the early seventeenth century, a Dutch cycle, from the late sixteenth through most of the eighteenth century, a British cycle from the late eighteenth century to the early twentieth century, and a US cycle, which began in the late nineteenth century. Each of these cycles refers to the processes of the capitalist world system as a whole, according to Arrighi. He focuses on the strategies and structures of the governmental and business agencies of each of these states because of what he claims was their successive centrality in the formation of these stages.²²

Each cycle, according to Arrighi, is characterized by the same phases, from an initial one of financial expansion, through a phase of material expansion, followed by another financial expansion. Financialization plays a crucial role in the supersession of one hegemon by another, according to Arrighi. As he describes it, the upward trajectory of each hegemon is based on the expansion of production and trade. At a point in each cycle, however, a “signal crisis” occurs as a result of the over-accumulation of capital. Another state then provides the outlet for this accumulated capital. Within this schema, growing financialization entails transferring capital from the current hegemon to a rising new hegemon.²³ This developmental pattern is not completely cyclical however. It has directionality. Each new cycle is shorter; each new hegemon is larger, more complex, and more powerful. Each hegemon succeeds in internalizing costs its predecessor did not. The Netherlands internalized protection costs, Great Britain also internalized production costs, and the United States adds the internalization of transaction costs.²⁴ By establishing this pattern, Arrighi then argues that the current phase of financialization is a sign of the decline of American hegemony, the beginning of the end of the fourth cycle.

The pattern of development Arrighi outlines is very elegant and frequently illuminating. Nevertheless, there are problematic aspects of his account that, in my view, indicate its limits. So, for example, when Arrighi turns to more contemporary developments, his account

22. *Ibid.*, pp. xi, 6.

23. *Ibid.*, pp. x, 5–6, 214–238.

24. *Ibid.*, pp. 214–238.

of the rise and fall of US hegemony since 1939 is much more eclectic than one would expect from his description of the larger cycles of capitalist development. In discussing the crisis of the 1970s, he refers to increasing competition internationally, a rise in real wages between 1968 and 1972 that outpaced growth in productivity, as well as a decision by American policy makers in the late 1970s to form an alliance with private high finance in order to discipline what were regarded as Third World threats following decolonization.

It is difficult to see how this account fits within the framework of cyclical development Arrighi presents. Although he characterizes the American cycle as anomalous, he does not explain its anomalous character. Consequently, a gap exists between his eclectic account of the 1970s and his larger framework, which suggests that the developmental pattern he outlines is essentially descriptive. He does not really present an analysis of what drives the developmental patterns he describes.

This issue also emerges implicitly when Arrighi discusses the decline of American hegemony. He argues that it can lead to the rise of a truly global world empire, based on the superiority of force of the West, or to a world market economy without a hegemon, centered in East Asia, or to systematic chaos. The first two possibilities are post-capitalist, according to Arrighi. They would signal the end of capitalism.²⁵

This is a remarkable statement because it makes clear that Arrighi considers the essence of capitalism in terms of a world system organized by a capitalist hegemon. This problematic position has its roots in Arrighi's appropriation of Braudel's distinction between market economy and capitalism. The latter, according to Braudel, cannot be explained on the basis of ongoing market relations, inasmuch as a world market economy antedated capitalism. What generated the latter was a fusion of capital and the state that was unique to the West.²⁶ The limits of this attempt to distinguish markets and capitalism by placing states at the very center of analysis become manifest, however, in Arrighi's reflections on the current phase of decline of US hegemo-

25. *Ibid.*, pp. 23, 355–356.

26. *Ibid.*, pp. 10–11.

ny. However important states may have been in capitalism's development, to define capitalism essentially with reference to the state becomes a conceptual straitjacket when Arrighi attempts to analyze the contemporary world.

Neither Braudel nor Arrighi seem to take cognizance of the very different way Marx and Weber distinguish modern capitalism from markets and trade, as they might exist in other forms of society. For all their differences, both Marx and Weber see modern capitalism as unique because it is based on a process of ongoing, endless accumulation, a process that cannot be grounded in trade or in the state and, indeed, transforms both. In Marx's work, capitalism's historical dynamic is its most salient characteristic. It entails ongoing transformations of social life that are driven by the essential core of capitalism, a core that is both unchanging and, yet, is generative of change. Marx's category of capital attempts to grasp this core and the dynamic it generates.

