Capitalism and Democracy:
A Reformist Dilemma

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Introduction

After 1989, the dismantling of the welfare state, and the globalization of the capitalist economy, it is often asked whether it is still possible to conceive of a plausible and viable notion of democratic socialism. This way of putting the question, however, overlooks that it until recently was not plausible to discuss democracy without relating it to the discussion about socialism. The reason for this is that capitalism structures the societal circumstances for democracy, and, yet, that this structuration is beyond the reach of democratic politics itself. And since socialism is the attempt to set aside capitalism as an organizational principle for society, the question of socialism is internally connected to the question of democracy.

In this essay I will discuss two ways by which this relation can be critically conceptualized. According to the first view, capitalism renders democracy less effective, because it poses certain restrictions to it, for example restrictions in terms of fiscal resources and functional imperatives, e.g. to provide favorable conditions for economic growth. Capitalism is an *external* limit to democracy. According to a second view, capitalism does not only cancel democracy from the outside as it structures the conditions for democracy, but is an *internal* limit to democracy. This because capitalist societies are characterized by inversions, in these societies freedom and equality are inverted. Freedom turns into unfreedom; not only unequal freedom but unequal unfreedom.

I will argue that this second conception is of importance for radical democratic politics. The inversion of presuppositions has as consequence a displacement of these and the circumstances of their realization. This gives rise to a dilemma for radical politics because contrary claims must often be pursued in radical politics, for example to demand inclusion but yet to transform the terms of inclusion by what has been excluded.[1] Some of the vacillations in radical politics are related to this displacement of presuppositions and circumstances by inversion that renders inclusion on the premise of equal freedom insufficient as political strategy.

Capitalism as External Limit to Democracy

To conceive of capitalism as an external limit to democracy has been the usual conception within the reformist labor movement after the Second Interna-

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tional. It is a conception that may well be fitted together with socialliberal or left liberal ideas, since it has been an important aspect to reformism, both in its social democratic and liberal shapes, that equal freedom requires that everyone is secured the equal worth of liberties (cf. Marshall). As is well known, John Rawls argued for the equal distribution of primary social goods in order to guarantee the equal worth of liberties (Rawls 1971, para. 11-13 and 15). These goods are all-purposive means, which are required for persons to live well in their own way. Primary social goods are not anthropological constants of human life, but interpretations of needs among citizens (Rawls 1993, lect. 5, para. 4).

From the consideration of the equal worth of liberties and the social circumstances that gives rise to inequalities, as distribution of resources, life-chances or exposure to risks, it is a small step to a conception of how these inequalities are generated by capitalism. This view of capitalism and inequality provided a basis for the welfare state as an arena for distribution-conflicts, at first inaugurated by the reformist labor movement and later more or less accepted across the political spectrum. The welfare state discussion about how to achieve equal freedom by policy and legislation was combined with the discussion of how to institutionalize class-conflict in such a way that both capital accumulation and redistributive gains by organized labor was possible.

From the social democratic description of society as the interconnection of social institutions, these two discussions was both at odds with each other and not. They were not to the degree the policies of reform presupposed a compromise between labor and capital, but they were at odds with each other when the welfare state project was discussed from the view of a classless and democratic society. Then both aspects were problematized, as shown by for example Ernst Wigforss' writings. Wigforss argued that although a politics for the equalization of life-chances could be continued within the welfare state, it did not aim at a restructuring of the ownership and use of capital, and hence did not subvert the class-differences that follow from this (Wigforss 1952, pp. 107-133; 1955, pp.143-153).

To Wigforss, this lead to the question of how to extend democracy beyond its political and social meaning, to the economic relations of the use of capital and the organization of labor in workplaces and so on (Wigforss 1920; 1923; 1925; 1948; 1949; 1952; 1955; 1956; 1959; 1967; 1972). From the principles of equal participation and equal part taking in society (Bernstein, pp. 152 and 155), Wigforss argued that democracy could not be restricted "at whim", but had to be extended to any social institution in which power is exercised (Wigforss 1952, p. 21). However, since Wigforss understood this extension on analogy with that of political democracy, neither the notion of power, nor what democratization would imply was problematized.

