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CONCEPTUALIZING CAPITALISM



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RAHEL
JAECCI

- 45 Polanyi, *The Great Transformation*, pp. 144–5.
- 46 Georg Lukács, “Reification and the Consciousness of the Proletariat,” in *History and Class Consciousness: Studies in Marxist Dialectics*, trans. Rodney Livingstone (Cambridge, MA: MIT Press, 1971), pp. 83–222.
- 47 See, e.g., Jaeggi, “A Wide Concept of Economy.” For the practice account of forms of life, see Jaeggi, *Critique of Forms of Life*.
- 48 Fraser, “What’s Critical About Critical Theory?”
- 49 Jürgen Habermas, *Between Facts and Norms: Contributions to a Discourse Theory of Law and Democracy*, trans. William Rehg (Cambridge, MA: MIT Press, 1996), pp. 39–40.
- 50 See Jens Beckert, “Die sittliche Einbettung der Wirtschaft. Von der Effizienz und Differenzierungstheorie zu einer Theorie wirtschaftlicher Felder,” *Berliner Journal für Soziologie* 22, no. 2 (2012): 247–66.
- 51 Nancy Fraser, “Distorted Beyond All Recognition: A Rejoinder to Axel Honneth,” in Nancy Fraser and Axel Honneth, *Redistribution or Recognition? A Political-Philosophical Exchange*, trans. Joel Golb, James Ingram, and Christiane Wilke (London: Verso, 2003), pp. 216–18.

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- 40 Marx, *Capital*, vol. 1, pp. 704–7.
- 41 David Harvey, *The New Imperialism* (Oxford University Press, 2003); Harvey, "The 'New' Imperialism"; Rosa Luxemburg, *The Accumulation of Capital* (New York: Routledge, 2003 [1913]); see also Klaus Dörre, "Social Classes in the Process of Capitalist *Landnahme*: On the Relevance of Secondary Exploitation," *Socialist Studies* 6, no. 2 (2010): 43–74.
- 42 For an account that extends the concept of primitive accumulation beyond initial stockpiling, see the chapter on "Extended Primitive Accumulation," in Robin Blackburn, *The Making of New World Slavery: From the Baroque to the Modern, 1492–1800* (London: Verso, 2010).
- 43 C. L. R. James, *The Black Jacobins* (London: Penguin Books, 1938); W. E. B. Du Bois, *Black Reconstruction in America, 1860–1880* (New York: Harcourt, Brace, 1935); Eric Williams, *Capitalism and Slavery* (Chapel Hill: University of North Carolina Press, 1944); Oliver Cromwell Cox, *Caste, Class and Race: A Study of Social Dynamics* (New York: Monthly Review Press, 1948); Stuart Hall, "Race, Articulation and Societies Structured in Dominance," in UNESCO, *Sociological Theories: Race and Colonialism* (Paris: UNESCO, 1980), pp. 305–45; Walter Rodney, *How Europe Underdeveloped Africa* (Washington, DC: Howard University Press, 1981); Angela Y. Davis, *Women, Race, and Class* (London: The Women's Press, 1982); Cedric Robinson, *Black Marxism* (Chapel Hill: University of North Carolina Press, 1999). Other major contributions to the Black-Marxist tradition include Manning Marable, *How Capitalism Underdeveloped Black America* (Brooklyn: South End Press, 1983); Barbara Fields, "Slavery, Race and Ideology in the United States of America," *New Left Review* 1, no. 181 (May–June 1990): 95–118; Robin D. G. Kelley, *Hammer and Hoe: Alabama Communists during the Great Depression* (Chapel Hill: University of North Carolina Press, 1990), and *Race Rebels: Culture, Politics, and the Black Working Class* (New York: Free Press, 1996); David Roediger, *The Wages of Whiteness* (Brooklyn: Verso, 1999); Cornel West, "The Indispensability Yet Insufficiency of Marxist Theory" and "Race and Social Theory," both in *The Cornel West Reader* (New York: Basic Civitas Books, 1999), pp. 213–30 and 251–67, respectively; Adolph Reed, Jr., "Unraveling the Relation of Race and Class in American Politics," *Political Power and Social Theory* 15 (2002): 265–74; and Keeanga-Yamahtta Taylor, *From #Black Lives Matter to Black Liberation* (Chicago: Haymarket, 2016).
- 44 Moore, *Capitalism in the Web of Life*.

- Mies and Vandana Shiva, *Ecofeminism*, 2nd edition (London: Zed Books, 2014).
- 32 Nancy Fraser, “Marketization, Social Protection, Emancipation: Toward a Neo-Polanyian Conception of Capitalist Crisis,” in *Business as Usual: The Roots of the Global Financial Meltdown*, ed. Craig Calhoun and Georgi Derlugian (New York University Press, 2011), pp. 137–58; Fraser, “Can Society Be Commodities All the Way Down?”
- 33 James O’Connor, “The Second Contradiction of Capitalism, with an Addendum on the Two Contradictions of Capitalism,” in O’Connor, *Natural Causes: Essays in Ecological Marxism* (New York: Guilford Press, 1998), pp. 158–77; John Bellamy Foster, “Marx’s Theory of Metabolic Rift: Classical Foundations for Environmental Sociology,” *American Journal of Sociology* 105, no. 2 (1999): 366–405; Jason W. Moore, *Capitalism in the Web of Life: Ecology and the Accumulation of Capital* (London: Verso, 2015); and Joan Martinez-Alier, *The Environmentalism of the Poor: A Study of Ecological Conflicts and Valuation* (Cheltenham: Edward Elgar, 2003). Other major works in this tradition include Andre Gorz, *Ecology as Politics* (New York: South End Press, 1980); Ariel Salleh, “Nature, Woman, Labor, Capital,” *Capitalism, Nature, Socialism* 6, no. 1 (1995): 21–39; Alan Dordoy and Mary Mellor, “Eco-socialism and Feminism: Deep Materialism or the Contradictions of Capitalism,” *Capitalism, Nature, Socialism* 11, no. 3 (2000): 41–61; Neil Smith, “Nature as Accumulation Strategy,” *Socialist Register* 43 (2007): 16–36; and Andreas Malm, *Fossil Capital: The Rise of Steam Power and the Roots of Global Warming* (London: Verso, 2016).
- 34 See Foster, “Marx’s Theory of Metabolic Rift.”
- 35 Andreas Malm, “Who Lit This Fire? Approaching the History of the Fossil Economy,” *Critical Historical Studies* (2016): 216–48, and the essays in *Anthropocene or Capitalocene? Nature, History, and the Crisis of Capitalism*, ed. Jason W. Moore (Oakland: PM Press, 2016).
- 36 Donna J. Haraway, “A Cyborg Manifesto: Science, Technology, and Socialist-Feminism in the Late Twentieth Century,” in *Simians, Cyborgs, and Women: The Reinvention of Nature* (New York: Routledge, 1991 [1985]), pp. 149–81.
- 37 Ellen Meiksins Wood, “The Separation of the Economic and the Political in Capitalism,” *New Left Review* 1, no. 127 (1981): 66–95.
- 38 Giovanni Arrighi, *The Long Twentieth Century: Money, Power and the Origins of our Times* (London: Verso, 1994).
- 39 I [Fraser] read Polanyi and Arendt as having analyzed the political contradictions of liberal capitalism. Whereas the former analyzed the intractable political conflicts that wracked European societies struggling to protect themselves from the ravages of the “self-regulating market,” the latter dissected the political deformations visited on European states as the expansive, trans-territorial logic of their economically driven colonial projects ran up against the territorial logic of political rule. Habermas did something analogous for state-managed capitalism, diagnosing its tendency to produce “legitimation crises”: Polanyi, *The Great Transformation*; Hannah Arendt, *The Origins of Totalitarianism* (New York: Harcourt, Brace, Jovanovich, 1973), especially the under-appreciated middle section on imperialism; and Jürgen Habermas, *Legitimation Crisis*, trans. Thomas McCarthy (Boston: Beacon Press, 1975). For the political contradictions of financialized capi-

