

## Sociology 621 Lecture 3. January 25, 2017

### The Critique of Capitalism

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#### 1. The three principles (reprise):

Equality/fairness: *In a just society all persons would have broadly equal access to the material and social means necessary to live a flourishing life.*

Democracy/freedom: *In a fully democratic society, all people would have broadly equal access to the necessary means to participate meaningfully in decisions about things which affect their lives.*

Community/Solidarity: *Community/solidarity expresses the principle that people ought to cooperate with each other not simply because what they personally get out of it, but also out of a real commitment to the wellbeing of others.*

#### 2. The critique of capitalism

Equality/fairness: *Capitalism inherently generates massively unequal access to the material conditions needed to live flourishing lives.*

- The levels of inequality in both income and wealth in all capitalist economies systematically violate egalitarian principles of social justice.
- The levels of inequality generated by capitalism are such that some people suffer absolute deprivations of the conditions to live flourishing lives, not simply unequal access to those conditions.

Democracy/freedom: *Capitalism generates severe deficits in realizing democratic values by excluding crucial decisions from public deliberation, allowing private wealth to affect access to political power, and allowing workplace dictatorships. It undermines freedom by depriving many people of the means to put life plans into practice.*

Community/Solidarity: *Capitalism fosters motivations and practices that are corrosive of the values of community and solidarity.*

Another way of framing the issues in play:

	Value: the good society	Fairness: the just society
Flourishing	A good society creates conditions for human flourishing	Equal access to the social and material conditions necessary to live a flourishing life
Self-determination	A good society enables people to have control over their own lives	Equal access to the necessary means to participate in decisions over conditions that affect one's life
solidarity	A good society is one in which people cooperate with each other not simply because of what they get out of it but because of concern for the wellbeing of others and the moral obligation not to be a free rider	Equal access to caring relations and solidaristic community.

In this formulation, I distinguish between the values that I see are constitutive of a good society and the problem of the socially just access to those values. This contrast is not always so easy to make, and I am not so sure it works for the value of solidarity, but I do think it helps to clarify some of the issues in the critique of capitalism.

#### 4. Diagnosis & Critique of capitalism

##### 4.1. Flourishing and equality

**Flourishing:** *Capitalism perpetuates widespread deficits in human flourishing*

This is at the heart of the critique of capitalism in Marx's early work about alienation, and it is a persistent theme in Marxist cultural criticism. Capitalism fosters ways of life that undermine human flourishing, not just for the poor and marginalized, but for most people. Indeed, some Marxists would argue that virtually everyone – capitalists and workers, rich and poor, educated and uneducated – are deprived of the possibility of realizing their full potentials as human beings by the one-sided development that is forced by the competitive character of capitalism. Capitalism generates relentless pressures on people, and this distorts the kinds of lives they live. The rat race for elites thwarts flourishing just as precariousness does for the masses. The lack of meaningful work for most people, the social isolation of intense competition, social interactions driven by fear and greed, the obsessive equality of consumerism, the self-respect undermining features of status competition, and many other things all generate broad deficits in human flourishing. The tragedy of capitalism, in these terms, is that it has created the productive capacity for very widespread human flourishing, but undermines this potential because of its dynamics.

Another form of the argument that capitalism undermines flourishing broadly focuses on the ways high levels of inequality have adverse effects on the lives of most people, *even many who are relatively advantaged within the unequal distribution*. This is the argument most famously

advanced by Wilkinson and Pickett in their book *The Spirit Level*, in which they amass considerable evidence that average wellbeing along many dimensions is inversely linked to the degree of inequality in a society. The specific mechanisms behind this empirical relation are not entirely clear, but the hypothesis is that higher levels of inequality generate a variety of effects which undermine the wellbeing of most people, not just the severely disadvantaged. These effects of high inequality include such things as stress, conflict, insecurity, envy, intensified competition at all levels of the economic structure, and a weakened sense of community. In effect this argument means that while high inequality may give a majority of people access to the material conditions to live a flourishing life, *it also undermines for many materially advantaged people the social conditions for human flourishing.*