As a consequence, democratization was conceived of as the redesign of institutions on the basis of political rights. The limit of this approach can be seen from the constitution of reformism by a double relinquishment, i.e. the relinquishment of both the attempt to set aside capitalism and develop a form of radical democracy (Spång, chap. 1). These elements had been combined in the

early labor movement, but were relinquished in the formation of reformist politics, a politics that underlies the welfare state project. The welfare state is hence the other side of this double relinquishment. Because of it democracy and capitalism is seen as external to each other.[2]

A similar although radicalized type of problematization of the welfare state project is found in Claus Offe's writings (Offe 1972a; 1975; 1984; 1985; 1996). For a long time, Offe has analyzed the contradictions of the welfare state on the level of policy-institutional strategies, which is related to the level of contradictory organizational principles for society. Conceptualized as a contradiction between the political necessity to legitimize policies and their formulation by reference to democratic political processes, and the economic necessity to provide favorable conditions for the accumulation of capital, Offe focused on the design of institutional mechanisms for the compatibility of these divergent organizational principles (Offe 1981). On the assumption that these organizational principles are mutually exclusive, Offe conceived of their compatibility as limited in two respects (Offe 1975; 1982). First, with regard to the political arrangements of a competitive party-democracy, and second due to the parameters of the welfare state as a capitalist state. Policies in the welfare state are related both to the functional requirements of a capitalist economy and to the political objectives of policy, such as decommodification, redistribution, the democratization of social institutions, etc (Offe 1975).

Through the analysis of these limits Offe wanted to reformulate an argument of political crisis. Instead of an analysis of political crisis due to economic crisis, this argument is based on the analysis of how class conflicts are shifted into "official" political arenas by the welfare state program (Offe 1971; 1972b). This program implies that class conflicts are limited to issues of compensation for contingencies related to wage-labor, and problems of economic growth and its distribution (Offe 1981). The conflict between labor and capital is therefore conceived of as primarily a conflict over the distribution of the social surplus (Offe 1982).

Formed around a class compromise, the political formula of the welfare state seemed to allow for favorable conditions for capital accumulation and redistributive gains by organized labor (Offe 1981). The functional understanding of economics and politics, however, make reformist politics technocratic. The question becomes one of what administrative means are suitable to obtain specific policy objectives, and how these can be supported by organized interests and various political parties. Within these parameters, reformist politics became directed to the question of how this trade-off between conditions for capital accumulation and redistribution could be refined and finessed. The functionalized conception of economy and politics was held together by a technocratic hinge (Marcuse 1964; Habermas 1969).

Jürgen Habermas' analysis of contemporary society took its lead from this discussion about technocracy, as it was related to the arguments from Max Horkheimer, Theodor Adorno and Herbert Marcuse about the instrumental rationalization of modern society (cf. Habermas 1969; Honneth, chap. 8). Habermas later developed this in a more systematic way by the distinction

between system and life-world into an analysis of the decoupling and interrelation of system and social integration in contemporary, late-capitalist societies (Habermas 1973; 1976b; 1981, vol. 2, chap. 6:2). Instrumental rationalization is one of the forms of uneven or selective rationalization discussed by Habermas from the Kantian-Weberian tripartite conception of reason and value-spheres (Habermas 1985a, lect. 12).[3]

Habermas has tried to show how rationalization and reification is interrelated (Habermas 1981, vol. 1, chap. 4; 1985a). Reification is a selective and one-sided rationalization, whereby social relations are conceived of not in intersubjective terms but on the basis of objective world-relations and rationalized through means-ends calculations. Habermas analysis of rationalization and reification, "the dialectics of rationalization", differs from both Horkheimer & Adorno and Georg Lukács. Unlike Horkheimer and Adorno, who in their "dialectic of enlightenment" wanted to show the aporia of modern reason itself (Horkheimer & Adorno), Habermas has argued that a moral-political rationalization is possible when practical reason is reformulated as communicative rationality (Habermas 1981, vol. 1, chap. 1:1, and pp. 207ff, 455ff, 505ff, and vol. 2, pp. 219ff). And unlike Lukács' use of Weber's argument, Habermas argued that neither totality, nor consciousness is adequate conceptual tools for the conception of societal realities and political possibilities in modern society (Habermas 1981, vol. 1, chap. 4:1(3); 1985a).

Georg Lukács used Marx' notion of the commodity form in order to account for reification in capitalist society. He conceived of it in epistemological terms as "the form of objectivity" (*Gegenständlichkeitsform*) (Lukács, pp. 170, 189ff). In this way Lukács wanted to untie the commodity form from its productivist basis and instead use it for an argument of how both the "subjective" side of interaction (consciousness, fantasy etc.) and the "objective" side of interaction (society) is increasingly cast by the commodity form (ibid, part 2). Society has become a totality integrated by capitalism that, however, is a contradictory totality, a contradiction that the proletariat embodies (ibid, p. 309). In contrast to both this political designation of the proletariat and the reconceptualization of the commodity form in epistemological terms, tied in as that is with the subject-object dichotomy, Habermas has argued that the simultaneous process of rationalization and reification can be analyzed from "the form of understanding" (*Verständigungsform*): "[A] structure of communication characterized in profane domains of activity by the facts that (a) communicative actions are increasingly detached from normative contexts and become increasingly dense, with an expanded scope for contingencies; and (b) forms of argumentation are institutionally differentiated, namely, theoretical discourse in the scientific enterprise, moral-practical discourse in the political public sphere and in the legal system, and aesthetic criticism in the artistic and literary enterprise." (Habermas 1981, vol. 2, p. 518, trans. 1987, vol. 2, pp. 352f).