What is capitalism? The problem of the many and the one

Jaeggi: What is capitalism? This question begs for an essential definition of some sort, a set of core features that distinguish capitalist societies from non-capitalist societies. I think we both agree that capitalism has social, economic, political dimensions that should be seen as standing in some kind of interconnected relation to each other. Yet a skeptic might claim it’s not so easy to specify the core elements of capitalism. After all, haven’t we learned from the “varieties of capitalism” debate that capitalism doesn’t look the same everywhere in the world?¹ Might we not conclude that capitalist societies look so different from one another that there is no true common denominator? If this were the case, we face a real problem. If we cannot specify the core elements that make a social formation capitalist, how can we talk about a crisis of capitalism? Without those core elements, there would be no way to establish that the present crisis is really a crisis of capitalism and not a crisis of something else. The same holds for our resources to *criticize* capitalism: how can we claim that the instances of social suffering we want to address are actually related to *capitalism*, if we don’t even have a sufficiently clear and coherent concept of capitalism that allows us to identify its core elements?

Fraser: Good point. I myself start with the assumption that the present crisis *can* be understood as a crisis of capitalism. But that assumption needs to be demonstrated. And the first step is to answer the capitalism skeptic, so to speak, by showing that we can indeed speak of “capitalism” as such, despite its many varieties. This requires explaining what we mean by capitalism, defining it in terms of some core features that

obtain across the broad range of societies we call “capitalist.” After all, it makes no sense to talk about *varieties* of capitalism if they don’t share some common underlying features in virtue of which they are all varieties of *capitalism*. So the challenge for us is to say what makes a society capitalist without homogenizing the great variety of ways in which capitalist societies can and do differ from one another. We will then need to clarify the relation between the core features we identify and the variety of forms in which they are instantiated across space and time.

Jaeggi: This issue has at least two dimensions: one vertical and the other horizontal. There is not only the question of varieties of capitalism with respect to the thesis that we confront contemporaneous *capitalisms* in the plural, coexisting in different societies at the same time. In addition, we are confronted with the historical development of different *stages* of capitalism. There are tremendous differences between earlier configurations of capitalism and present-day capitalism, and we could ask whether it’s still a good theoretical move to call all of them “capitalism.” How can we equate or relate the early stages of industrial capitalism with modern neoliberal and global capitalism? Is it even appropriate to use the same conceptual framework to analyze both the competitive capitalism of the nineteenth century and the “monopoly capitalism” of the twentieth, which the early Frankfurt School called “State Capitalism?” I think our first task should be to get at what core elements have to be in place for a social formation to count as some instantiation of capitalism.

Fraser: The historical point is important. I’m inclined to the view that, whatever else it is, capitalism is intrinsically historical. Far from being given all at once, its properties emerge over time. If that’s right, then we have to proceed cautiously, taking every proposed definition with a grain of salt and as subject to modification within capitalism’s unfolding trajectory. Features that appear central at the outset may decline in salience later, while characteristics that seem marginal or even absent at first could assume major importance later.

As you just suggested, inter-capitalist competition was a driving mechanism of capitalist development in the nineteenth century, but it was increasingly superseded in the twentieth, at least in leading sectors of what was widely understood as “monopoly capitalism.” Conversely, whereas finance capital seemed to play an auxiliary role in the Fordist era, it has become a major driving force in neoliberalism.

- 28 Alexandra Kollontai, *Selected Writings* (New York: W. W. Norton, 1977); Sylvia Pankhurst, “A Constitution for British Soviets: Points for a Communist Programme,” *Workers’ Dreadnought* (June 19, 1920), at <http://libcom.org/library/constitution-british-soviets-points-communist-programme-sylvia-pankhurst>; and Pankhurst, “Cooperative Housekeeping,” *Workers’ Dreadnought* (August 28, 1920), at <http://libcom.org/library/co-operative-housekeeping-sylvia-pankhurst>; Mariarosa Dalla Costa and Selma James, “Women and the Subversion of Community,” in *Materialist Feminism: A Reader in Class, Difference, and Women’s Lives*, ed. Rosemary Hennessey and Chris Ingraham (New York: Routledge, 1997), pp. 33–40; Juliet Mitchell, “Women: The Longest Revolution,” *New Left Review* 40 (December 1966): 11–37; and Angela Y. Davis, “The Approaching Obsolescence of Housework: A Working-Class Perspective,” in Davis, *Women, Race and Class* (New York: Random House, 1981), and “Reflections on the Black Woman’s Role in the Community of Slaves,” *The Massachusetts Review* 13, no. 2 (1972): 81–100. Other major figures of the “second wave” include Silvia Federici, *Revolution at Point Zero: Housework, Reproduction, and Feminist Struggle* (Oakland: PM Press, 2012); Christine Delphy, *Close to Home: A Materialist Analysis of Women’s Oppression* (London: Verso, 2016); Eli Zaretsky, *Capitalism, the Family and Personal Life* (New York: Harper & Row, 1976); Maxine Molyneux, “Beyond the Domestic Labor Debate,” *New Left Review* 116 (1979): 3–27; Heidi Hartmann, “The Unhappy Marriage of Patriarchy and Capitalism: Toward a More Progressive Union,” *Capital & Class* 3, no. 2 (1979): 1–33; Bonnie Fox (ed.), *Hidden in the Household: Women’s Domestic Labor under Capitalism* (New York: Women’s Press, 1980); Linda Nicholson, *Gender and History* (New York: Columbia University Press, 1986). Many key texts, including classic essays by Margaret Benston, Gloria Joseph, and Iris Marion Young, are collected in *Materialist Feminism*, ed. Hennessey and Ingraham. See also Nancy Holmstrom, ed., *The Socialist Feminist Project: A Contemporary Reader in Theory and Politics* (New York: Monthly Review Press, 2002); and Shahrzad Mojab, ed., *Marxism and Feminism* (London: Zed Books, 2015).
- 29 Lise Vogel, *Marxism and the Oppression of Women: Toward a Unitary Theory* (Chicago: Haymarket, 2014 [1983]). For “social reproduction feminism,” see Barbara Laslett and Johanna Brenner, “Gender and Social Reproduction: Historical Perspectives,” *Annual Review of Sociology* 15 (1989): 381–404; Kate Bezanson and Meg Luxton (eds.), *Social Reproduction: Feminist Political Economy Challenges Neoliberalism* (Montreal: McGill-Queen’s University Press, 2006); Isabella Bakker, “Social Reproduction and the Constitution of a Gendered Political Economy,” *New Political Economy* 12, no. 4 (2007): 541–56; Cinzia Arruzza, “Functionalist, Determinist, Reductionist: Social Reproduction Feminism and its Critics,” *Science & Society* 80, no. 1 (2016): 9–30; Susan Ferguson, Genevieve LeBaron, Angela Dimitrakaki, and Sara R. Farris, eds., “Symposium on Social Reproduction,” *Historical Materialism* 24, no. 2 (2016): 25–163; and Tithi Bhattacharya (ed.), *Social Reproduction Theory: Remapping Class, Recentering Oppression* (London: Pluto, 2017).
- 30 Maria Mies, *Patriarchy and Accumulation on a World Scale: Women in the International Division of Labour* (London: Zed Books, 1986).
- 31 Maria Mies and Veronika Bennholdt-Thomsen, *The Subsistence Perspective: Beyond the Globalised Economy* (London: Zed Books, 2000); Maria

