

What (if Anything) Is Wrong with Capitalism? Three Ways to Critique Capitalism

Introduction

The Recent Boom in the Critique of Capitalism

The **critique of capitalism is in great demand**. Shaped by the mood of the times, this critique may be diffuse, sometimes insufficiently complex, and in some respects even disconcertingly **inflationary**. Nevertheless, there are good grounds for this boom or, in any case, an understandable source.

But what is really the problem with capitalism? Is it wrong, unjust, irrational, or bad? Is it evil or dumb—or is it just not working? To ask another way: On what basis is capitalism subject to criticism?

In this article, I do not provide any new information in response to this question, nor can I offer a new empirical diagnosis of the current position of the world economy or even constructive suggestions to alleviate the crisis. What I would much more like to do is the following: I will examine and thereupon interrogate, from a methodological point of view, **three ways to critique capitalism**—I will examine how one proceeds according to each one of them, and which possibilities they adhere to for **a critique of capitalism as a specific way of economic and social organization**. (I thus concern myself above all with the methodological question of which kinds of reasoning are in play and how promising these are.)

The question, “What (if anything) is wrong with capitalism?” is thereby not meant cynically. I don’t want to leave open whether there is currently *something* problematic about the global economic system and the constitution of our societies. But it appears far less self-evident to me **which of the many maladies in the world can specifically be traced back to capitalism**, and whether there is, as Philippe van Parijs asked, in fact something **intrinsically wrong** with capitalism.

Is there thus something that is not just a side effect of some chance peculiarity of capitalism, but which occurs **systematically in conjunction with it (and only with it)—and that is moreover (fundamentally) problematic?** The object of our critique—if it is to be a

critique of capitalism—can surely neither be something that occurs **in all conceivable forms** of society; nor can the critique, if it is to be a critique of capitalism, pertain to something that occurs **only incidentally** in connection with it. In other words, if something in the social systems under consideration is supposed to be wrong or problematic—is it in fact **capitalism that is to carry the blame?** (or perhaps modernity? or even the *conditio humana* in general?)

To me, this question seems not to be trivial, since now much critical attention is again being brought to bear on capitalism (which is not self-evident). After all, we should like to know **what exactly we are criticizing** when we take view of what is perhaps an unjust economic world order. And it could prove still more vital for the known strategies of “limitation” or “domestication” of capitalism not to treat **the economic system as if it were a black box**, but rather to ask the more precise question whether there is something in the constitution and dynamics of this system which that is antagonistic to its own limitation or its democratic “framing” in justice-oriented adjusting institutions. (By *black box approach* I mean the tendency to talk only about how one would *distribute* the wealth that is produced within an economic system, but not about how it is *produced* and *what kind* of wealth is supposed to be produced.)

What Is Capitalism?

In the context of my brief and somewhat thetic reflections, the term “capitalism” shall designate a social *and* economic system, thus encompassing the whole of economic, social, cultural, and political dimensions that mark the way of life in capitalistically constituted societies.

“Capitalism” is thence, in the context of interest here, the designation of an economic and societal order that developed historically in Europe as it broke with the feudal order at the end of the Middle Ages, and which, with a high technological level connected with a substantial concentration of capital, became dominant worldwide as industrial capitalism in the 18th and 19th centuries. In a systematic respect, the following aspects can be shown to be characteristic of the capitalist mode of production and of societies shaped by capitalism: (1) private ownership of the means of production and a distinction between producers and means of production, (2) the existence of a free labor market, as well as (3) the accumulation of capital and, as a consequence, (4) an orientation toward the exploitation of capital, thus toward profit instead of need, toward the cultivation of capital instead of the consumption of it or subsistence on it. In a capitalist society, the market typically functions as a coordinating mechanism for the allocation as well as the distribution of goods (thus the distribution of resources such as labor, capital, land, and raw materials with regard to their various possible

uses toward the production of goods, on the one hand, and the distribution of the latter to individual consumers, on the other hand), such that capitalism and the market economy are closely bound to one another, though not identical to each other.

Three Dimensions of Critique

What then is the problem with capitalism? If we leave aside trivial indictments against personal greed, let us distinguish three models of argumentation and three respective strategies of critique.

First, a *functional* argumentative strategy: Capitalism cannot function as a social and economic system; it is intrinsically dysfunctional and necessarily crisis-prone.

Second, a *moral* or justice-oriented mode of argument: Capitalism is based on *exploitation*; it withholds from people, in an unfair and unjust way, the fruits of their own labor, and it entraps them in servitude of a system that uses a variety of ways to cheat them of what they are due. Briefly (and less dramatically) put: Capitalism is either based on an *unjust* social structure or it produces one.

Third, the *ethical* critique: That a life shaped by capitalism is a bad (e.g. an alienated) life. It is impoverished, without meaning, or empty, and destroys essential components of that which belongs to a fulfilled, happy, but above all “truly free” human life.

These three strategies of argumentation, all of which can already be found at the outset of capitalism and the critique of capitalism, each have had their respective “boom period”. Now let us ask for each of these lines of argumentation whether it can accomplish something for a renewal of the critique of capitalism under present-day conditions, while also raising the question, **whether and how the relevant aspects of capitalism connect with their respective dimensions of critique**. My conjecture is that the *interrelation* between the dimensions of capitalism I distinguish here and their respective possible critiques **is instructive**, such that the aspects I distinguish here are potentially just suited in their connection to substantiate a critique of capitalism *as* capitalism. Note that I will follow up on this conjecture only in the last part of this essay. First I would now like to explain somewhat more precisely the three strategies of argumentation I have distinguished and thereby to try to highlight their productive moments as well as their limitations.