The relationship between capitalism and flourishing also bears heavily on the problem of the relationship of capitalism to environmental degradation and the climate crisis. What matters most about global warming, climate disruption and other dimensions of the environment crisis is that it damages the possibilities of human flourishing. This is an anthropocentric view of the environment. This is not to say that the destruction of nonhuman species and the suffering of nonhuman animals are of no moral significance; they are. But the most fundamental issue is the impact of our actions on human suffering and human flourishing. Here then is the critique: *Capitalism inherently threatens the quality of the environment and thus the conditions for human flourishing because of imperatives for consumerism and endless growth.* Here the central issue that the stability of capitalism requires the continual expansion of markets. When markets are stagnant, the crisis tendencies within capitalism intensify. And while growth – even capitalist growth -- does not logically imply increasing CO2 emissions, in practice the forms of growth that tend to occur in capitalism are environmentally harmful.

Of course, flourishing is not a binary condition; some people flourish to a greater extent than others even though the deficits in flourishing may be very widespread in capitalism; some people have greater access to the conditions to flourish than others. The negative impact of climate disruption on human flourishing will be grossly unevenly distributed globally, and this raises the issue of climate *justice*. That is tremendously important for shaping how we should deal with the costs of climate disruption. This brings us to the question of equality and fairness.

**Equality:** *Capitalism inherently generates levels of inequality in income and wealth that systematically violate social justice: some people have much greater access to the conditions to live a flourishing life than others.*

A commonly held view is that inequality itself should not be a matter of particular concern. We should care about deprivation and poverty, but not about inequality as such. While I agree that the most pressing moral issues connected to inequality concern the human suffering connected to poverty, nevertheless I think inequality itself is an appropriate object of moral concern. There are three principle reasons for this claim.

The first, and perhaps most important, is that *inequality is itself a cause of poverty*. The rich are rich, in part, because the poor are poor – they are rich at the expense of the poor. Poverty and wealth are not causally independent of each other. The central way this causal interconnection is understood in Marxism is through the concept of *exploitation*. As we will see when we discuss class, there is a closely connected concept – non-exploitative economic oppression – which is also important. The key idea is that the kind of economic inequalities generated within capitalism

perpetuate severe deprivations even in the face of substantial economic growth. Or, to put it another way: *capitalism perpetuates eliminable forms of human suffering.*

The second issue concerns fairness (social justice). Let us make the distinction between:

- (a) everyone having access to the material means to live a flourishing life, and
- (b) everyone having roughly equal access to those means.

If the first of these holds, but not the second, then some people have to work much harder than others to acquire the material means to flourish, but everyone could still with enough effort acquire those means. One way of thinking about absolute poverty is that condition (a) is not satisfied: no matter how hard some people worked, they could not acquire the necessary means to live a flourishing life. Capitalism (in the absence of counteracting mechanisms) inherently violates (a). But even if through strong welfare state institutions and redistribution, (a) is satisfied, capitalism would still violate (b). So long as the material conditions of life of children are substantially affected by the income of their parents, nothing close to equal access to the material conditions to flourish will exist under a capitalist system.

#### **4.2 Self-determination and Democracy**

**Self-determination.** *Capitalism creates illusions of self-determination – freedom – but limits the freedom of most people by the ways its dynamics impose severe constraints on the lives people are able to live.*

This is a classical claim of Marxists similar to the idea that capitalism creates deficits in flourishing even for elites; the freedom of capitalists, like everyone else, is undermined by the “laws of motion” of capitalism which operates behind their backs. The relentless drive to accumulate is forced on them as well as on workers. In certain strands of Marxist thinking, then, the transcendence of capitalism emancipates everyone, including capitalists. Socialism does not merely liberate the masses; it liberates everyone from the tyranny of social structure.