In Arrighi's treatment of the cycles of capitalism, the category of capital remains fundamentally under theorized. Consequently, his approach brackets any analysis of what constitutes the unique character of capitalism, its historical dynamic. Instead, as his conception of the end of capitalism indicates, Arrighi conflates this dynamic with the rise and fall of hegemons. His approach substitutes a description of a pattern for an analysis of what grounds the dynamic, and does so in a way that also brackets consideration of the ongoing structuring and restructuring of labor and, more generally, of social life in capitalism.

Although, then, the theories of Braudel and Polanyi provide Arrighi with a framework for thinking together the development of the state system and that of worldwide capitalism, they also give rise to serious theoretical problems. Braudel's tripartite division of modern society into the levels of material life, the market economy, and capitalism does not allow consideration of the relation of forms of everyday social life and capitalism, while Polanyi's insistence on the fictitious character of labor, land, and money as commodities obscures Marx's analysis of the commodity as a form of social relations. Within the latter framework, nothing is "naturally" a commodity.

Conversely no ontological ground exists on the basis of which “real” and “fictitious” commodities could be distinguished. Neither Braudel nor Polanyi allows for an adequate conception of capital and, hence, of the nature of the intrinsic dynamic of capitalist society as well as of the possibility of its overcoming.

These critical considerations are further reinforced when we look more closely at Arrighi’s treatment of the crisis of the 1970s. In addressing that crisis, he has recourse to the notion that, in capitalism, there is a tendency for the rate of profit to fall. Like Brenner, Arrighi roots that tendency in competition.

The theorem of the tendency of the rate of profit to fall has been frequently identified with Marx. It commonly has been understood as Marx’s attempt to demonstrate the crisis-ridden nature and limits of capitalism. This theorem, however, was not first developed by Marx, but by political economists such as Adam Smith, Thomas Malthus, and David Ricardo. It is the case that Marx addresses this theorem of classical political economy. Far from positing an inexorable fall in the rate of profit, however, he treats this theorem as a surface tendency, which, therefore, is subject to many countervailing factors, and tendencies.²⁷ To the degree to which the rate of profit does fall, according to Marx, it does so as a surface economic manifestation of a more fundamental historical development, the tendency of the organic composition of capital—that is, the ratio of constant capital (machinery, raw materials, etc) to variable capital (wage labor)—to rise.

The idea of a decline in variable capital relative to constant capital is central for understanding the thrust of value theory in Marx. Marx argues, as is well known, that value is constituted only by the socially necessary expenditure of direct human labor time. Unlike Adam Smith, however, Marx does not regard value as a transhistorical form of wealth but as the form of wealth historically specific to capitalism. The distinctions he makes between the production of value and that of use-value are not to be understood transhistorically and ontologically, but as constitutive of the growing contradiction of capitalism

27. Marx, *Capital*, Vol. III, trans. D. Fernbach, Harmondsworth: Penguin Books, 1981, pp. 317–375.

between value production as the structurally defining feature of capitalism and the enormous use-value production capabilities generated by capitalism. The potential embedded in capitalism's contradiction points to a possible fundamental transformation of the nature and social distribution of work. The realization of that possibility, however, is constantly constrained by the systemic reproduction of value-determined labor, even as that labor becomes increasingly anachronistic in terms of the productive potential of the whole.

The changing composition of capital, therefore, is not important in Marx's critique mainly to provide a better explanation for the tendency of the rate of profit to fall, thereby placing a theorem of classical political economy on a more solid foundation. Rather it is important first and foremost because, beneath the surface level of prices and profits, it expresses a transformation of work and production that points eventually to the possibility of a post-capitalist society. Far from being primarily a means of explaining crises, then, the theorem of the tendency of the rate of profit to fall, as reworked by Marx, expresses, indirectly, a process of the ongoing structuring and restructuring of social life, one marked by a growing gap between the actual structuring of labor and of social life and the way they could be structured in the absence of capital. Marx transforms a political-economic theorem—which many have taken as an indication of the economic limits of capital—into the surface expression of a more fundamental historical dynamic. The thrust of his critique is less to “prove” the inevitable economic collapse of capitalism than it is to uncover a growing disparity between what is and what could be, one that constitutes the objective/subjective conditions of possibility of a different ordering of social life. The idea of such a disparity as a lived disparity, would allow for an investigation of the historical generation of sensibilities, needs, and imaginaries that go beyond considerations of distribution, of direct material interests. Expressed differently, the growing contradiction of capitalism so (non-economistically) understood, generates the possibility of a qualitatively different future as an immanent dimension of the present.