In Habermas' account of modern society, it is central that the rationalization of the life-world, summarized in the form of understanding, is a prerequisite for the subsequent development of systems (both state (political power as system medium) and the capitalist economy (money as system medium)). System

integration requires and can only come about on the basis of a rationalized life-world (Habermas 1981, vol. 2, chap. 5:2, 6 and 8). The rationalization of the life-world implies, that traditions are set a flow and no longer given, that norms and values are under pressure from universal and inclusive claims by social and political movements, and that the formation of self is increasingly tied in with more universal accounts of selfhood (Habermas 1981, vol. 2, chap. 5:1). In line with Habermas' argument about a certain primacy for moral-practical rationalization, these processes are located in processes of reaching an understanding (*Verständigung*): "These trends can establish themselves only insofar as the yes/no decisions that carry everyday communicative practice no longer go back to an ascribed normative consensus, but issue from the cooperative interpretation processes of participants themselves." (Habermas 1981, vol. 2, p. 220, trans. 1987, p. 146).

This set free potential is part of a continuous rationalization of the life-world, made possible by the dissolution of the religious integration of society.[4] Social integration is made dependant on the explicit formation of common understandings for the coordination of action, communicative action, and consensual agreements (*Einverständnis*) on norms and values, arrived at in discourses. The dissolution of religious integration means that the life-world is decentred and differentiated into three components, culture, society and personality. The rationalization of the life-world refers to these components, a reflexiveness in *culture*, as traditions are thematized as to whether or not to break with them, continue or transform them, in *society*, as norms and values are discussed with regard to universality and inclusiveness, and in *personality*, as problematization of needs and desires, how to lead one's life and so on according to more abstract and universal ego-ideals (Habermas 1981, vol. 2, chap. 6).

The structural differentiation of the life-world is a presupposition for the possibility of emancipation because it allows for and partly requires a reflexive attitude. The political point with the form of understanding and the reformulation of practical reason as communicative rationality is that the set free communication would itself be an unsettlement of reified interaction. And to the degree reified interaction depends on other conditions than those connected to symbolic aspects of social integration, communication along a discursive thematization would be an appropriate medium for the problematization of these as well (cf. Wellmer). The reflexiveness characterized by the form of understanding is the basis for the account of the relation between rationalization and reification, as the latter is the fixation of the former. The integration of society by systems media, like power and money, may become the cause of this fixation, in the subsumption or conversion of practices into the logics of political power and money (Habermas 1981, vol. 2, chap. 8).

However, system integration is not by itself reifying, but has such consequences under specific conditions. The form of understanding provides for the construct by which to locate the nexus between reification and rationalization of the life-world. Even though the form of understanding provides for such a construction, Habermas often uses other indicators for when system integra-

tion is reifying. Sometimes a more functional argument is employed, for example as Habermas argues that certain kinds of relations, those of symbolic interaction as opposed to those of material production, cannot be conversed in system medias without reifying effects (for criticism, cf. McCarthy; Fraser 1986).

In any case, from the view of rationalization and reification, as both depends on the structural differentiation of the life-world, it could then be argued that Habermas conceives of capitalism as an internal limit to democracy: "The communicative potential of reason has been simultaneously developed and distorted in the course of capitalist modernization." (Habermas 1985a, p. 367, trans. 1987, p. 315). A communicative potential has to be released by which the life-world is structurally differentiated and decentred before "the unfettered imperatives of the economic and administrative subsystems could react back on the vulnerable practice of everyday life and could thereby promote the cognitive-instrumental dimension to domination over the suppressed moments of practical reason." (Ibid). The reifying repercussion of capitalism is not due to the formal subsumption of an outside that is not yet a social terrain. On the contrary, since the life-world must be understood in terms of a process of structural differentiation, it is always already a social edifice. However, Habermas does not follow this line of argument for a conceptualization of capitalism as internal limit, as shown by his conceptualization of discourses.