1. The Theorem of Functional Deficiency

I will begin with **the functional critique**. The “functional” strategy of argumentation runs as follows: Capitalism does not *function* as a social and economic system. It is intrinsically dysfunctional and necessarily crisis-prone.

The theoretically simplest version of such a critique (albeit empirically the easiest raise doubts about) is the simple crisis-theorem of pauperization theory. Capitalism, so diagnosed almost since it began, will in the long run not produce what can sustain the subsistence of its participants by means of economic processes of concentration and rationalization. Consequences of capitalist economic development will thus be the permanent and aggravated pauperization of ever-larger masses of the population, eventually leading to the breakdown of the system. The theory of systematic distribution and production crises is more complex. And the Marxist theorem of tendential fall of the rate of profit, which causes the capitalist dynamic to virtually undermine itself through changes in the so-called “organizational configuration of capital” (thus to the relation of living labor and machinery) is surely at the most sophisticated. However, arguments about functional deficiency can also be found outside of this implied theoretical framework. It could thus also be argued, for example, that the “invisible hand” of the ideal market is not in the position to guarantee the production of *public goods*, which also relies on it. And perhaps it is not unimportant to stress at this point that the “functional critique” of capitalism does not limit itself to economic crisis scenarios. In addition, the claim can be made that capitalism possesses a functional deficit in the sense held, e.g., by Daniel Bell (but also Joseph Schumpeter): by way of example, that capitalism, for its formation and conservation, systematically undermines necessary psychic and cognitive dispositions.

Now, such a functional strategy of argumentation—as an argumentative strategy—has noticeable advantages. Among other reasons, it is attractive since as a frame of critique it appears to be able to proceed without *needing standards of justification*. Not only is capitalism, according to the functional strategy, something that is dysfunctional, even manifestly ineffectual. Something is nonfunctional if it undermines its own capacity to function on the basis of the grounds it lays *for itself*—it refutes itself entirely and patently. And still better: such a nonfunctioning provides grounds to the proposition that the problem in the long run will dispose of itself, will finish itself off.

To be sure, we can hold much of the above addressed theorems to be refuted and have done so in many instances, even if the current financial and economic crisis gives rise to the question whether the claim that capitalism “still rises successfully from every crisis” in fact proves sound. However, I do not want to concern myself content-wise with the refutation of

crisis scenarios. Instead, I want to illuminate somewhat more precisely the structure of such a functional mode of argumentation itself, in order to point out the (already laid out) deficiencies in such argumentation.

Structure of Functional Deficiencies

What then is a functional deficiency? That something is functionally deficient means that it is not so functioning as it is supposed to be functioning, i.e., it does not function as promised or in accordance with its prescribed task. The task of a knife is to cut. A blunt knife is not functioning to the extent that it is not cutting.

The imputation of a *systematic* functional deficit thus arises out of the mere factual circumstance that something is not functioning as it should, by claiming that it is not *able* to do so on systemic grounds. It is not just that the deficiency emerges regularly or repeatedly. Something that is *systematically* failing to function, thus does not do so because it lacks the requirements for it to function as expected. A knife that doesn't even have a blade or whose blade is deformed is wrongly constructed for its purported task. It lacks an important condition for it to function as a knife (i.e., for cutting). In this simple sense it constitutes a systematic nonfunctionality—not merely a chance or empirically contingent one.

The stronger (and one could say, “dialectical”) formulation for such a systematic nonfunctionality is however composed somewhat differently. We can describe this theorem as a case where the nonfunctionality is intrinsic the functioning of an object. Or rather: the nonfunctionality is the other side of functionality. Something then functions in a way that at the same time undermines this functionality—that is, it thwarts the basis of its particular functionality. Now this rings somewhat cloudy and paradoxical; but it does, I would claim, approximate the sense had by Marxist analysis, insofar as it addresses itself to capitalism as a dysfunctional system of social and economic organization. Of course, this (“dialectical”) understanding of nonfunctionality has its vagaries.

Problems of the Functional Critique

One sees the problematic character of such a functional critique one makes the following clear. Firstly, it is not strictly speaking that the described object that appears to undermine its own functionality in the course of its functioning, is functional *in the same respect* that it is nonfunctional. This impression arises only since here various respects are shoved together that may be distinct. So we could say (in the case of the capitalist economic system) that here something—*now*—functions such that in the long run—thus, in the

future—it will no longer function. (The overexploitation of natural resources would be an example of this. It enables us *now* to maintain a certain level of prosperity, but in the meantime it may threaten *future* conditions for human life.) But we could alternatively say that something functions from *one particular* perspective while hindering it *from other* perspectives. So it may be somewhat difficult to dispute that there exists both poverty and prosperity in societies organized by capitalism; the dynamic economic development connected with capitalist modernization has indeed created outrageous amounts of wealth, but this prosperity has not come to benefit everybody in equal measure.

But if we differentiate among such perspectives in the way described, it indicates that to claim that the capitalist social and economic system is systematically dysfunctional and “self-undermining” is not as easy as it appears. As one can see, it is in reference to functionality that we in fact “telescope” perspectives into each other that should be differentiated; so it may be claimed that the functional deficit (of capitalism) in question only subsists because we demand from it the solution to problems that are not necessarily related to each other. (One such problem might be the demand for not only dynamic economic growth and output but also the equal distribution of its results; or the assumption that capitalism is to provide not only for the present but also for the future; and so on.) Note that it is not my intention to cast doubt on the position that it may be desirable to live in a society that accords with all these requirements. I want to register doubt only as to whether we can or should pursue this desire within the parameters of this mode of functional critique under examination here.