While there is certainly some truth in these claims, it is also the case that any society, even a deeply democratic, egalitarian socialism, imposes social constraints on people. The idea that a future post-capitalist society would be a society that was completely transparent in which no social structures operate “behind the backs” of people – everything is open for rational, conscious action – is a fantasy. And it is certainly not so clear that the new forms of self-determination available to all in a democratic-egalitarian socialist society would mean that the very rich would actually have greater freedom than in capitalism. The more important issue around self-determination, then, is its distribution in capitalism.

**Democracy.** *Capitalism generates severe deficits in realizing democratic values by excluding crucial decisions from public deliberation, by allowing private wealth to affect access to political power, and by allowing workplace dictatorships.*

The first of these points is the most fundamental. It is an intrinsic feature of private property that it gives power of owners of property to dispose of it as they like – to sell it, even destroy it. If a capitalist could not move a firm to a cheap labor country without getting “permission” from the workers in the firm, this would mean that those workers had significant rights over the property in question, even if the capitalist continued to be able to appropriate the profits of the firm.

This issue – that private property rights in the means of production generates a democratic deficit – reflects a fundamental feature of property rights: property rights constitute a structure of power

relations. To own things is to have power with respect to those things. However, it is critical to understand that “ownership” is not one-dimensional, but involves a very heterogeneous set of rights, and it is possible for the power connected to these rights to be vested in different agents. This is the case, for example, when there are safety rules and pollution rules imposed on owners. This means that the power over those aspects of production are no longer under the control of owners, but of the state or some other entity. The most fundamental aspect of capitalist property rights over means of production is the right to invest and disinvest. When that right is curtailed, then the capitalist character of the economic power relations is undermined.

**4.3 Community/Solidarity:** *Competition and commodification within capitalism undermine community/solidarity.*

The impact of capitalism on community and solidarity is quite complex because there are two quite different sorts of processes in play. On the one hand, competition and individualism which are such organic parts of capitalist market relations undermines community. As G.A. Cohen put it, capitalism is based on the dual principles of greed and fear – greed to accumulate; fear of losing out in competition. This competitive spirit pits individuals against each other in labor markets and cities, states and countries against each other in their efforts to attract investments. And this undermines a sense of community.

On the other hand, capitalism erodes a wide range of exclusionary solidarities based on ascriptive characteristics of race, ethnicity, gender. Both Marx and Weber emphasized this – the way capitalism undermines status hierarchies. One way of thinking about the connection of these processes is that capitalism helps destroy traditional status barriers to more universalistic and inclusive forms of community and solidarity, but blocks the full realization of the potential for community by fostering competitive-individualism.

**Access to community.** I am not so sure about the relationship between capitalism and the issue of access to community. While precariousness and vulnerability suggest that access to community may be harmed for the poor and marginalized segments of the population, hyper-competitiveness among elites also undermines community. I don't think there are solid arguments around the justice issues for community.

### Appendix

In *Envisioning real Utopias* I list eleven criticisms of capitalism. Many, but not all of these, can be subsumed under the discussion of the four principles.

Here is another way of organizing the critique of capitalism. Critical theories generally organize the critique of institutions in terms of four rubrics of indictment: exploitation, domination, injustice, and irrationality. Of course, many of the substantive criticisms of capitalism fall under more than one of these labels but loosely we can organize the eleven specific criticisms in *Envisioning Real Utopias* along these lines.

#### Exploitation

1. *Capitalist class relations perpetuate eliminable forms of human suffering.*
2. *Capitalism blocks the universalization of conditions for expansive human flourishing.*

#### Domination

3. *Capitalism perpetuates eliminable deficits in individual freedom and autonomy.*
4. *Capitalism, in a world of nation states, fuels militarism and imperialism.*
5. *Capitalism limits democracy.*

#### Injustice

6. *Capitalism violates liberal egalitarian principles of social justice.*

#### Irrationality

7. *Capitalism is inefficient in certain crucial respects.*
8. *Capitalism is environmentally destructive.*
9. *Capitalism has a systematic bias towards consumerism.*
10. *Capitalist commodification threatens important broadly held values.*
11. *Capitalism corrodes community.*