In formal terms, the structural differentiation of the life-world means that the life-world is possible to discuss in terms of objective, social and subjective world-relations. This designates the tripartite conception of reason as it is used in problematizations, i. e. in the connection between the life-world and its rationalization (Habermas 1972; 1981, vol. 1, chap. 1:3, vol. 2, chap. 5:1 (5), 6:1). What is "common sense"[5] in communicative action can be thematized and problematized in discourses by any of these world-relations; something can be problematized with respect to truth, normative validity, and sincerity or authenticity (Habermas 1972; 1998).

With regard to normative validity, the aspect elaborated in most detail by Habermas, the rationalization of the life-world can be further pursued since the potential of communicatively achieved understandings is internal to communicative action. This potential in its radicalization Habermas calls discourses. The construct of discourse, its symmetry and reciprocity conditions, implies that two forms of structural violence or reifications are possible to locate.[6] Either as actualized preunderstandings, which is an *internally coercive* aspect to the use of speech, or as systemic integration behind the backs of participants in a discourse, which is an *externally coercive* aspect to communicative action (Habermas 1972; Habermas 1981, vol. 2, chap. 4:2, esp. pp. 271ff).[7] Hence, insufficient cultural reflexivity, the actualization of preunderstandings, and the systemic integration of social interaction, are both reifications that can be related to the argument about the structural differentiation of the life-world.

From the construct of discourse, then, follows that capitalism is an external limit to democracy. It distorts possible discursive settlements on norms and values from the outside. This conception is used by Habermas in his theory of

democracy and law (Habermas 1985b; 1992). The reconstruction of political autonomy (in conceptual terms) takes up and reflects on two kinds of tensions between facticity and validity; on the one hand that between legality and legitimacy internal to the legal medium, and that between social power and communicative power (Habermas 1992, chap. 3-4 and 7-8). The former is an internal tension to the legal medium whereas the latter is an external tension; social power relates in an external fashion to that power that is generated in democratic political processes.

Neither the construct of discourses, nor its use for an account of democracy is consonant with the argument that rationalization and reification are simultaneous processes. On that basis, the connection between systemic distortion and preunderstandings would instead have to be accounted for in such a way that the turn from rationalization to reification is a turn of practices, at work internal to discourses as these conceptualize communicative action. The dialectic of rationalization should be seen as a turn from possibility to limit and to possibility again. Hegel's notion of a causality of fate suggest such a conception internal to practices, that is, the relation between rationalization and reification as a turn from possibility to limit to possibility: "The first causality or necessity of fate is the law or necessity which is freedom, the second causality of fate is the necessity or law which is opposed to freedom." (Rose 1981, p. 157).

This, however, cannot be conceptualized even within the argument about a simultaneous process of rationalization and reification. This because it is built around the complementary conditions for the possibility of rationalization and reification, the conditions for possible rationalization on the one hand, and the conditions whereby reification occur on the other hand. This is made clear by Habermas' conception of ideology-critique as this is a critique of unreason or untruth in capitalist society, where the criterion for criticism refers to the discursive account of truth and normative validity (Habermas 1962, para. 11 and 14). The reconceptualization of practical reason, communicative rationality, builds on this conception of ideology-critique, but now conceived of as a general mode of social and political criticism.

The construct of discourse and the complementary of a political theory of the ought and a social theory of the is, then, is a problematic conception of reification in relation to radical democratic politics. In the following discussion of capitalism as an internal limit to democracy, a different relation between political and social theory will be discussed. This argument builds on Marx' analysis of inversions in capitalist society.

Capitalism as Internal Limit to Democracy

In Marx' early writings, social criticism elaborated from a democratic position plays an important role. This since the revolution of social circumstances, human emancipation as opposed to only political emancipation, is the continuation of the political revolutions (Marx 1842; 1844). However, already in the criticism of Hegel's theory of right, a problem with regard to this line of argu-

ment is detected, because even the democratization of society may not dissolve how citizens are "subjectivated state", less the existents of actualized freedom than embodiments of legality (*gesetzliche Dasein*) (Marx 1843, pp. 231ff).

In Marx' designation of citizens as "subjectivated state" the problem of a legal construction of society for radical politics is pointed out. This is not only the problem of a specific determination of legal relations, for example the primacy of private property, but of the legal construction of society itself. The juridico-political construction of citizens connotes the formulation of political projects in these terms, which implies that both injustices and their remedies are located with regard to rights-claims. This gave rise to an intense debate within the labor movement since it was important for the reformist argument that workers could be emancipated as citizens (cf. the debate between Bernstein and Luxemburg).