- news/features/2017-01-12/life-without-money-in-detroit-s-survival-economy; Liz Alderman, “Paying in Olive Oil,” *New York Times*, September 24, 2015, B1.
- 11 See, e.g., Immanuel Wallerstein, *Historical Capitalism, with Capitalist Civilization* (London: Verso, 1996), esp. pp. 26–43.
 - 12 Polanyi, *The Great Transformation*, esp. pp. 71–80, 136–40, 201–6; Nancy Fraser, “Can Society Be Commodities All the Way Down? Post-Polanyian Reflections on Capitalist Crisis,” *Economy and Society* 43, no. 4 (2014): 541–58.
 - 13 See Rahel Jaeggi, *Critique of Forms of Life*, trans. Ciaran Cronin (Cambridge, MA: Harvard University Press, forthcoming); Jaeggi, “What (If Anything) Is Wrong with Capitalism? Dysfunctionalism, Exploitation, and Alienation: Three Approaches to the Critique of Capitalism,” *Southern Journal of Philosophy* 54, Spindel Supplement (2016): 44–65.
 - 14 Polanyi, *The Great Transformation*, esp. pp. 71–80. For this reading of Polanyi, see Fraser, “Can Society Be Commodities All the Way Down?”
 - 15 G. W. F. Hegel, *Elements of the Philosophy of Right*, trans. H. B. Nisbet and ed. Allen W. Wood (Cambridge University Press, 1991 [1821]). I [Fraser] read this work as arguing, *contra* social contract theory, that society cannot be contract all the way down, and as invoking that argument to establish the necessity of embedding “Abstract Right” within the broader context of “Ethical Life.” For a detailed interpretation along these lines, see Michel Rosenfeld, “Hegel and the Dialectics of Contract,” *Cardozo Law Review* 10 (1989): 1199–1269.
 - 16 Piero Saffra, *The Production of Commodities by Means of Commodities: Prelude to a Critique of Economic Theory* (London: Cambridge University Press, 1975).
 - 17 Karl Marx, *Capital*, vol. II [1893], ed. Frederick Engels, in *Karl Marx and Frederick Engels: Collected Works*, vol. XXXVI (London: Lawrence & Wishart, 2010), p. 394.
 - 18 Polanyi, *The Great Transformation*, pp. 71–80.
 - 19 See, e.g., Karl Marx, *Capital*, vol. I [1867], trans. Samuel Moore and Edward Aveling, in *Karl Marx and Frederick Engels: Collected Works*, vol. XXXV (London: Lawrence & Wishart, 2010), pp. 510–12; Marx, “Chapter Six. Results of the Direct Production Process” [c.1864], in *Karl Marx and Frederick Engels: Collected Works*, vol. XXXIV (London: Lawrence & Wishart, 2010), pp. 339–471, esp. pp. 424–42.
 - 20 Polanyi, *The Great Transformation*, pp. 59–80.
 - 21 See Marx, *Capital*, vol. I, pp. 270–307.
 - 22 Rahel Jaeggi, “A Wide Concept of Economy: Economy as a Social Practice and the Critique of Capitalism,” in *Critical Theory in Critical Times*, ed. Penelope Deutscher and Cristina Lafont (New York: Columbia University Press, 2017), pp. 160–79, 173–5.
 - 23 Marx, *Capital*, vol. I, pp. 704–61.
 - 24 Marx, *Capital*, vol. I, pp. 185–6.
 - 25 Marx, *Capital*, vol. I, pp. 704–7.
 - 26 David Harvey, “The ‘New’ Imperialism: Accumulation by Dispossession,” *Socialist Register* 40 (2004): 63–87.
 - 27 Friedrich Engels, *Origins of the Family, Private Property and the State*, selections in *The Marx–Engels Reader*, ed. Robert C. Tucker (New York: W. W. Norton, 1978).

Finally, the governance regimes that embed and organize capitalism at every stage have been transformed again and again in the course of the last 300 years, from mercantilism to laissez-faire liberalism to state-led *dirigisme* to neoliberal globalization.

These examples point to capitalism’s inherent historicity. What is at issue here are not simply different “varieties of capitalism,” which might exist side-by-side, but rather *historical moments*, which are linked to one another in a path-dependent sequence. Within this sequence, any given transformation is politically driven and, to be sure, traceable to struggles among proponents of different projects. But this sequence can also be reconstructed as a directional or dialectical process in which an earlier form runs up against difficulties or limits, which its successor overcomes or circumvents, until it too encounters an impasse and is superseded in turn.

Considerations like these complicate the search for a core definition. I don’t think they make such a definition impossible, but they do suggest we should proceed with care. Most importantly, we have to avoid conflating relatively fleeting historical forms with the more enduring logic that underlies them.

Core features of capitalism: an orthodox start

Jaeggi: Here’s a proposal to get us started. Let’s begin by positing three defining features of capitalism: (1) private ownership of the means of production and the class division between owners and producers; (2) the institution of a free labor market; and (3) the dynamic of capital accumulation premised on an orientation toward the expansion of capital as opposed to consumption, coupled with an orientation toward making profit instead of satisfying needs.

Fraser: This is very close to Marx. By starting in this way, we’ll arrive at a conception of capitalism that will, at least at first sight, appear quite orthodox. But we can de-orthodoxize it later, by showing how these core features relate to other things and how they manifest themselves in real historical circumstances.

Let’s start with your first point: the social division between those who own the means of production as their private property and those who own nothing but their “labor power.” I don’t mean to suggest that capitalist society harbors no other constitutive social divisions; I want to discuss some others very soon. But this one is certainly central: a definitive feature of capitalism and a historical

“achievement” of it, if that’s the right word. This class division supposes the break-up of prior social formations in which most people, however differently situated, had some access to means of subsistence and means of production – access to food, shelter, and clothing, and to tools, land, and work – without having to go through labor markets. Capitalism destroyed that condition, separating the vast majority from the means of subsistence and production and excluding them from what had been common social resources. It enclosed the commons, abrogating customary use rights and transforming shared resources into the private property of a small minority. As a result of this class division between owners and producers, the majority must now go through a very peculiar song and dance (the labor market) in order to be able to work and get what they need to continue living and raise their children. The important thing is just how bizarre, how “unnatural,” how historically anomalous and specific this is.