This level of consideration, however, is absent in Arrighi, as it is in Brenner. Hence the categories that are essential to Marx's critique—

value, commodity, capital—are also basically absent, or implicitly are understood in narrowly economic terms. So, for example, when Brenner addresses Marx's treatment of the tendency of the rate of profit to fall, he claims that, according to Marx, the rise in the organic composition of capital leads to an increase in the output/labor ratio, which is insufficient to counteract the parallel fall in the output/capital ratio that it also brings about. Therefore, the rate of profit falls because overall productivity can be expected to fall.²⁸ This interpretation completely conflates value and use-value in Marx, obscuring Marx's point that an *increase* in productivity can lead to a decrease in surplus value. This, however, means, more fundamentally, that it fails to recognize Marx's analysis of value as an analysis of a historically specific, possibly transitory, form of wealth and social life. Consequently, the historical trajectory of capitalism leading to a possible qualitative transformation, as analyzed by Marx, becomes reduced to an economic analysis of crises.

Arrighi, for his part, claims that what he calls "Marx's version of the 'law' of the tendency of the rate of to fall" was identical to Adam Smith's thesis regarding the rate of profit. Both Ricardo and Marx accepted Smith's thesis in full, according to Arrighi. The only difference was that Marx criticized Smith's version of that "law" as too pessimistic regarding the long-term potential of capitalism to promote the development of the productive forces of society.²⁹ This equation of Smith and Marx, however, means that Arrighi also conflates political economy and its critique, that is, a transhistorical understanding of value as wealth and an understanding of value as a form of wealth historically specific to capitalism.

Arrighi's approach does introduce a very important dimension to the analysis of capitalism—that of the state or, better, the state system. It does so, however, at the cost of central dimensions of a critical theory of capitalism that point to the possibility of another form of life. Arrighi himself notes that his book has a narrow focus, excluding consideration of issues such as class struggle.³⁰ But the narrowness to

28. Brenner, *The Economics of Global Turbulence*, op. cit., p. 11.

29. Arrighi, op. cit., pp. 222–223.

30. *Ibid.*, pp. xii.

which he alludes is not simply empirical. Given his framework, even if Arrighi did introduce such themes, he could not treat them as integrally related to his theoretical account.

At issue is not whether Arrighi and Brenner are faithful to a revealed (“fundamentalist”) dogma, but whether their approaches are fully adequate to the object of their investigations—the dynamic of contemporary capitalism. The considerations I have outlined seek to illuminate the differences between such critical political-economic perspectives focused on economic issues, and the project of the critique of political economy.

David Harvey in *The Condition of Postmodernity* also emphasizes the predominance of financialization in discussing the period since 1973.³¹ Harvey’s treatment of financialization, however, is less state-centric than that of Arrighi, which is tied to the question of rising and declining hegemons. Indeed, Harvey emphasizes that, in the contemporary world, capital has no determinate locus or site, but is pervasive and global.³² As a result of the universal competition for capital, marginal differences in profit rates become increasingly important, with significant consequences for wage levels in metropolitan countries, for the uneven global extension of wage labor, and for the direction and volume of global capital flows. These flows, according to Harvey, effect a form of discipline that is much more pervasive and effective than any governmental institutions could be.³³

Unlike Arrighi and Brenner, Harvey has recourse to a theory of capital in order to elucidate what he regards as a sea change in culture as well as political-economic practices.³⁴ He tries to deal with the period since 1973 not only in political-economic terms but also in terms of a changed configuration of life. By doing so with reference to a theory of capital, moreover, with its distinctions between surface and

31. Harvey, op. cit., pp. 160 ff. As an aside it should be noted that both Harvey and Arrighi have a non-romantic, non-reactionary critique of finance. Both treat finance as generated by capital, not as something that is separable from and imposed upon capitalist production.

32. Ibid., p. 163.

33. Ibid., pp. 164–165.

34. Ibid., p. vii.

deep structure, and between valorization and labor processes, Harvey is able to critically counter post-industrial approaches, arguing that what they understand as a new epoch is only one strand of a more complex dynamic of constraint, continuity and change. So, for example, in considering the transformation of capitalism in recent decades, Harvey focuses on the demands of valorization as mediating production, rather than on the nature of the labor process in an unmediated manner. Hence, he characterizes the newer configuration of capitalism in terms of “flexible accumulation” rather than the more labor-process-oriented term, “flexible specialization.”³⁵ In this way, Harvey is able to show that this latest phase of capitalist development is generative of a whole range of production practices—from the resurgence of sweatshops to robotics—that on the surface appear opposed, and that cannot adequately be apprehended by post-industrial theories with their one-sided focus on the labor process. This approach distinguishes the critical theory of capitalism from any theory of linear technological development and, certainly, from any theory of technological determinism.