This debate has resurfaced now and then with regard to reformism, but has been radicalized by Foucault's analysis of disciplinary power for which the juridico-political construction is inadequate, both with respect to analysis (repression) and politics (emancipation). Marcuse's formulation of emancipatory politics on the basis of an analysis of repression in society (cf. Marcuse 1955; 1964) is exemplary of the kind of project that Foucault recasts in his discussion of disciplinary power and resistance (cf. Foucault 1976, part 4, chap. 1; 1977a; 1977b). Habermas early formulations are consonant with Marcuse's view and in his later formulations this perspective is incorporated in an explicit construction of possible emancipation through a reconstruction of political autonomy in the legal medium (cf. Habermas 1968; 1992).

In a certain way this discussion ties in with Marx' designation of citizens as "subjectivited state". Marx' break with democratic-legal criticism was developed on the extra-legal but ordinary terrain of labor (Negri).[8] Labor is extra-legal in the sense that it neither implies that social interaction is centred in law, nor that it is conceived of in legal categories. It is extra-legal in the sense of a mode of interaction "below" law, in a similar way communicative action is below law. Neither labor nor communicative action is extraordinary conceptions of social interaction. Since they are ordinary conceptions a problem with extra-legal understandings can be avoided, namely that they would always imply a decisionist residue. The extra-legal but ordinary concept of practices in terms of labor hence differs from those attempts to leave the legal-democratic point of view behind that is built around some conception of resolve (*Entschluss*).

Further, unlike many other arguments in the sociological criticism of the social contract tradition, Marx' break with a legal construction of society is not only an argument about increasing complexity in modern society. Instead, it is developed to make possible a socialist problematization, whereby law and state are put at disposition. The concept of labor can be developed in two ways for such a problematization, either as a substantial, or as a structural interpretation. To the degree reformist visions within the labor movement has relied on a conception of labor, it has most often been cast in terms of a substantial conception. But this is problematic, as will be discussed below, and as an al-

ternative a structural interpretation of labor for a possible socialist problematization of the dissociation of labor and politics within liberal political economy and the liberal democratic state can be developed.

The investigation of the sketched problematic with a legal-democratic conception of criticism and politics takes the form of an account of how capitalist society is characterized by inversions. Marx represents the inversion of practices, or presuppositions of practices, in his account of the structure of labor. Labor is both the precondition of production and conditioned by capital in capitalist production (Marx 1857/58, pp. 10-21,183, 202-17, 408ff, 415ff, 566ff, 706ff, 715f and 919-947). Labor both *is* and *is not* such a precondition.[9] It can be said that it is a precondition only in so far that this is necessary in order to show how it is not. This *is* and *is not* is the structure of labor according to Marx (ibid, pp. 177f, 185f, 211ff, 409ff). It does not imply a substantial interpretation of labor. Rather, it shows the substrate of practices in order to be able to show how inversions occur in capitalist societies (ibid, pp. 202ff).

This inversion, no doubt, has a determinate character of life, but it is not this determinate character as life that should be affirmed or recognized, neither as it is now, nor according to its potential. The latter would be the implication of the substantial interpretation of labor. But labor according to Marx is not the substance of practices in the sense ethical life is substance to Hegel.[10] The inversion of the inversion does not mean that what labor is, is recovered. It is neither the return to what labor was prior to capital, more or less modelled after the crafts-man, nor does it point out the source of practices as it was discussed in the Gotha-program, i.e. as all wealth stems from labor. Rather, the point is the dissolution of what labor is in capitalist society (Postone).

The possibility of its dissolution hence does not correspond to the designation of labor as "the general possibility of wealth" (Marx 1857/58, pp. 202ff, 213f, 365ff and 506f). This form of labor as non-capital can provide for a political economy of labor, but not the dissolution of labor as it exists in capitalist society. Labor as general possibility of wealth has, however, been important for social democratic and trade-unionist strategies of social reform. This since this conception of labor provides the conditions for struggles to regulate work, raise wages and so on. This has sometimes been conceived of in legal terms as "the right of labor" is made the basis for rights-claims.

It should be stressed, however, that even the designation of labor, as "absolute poverty" and "general possibility of wealth" are not "economic" concepts, based on scarcity, but rather designates the exclusion from any possibility in terms of labor. A political economy of labor hence encompasses possibilities that are directed against the valorization of practices in terms of capital. This is not only a criticism of the wage form, exploitation or alienation, but of the commodity form, the reification of practices. But the conception of labor as general possibility of wealth does mean that labor is given a substantial interpretation. From the view of the dissolution of what labor is in capitalist society, the substantial interpretation of labor amounts to a distorted unity between interpretation (along an expressivist account) and satisfaction (along the instrumental interpretation) of needs.