The crucial result of my reflections up to this point is the following: The functional critique as represented here asserts perspectives, which are taken to be crucial, and conflates such perspectives, while also taking on inevitably *teleological* and value-laden judgments. Now, this ties in with a general point that concerns the discussion of functionality as a whole: Something is functional only in relation to something else—in relation that is to a defined function. The knife also functions (or doesn’t function) *in relation* to the activity of cutting. We attribute this function to the knife virtually without question. To what else besides cutting is a knife good for? Now, with capitalism, it is less clear what its function should be. And quite generally, “function” and “functionality” are not uncontested givens—not already “integrated” somewhere—in relation to features of social reality. In other words, functions in relation to features of social reality are not immediately inherent or given without interpretation.

All the same, if the apparent deficits of an object are always in relation to functions that are assigned to an object, and if it is not possible at minimum to derive the function of

specified “objects” directly out of their “nature”, then the criterion of nonfunctionality must rely on other criteria (even if only the *assignment* of functions).

Normative Character of Nonfunctionality

The **criterion of functionality** and nonfunctionality is thus **not “freestanding.”** Then the undermining of future conditions of human life is a functional deficit only if we also attribute to the present economy the task of facilitating future life (instead of saying, “The Devil takes the hindmost”). And in general: not only does capitalism not so easily collapse into itself. It also does not *so easily* fail to function. To the extent that it does not function, it fails to function vis-à-vis particular goals and associated value-judgments or norms. We are the ones who base our analyses on these value-judgments and norms. We can thus only uphold the evidence of a functional deficit, if we interpret the non-functionality as an always already *normatively informed nonfunctionality*. Even if the production of poverty and of prosperity in capitalism necessarily belong together, still no long-running “contradiction” would arise from it that automatically correlates with a dysfunctionality of the system. The simultaneity of poverty and prosperity becomes a contradiction only under specific conditions and dysfunctional only when the position evoked with it is in practice also interpreted as a scandal in a normatively charged way. Insofar as the reaction of affected parties is also a part of the non-functionality of a social system, this normative component is indeed evident: The “rabble” produced by the dynamics of the bourgeois economy and threatening societal integration is—as in Hegel’s famous analysis of the “oppressive problem of poverty in civil society”—not simply impoverished, it is *outraged*. And it is this outrage and its consequences that are in the position to threaten the cohesion of society.

There may be definitive limits to functional capacity somewhere. But in a certain sense “functioning” is still taking place (as we can study at a widespread development) in societies, in which the upper and even middle strata can only feel secure in “gated communities” or—reversely—in which a not insignificant part of the population spends its life behind bars, in either of which case the poor are locked in or locked out. Whether we find **that a society is not functioning as a society depends precisely upon our finding it not functioning well, that is, it is not functioning in the way that it should.** We consider particular kinds of functionalities to be *wrong*—for example, an economic dynamic at the expense future or at the expense of the excluded. A society behind bars fails to correspond to our idea of what society is or should be. That **functional crises** (of capitalism) are always already at the same time **also normative crises** then means that if capitalism as social and economic system threatens to fail—a position that some again today appear to envisage—this

failure always stands in connection with the fact that we *thus do not want to live* in this particular way. (And not simply: that we *cannot* live so.)

Assessment of the Model of Functional Critique

Some of the evidence that appears to make the functional critique such a good candidate for the critique of capitalism is thus, following from my above discussion, in certain respects *dubious*. If the appeal of the functional thesis therefore pertains to the belief in being able to manage without a normative background—if something does not function, its non-functioning appears a corruption without further explanation—then it now shows itself to be *dependent on a normative background* (thus in relation to positions about how something *is supposed to* function).

If we thus inquire in what sense the functional critique satisfies the requirements of the question at issue (Can it provide substantive criteria for the intrinsic wrongness of capitalism?), let us put on record:

- A functional argument (if it is valid) **does fulfill these requirements of uncovering a problematic that is systematic and specific to capitalism**. However: Even if it were correct (thus: even were it to successfully identify such a crisis-ridden attribute of capitalism), it would still suffer on the basis that **a functional argument so drawn up cannot so easily circumvent the normative question** (why capitalism is *wrong*). It remains therefore **dependent on normative criteria** that it leaves, by not making them explicit, unaccounted for.
- Now, this must not however be taken to mean that the functional moment and the question of possible dysfunctions of capitalist social and economic systems are unimportant or entirely pointless. Even if, as I have argued, such an analysis cannot simply substitute for normative assessment, so conversely does normative advocacy still concern not least of all the “material” which emerges from such considerations that are oriented to the question of functionality. (Even if therefore the criteria of ecological sustainability and the question of distributive justice are brought to bear *by us* on the capitalist economic system, we do so on the basis of analyses, which show us that and why such points of view are today frustrated by this system.)