Jaeggi: Yes, and this leads us to the second point: capitalism depends on the existence of free labor markets. Capitalist societies, as we know them, have tended to abolish unfree labor of the sort found in feudal societies. They institutionalize free labor on the assumption that the workers are free and equal. This is the official version, at least, but it is contradicted in reality by capitalism’s coexistence for over two centuries with New World slavery. But this aside, the labor power of “free workers” is treated as a good that one party to a legal contract (the worker) owns and sells to the other party (the employer-capitalist).

Historically speaking, this is a tremendous change with tremendous implications, one that alters daily life as well as the economic structure of the societies involved. Even without seeing societies divided, in a reductionist way, into economic base and ideological superstructure, we can say that their form as a whole changes once this is established. Moreover, since the free labor market is constitutive for capitalism, the normative ideals of freedom and equality find their place in an actual institution. They are not just a masking decoration; to some extent, they really are objectified and present. The capitalist labor market wouldn’t work without legally free and independent contractors. This is true even if at the same time those ideals are corrupted exactly in and through the labor market. Which brings us to the fact Marx pointed out so vividly: labor in capitalism is free *in a double sense*.² The workers are free to work but also “free to starve” if they do not enter the labor contract.

- 1 Peter A. Hall and David Soskice (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford University Press, 2001).
- 2 Karl Marx, *Capital*, vol. I [1867], trans. Samuel Moore and Edward Aveling, in *Karl Marx and Frederick Engels: Collected Works*, vol. XXXV (London: Lawrence & Wishart, 2010), p. 179.
- 3 Theodor Adorno, “Beitrag zur Ideologienlehre” [1954], in *Soziologische Schriften I, Gesammelte Schriften*, vol. VIII (Frankfurt am Main: Suhrkamp, 1997), p. 465.
- 4 Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Routledge, 2005 [1930]), e.g., p. 124.
- 5 Werner Sombart, *Der modern Kapitalismus. Historisch-systematische Darstellung des gesamteuropäischen Wirtschaftslebens von seinen Anfängen bis zur Gegenwart*, 3 vols. (Munich: Duncker & Humblot, 1902–28).
- 6 Elizabeth Gaskell, *North and South* (Ware: Wordsworth Editions, 1994 [1855]).
- 7 Nancy Fraser, “What’s Critical About Critical Theory? The Case of Habermas and Gender,” *New German Critique* 35 (Spring/Summer 1985): 97–131. Reprinted in Fraser, *Fortunes of Feminism* (London: Verso, 2013).
- 8 Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston: Beacon Press, 2001 [1944]), pp. 45–70.
- 9 See, e.g., James C. McKinley, Jr., “Conservatives on Texas Panel Carry the Day on Curriculum Change,” *New York Times*, March 13, 2010, A10.
- 10 See, e.g., Valerie Vande Panne, “Life without Money in Detroit’s Survival Economy,” *Bloomberg*, January 12, 2017, at <https://www.bloomberg.com/>

polity, economy and nature? And how are these “contradictions of capitalism” playing out now?

Finally, this perspective encourages us to ask: what forms of social struggle characterize present-day capitalism? Does the notion of “boundary struggles” serve to clarify the political projects of present-day social actors? And does it afford a basis for assessing their emancipatory potential? Above all, what light does this understanding of capitalism shed on the prospects for emancipatory social transformation?

We shall surely address these questions in the discussions that follow. Whatever the answers turn out to be, they will comprise a “diagnosis of the times,” in which analysis and critique are brought together. And to the degree it succeeds, this diagnosis will have practical relevance. It won’t provide a blueprint for action, to be sure. But it could afford the sort of context-clarifying orientation that guides action, a map on which to locate – and to understand better – “the struggles and wishes of the age.”

Fraser: Exactly. Those conceived as “workers” are free, first, in the sense of legal status. They are not enslaved, enserfed, entailed, or otherwise bound to a given place or particular master. They are mobile and able to enter into a labor contract. But the “workers” are also free in a second sense: they are free, as we just said, from access to means of subsistence and means of production, including from customary use rights in land and tools. In other words, they are unencumbered by the sort of resources and entitlements that could permit them to abstain from the labor market. Their freedom in the first sense goes along with their vulnerability to compulsion inherent in the second sense.

That said, I want to underline your point that the view of the worker as a free individual is not the whole story. As you said, capitalism has always coexisted with – I would say, relied on – a great deal of unfree and dependent labor. And as I’ll explain soon, not everyone who works or produces has been considered a worker or accorded the status of a free individual – which is why I put the word “worker” in scare quotes before. The point, then, is that, in discussing the worker’s double freedom, we are talking only about one chunk of capitalist social reality – albeit a very important, even defining, chunk.

Jaeggi: Right. We’ll have to come back to that point later. For now, however, I want to stress that the notion of freedom in a “double sense” doesn’t mean that freedom and equality in capitalism are fictitious or some kind of lip service. These notions are ideological in the deep sense that Adorno invoked, when he said that ideologies are true and false at the same time.³ The point is that freedom and equality are actually realized in capitalism and in fact *must* be realized in order for the system to work. And yet at the same time they are not realized: the reality of capitalist work relations seems to undermine and contradict these norms – and not accidentally so.

Fraser: I would say that capitalism realizes thin, liberal interpretations of freedom and equality, while systematically denying the social prerequisites for realizing deeper, more adequate interpretations – interpretations that it simultaneously invites and callously frustrates.

Jaeggi: Let’s talk about our third feature: the dynamic of capital accumulation. This seems to be one of the defining characteristics of capitalism.

Fraser: Yes, it certainly is. Here we find the equally strange song and dance of self-expanding value. Capitalism is peculiar in having an objective systemic thrust or directionality: the accumulation of capital. Everything the owners do is and must be aimed at expanding their capital. Not to expand is to die, to fall prey to competitors. So this is not a form of society in which the owners are simply enjoying themselves and having a grand old time. Like the producers, they too stand under a peculiar compulsion. And everyone's efforts to satisfy their needs are indirect, harnessed to something else that assumes priority – an overriding imperative inscribed in an impersonal system, capital's own drive to unending self-expansion. Marx is brilliant on this point. In a capitalist society, he says, Capital itself becomes the Subject. Human beings are its pawns, reduced to figuring out how they can get what they need in the interstices by feeding the beast.