Habermas has argued that Marx' alienation thematic cannot be used since it would entail either an instrumental or an expressivist conception of practices (Habermas 1985a, pp. 95-103). As shown by the structural interpretation of labor, these two interpretations of labor do not exhaust Marx' argument about labor. Rather, from the conception developed here, both the expressivist and instrumental interpretations are one-sided interpretations of the metabolic process. Further, they are complementary reifying accounts of it. Their combination in the substantial conception of labor does not suffice to dissolve their one-sidedness. Rather, such a combination reinforces the reification of the metabolic process, and brings out what labor is in capitalist society rather than its abolishment. The inversion of the inversion does not imply the realization of labor as substance, neither as the freeing of the forces of production for a rational appropriation of outer nature (instrumental interpretation), nor as the free unfolding of inner subjectivity (expressivist interpretation).

Marx' argument about the dialectic of labor can be viewed in this light. As capital comes to condition labor in the production process it is an inversion of labor as precondition. But this is not a stable relation because by the appropriation of labor in production, labor is included within capital. Hence, labor as precondition comes about again within capital: "With that, the labour process posited prior to value, as point of departure – which, owing to its abstractness its pure materiality, is common to all forms of production – here reappears again within capital, as a process which proceeds within its substance and forms its content." (Marx 1857/58, p. 211f, trans. 1973, p. 304).

Production is conditioned by capital in two ways. It determines the production process both as a valorization of capital and as a labor process. Capital is a unity of the process of production and its reproduction (or valorization) as capital, but since it includes labor it is an unstable or "contradictory unity" (Marx 1857/58, p. 415). Marx presents this from the outset as the commodity is analyzed in terms of use- and exchange-value (Marx 1867, chap. 1). Sometimes Marx discusses this dual relation as diremption, since capital and wage-labor makes up the two extremes of capital as a contradictory unity.

The extremes both exclude each other and mutually reinforce each other. There is neither only a mutual reinforcement nor exclusion, but both at the same time. This means that limits are not outer limits to practices and their presuppositions. Rather, as a contradictory unity both the possibility of labor and the limit of capital are part of it as a unity. It implies that it can be dissolved only as participants pursue what these contradictions consist of. The dissolution of limits is possible only as contradictions are followed up.

From a presupposed freedom and equality, the inversion into situations of unfreedom and inequality appears paradoxical. Within a phenomenology of contradictions this both is and is not a paradox. It is a paradox when it is conceived of from the premises, but it is not a paradox since it brings out the displacement of presuppositions and the circumstances of their realization (Marx 1857/58, pp. 211 and 214). The commodity form is the prime exposition of such a displacement (Marx 1867, pp. 85-98).

According to the complementary of a political theory of the ought and a social theory of the is, presuppositions for practices connotes possibilities which are limited by social circumstances in such a way that political principles or normative presuppositions cannot be realized to a full extent. This is how reification is conceptualized by Habermas (as an external force on discourses), as discussed above. In the case of inversions, however, the displacement of premises and circumstances requires another form of analysis. It requires the acknowledgement that unfreedom cannot be fully comprehended by a concept of freedom, for example as equal liberties, as presupposition for practices. This acknowledgement forms a central part to a phenomenology of contradictions or a negative dialectics (Adorno, part 3; see also Rose 1978, pp. 44ff). The actuality of an inversion of freedom into unfreedom has to be analyzed as both possibility and limit. In such a phenomenology, presuppositions and circumstances can no longer be conceived of and analyzed according to the conditions for their possibility.

This difference in the conceptualizations of reification lies, I think, in Marx' discussion of freedom from necessity and freedom on the basis of necessity (Marx 1894, p. 828). The latter connotes that to overcome contradictions in capitalist society means to overcome a specific sort of unfreedom. This unfreedom is not due to a specific form of freedom, but to the inversion of freedom. Unfreedom is not (only) the unintended consequence of how individuals pursue their own interests in civil society (Hegel's account of generality in civil society (Hegel 1821, para. 189-208)). The inversion of freedom is a specific form of unfreedom, which is less related to the unintended consequence of a specific form of freedom than to the antinomy of modern freedom.

Hegel discerned this antinomy of modern freedom as that of "finite" and "infinite" subjectivity (Hegel 1821, para. 5 and 6). The dissolution of ethical life has as consequence that persons are set free as individuals with respect to that aspect of finite freedom that consists in the pursuit of their own interests, and as subjects with regard to the development of their own conception of the good. Infinite subjectivity on the other hand is to be free from any outer or inner determination except that which is autonomously determined.