In my opinion, the significance of functional aspects and the “functional critique of capitalism” reaches, however, still further; it concerns a **central systematic issue**. Namely, I believe (and I will return to this below) that we quite as a matter of principle (thus already on a basic conceptual level) **contemplate the normative and the functional moments together**

in both directions and must represent them as mutually entangled. Sociocultural forms of life and social institutions are general entities, which cannot be characterized only by their capacity to fall into crises. They fall into crises, so I want to claim, characteristically always already also being *normative crises*. Conversely, however, **normative crises also always have a functional aspect:** They are normative *and* they are crises, thus also functionally deficient; they express themselves as practical problems and upheavals. Thus even if the indicator of a functional deficit is dependent on a normative element, the indicator (e.g., the undermining of conditions for continued existence) is not trivial. And there remains a difference as to whether we regard poverty as a self-generated disintegration problem of civil society, as Hegel did, or as simply morally scandalous.

Let us turn now to the other two forms of the critique of capitalism, which in contrast to the functional argument contain a more or less explicit normative point of reference, thus an *assessment* of the situation (as right or wrong). As explained above, there are in this case two versions of this normative critique of capitalism, and the difference between them stands in need of explanation. If we broadly attribute the first motive to the theme that we frequently designate as the **question of the good life**, so it seems that we can attribute the other motive to what we can interpret as the moral **problem of justice** (in the narrow sense).

2. The Moral Critique of Capitalism

I now want to deal with the moral or justice-oriented critique of capitalism. I am going to proceed by grappling with what may be interpreted as a justice-theoretical element in Marx and not by engaging directly with modern theories of justice, since these do not set out to be critiques of capitalism *as such* but rather, at best, critiques of consequences that capitalism (can) have.

How exactly does this critique run? The **moral or justice-oriented argumentation**, as I said, protests that **capitalism is premised upon injustice**, accordingly producing and reproducing an unjust societal structure. In seeking out such a dimension of the critique of capitalism, it is obviously bound up with the theorem of **exploitation**. The outrage over exploitation, so it seems in any case, corresponds the most to Marx as well as to the everyday understanding of moral and justice-theoretical argumentation against capitalism, or in any case it appears to mostly correspond to them.

According to this critique, capitalism thus exploits human beings by depriving them of the fruits of their own labor in an unfair and unjust way, and they are forced, as if by extortion, into enslavement by a system that in a variety of ways defrauds them of that to which they are entitled.

Now I do not want here to examine the empirical credibility of such an argumentation, which has high mobilizing power and can claim, in view of much factual evidence, much plausibility for itself; rather, I want to deal with the vagaries of this mode of argumentation as such.

Now, the problem with this strategy already lays in the conceptualization of exploitation, thereby referring to a conceptual problem in the moral critique of capitalism itself.

- We could understand exploitation as it is suggested to us by everyday moral intuitions: Then it is, as Bernard Williams has named it, a “thick ethical concept,” thus a concept in which assessment and description are inextricably bound up with one another so that, in this context, it makes no sense even to ask whatever can be wrong with exploitation. If we want to make it the yardstick of critique, however, this intuitively plausible moral concept of exploitation raises the question whether it is here factually dealing with a problem *specific to capitalism* or “only” that something happens in capitalism that is *also* be exploitation.
- On the other hand, the **Marxist variant of the exploitation** question functions notoriously differently: Here, exploitation is a **technical-analytic concept** that aims to describe how the capitalist economic form functions. This concept of exploitation, however, which is tailored directly to be able to comprehend specifically *capitalist* relations, suffers from the notorious problem that it, so far as it simply just describes the general modes through which capitalism functions, does put us in a position to criticize it as normatively (or morally) deficient.

In order to elucidate this problematic, in what follows, *first*, I will inquire into what exploitation is in general—according to our preconceptions. *Second*, I will elucidate **the role of the concept of exploitation in Marx**. And finally I want to show that the difficulties with the concept of exploitation (in Marx) and the respective difficulties of its normative classification may only be resolved if we **change perspective and interpret exploitation against the more specific, or rather broader background of capitalism as a form of life**. It is then, to put in Hegelian terms, the “capitalist ethical life [*Sittlichkeit*]” that is in the sights of the Marxist critique. And it is **against the background of this perspective that the “moral failure” of capitalism can be first understood**. From this conjuncture, we may draw inferences about the prospects for a moral critique of capitalism in general, while respectively highlighting a couple of general problems of such an approach.

Exploitation in General (Everyday Understanding)

Let us look at what we can call the everyday understanding of exploitation. There are several broadly diffused intuitions about exploitation.

Child labor is exploitation. Whoever allows their products to be manufactured in sweat shops of the impoverished countries of the Global South (or purchases such products), profits from the exploitation of local populations. A therapist who engages in sexual relations with a patient is exploiting that patient emotionally. But also phenomena such as prostitution and surrogate motherhood constitute potential relations of exploitation under the purview of critique. Already this brief account of (more or less controversial) moments of exploitation shows the complexity of the concept of exploitation. The discourse on “exploitation” appears, at first encounter, to imply the following:

- That someone is exploited means on the one hand that she (or he) does not receive what she (or he) *deserves*, in the sense of an idea of fair exchange. Exploitation refers in this sense to the *quantitative inadequacy* of exchange relations.
- Certainly, it is not just that child labor pays too poorly. And also the suspicion that “surrogate motherhood” could be treated as a relation of exploitation does not hinge primarily on inadequate financial compensation. The suspicion that tacks it to the concept of exploitation is here much more that an exchange relation is being conducted where an exchange relation ought not to be conducted. Exploitation, so it appears at least, refers therewith to the *qualitative* inadequacy of an exchange relation (which we can spell out in terms of instrumentalization, disrespect, or reification).
- And lastly there are, in all these relations, a kind of asymmetry and an unequal distribution is involved.