Jaeggi: Max Weber and Werner Sombart have also spelled out how bizarre this form of life really is. From Weber, we have the famous remarks according to which the capitalist "Erwerbsstreben" ["pursuit of wealth"] has become an end in itself, one that is precisely *not* directed toward the fulfillment of needs, wishes, not to mention happiness.⁴ And, despite its nostalgic and pre-modern tenor, Sombart's book on modern capitalism is especially interesting on that matter because it's filled with vignettes about how difficult it is to keep the capitalist dynamic going, to keep it alive. For example, in France quite a few successful capitalist entrepreneurs at a certain point sold their factories to buy huge villas and enjoy their lives – to get off the treadmill and out of the rat race. Sombart calls this phenomenon the "degenerative fattening of capitalism" ("die Verfettung des Kapitalismus"), whereby capitalists lose their initiative to accumulate.⁵ We can also look to the many novels, such as Gaskell's *North and South*, which deal with the transition from a precapitalist to capitalist mode of life.⁶

The lesson we can learn from them is that these attitudes and the "spirit of capitalism" are far from self-evident. So, when we speak with Marx of capital becoming the real subject, this still leaves open crucial philosophical questions as to whether we really face a purely systemic self-perpetuation, or whether this manner of speaking obfuscates some more fine-grained prerequisites, including the social attitudes that sustain the perpetuation of profit-seeking. Economic practices are always already embedded in forms of life, and taking this into account complicates the effort to define capitalism as a system that could be specified independently of them – especially

life – the attempt, for example, to understand the structure of capitalist social integration and its historical transformations – is a crucial part of what it means to criticize it. Analysis forms a part of the critique and critique forms part of the analysis: the critique unfolds in a process which the analysis sets in motion. Of course, this all hinges on whether the analysis brings out the contradictions, conflicts, and emancipatory possibilities inherent in a social formation. Still, if we are taking aim at deep structural dysfunctions inherent in our form of life, then this might indicate a methodological shift in contemporary critical theory – away from those more "Kantian–Rawlsian" concerns with deliberation and justice-claims, and back toward left-Hegelian reflections on the "objective tendencies" of an age. If not replacing the orientation on social actors and movements, this focus on crises at least supplements the focus on social struggles.

Fraser: Well, my aim is certainly to develop a critical theory. And I don't think anyone could mistake what I've laid out here for free-standing normative theory. In proposing an expanded conception of capitalism, I have at the same time constructed a framework for analyzing the society we inhabit now. The framework directs our attention to the institutional divisions that structure this society – to the shifts they are now undergoing and to the projects of various actors who are seeking to challenge or defend those divisions. It invites us to ask: how is the current form of capitalism (financialized, globalized, neoliberal) redrawing the boundaries between commodity production and social reproduction, between private and public power, between human beings and the rest of nature, and between exploitation and expropriation? And what are the implications for our society's characteristic forms of domination, injustice, and suffering – forms that in this conception are centrally concerned not only with class domination and labor exploitation, but also with gender and sexual domination, ecological depredation, imperial predation and racial oppression, and exclusions and marginalizations based in the organization of public power and the division of political space?

The framework also invites us to ask: how are capitalism's inherent "crisis tendencies" expressed today? When viewed in this enlarged way, does capitalism harbor propensities for self-destabilization beyond those identified by Marx, which were conceived as "contradictions" internal to its economy? Does it also harbor systemically entrenched tensions between the economic foreground and the non-economic background – between economy and society, economy and

to male aggression, spontaneous social cooperation to economic calculation, nature's organicist wholism to anthropocentric individualism. Clearly, these binary oppositions are historically inaccurate, conceptually problematic, and indeed ideological. To premise one's struggles on them is not to challenge, but unwittingly to reflect, the institutionalized social order of capitalist society.

Jaeggi: I think on the level of social theory the connection between foreground and background is nicely fleshed out now. I'm still somewhat puzzled how this translates to the normative level. You reject the idea that there exists an "outside" to capitalism that ensures the possibility of radical criticism and practice. But, at the same time, you claim that capitalism's background normativities afford some critical potential, even though they are "inside" the capitalist order. Perhaps one could say they are "intra-capitalist" but "extra-economic." This is quite a complex view, which indeed scrambles any easy inside/outside opposition!

Fraser: It *is* complex, and necessarily so, because a proper account of capitalism's foreground/background relations must hold together three distinct ideas. First, capitalism's "non-economic" realms serve as enabling background conditions for its economy; the latter depends for its very existence on values and inputs from the former. Second, however, capitalism's "non-economic" realms have a weight and character of their own, which can under certain circumstances provide resources for anti-capitalist struggle. Nevertheless – and this is the third point – these realms are part and parcel of capitalist society, historically co-constituted in tandem with its economy, and marked by their symbiosis with it. All three ideas are necessary for an adequate conception of the foreground/background relations that constitute capitalist society. None alone is sufficient. All must be thought together in an "enlarged" view of capitalism as an institutionalized social order.

Unity of analysis and critique

Jaeggi: I have one last question, inspired by what we said in the Introduction about the difference between a critical theory of society and a freestanding normative theory. We agreed that what distinguishes critical theory is unity of analysis and critique. This means that, in analysis, the attempt to comprehend what is going on in social

if we want to avoid the stark division, which you yourself have criticized, between an innocent "lifeworld" and a free-wheeling "system" of economic dynamics.⁷ That division treats capitalism as a self-perpetuating "machine" that feeds on people but is in no way driven by them. But perhaps we should keep the question of what "feeds" capitalism on hold for the time being.

Markets: a defining feature of capitalism?

Jaeggi: Now, perhaps we should add a fourth feature to our list of a still rather orthodox definition of capitalism: the centrality of markets in capitalist society. Aside from the labor market, markets more generally seem to be the principal institutions for organizing material provision in a capitalist society. In capitalism, it is typically via market mechanisms that goods are provided.

But the relation between capitalism and markets is complicated: although the two are intertwined, they are far from identical. Capitalism is more than a "market society." Markets have existed in non- or precapitalist societies, and, conversely, we might think of a socialist society that includes market mechanisms. So it is important to investigate the relation between them.

Fraser: I agree. The relation between capitalism and markets is quite complicated, I think, and needs to be carefully unpacked. I would start, once again, by recalling Marx. For Marx, the market is closely related to the commodity form. And the commodity form is only the starting point for theorizing capitalism, not the end point. It is presented in the opening chapters of *Das Kapital* as the realm of appearances, the guise in which things appear initially, when we adopt the commonsense standpoint of bourgeois society, the perspective of market exchange. From that initial perspective, Marx quickly leads us to another, deeper one, which is the standpoint of production and exploitation. The implication is that there is something more fundamental to capitalism than the market: namely, the organization of *production* through the exploitation of labor as the engine that generates surplus value. That at least is how I read Marx, as wanting to replace bourgeois political economy's focus on market exchange with a deeper, more critical focus on production. It's there at the deeper level that we discover a dirty secret: that accumulation proceeds via exploitation. Capital expands, in other words, not via the exchange of equivalents but precisely through its opposite: via

the *non*-compensation of a portion of the workers' labor time. This already tells us that market exchange per se is not the heart of the matter.

Jaeggi: But don't you think that a marketizing tendency is already built into the first three core features of capitalism that we just identified? After all, when you imagine those three coming together to form a dynamic system, what you get is a picture of a world in which more and more things are bought, sold, and traded on markets.

Fraser: Perhaps. But for me the crucial question is: what kind of markets? As you said, markets exist in many non-capitalist societies, and they take an amazing variety of forms – a point that is central for Karl Polanyi.⁸ So our question should be: what's specific to markets in capitalist societies?