This constellation between finite and infinite subjectivity is characteristic for the modern discussion about individual, person and subject. Central to Hegel was the problem of individuality. This would be the appropriate reflection of particularity (the pursuit of one's own interests and formulation of one's own conception of the good) back into universality, as the latter is given by the concept of the person, in such a way that particularity is equalized. This possibility, however, is blocked when presuppositions for practices and their circumstances are displaced. The circumstances for the realization of modern freedom are not at hand.

Persons are not longer part of an ethical community and a feudal order but yet are "embedded" in societal relations. They are part of societal circumstances that are neither of a traditional kind, as in an ethical community, nor, however, circumstances in which finite and infinite subjectivity can be realized. Nor are these circumstances an outer limit to freedom and equality in

capitalist society, because a characteristic for this society is the inversion of these presuppositions. Hence, what posed itself as a predicament to Hegel, either to proceed from more or less atomistic conceptions, or from a holistic approach, does not really make up different routes for conceptualization (Hegel 1821, para. 156 (Z)). They are not alternatives, but rather conceptualizations that reinforce each other in a capitalist society.[11]

Under these circumstances, socio-political autonomy can not be realized: "Since they are neither subsumed to a community [*naturwüchsiges Gemeinwesen*], nor subsume a community to them in a socially conscious way, they will exist as independent subjects opposite to an equally independent, outer, and contingent objectivity [*Sachliches*]. This is the condition for them to exist as independent private persons who at the same time stand in a societal interrelation." (Marx 1857/58, p. 909 – my translation). Capitalist society is peculiar in so far that the subsumptions constitutive of it are incomplete, a "relation" in the language of the young Hegel (Hegel 1802, p. 416), and as such it hovers above societal relations, and yet that these subsumptions are themselves conditions for these relations (ideology).

Both capitalism and democracy make society, as subsumptions, incomplete. But whereas this incompleteness is conditioned in capitalism through the inversion of presuppositions, with the consequence that presuppositions and circumstances are displaced, democracy designates how presuppositions and circumstances is held open for the possible dissolution of inversions. This possibility is internal to capitalist society as shown by the conception of the relation between capital and labor as a contradictory unity. Democracy makes possible a socialist problematization of inversion in terms of labor, but this in turn does not imply a complete subsumption of community and autonomy by labor. This since labor is not given a substantial interpretation, which, as said, would be a distortive combination of the set free forces of production and expressivist subjectivity.

Conclusion

Inversion of equal freedom into unequal unfreedom is a process which displaces presuppositions for practices and the circumstances for their realization in such a way that radical-democratic politics often has to pursue what seems to be contrary claims. I have discussed Marx' account of inversion by the structure of labor as a kind of elaboration by which this dilemma can be thematized as a problem for radical politics in capitalist society.

In contrast to an account of capitalism as an external limit, it is possible to conceive of how something becomes an internal limit by the account of inversion. This means that we can conceive of the relation between capitalism and democracy in terms of a possible socialist problematization, when labor and capital is conceptualized as a contradictory unity and democracy is conceptualized as an incomplete subsumption of community and autonomy. The structural interpretation of labor allows for a socialist problematization of the dis-

sociation of labor and politics in liberal democracy, which does not imply a complete subsumption of autonomy and community by labor. This subsumption will always be incomplete, and in fact this incompleteness is central to the democratic revolution (Lefort). Hence, it cannot be filled out, but must be seen in this context as the radical-democratic possibility to pursue contradictions. This on the basis that capitalism and democracy are different modes to keep the political subsumption of autonomy and community open.

It is then also made clear how this conception of capitalism as an internal limit to democracy does not imply reductionism. Habermas was in so far correct to stress that even if capitalism and democracy are historically connected, they show divergent development logics (cf. Habermas 1973; 1976b). But, as said, this relation can not be developed as a set of conditions for a political theory of the ought, on the one hand, and a social theory of the is, on the other hand, because, as argued by Balibar, the possibility of such a socialist problematization relies on the reversal of Rousseau's (and Kant's) conception of political autonomy, for an investigation of the materiality of autonomy, "the simultaneous economic critique of 'politicism' and political critique of 'economism'." (Balibar 1994, p. xi).

In this lies the difference between a conception of radical democracy developed as part of an account of political processes in a constitutional democracy whereby emancipation is possible, and democracy developed along the lines of a liberatory practice, in which democracy and liberation coincide. In the former case, the possibility conditions must be developed partly independent from the social circumstances that limit these possibilities whereas in the latter view, these aspects cannot be separated in two sets of conditions for a theoretical account of possibility. This since inversion is a societal actuality integral to its attempted dissolution.

The possibility to overcome an internal limit is similar to what Hegel called the causality of fate, which shows the relation between rationalization and reification to be a turn from possibility to limit to possibility. Whereas Habermas' dialectics of rationalization implies that these two kinds of causality of fate can be elaborated as complementary but independent conditions, Marx' argument about inversion implies that reification is a specific form of unfreedom, which can be overcome only as its contradictoriness is followed up.