Similarly, by focusing on capital, Harvey is able to show that this new phase of capitalism entails a complex dialectic of decentralization and centralization, heterogeneity and homogeneity. On this basis Harvey unleashes a scathing critique of postmodern approaches as hypostatizing one side of this dialectic, thereby misrecognizing current developments as marking an epochal, liberating break with the past. Because they critically grasp the existing order only in terms of centralization and homogeneity, such approaches celebrate the decentralization and heterogeneity also generated by contemporary capitalism. Far from being critical, postmodernist approaches, according to Harvey, are expressions of a new configuration of capital they do not apprehend. As such they serve to veil and affirm capital in its newest manifestation.³⁶

By seeking to relate postmodernist cultural changes to a new configuration of capital, Harvey moves beyond positions that understand

35. *Ibid.*, pp. 124, 147, 186 ff. For the notion of “flexible specialization,” see Michael Piore and Charles Sabel, *The Second Industrial Divide*, New York: Basic Books, 1984.

36. Harvey, *op. cit.*, pp. vii, 39 ff., 113 ff., 336 ff., 350 ff.

capitalism in economic terms alone. His approach to the relation of culture and capitalism also moves beyond that of regulation theory, which does attempt to take cognizance of culture as a constitutive moment of any given epoch of capitalism, but, by positing a completely contingent relation of culture and capitalism, does so on the basis of an understanding of culture that is essentially empty. Whereas the latter approach provides a functionalist account of the relation of cultural forms and any given large-scale configuration of capitalism, Harvey attempts to relate them intrinsically.³⁷

Harvey's approach explicitly raises the question of historical dynamics. His argument that the past decades have involved the emergence of a new configuration of capitalism, reminds us that this emergence involves both a process of change (a new configuration) and continuity (capitalism). By distinguishing surface from the underlying forms of capitalism, he also indicates that what remains unchanged is a core feature of capitalism.

These considerations help clarify some features of capitalism and the significance of the analysis of capital. Viewed retrospectively, the domination of capital has existed in various historical configurations, ranging from more mercantile forms through nineteenth century liberal forms, twentieth century state-centric forms, and, now, neo-liberal global forms. These changing configurations indicate that capitalism cannot be identified completely with any of its configurations. At the same time, to refer to these various configurations as forms of capitalism implies that a characterizing core—capital—underlies all of them.

This, however, suggests that the core of capitalism is generative of its various historical configurations. Although a full discussion of the issue of the historically dynamic character of capitalism is not possible within the space of this essay,³⁸ it should be noted that what is involved is a complex dialectic of change and reproduction, whereby the core features of capitalism both generate change and, at the same time, reproduce themselves. This dialectical dynamic is based on the

37. *Ibid.*, pp. 201 ff.

38. For a fuller discussion, see Postone, *op. cit.*

distinction between surface and deep structure in capitalism, and opens up the possibility of a future, beyond capital, even as it reproduces the underlying core of the present, thereby hindering the realization of that future.

The approach I am outlining, then, does not presuppose the existence of a historical dynamic, as a characteristic of human social life, but analyzes the form of social domination intrinsic to modern, capitalist society as generative of a historical dynamic. That is, it grounds that dynamic in the historically specific social forms at the heart of capitalism—such as commodity and capital. By grounding the historical dynamic of modern, capitalist society in historically specific social forms, this approach seeks to overcome the opposition between the notion of a transhistorical logic of history and its related complement—a transhistorical notion of historical fortuity. I would argue that such a non-linear, dialectical approach allows for a more sophisticated theory of capitalist development than those that remain within the framework of the traditional, dualistic, essentially metaphysical, opposition of determinism and contingency.

Harvey's approach points to these issues. Yet his elaboration of the core of capitalism is such that important aspects of a critical theory of capital remain bracketed or, at the very least, underdeveloped. For Harvey, there are three core elements of capitalism: it is growth oriented, based on the exploitation of living labor in production, and necessarily is technologically and organizationally dynamic. These three core factors, however, are inconsistent. Consequently, capitalist development is characterized by a crisis-ridden tendency toward over-accumulation. The problem for capitalism historically, then, has been the management of over-accumulation.³⁹ On the basis of this analysis, Harvey then proceeds to analyze the transition from Fordism to post-Fordism.⁴⁰

This understanding of the core of capitalism allows Harvey to distinguish deep structure from surface, on the basis of which he formulates his critique of postmodern approaches, and to analyze

39. Harvey, *op. cit.*, pp. 180–183.

40. *Ibid.*, pp. 184 ff.

constraints and imperatives that have characterized the development of capitalism from one mode of regulation to another. Nevertheless, his focus on the crisis ridden character of capitalism does not address the growing gap between the form social life has under capitalism and the form it could have, were it not for capitalism. An approach that more explicitly would problematize and place at its center the category of capital could focus more rigorously on this gap.