What does all of this mean for a critique of capitalism based on the claim of exploitation? As far as it depends on this (complex) everyday understanding, it appears to some extent **clear in what sense capitalism could be a (moral) evil** to the extent that we can say that it implies exploitation. (And I had already mentioned above that these factors and phenomena have and have had a high mobilizing capacity for movements guided by the critique of capitalism.) To be sure, **it is not clear whether this applies to an evil that is specific to capitalism**. After all, there are child labor, the slave trade, and further grave forms of exploitative oppression and degradation in precapitalist societies as well. And after all the champions of the free market will not tire of stressing that the in their eyes deplorable

excesses of capitalist globalization (*sweat shops*, child labor) are to be blamed on the fact that the capitalist market is still not yet fully established rather than on the market itself.

If we want to take up the moral critique (based on the notion of exploitation), we must therefore show that even the relations *not* pervaded by these blatant and obvious signs of pauperization and exploitation are still based on exploitation—that there is thus also exploitation beyond the *Oliver Twist* scenarios that are yet today unfortunately all too real. Above all, however, we must show that there is a *kind of exploitation* specific to capitalism that is worthy of criticism. Therefore: **We must not only claim that capitalism *also* exploits human beings—as did feudal society or the slave-holding society of antiquity—but that it does so systematically and in a specific and distinct way by other relations.** It is on these grounds that it is interesting to look at **Marx’s concept of exploitation**, which we may suppose is **addressed to capitalism** and deals precisely with the question of the systematic-necessary character of exploitation (and injustice).

Exploitation in Marx

How do matters thus appear in Marx’s theory of exploitation? I have already signaled the double significance of its understanding of exploitation:

On the one hand Marx, too, appears to align with the relations sketched above. If Marx calls for “overturning all relations in which man [is] a demeaned, subjugated, abandoned, disdained being,” then on the one hand it can be hard to mistake that a *moral outrage* is here being expressed. Exploitation is one of the evils that human beings experience from human beings. A societal order that rests upon or conveys this evil is worthy of critique. On the other hand, however, as in the everyday understanding sketched above, “exploitation” in Marx is also an *analytic-technical concept*, which only partially coincides with the everyday understanding of the concept. Against the background of the Marxist labor theory of value, exploitation is understood as appropriation of the surplus labor of the workers by capitalism, i.e., as appropriation of that which the worker has acquired in addition to what is necessary for the reproduction of one’s labor power or as the appropriation of surplus value. (The scale of exploitation follows thus from the difference between the actual daily labor time and the labor time per day necessary for the reproduction of labor power, the degree of exploitation by the rate of surplus value, i.e., by the ratio of surplus labor to necessary labor, paid to unpaid labor.) Exploitation is however not therefore predation in capitalism. It does not rest on open relations of domination or direct force, but on the indirect coercion of the circumstances (cf. Elster 1978).

Normative Ambiguities of the Exploitation Concept

Now, such an understanding of exploitation has, among others, the following consequence: Exploitation, by this analysis, is not in the first place compassion-worthy child labor (relations like those so well provided by Marx), but altogether quite normal wage labor. Yet conversely, “exploitation” is, in the just-sketched technical sense, not primarily a moral scandal, but simply describes capitalism’s mode of functioning. Exploitation would then be a mere **neutral description of that which capitalism simply does**, insofar as it is in a sense the condition of capitalism’s functioning.

If therefore Marx describes exploitation as a skimming of surplus product and therewith as a relation inherent in all wage labor that produces surplus value—does this mean a *dedramatization of the concept of exploitation* or is it, conversely, a *dramatization* of the evils that accompany *wage labor*? And further: Can it be that Marx was here in a position to get to the bottom of what in exploitation is specific to capitalism only at the cost of letting the critique-worthiness of these relations effectively slip through his fingers?

We must come to terms here with the fact that Marx claims, disconcertingly, that the mode of production analyzed by him is **not in itself unjust**. “In itself”: thus once we have (as I would interpret it here) accepted the basic conditions and prerequisites of capitalist economics, we are left with no problem to demonstrate and with that nothing to criticize. Does this, however, then effectively allow only the conclusion that exploitation, according to Marx, is not supposed to be a relation that is normatively problematic and worthy of critique?

I find this implausible. In order to understand for certain the (normative) status of the Marxist explication of exploitation, and to understand from which normative standpoint Marx actually criticized capitalism, it is important to remember in which context it stands, before which prerequisites, and in which situation the Marxist critique of capitalism operates, respectively.

Domination Made More Effective

Marx wants to explain the **ongoing effects of domination and exploitation beneath the impersonal shell** of the capitalist economy and the contractual relations of civil society—thus we can understand the project of a “Critique of Political Economy.” If “the real institutional innovation of the capitalist economy” is the existence of a free labor market, and this is characterized by being based on free entry into contracts and the idea of equivalence (labor against wages, i.e., wages as compensation for labor instead of compulsory labor and compulsory levies), then it is not easy to see at first glance in what sense these relations can

be relations of exploitation. Even if we invoice the misery in labor relations to early capitalism: Neither the compulsory character (the absence of free will) nor the inequality of the relations here entered into are obvious among relations of civil society (bourgeois-capitalist market socialization).

Marx thus **analyzes exploitation as a (albeit subtle) relation of domination and compulsion. And the “technical character” of his analysis responds to the subtlety of these relations and to the structural, impersonal character of the coercion involved.** Precisely this fact however gives us the chance to understand the difference, indeed somewhat disconcerting at first glance, between our everyday understanding, with its apparent moral significance, and the just depicted Marxist understanding (in its ambiguity).