Notes

1. Carole Pateman discussed this as "Wollstonecrafts dilemma" with respect to feminist politics; Pateman.

2. One should not overlook, however, that this redesign of social institutions also has had radical implications, since it implies the development of *a social equivalent to political rights*. As such, social institutions are possible to politicize by participants. This has been central to the "implementation" of social reforms because these can not be implemented unless a space of conflicts is opened up whereby participants can problema-

tize circumstances in accordance with policies and in that way press for changes. For this reason, Habermas is not on target when he described the political dilemma of the welfare state program in terms of the reificatory repercussions of the use of administrative-political power (Habermas 1981, vol. 2, pp. 523-547). The dilemma is less the repercussions of administrative power than that the description of social institutions for social reforms makes possible only certain kinds of politicizations and excludes others or makes them less effective. As an example one can mention the tendency to conceive of gender equity more or less exclusively as a question of socio-economic equality, which makes other kinds of problematizations less possible; cf. Fraser 1989.

3. Habermas discusses three forms of selective rationalizations; these are conceptualized from the concept of communicative rationality, i. e. the interconnection of the tripartite conception of reason. This is conceived of as differentiated value-spheres (cognitive-instrumental, moral-practical, and aesthetic-expressive questions). Selective rationalizations occur when (1) a value sphere is not sufficiently worked out in terms of criteria for the rationality of products, techniques, procedures and so on, when (2) any of the value spheres is not rationalized in such a way as to gain social effect but remains a cultural rationalization, or when (3) one of the value spheres is worked out independently and becomes societally effective at the expense of any of the other value spheres; Habermas 1985a, lect. 12, and Habermas 1981, vol. 1, chap. 2 (esp. pp. 323ff).

4. This process, discussed as "the linguistification of the sacred", is central to Habermas' argument. With this term Habermas does not only mean a process of secularisation or set free contingency, but the specific process of a transformation from religion as medium of social integration to that of communicative action as such a medium. This process entails that the ideal of undistorted and unlimited communication gains an empirical relevance; Habermas 1981, vol. 2, chap. 5:3.

5. Common sense is Gramsci's term for the interconnection of thought and action on a "everyday" level, i. e. as the historically sedimented ways in which things are done and thought. It is a "spontaneous philosophy", which is renovated and made critical for the formulation of hegemonic projects (Gramsci, pp. 323-343). To Gramsci, the connection between common sense, critical reflection (in which thought and action is disassociated) and the critically renovated connection between thought and action in hegemonic projects is a political relation (ibid, pp. 331f) in a similar way Habermas conceives of the relation between the life-world, with its common sense relation between thought and action, and its problematization in discourses.

6. Habermas specified four conditions for discourses: (1) equal possibilities for participants to radicalize communicative action into a discourse, i. e. open and continue a discourse of questions and answers, which requires (2) equal possibilities to problematize, suggest and propose norms, put forward reasons and explanations, describe situations etc. These are the two *symmetry conditions* of a discourse. Further, the ideal speech situation is characterized by two *conditions of reciprocity*: (3) that participants have equal possibilities to express attitudes, feelings, needs and wishes, and (4) that contestation, permissions, promises and so on constitute obligations for both speaker and hearer; Habermas 1972, pp. 174-183. The terms, symmetry- and reciprocity conditions are Benhabib's, Benhabib, pp. 285ff.

7. Structural violence distorts thematizations and problematizations, primarily as it blocks communication, Habermas 1976a, p. 246.

8. Negri formulates it in the following way, using his distinction between constituent power and constituted power: "Whereas constituent power had always been defined (in terms of modernity) as an extraordinary power with respect to the ordinary legitimacy of the constitution, here any extraordinariness is taken away because through its reduction to the social (animated by living

labor) constituent power's ordinary capability of operating in ontological terms is recognized." (Negri, p. 327).

9. For this reconstruction I will use Gillian Rose's discussion about "speculative criticism", that is the structure of is and is not, is an identity between subject and predicate seen to "affirm a lack of identity". This identity implies that "the 'subject' is not fixed, nor the predicates accidental: they acquire their meaning in a series of relations to each other" (Rose 1981, p. 49).

10. By substantial interpretation is meant, following Theunissen, a transfer of "every relation between persons into a relation of substance to these persons", which is interpreted "as a relation of substance to itself" (Theunissen, p. 12).

11. The simultaneous process of globalization of capitalism and the revival of community is a case in point, cf. Zizek, chap. 6.

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