The differences between the two approaches become clearer with regard to the issue of the relation of forms of subjectivity and objectivity in capitalism. Harvey treats changing conceptions of space and time, for example, as reactions to changes in capitalism. Capitalism effects what Harvey calls space-time compressions. These change peoples' experiences of space and time, which are then expressed culturally and reflected upon theoretically.⁴¹ As illuminating as Harvey's account might be, his emphasis on experience as mediating capitalism and culture remains basically extrinsic to the social forms expressed by the Marxian categories. As such, it lacks the epistemological/ subjective dimension of those categories, which allows them to address a wider range of issues pertaining to forms of knowledge and subjectivity. For example, the categorial approach can address other theories of economy or history, as expressing misrecognitions that are rooted as possibilities in the social forms themselves. Such an approach not only purports to explain perceptions and theories of the world, such as those of Smith and Ricardo, or Hegel, as not being fully adequate to their objects;⁴² it also seeks to ground the possibility of critique itself. The latter, of course, is related to the question of the historical generation by capitalism of needs and sensibilities that point beyond capitalism. Such a categorial approach, then, treats forms of subjectivity as intrinsic to the categories themselves.

41. *Ibid.*, pp. viii, 201–325.

42. This approach is not limited to analyzing theories, but also serves as a point of departure for an analysis of widespread worldviews, of ideologies. It could, for example, begin to relate the increasing diremption globally of capitalist society into post-industrial sectors and increasingly marginalized sectors to the rise of identity politics within a postmodern frame, on the one hand, and various forms of “fundamentalism,” on the other.

The differences between these two approaches become more evident when one considers Harvey's discussion of postmodernism and capitalism. When he relates the two, he does so in ways that implicitly treat capitalism as one-dimensional. Harvey does not, in other words, treat capital as pointing beyond itself even as it reconstitutes itself. That is, he does not raise the question of whether postmodernism also has an emancipatory moment, even if very different from that expressed by postmodernist self-understandings. Within the framework I am outlining, postmodernism could be understood as a sort of premature post-capitalism, one that points to possibilities generated, but unrealized, in capitalism. At the same time, because postmodernism misrecognizes its context, it can serve as an ideology of legitimation for the new configuration of capitalism, of which it is a part.

This raises a more general issue with which critical theories of capitalism have to grapple. In an earlier global transition of capitalism, Marxists frequently opposed general rational planning to the anarchic irrationality of the market. Instead of necessarily pointing beyond capitalism, however, such critiques frequently helped legitimate a subsequent state-centric capitalism. Similarly, the contemporary hypostatization of difference, heterogeneity, and hybridity, doesn't necessarily point beyond capitalism, but can serve to veil and legitimate a new global form that combines decentralization and heterogeneity of production and consumption with increasing centralization of control and underlying homogeneity.

Each of these positions, however, has also had an emancipatory moment. The difficult task is to conceptually separate out the emancipatory dimension of the possibilities generated by capitalism from the non- or anti-emancipatory forms in which they have been generated. A critical theory of capitalism should be able to elucidate, as forms of misrecognition, approaches that take a dimension of social life generated by capitalism to be the whole. By obscuring the underlying core of capitalism as a form of social life, such approaches are only apparently emancipatory. Their critical orientations end up promoting and legitimating the domination of capital in new forms, such as state-centric capitalism, and postmodern capitalism. This does

not mean that the emancipatory potential of general social coordination or of the recognition of difference should be dismissed. But that potential can only be realized when it is associated with the historical overcoming of capital, the core of our form of social life.

For all of their strengths, the different approaches formulated by Brenner, Arrighi, and Harvey do not succeed in fully elucidating the historical core of capital in a way that points to the possibility of its historical overcoming. Without such an analysis of capital, however, one that is not restricted to the mode of distribution, but that can, nevertheless, address the emancipatory impulses expressed by traditional Marxism, on the one hand, and postmodernism, on the other, our conceptions of emancipation will continue to oscillate between a homogenizing general (whether effected via the market or the state) and particularism, an oscillation that replicates the dualistic forms of commodity and capital themselves.

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