Moral or Ethical Significance of the Concept of Exploitation?

My claim is that **we can only solve the problem of the *normative-critical character of the Marxist theory of exploitation*** (and its so astonishing dismissal of moral implications), if we try to comprehend the Marxist critique **not as a moral critique in the narrower sense** (and justice-theoretically underpinned in the narrower sense), but instead understand it as an ***ethically inspired critique***, or in other words: **as a critique that applies to the form of life of capitalism in its entirety** and therewith to the relations that are responsible for the structure of emotionless domination and invisible coercion (and therewith facilitate a specific mode of exploitation).

What is *wrong*, then, is not the fact that the mode of production *in itself* rests on exploitation (of surplus product). This is just how it functions, and this is unassailable according to its own—internal—standards of justice. *That* it functions in this way, however, is nevertheless a problem: **What is wrong is the mode of production itself.** The character of this wrong however is then, and this is crucial, constituted differently than that of unjust exchange or unfair distribution. This is then no longer about injustice in the narrow sense. Rather it pertains to **“injustice” in the more comprehensive sense, that of an entire form of life, which enables such emotionless domination and the described dynamics of coercion in the first place.** The critique that is justice-theoretic or moral in the narrow sense would accordingly have to get involved with the analysis and critique of capitalism as a mode of production (and further: as a form of life), as long as it wants to approach capitalism as a *specific problem*. The problems that are *moral* in the narrow sense are not therefore **merely unsolvable, they can no longer be understandable, if we do not see them against the background of the problematic nature of the capitalist form of life** as a form of life. The “injustice” of capitalism would then be “comprehensive” in the same sense as the discussion

of “right” in Hegel’s philosophy of right is comprehensive, so long as the discussion of “right” here encompasses in its entirety the rationality and goodness of a social order. And the specific evil of capitalism is not its unjust and immoral character, but its *unethicalness* (in the Hegelian sense), i.e., it is found wanting as an ethical relation.

Exploitation as “Absolute Injustice”

I here am in line with Georg Lohmann’s thesis, who discerns “two conceptions of justice” in Marx’s work: the *narrow* one of internal distributive justice and the *encompassing* one of the justice of a form of life as such, which addresses the ***foundation of distribution and therewith the foundation of an entire form of life/mode of production***. This then brings into view—as the thesis goes—not just the non-equivalence of wages but a ***qualitative inadequacy of world- and self-relations*** that emerges when labor is exchanged as abstract labor on a free market. With this, however, we do not only again capture the qualitative dimension” of exploitation elaborated above. In reference to Marx, it then most certainly appears valid to claim that **the moral dimension of the evil of capitalism is on the other hand not “freestanding.”** It is only to be understood and **embedded in the “ethical” dimension of its expanding problematic nature.** (Therefore: The problem is not that labor contracts, with their purchasing of wage labor and promotion of productivity, are not just or that they are unfulfilling or that cheat somebody. This, undoubtedly, also happens frequently; however, the disputes around wages, working conditions, and the length of workdays are, from a certain perspective, simply “part of the game,” should one play it. And enforcing another standpoint here than that exemplified by the profit interests of those involved is not even part of the game . If we want to criticize something here, then we must criticize “the game itself.” Then, however, we are criticizing, for example, the fact that labor power here is generally considered and treated as a commodity. **If, however, we do this, then, in the next step, we** transcend the narrow limits of a justice-theoretic or moral critique, as long as we are speaking about the fundamental relations of the goods available in a society in qualitative perspective.)

Summary: The Moral Critique

Three things result from the considerations sketched here for the moral critique and our leading question. Even if we assume that it successfully reveals measures of critique (and I make this assumption without problematizing it further), it still remains unspecific with regard to its object. In this perspective it would then not be (against the background of the

given definition of the task), on the other hand, independent, -- i.e., in order to make it more specific and less impotent, we must embed it in an analysis of the “ethical relation” that is capitalism and therewith also in an analysis of the structural conditions that are provided with it, which transport the morally (and distribution-theoretically) problematic “output.” This all culminates in a perspective that Marx takes over from Hegel in his accusation of “**empty ought**” vis-à-vis the “moral standpoint” and the peculiar helplessness of a moral critique of capitalist relations.

With this I come to the ethical critique of capitalism.

3. The Ethical Critique of Capitalism

To review, the *ethical critique of capitalism* claims, in several variations, the following: The life that is shaped by capitalism is a **bad or an alienated life**. It is **impoverished, meaningless, or empty** and it destroys the essential components of whatever belongs to a fulfilled, happy, but above all “veritably free” human life. In short, the ethical critique addresses capitalism as a world- and self-relation. It addresses it from the perspective of how it influences our full connection to life, our relation to our selves and to the world, and things. Moreover, critiques of this kind are as old as capitalism itself.

Among the here meant symptoms of the capitalist mode of life, we count, for example, phenomena of *objectification* and qualitative impoverishment of life-relations, as they have been criticized ever since the beginning of capitalist development. With regard to this, we, in taking stock, may yet glean from the very lofty tone of Werner Sombart’s *Modern Capitalism*, where quite mawkishly the personal relation of precapitalist peasant woman to her cows is set against the objectifying and calculating relation of capitalism to the creature and things. Georg Simmel’s *Philosophy of Money* also concerns itself with objectification as a fundamental tendency of modern life (shaped by the capitalist economy of exchange), but with quite different depth of field (and quite different awareness of ambivalence). And, as a problem of *marketization* and, respectively, commercialization and commodification, it concerns us just as well today in entirely unforeseen dimensions. Among the symptoms problematized by the ethical critique from early on, however, we also count institutionalized *greed* and the never idle *dynamism* of capitalism. And the psychological and spiritual vacancy, the impoverishment and superficiality of a world constricted by mercantile interests in “instrumentalities” have also become frequent objects of more than just literary contemplation.

