

**Notes from discussion in Erik Olin Wright Lecture #2:
Diagnosis & Critique
Middle East Technical University
Tuesday, November 13, 2007**

Question: In your conception of social justice, does exploitation necessarily mean an injustice, does it mean unequal access to the means to flourish?

Response: Exploitation does imply unequal access, since some people command the means of production and other have to work for them. But this does not mean that exploited people cannot flourish, but they do so in spite of not having equal access to the means.

Question: I was thinking of Cohen's example of two people with equal land and one decides to work for the other so that he can use the land for tennis.

Response: this does not imply unequal access to the means to flourish, so that the exploitation in question is not a violation of the principles of social justice. You need to know the full context. I would not call this exploitation since the entire process is among free and equal persons with equal access to the full range of choices. This is not exploitative because the transfer of labor has an entirely mutual quality to it.

Question: Does social justice here mean a matter of "procedure"?

Response: Is "broadly equal access" a procedure? It is a condition of the world, but is this a procedure?

Question: but where does freedom come in here?

Response: I think that freedom is part of the social means to live a flourishing life. I believe in freedom in part because it is part of the conditions for flourishing, and also because of its role in political justice.

Question: What are the implications of political justice for social justice and vice versa.

Response: If you have social injustice you are unlikely to have political justice: the kinds of inequalities that are indictable under social justice are also likely to interfere with equal access to political means of participation. This is an empirical claim. Some levels of social injustice could be consistent with relatively high levels of political justice. It is also hard to imagine how political injustice – significant inequalities in access to political means – is likely to subvert social justice. These are empirical claims about the relative causal effects on sustainability. I am skeptical that a relatively unjust society is unlikely to be committed to deep democracy.

Question: I cannot solve the following puzzle. If I should bear the responsibility of my choices, what happens when my choices generate oppressions and exploitation. You say that people should bear responsibility for their actions.

Response: I feel that people should bear *some* responsibility for their actions, not that they be held fully accountable. I am for a fairly forgiving stance towards human frailty, weakness of will, mistakes. Human frailty should be as central a part of our conception of justice as rationality. There is a collective responsibility for an ethic of support for people to redeem themselves. On the other hand, if people are given no responsibility, if they bear no costs for mistakes, then this will increase resource constraints and impose logs of costs on others. This is one reason why a democratic process is so critical: this is a balance that can come out of democratic deliberation.

Question: Is this mainly a distributive model. How about power configuration underlying this.

Response: The political justice issue is entirely about power distribution.

Question: But you are reasoning entirely at the level of individuals, where are social classes?

Response: This is a description of a set of relations which, if they were in place, there would not be social classes. If everyone has broadly equal access to the means of production there would not be classes any more.

Question: So this is about classless society.

Response: Yes, that is the normative idea: equal access to the means to make decisions politically and to live a flourishing life. That is normatively a classless society. I don't believe that it is probably possible to fully attain this. But it serves a basic purpose for critique and for the design of institution that move us in that direction. We may not be able to have a classless society but we can move in the direction of less classness. These normative ideals, not design principles as such. Social justice is not a binary – we can talk about the degree of social justice, how unequal is the access to the means to live a flourishing life, how unequal is access to the political means. This becomes the standard for the search for alternatives.

Question: If there are degrees of fairness in a class society what would differentiate this from a lessclass society?

Response: a society with less classness has weakened the class basis of differentiation of the society. My proposal for thinking of socialism is about the process of shifting the balance between capitalism, socialism, and statism within a capitalist hybrid. What you are doing here is eroding the class power of those relations. Whether or not you can reach a tipping point which shifts the whole structure, I don't know.

Let's turn to the criticisms of capitalism. First a Methodological point (new to this presentation):

What I am trying to do in providing a critique of capitalism is this: The task is to identify mechanisms that are inherent in capitalism as a system of production and examine the nature of the effects of those mechanisms. The diagnosis is of capitalism itself, not just of specific forms of capitalism or of capitalist *societies* which may contain all sorts of mechanisms that counteract the distinctive effects of capitalism itself. The premise, therefore, is that it is possible to identify the "effects of capitalism as such" in spite of all of the variations in the concrete historical forms that capitalism takes. This is a form of essentialism. The problem, then, is that you can observe an example of capitalist society like Sweden with very little poverty, but can we say "Ah ha: capitalism has eliminated poverty!". No, the argument is that it is the noncapitalist features of Sweden that has eliminated capitalism – either via the hybrid or via some noneconomic process. I am making arguments about what is inherent in capitalism as such – directly connected to its core mechanisms that make capitalism, capitalism. This is the premise of the argument which follows. If you don't buy the premise then you are saying we cannot criticize capitalism as such, but only specific societies with their particular institutions. This implies that the more abstract criticism is not valid.