Jaeggi: Yes, I agree, especially since this matter easily lends itself to ideological mystification. Do you realize that, in Germany, the term "capitalism" has more pejorative connotations than it does in the English-speaking world, and, as a result, German economists prefer not to talk about capitalism at all? In their view, if you're using the word "capitalism," you're already being too critical. Textbooks typically use the euphemistic expression "market society." A similar move (in your country) has been made by the Board of Education in Texas by ordering that all history textbooks no longer refer to "capitalism" but instead call it "the free-enterprise system."⁹

This locution is ideological – not least because it obscures an important question: what actually *is* the relation between markets and capitalism? Could we have markets without capitalism? For example, societies with markets but without private ownership of the means of production, as market socialists have advocated? And what about the converse: is it still a capitalist society if its economy features such a huge degree of monopolization that a certain amount of goods are not exchanged via the market? In short, can we have capitalism without markets and markets without capitalism?

Fraser: That's a good way to formulate the problem. To answer it, I would like to distinguish some different kinds of markets and some different roles markets can play. Let's think, first, about markets in consumer goods, which distribute the means of subsistence to individuals in the form, first, of wages or income, and then of commodities. Is this sort of market definitive of capitalism? I don't think

stand economic interaction, and "structural" analysis to clarify interaction within families. In fact, such counterintuitive orientations are immensely revealing; they disclose processes that remain inaccessible to mainstream observers. So, unlike you, I am not seeking to overcome the methodological distinction. I want, rather, to embrace it. In fact, I would say that it's precisely by combining or articulating the structural-systemic and social-action perspectives that a theory of capitalist society can become *critical*. In other words, I still subscribe to the view I once called "perspectival dualism."⁵¹ I suppose we'll discuss this issue in more depth later (in chapter 3).

Jaeggi: Yes, we will. But let me try another angle. Your account relies on a tension between foreground and background, between something that is the capitalist "inside" and a background, which is deemed necessary but situated "outside" it. Nevertheless, my sense is that you also want to resist the "inside/outside" picture of capitalist society. Is that right?

Fraser: You're right. I *do* want to resist the inside/outside picture of capitalist society, and here is why. Everything I've said so far implies that it would be wrong to construe society, polity, and nature romantically, as "outside" capitalism and as inherently opposed to it. That romantic view is widely held today by a fair number of left-wing thinkers and activists, including cultural feminists, deep ecologists, and neo-anarchists, as well as by some proponents of "plural," "post-growth," "solidary," and "popular" economies. Too often, these currents treat "care," "nature," "direct action," or "commoning" as intrinsically anti-capitalist. As a result, they overlook the fact that their favorite practices are not only sources of critique but also integral parts of the capitalist order.

Recall that I have said that reproduction, polity, and nature arose concurrently with economy, as the latter's "others." It is only by contrast to economy that they acquire their specific character. Reproduction and production make a pair. Each term is co-defined by way of the other; neither makes any sense without the other. The same is true of polity/economy and nature/society. All three of these divisions and distinctions are part and parcel of the capitalist order. None of the "non-economic" realms affords a wholly external standpoint that could underwrite an absolutely pure and fully radical form of critique. On the contrary, political projects that appeal to what they imagine to be capitalism's outside usually end up recycling capitalist stereotypes, as they counterpose female nurturance

alternative between an action- and a system-theoretic approach to the economy can be overcome in a meaningful way. To conceive of the economy *as* and *in* a context of social practices doesn't mean that it arises from actions and intentions, or the results of such. Practices are only partially intentional, only partially explicit, and only partially due to the will and actions of people. They are not planned for in advance, but emerge, which means that they can congeal into institutions in ways that make them appear to have achieved their own dynamic. This process is difficult to see for the parties involved; it appears "systemic" and "second nature." But it might then be fruitful to recast these apparently "systemic" phenomena in a practice- and institutional-theoretical framework, because this will avoid the unwanted side-effects of buying into these appearances and understanding economics as a non-normative sphere.

This is what I referred to as the attempt to understand the economy as "part of the social order" and not as its "other," to borrow from Jens Beckert.⁵⁰ It is not a distinct system, let alone a norm-free one, but an agglomeration of social practices that are related to other economic and non-economic practices and institutions (which we can think of as states of aggregate practices). They are ensembles within ensembles. A further implication of this is that the very distinction between economics and its "preconditions," and even the way of distinguishing what is inside from what is outside of the economy – these turn out to be less informative and helpful than we have thought.

Fraser: I see your point, but I'm not convinced of your underlying premise, that it's desirable to overcome the distinction between structural-systemic and social-action perspectives. I would say that the problem with that distinction arises only when it gets ontologized – treated as marking out two substantively distinct societal realms ("system" versus "lifeworld") that correlate with two ontologically distinct types of interaction ("purposive-rational" or "strategic" action versus "normatively regulated" or "communicative" action). This is precisely what Habermas did in *Theory of Communicative Action*, and it's what gave the distinction in question a bad name. But I believe that it's perfectly possible – and desirable! – to retain a de-ontologized version of the distinction between structural-systemic and social-action perspectives. In that case, one treats the distinction not as ontological, but as *methodological*. It's a distinction between two different lenses that critical theorists can put on to understand *any* domain of social reality or type of societal interaction. So, it's entirely appropriate, in my view, to use "social" analysis to under-

so! Granted, it seems to follow logically from the point about "free" labor. As we already noted, it is a characteristic of capitalism's economic logic that propertyless workers have no direct access to the means of subsistence. They can only get the necessities of life by selling their labor power for wages, which they then use to purchase food, shelter, and other essentials. The flip side of this is a tendency, over time, to transform the means of subsistence into commodities, available only through purchase with money.

Nevertheless, that point is not decisive. The key phrase here is "over time," as the process is rather uneven. On the one hand, it can proceed quite far, as we know from the "consumer capitalism" of the twentieth century, which built an entire accumulation strategy around the sale of consumer goods to the working classes of the capitalist core. On the other hand, many people in the periphery were not (and are still not) fully included in this sort of consumerism, for reasons that are not accidental but in fact structural. And even for those who did become consumers, the process can be at least partially reversed, as we know from the present-day experience of neoliberal crisis, when, even in the capitalist heartland, many people find it necessary to engage in in-kind transactions of various types, including barter, non-formalized reciprocity, and mutual aid – just think of Athens or Detroit today.¹⁰

Jaeggi: But how should we interpret this? Is it a regression to a precapitalist condition or a remnant of precapitalist society? Or do these phenomena indicate something systemic about capitalism itself – along the lines of the thesis that total commodification wouldn't even be possible?

Fraser: There's nothing precapitalist about this, in my view. Immanuel Wallerstein has often stressed that capitalism has generally operated on the basis of "semi-proletarianized" households.¹¹ Under these arrangements, which allow owners to pay workers less, many households derive a significant portion of their sustenance from sources other than cash wages, including self-provisioning (the garden plot, sewing, etc.), informal reciprocity (mutual aid, in-kind transactions), and state transfers (welfare benefits, social services, public goods). Such arrangements leave a significant portion of activities and goods outside the purview of the market. They are not mere residual holdovers from precapitalist times; nor are they on their way out. They were intrinsic to Fordism, which was able to promote working-class consumerism in the countries of the core only by way

of semi-proletarianized households that combined male employment with female homemaking – as well as by inhibiting the development of commodity consumption in the periphery. And, as I just said, semi-proletarianization is even more pronounced in neoliberalism, which has built an entire accumulation strategy by expelling billions of people from the official economy into informal gray zones, from which capital siphons off value. This sort of “primitive accumulation” is an ongoing process from which capital profits and on which it relies.