Meaning of the Ethical Perspective

I consider this—*nota bene*—to be a sensible perspective on the reality of capitalist relations and also a sensible way of critiquing capitalism. That capitalism also has a “culture” and that it shapes and necessitates a determinate way of life, is a fact that is relevant not just with regard to the question of what allows individuals to really “suffer under capitalism.”

Unquestionably, the power of the ethical critique of capitalism consists at minimum in that it makes a factor clear that frequently remains concealed: A factor [*Umstand*], namely, that in capitalism is negotiated within the context of a societal and economic form that in general rests on something such as values, thus implying value-judgments or bringing them forth. So it becomes somewhat clear, regarding the critique of marketization tendencies, that it doesn't enact a neutral distribution agency of goods in the market, but rather that goods are given a specified character.

What is thus still successfully clarified by the most culturally conservative and nostalgic versions of an ethical critique of capitalism, is the fact that the economic sphere—e.g., the commercial transactions in the capitalist market—is not ethically neutral. *What* is being done and how it is being done, is the expression of a particular form of life and worldview, which precludes or at least influences other forms of life and world-conceptions. That particular things, skills, and relationships are to be conceptualized as “commodities,” means not merely that they are to be translated—in an ethically neutral way—into another medium. Things are to be conceived as alienable against other goods (and against the common medium of money, respectively) as interchangeable objects, thus shaping a quite particular conception of objects, relationships, and capabilities. And that “the commodity of labor power” (on whose existence capitalism is well-known to be based) is conceived as just such, just as a “commodity,” is anything other than self-evident and has corresponding consequences for our relation to what we do (in laboring).

It appears however to be quite characteristic for capitalism to deny this evaluative character, and therewith the fact that it is a particular form of life—which we can and accordingly also must *evaluate* and to which, hence, there also are alternatives. Perhaps this is already sufficient reason—this would be a kind of meta-reason—to accept that something is rotten in capitalism. (according to the motto: “Whoever hides something has something to bury.”)

Problems of the Ethical Critique

The problems of such an ethical critique of capitalism (with regard to the criteria we have been pursuing) are, however, apparent:

- The *first problem* (in the sense of the issue raised above regarding the *specific wrong* of capitalism) is the following:

Even the ethical critique deems itself to be confronted with the problem that it is not always clear which of the symptoms that it presents are in fact *of a specifically capitalist nature*. Does it really have to do with capitalism, or does it not have much more to do with modernity in general? (And how are the two related to each other, in cases of doubt?) And naturally the expansion of the monetary economy and of the market influences the relation to people and things; however, there are naturally severe forms of instrumentalization—one can think just of the slave trade—in very differently styled societal formations. Thus, regarding the current tendencies of “expansion of the market” (from surrogate motherhood to modern mercenary armies), they cannot be criticized until it is shown how, under capitalist conditions, they have assumed *specific and different forms*. (Incidentally, I believe that this is possible, that this could be demonstrated, but that it is only seldomly done.)

- More pressing however is the *second problem*, which concerns the identifiability of *criteria* for the critique in question. Namely, what exactly is problematic in the features listed by me? We can criticize that the indifference of the market towards concrete properties amounts to leveling heterogeneities—and thereby criticize them as a reduction of meaning and a form of “impoverishment.” We can denounce the objectification and depersonalization of social relations as atomization and instrumentalization. We can criticize the relinquishment of certain features and skills as objectivating and reifying. But on the one hand many of these diagnoses turn on *cultural criticism and cultural pessimism*, which in each case tends to nostalgically romanticize previous ways of life, with their products, practices, and customs. If we were confident, with the introduction of the railway, that its speed inevitably leads to insanity, so today we praise the tranquility of the railway as “genuine, meaningful experience of traveling” against the acceleration of life forced by *easyJet*; and if the introduction of specialized assembly line work was synonymous with alienated labor and inhuman disciplining, so in retrospect the “Fordist” system of general interest services has already become nearly vindicated as facilitating identity and community attachment against the dynamics and experience-impoverishment of the new,

“flexible capitalism” that destroys identities and reduces the qualitative dimension of everyday life. Anyway the principle of nostalgia at work here, all things considered, allows one to doubt how reliable and productive the operative criteria really are.

In any case, the *ambivalence* of many of the phenomena taken into account by the ethical critique of capitalism is still more devastating in this regard. Not to no purpose is Georg Simmel’s description of modern life as being much influenced by interchangeability and money—an until now unsurpassed achievement in describing capitalism as a form of life—markedly *ambivalent*. Indifference to special relationships and the intrinsic properties of goods *also* means freedom. The disconnectedness conveyed by money *also* means independence. And—with all its perils and hardships—insofar as the free labor market has replaced feudal status orders, the (capitalist) market does not only stand for effectiveness (in as much as it does that), but as the institution of contracts itself it *also* embodies an *ethical* principle, [in] which the freedom of modernity as freedom of choice consists in living one’s life independently of others.