Question: I have a comment. There are three mechanisms of capitalism – mechanisms of differentiation, mechanisms of reproduction, and mechanisms of dissolution. So, can we – aside from the mechanisms of collapse – see these mechanisms in your criticisms. Can you see which one of these leads to these criticisms.

Response: First about the dissolution thesis – I don't believe in that mechanism posited in classical Marxism. On the other two mechanisms you specify, I am not sure exactly what you are asking. The mechanisms I posit for these criticisms are: exploitations, competition, private ownership and the other structural properties of capitalism. Here I am not criticizing the mechanisms as such, but their effects. In the chapter there is initially a discussion of capitalism and its mechanisms and then in the elaboration of these criticisms I point back to these processes. The competition and profit/accumulation drive of capitalism explains the environmental destructiveness of capitalism.

[Extended discussion follows about incomplete contracts and my earlier critique with Burawoy of Bowles and Gintis. The question raised issues of consistency between the position about inefficiency I make in the talk and my earlier argument about normative integration within work. I respond by explaining the basic logic of "effort extraction" in capitalism. This is inefficient because it requires more supervision and monitoring than it would under more cooperative property relations. I think this is true even though it is still true that in capitalism labor extraction also involves consent and cultural legitimacy. Even under conditions of Gramscian hegemonic relations it is still the case that more social control costs occur within capitalism than within social egalitarian property relations. The conflictual relations of capitalism generate transaction costs which are inefficient.]

[Another question concerned some comments I had made about centralized planning and inefficiency. This reflected some ambiguity in the point I was making in the talk, where I mentioned centralized state planning in the USSR as having strong inefficiencies in order to note that inefficiency occurred in noncapitalist forms as well. The main point of the argument about inefficiency in capitalism is to show that capitalism has deep inefficiencies which make the efficiency claims of capitalism problematic.]

Question: You seem to be suggesting that it is possible to neutralize some of the negative aspects of capitalism and in so doing gradually turning capitalism into something else, *without precipitating a terminal crisis*. But if capitalists cannot maximize profits than doesn't this precipitate economic crisis which generates political crisis which then will turn a countermovement against these changes. This is not possible within capitalism as a mode of production.

Response: This is indeed the problem we will discuss in the theory of transformation. The problem is indeed whether a form of metamorphosis is possible. If it is the case that a serious move in the direction of democratic-egalitarian society necessarily precipitates a crisis that makes capitalism unsustainable, then I think this makes the prospects for socialism very dim indeed. I do not believe a system-level rupture is possible under current conditions of complexity. And therefore if even significant movement precipitates crisis, then transcendence is not possible.

Question: Some move is possible, but not fundamental. What kind of political changes would make this sustainable? In the 50s and 60s movement occurred, but it ultimately lead to neoliberalism as a reaction.

Response: The extraordinary power of capital might make any significant disruption of these configurations impossible. That is one scenario. That is the pessimistic scenario. If that is the limits of possibility for the conceivable future than this suggests that radical transformation will be self-defeating. This is the view of neoliberalism: any move in this direction destroys itself.

Question: Hasn't capitalism lead to tremendous gains in democracy?

Response: Yes it has, but the criticism is that it blocks deep democracy. Capitalism is good at promoting thin democracy but blocks deep democracy because first it excludes vast realms of public concerns from democratic deliberation, and it distributes political resources unequally. The U.S. has an increasingly thin democracy because of the increasing restrictiveness of the zones of public discourse.

Question: Isn't your approach based on analytical Marxism rather than relational Marxism? Don't these criticisms depend on this? Don't strategies have to be relational?

Response: I don't agree with the characterization that this is analytical rather than relational: the analytics is all about relations. I don't know any relational Marxist who would sharply disagree with these criticisms. These are claims that might be inaccurate,

they may be wrong, but they are claims about the relational consequences of capitalism: exploitation, competition, private ownership, etc., are all relational properties.