Jaeggi: But again, is this a historical contingency or something systemic: a functional necessity for capitalism to rely on non-marketized or non-commodified resources?

Fraser: I think it’s systemic. Marketization is not ubiquitous in capitalist societies – and the reasons for that are non-accidental. In reality, marketized aspects or zones of life coexist with non-marketized ones. This is no fluke or empirical contingency, in my view, but a feature built into capitalism’s DNA. In fact, “coexistence” is too weak a term to capture the relation between marketized and non-marketized aspects of a capitalist society. A better term would be “functional imbrication” or, still better, and more simply, “dependence.” Karl Polanyi helps us understand why: society, he tells us, cannot be “commodities all the way down” – that’s my paraphrase.¹² Polanyi’s idea is that markets depend for their very existence on non-marketized social relations, which supply their background conditions of possibility. I think that is right.

Jaeggi: That’s a striking and important claim, which is definitely worth unpacking. To start pressing for further clarification: what does it mean that societies “can’t” be commodified all the way down? What poses as the “or else . . . !” here? One can say this is a question of “functional” necessity, that society will no longer “work” properly should commodification become totalized. This suggests there is some objective limit commodification cannot be permitted to cross. But one could also frame the problem more subjectively or normatively, saying excessive commodification is “wrong” or “bad,” that the members of these societies simply *don’t want* things to be commodities all the way down because it disrupts or erodes a certain “ethos” society might hold and value. It’s important to be clear on these terms and to clarify how these functionalist and normative aspects of social critique hang together and require each other. I

for now, my point is this: the institutional divisions established at any given time and place are best understood as provisional stabilizations of the outcome of previous struggles – as are the resulting regimes of accumulation.

Jaeggi: This helps to forestall the worry I had that your view was functionalist. After all, you began by stressing that reproduction, ecology, political power, and expropriation were necessary background conditions for capitalism’s economic front-story, and you underlined their functionality for commodity production, labor exploitation, and capital accumulation. But it now appears that this functionalist aspect does not capture the full complexity of capitalism’s foreground/background relations. It seems to coexist, rather, with another, more political “moment,” which characterizes the relations among economy, society, polity, and nature in capitalist society in terms of social struggle.

Fraser: Yes, you’re right. The view I’ve been sketching is not functionalist. But it does incorporate a two-level theory of society: on the one hand, it contains a structural perspective, which stresses the foreground economy’s dependence on society’s “non-economic” background; on the other hand, it incorporates an action-theoretical perspective, which highlights the self-understandings and projects of social actors. Without buying into Habermas’s full theory, we could borrow his terminology and say that this second perspective pertains to the level of “social,” as opposed to “system,” integration. It is a perspective that affords access to the conflict potentials inherent in a capitalist society. Because it discloses inherent possibilities for social struggle, it clarifies how a critique of capitalism is possible from within it.

Jaeggi: I’m still skeptical of the need to take on this terminology of social *versus* system integration or action *versus* system levels, at least insofar as it gives us an ontology of two realms of social life that are in some sense fundamentally opposed or alien to one another. I’ll grant that a systemic view of the economy seems to have the advantage of being able to grasp “mechanisms of societal integration” which “do not necessarily coordinate actions via the intentions of participants, but objectively, ‘behind . . . [their] backs.’”⁴⁹ The “invisible hand” of the market then is the paradigm case of this type of regulation.

Nevertheless, I believe that, with a practice-theoretic approach, the

Perhaps we could get at the question of which social ontology you presuppose by clarifying the status of the institutional divisions you just mentioned. Are they porous or sharply bounded? Are they fixed or subject to change? In general, how do you reconcile the view that these institutional divisions are definitive of capitalism with the view you expressed at the outset: that capitalism is intrinsically historical and it unfolds over time?

Fraser: I don't actually think my view of these matters is functionalist. To explain why, I must add an important point. Although I consider these divisions constitutive for capitalism, I don't think they are simply given once and for all. On the contrary, I would say that precisely *where* capitalist societies draw the line between production and reproduction, economy and polity, human and non-human nature, and exploitation and expropriation varies historically under different regimes of accumulation. In fact, this variation can provide the basis for constructing a typology of such regimes. In the view I'm elaborating here, what distinguishes accumulation regimes are the ways in which they differentiate capitalism's foreground and background conditions and relate them to each other. Thus, we can conceptualize mercantile capitalism, competitive liberal capitalism, state-managed monopoly capitalism, and globalizing financialized capitalism as historically specific ways of demarcating economy from polity, production from reproduction, human from non-human nature, and exploitation from expropriation.

I would also say that the precise configuration of the capitalist order at any place and time depends on politics, on the balance of social power, and on the outcome of social struggles. Far from being simply given, capitalism's institutional divisions often become both sites and stakes of conflict, as actors mobilize to challenge or defend the established boundaries separating economy from polity, production from reproduction, human society from non-human nature, exploitation from expropriation. Insofar as they aim to relocate contested processes on capitalism's institutional map, capitalism's subjects draw on the normative perspectives associated with the various zones that I have identified. Their efforts to redraw institutional boundaries inevitably incite counter-efforts. And these *boundary struggles*, as I would like to call them, decisively shape the structure of capitalist societies. They constitute a fundamental type of capitalist conflict – as fundamental as the class struggles over control of commodity production and distribution of surplus value that Marxists have privileged. I want to talk more about them at a later point (see chapter 4). But

believe we need a normative–functionalist vocabulary to capture the crises, failures, or mis-developments we face. But still, a functional argument alone doesn't do the work. It's not that it isn't "possible" to commodify all the way down; rather, it isn't possible without creating severe immanent contradictions, which may remain latent for a time but which can also generate real social conflicts.¹³

Fraser: I'm not sure we disagree here. When I say that "society can't be commodities all the way down," I mean that efforts to totalize marketization are self-destabilizing: they jeopardize the market's own background conditions of possibility, which are not themselves marketized. This is one interpretation (the best one, I think) of what Polanyi meant by "fictitious commodification."¹⁴ And it's close to Hegel's claim in *The Philosophy of Right* that society cannot be contract all the way down: if a sphere of contractual relations is possible only on the basis of a background of non-contractual social relations, then efforts to universalize contract necessarily undermine it, by destroying the non-contractual basis on which it depends.¹⁵ This is indeed an "objective" structural argument, but it's not functionalist in a way that's objectionable. It doesn't pretend to say anything about the other crucial, "subjective" half of the equation: how do those living in society experience the fallout? For that, I agree with you: we need a different kind of analysis, focused on the "commonsense," the normatively laden interpretive frames, through which social actors live societal dislocation.