This *ambivalence* of the phenomena portrayed is a further indicator for that it is not at all easy to reveal the ethical criteria by means of which we can with good reason repudiate certain aspects of the capitalist form of life. From where thus do we take our *standard*? And, consequently, how are we critique capitalism in a manner that is promising and has traction, which does not slide into a more pure (and abstract) discourse about virtue (the appeal to values)? (We must free ourselves from greed and remember that which is “real”: all correct, perhaps, but rather helpless.)

Summary and Conclusion

Let me briefly pool together the results of my above reflections. I sought after a critique that was relevant to capitalism in a *specific* way (and as a specific societal and economic organization), which at the same time could be shown to be normative. Accordingly, our results were the following:

- (1) I have shown the functional critique to surely be (where it is plausible) specific but not normatively freestanding, so long as the evidence of dysfunctions remain bound to value-standards that it cannot generate or vindicate out of itself.
- (2) The moral or justice-theoretic critique, on the other hand, had the problem that it is *not specific to capitalism*, thus failing to account for capitalism as a specific source of a defined moral evil. (This now is not necessarily a problem for this position by itself.) Thus, even if we accept (and this might even be accepted without what I have

specifically dealt with or established) that its normative measures are valid, it incurs (since Hegel's critique of Kant) the notorious charge of the "impotence of the moral ought." Even then, the moral critique appears not to be wrong but in a sense incomplete. However we might assess the possibilities of a (non-moralizing) immanent critique of capitalism, as Marx had in mind, it should be noted that the moral or justice-theoretic critique has a relation toward its object that from the start amounts to a "black box approach." It is thus oriented to effects, while lacking focus on the specific dynamics and the constitution of economic and social institutions that bring about these effects.

- (3) The ethical critique had, apart from (possibly amendable) weaknesses with regard to the specific frame of its object, the problem of identifying its normative criteria: a problem, from which in turn a standstill in a (just as "empty") discourse on virtue threatens to result.

The result of my account of "three ways to critique of capitalism" portrays itself as follows: All three are, on the one hand, fruitful in certain measures, but, on the other hand, each of them proves deficient in various ways. In such a situation there are several alternatives. Strictly put, there is nothing speaking against criticizing an existing societal formation on "multiple fronts." And so we could thus posit that each of these respective dimensions of the problematic nature of the capitalist economic and societal order sometimes (but not always) intersect one another through these variously retraced paths of critique and that these critical perspectives sometimes (but not always) mutually illuminate each other. There is then perhaps not *one specific* problem of capitalism (that pertains to it exclusively) that is the starting point of its critique and there is no *one measure* of its critique that is universally and for all time unquestionably valid (in any case not the one and valid measure for a critique that pertains to all dimensions of "life in capitalism"). Especially in terms of the ethical dimension, we might then in a number of cases content ourselves with making the background of established cultural self-conceptions.

Nevertheless, I at the very least, want to take account of a couple of reflections which could lead to a stronger (or less modest) result—and do so in a short prospectus while stemming out of the deficits of this last, ethical form of critique,

The hypothesis to follow, then, runs thusly: The above sketched dimensions of the critique of capitalism do not just have strengths and weaknesses that can be inferred from different spheres of application. Rather, they *come together* in a position to generate criteria for a critique of the capitalist societal and economic system. In other words: These weaknesses can then be resolved if we pull these three "dimensions"—no longer "ways"!—together. A critique of *capitalism as a form of life* (that is my suggestion for the overarching

title of such an approach) would thus be one in which all three dimensions—the functional, the moral, the ethical deficit—would have to be set in relation to one another. (Note that the question of whether such a critique would be reform-oriented or “radical,” thus aiming at complete transformation or abolition, is for the time being not touched upon and depends on its conclusions.)

Prospectus: Critique of Capitalism as Form of Life

How can we critique *capitalism as a form of life*?

I would like to (and can) close with only a couple of notes.

- Firstly, It would be crucial to such a critique, as already suggested, to *specify* the “ethical shortcomings” of capitalism, thus to investigate the special qualities and dynamics to be assumed, for example, the instrumentalization and the greed of “the insatiable” [“*Mehrhabenwollens*”] under conditions of capitalist capital accumulation. (This means, so we could formulate it: investigating the institutionalized greed and the institutionalized instrumentalization, which may be effective under capitalist relations.)
- *Secondly*, it is valid to carve out the moments of the suggested ethical problems, which may be identified as self-contradictions in the sense of an immanent critique. The critique of alienation and objectification, for example, garners a quite different, much less nostalgic payoff, if we analyze these elements as a frustration of the modern promise of freedom and self-determination taken as such.
- With that, *thirdly*, the first way to critique capitalism comes into its own again: It is the intertwining of *functional disturbances* in the sense of practical crises and distortions *and* normative deficits, that can hold good as perspective for the irrationality and wrongness of capitalism as a form of life. With that the functional aspect criticized above indeed gets its (limited) right: Surely a form of life such as capitalism has always failed normatively. However, *that* we do not want to live so is not simply an ethical value-judgment descended from the heavens (or out of tradition). It is connected with functional deficits and the practical distortions and crises that come with them. And the bottom line is now to correctly comprehend the interpenetration of both moments.
- With that let us finally define for such a critique a kind of meta-criterion, which evades the contingency of substantial ethical positions: A successful form of life would then be one that has the feature of not hindering but facilitating successful

collective learning processes—learning processes that may be triggered in part by crises of a functional sort. Whether capitalism does this is more questionable.

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