Question: Derek Sayer would reject these kinds of abstractions as a workable framework. He would concentrate on more forms that capitalism would take.

Response: But what does concrete forms of “capitalism” mean – that sentence only means something if the term capitalism is more abstract than the forms that are forms of variation.

Question: Your premise is that it is possible to identify effects of capitalism in spite of the variation in concrete forms.

Response: Exactly. There is competitive and monopoly capitalism, small and big, local and global: and all of these have the tendency to be environmentally destructive as an inherent feature of this way of organizing economic activity. This is a general claim across all of this variation. There may be other things which reduce this destructiveness but it is not the capitalist character itself which reduces environmental destruction.

Question: Some of these criticisms can be developed without leveling a fundamental critique of capitalism itself. These criticisms could be made from a variety of points view without implying a rejection of capitalism.

Response: But a real defender of capitalism probably could not except them exactly as stated. A defender of capitalism would assert that some of the forms of suffering I identify are not eliminable rather than capitalism blocks their elimination. Their core claim would be that all alternatives would score worse on these counts or on most of them anyway. If capitalism blocks democracy, then an alternative which unblocked democracy would produce perverse effects which would make other things much worse.

Question: On criticism number 9 about community, I am not so sure. First, what kind of community are you talking about. Traditional society community could be very oppressive and destroying that kind of community would be a good thing. There is also a strong assumption here that community is egalitarian, which is not true. Communities can be hierarchical.

Response: I am the most hesitant about this criticism. Capitalism also does generate reciprocities within the working class within then division of labor. Capitalism organizes production in ways that generates some forms of community, while destroys others. The argument I am proposing here is derived from G.A. Cohen’s argument in *Basic to Socialist Basics*: the issue of community is social relations of reciprocity and mutual support vs the competitive individualism of the market.

Let’s look at the list of five candidates for inclusion in the list of possible criticism in which there are some ambiguities in inclusion. The issue is the extent to which these problems can be intrinsically linked to capitalism as such. For example, “capitalism promotes militarism”. Capitalism is certainly associated with militarism, and

given that militarism exists capitalism takes advantages of it – the arms industry as a profitable venture. There are deep connections between capitalism and militarism. But is this really attributed to capitalism qua capitalism? The problem is that militarism is also generated by states and their strategies and interests and interactions. Is it the statist component that most drives this? This has a less simple connection of the specific capitalist mechanisms as opposed to how those mechanisms interact with other concrete institutions. The same with Imperialism: is this a distinctive criticism or just another form of other criticisms? On patriarchy and racism capitalism has also been corrosive of these relations as well as sometimes promoting and using them. It is not so obvious that the perpetuation is really being done mainly by capitalism as such. This may be a second order effect much of the time. Some of these criticisms seem to be closer to the rest of the list, others seem a little problematic.

Question: I do not see why you are hesitant about imperialism but not efficiency.

Response: The efficiency arguments all follow directly from the core mechanisms of capitalism itself, whereas imperialism is connected to the interaction of capitalism and the state.

Question: So in your definition of capitalism the state is not an integral feature?

Response: I do think that the state is a necessary condition for capitalism. Nevertheless the mechanism for imperialism may come from the distinctive properties of the state as an apparatus and not from its capitalist character. If the state is just an expression of capitalism and then this is translated into imperialism, then it should be included. But it is still more complex than inefficiency since it does not follow just from capitalist mechanisms per se.

Question: What about Michael Mann's arguments that capitalism is not transformative, it is parasitic: it adapts to the existence of patriarchy and other relations and takes advantage of these, but it does not really transform divisions.

Response: I guess I would disagree with the idea that capitalism is not also corrosive of things like racism. Apartheid is a good example: capitalists continually eroded the structures of apartheid when these clashed with the needs of accumulation. There subversion of the rules lead to townships and large urban black populations, which contradicted the structure.

Question: How do we avoid the problem of free riding.

Response: Any system will face some problems of free riding. The issue is how difficult and costly will it be to contain free riding. The criticism of capitalism is that it encourages forms of human interaction that makes free riding more likely. The mantra "greed is good" encourages people to take a rational cost-benefit approach to human interactions, to treat everything like a market, and this makes monitoring and

enforcement a more central reality in all sorts of cooperative endeavors. In a socially cooperative and participatory economy, this will be reduced, but certainly not eliminated.