Jaeggi: I would hold that the entanglement between the normative and the functional dimensions must go even deeper in order to make this point. It's not that the "norms" are on the subjective side whereas "function" is on the objective side. There's definitely more to be said about this topic, but let's pursue it later, in chapter 3, when we consider how best to criticize capitalism. For now, I want to resume our discussion of the role that markets actually play in capitalist society. What we've said so far is that capitalism contains a tendency to proliferate markets in consumer goods, but the realization of that tendency is quite variable in space and in time. We noted, too, that non-capitalist societies also have markets in consumer goods, which suggests that such markets are not strictly definitive of or proper to capitalism. But what about markets in other things, such as inputs into production, which are not themselves consumed by or distributed to individuals? Could markets in those sorts of things be distinctive of capitalism?

Fraser: Yes, that's exactly what I mean to suggest. I would distinguish between the use of markets for *distribution* and their use for *allocation*. Whereas markets that function distributively mete out tangible divisible goods for personal consumption, those that function allocatively direct the use of general societal resources in projects that are intrinsically trans-individual or collective, such as production, surplus accumulation, research and development, and/or investment in infrastructure. On the basis of that distinction, we can distinguish market socialism from capitalist society. Market socialism would use markets distributively, to mete out consumer goods, while using non-market mechanisms (such as democratic planning) for allocative purposes, such as allotting credit, capital goods, "raw materials," and social surplus. Capitalism too uses markets distributively, as we have said. But where it is really distinctive is in using markets allocatively – to direct society's use of its accumulated wealth and collective energies. Here, I think, lies the distinctive function of markets in capitalist society: their use to allocate the major inputs to commodity production and to direct investment of social surplus.

Jaeggi: In what you've said, I can see two different "allocative" market functions that are specific to capitalism: allocation of productive inputs and allocation of surplus.

Fraser: Right. The first idea is neatly captured in a striking phrase of Piero Sraffa: capitalism is a system for "the production of commodities by means of commodities."¹⁶ This system marketizes all the major direct inputs to commodity production, including credit, real estate, raw materials, energy, and capital goods, such as machinery, plants, equipment, technology, and so on. This point is also central for Marx. He gave markets in capital goods a prominent place in his account of capitalism's system logic, where they were said to comprise one of the two major "Departments" of capitalist production (the other being goods for individual consumption).¹⁷ And Polanyi made markets in "land" and "money" as central as markets in labor power in distinguishing capitalism from other social formations in which markets also exist.¹⁸ For both thinkers, capitalism is distinctive in this way. Whereas non-capitalist societies have marketized luxury goods and some ordinary goods, only capitalism has sought to marketize *all the major direct inputs of production*, including, but not only, human labor power.

Jaeggi: The second point, too, seems to be quite central for Marx: capitalism uses market mechanisms to determine how the society's

intensified under it; and finally, the institutionalized distinction between exploitation and expropriation, which grounds specifically capitalist forms of imperial predation and racial oppression.

If I were to contrast this approach to the practice-theoretic view that you just outlined, I would say that mine is more structural and institutional. Whereas your view suggests a view of capitalism as an indefinite congeries of more or less linked social practices, mine implies a determinate societal topography. For me, capitalism's institutionalized separations and divisions give the society a specific shape. That's what I mean when I say that capitalism should be understood as an institutionalized social order.

Jaeggi: The expression "institutionalized social order" is very helpful to summarize your view. It allows us to bridge the social theoretical gap between system and lifeworld. This is precisely what I'm doing by analyzing forms of life, though, as you say, I'm not beginning with the institutional level. Rather, I'm approaching the issue first as a question of social ontology and of understanding how the social practices constitutive of forms of life "congeal" into institutions, which can then take on a certain dynamic whereby they appear to take on a life of their own. One of the reasons it is important to me to begin at this level is that it methodologically prohibits us from losing sight of the thoroughly *normative* basis of practices like the economy, even though the capitalist organization of the economy presents itself to us as something "dis-embedded" and "norm-free." Once we see that there can be no social practice that is non-normative, the very manner in which practices like those associated with the economy seem to depend on their appearing "norm-free" tells us something is amiss. Again, the system/lifeworld division doesn't offer us a path to this avenue of critique.

Your analysis of capitalism as an institutionalized social order also departs from the orthodox account in that it does not see the things in the background as superstructure determined by production. Quite the opposite: it turns out that production depends on them. Nevertheless, one might think that your view remains very orthodox in this functional dependency. Unlike a forms-of-life account, which posits an overall social ontology of practices, you divide society into different spheres. Insofar as you invest too much in "functional" relations between these spheres, you risk reintroducing the "norm-free" lingo by other means. At least, there's a worry of prematurely closing off certain aspects of social life to normative inquiry when we attribute too much to relations of functional dependency. So I'd like to see you allay some of these concerns.

Fraser: I share your skepticism about the system/lifeworld framework and haven't at all changed my mind about that! But the view I have outlined here is quite different. It isn't premised on the idea that there are two distinct "action logics" that pertain to two distinct types of institutions. Nor does it imply that one such action logic (the "system") is colonizing the other (the "lifeworld"). It certainly doesn't assume that the economic "system" of capitalist society is a "norm-free" zone, devoid of communication, cooperation, and struggle. Nor the converse: it doesn't assume that the household, for example, is a power- and money-free zone, devoid of strategic calculation and structural domination. No, I still find the system/lifeworld framework far too dualistic and dichotomizing – and therefore far too susceptible to the sorts of ideological mystification I criticized in my early paper, "What's Critical about Critical Theory?"⁴⁸

The alternative I am sketching here assumes that capitalist societies institutionalize multiple (more than two!) normative and ontological orientations. Although each of these is often associated with a given institutional sphere, none is strictly bound to any one sphere. Rather, the norms in question are regularly deployed "wrongly," so to speak – which is to say, in the "wrong sphere" – and they can be mobilized against the grain. So there are no sharply defined, sphere-specific "action logics." Rather, there are sedimented patterns of action and interpretation, which are themselves subject to contestation, disruption, and transformation.

Of course, all of this needs to be spelled out in much greater detail. But I can sum up my view in this way: capitalism is best conceived neither as an economic system nor as a reified form of ethical life, but rather as an *institutionalized social order*, on a par with feudalism, to take an example. This formulation underscores its structural divisions and institutional separations. In my view, four such divisions are constitutive. First, the institutional separation of "economic production" from "social reproduction," a gendered separation that grounds specifically capitalist forms of male domination, even as it also enables the capitalist exploitation of labor that provides the basis of its officially sanctioned mode of accumulation; second, the institutional separation of "economy" from "polity," a separation that expels matters defined as "economic" from the political agendas of territorial states, while freeing capital to roam in a transnational no-man's land, where it reaps the benefits of hegemonic ordering while escaping political control; third, the ontological division between its (non-human) "natural" background and its (apparently non-natural) "human" foreground, which pre-exists capitalism but is massively

surplus will be invested. There is no other kind of society, as far as I know, in which it is left to "market forces" to decide such fundamental questions about how people want to live. Which also means: a shift in the relation between the political and the economic – and a transformation of both sides at the same time.

Fraser: This is for me the most consequential and perverse feature of capitalism, this handing over to market forces of the most important human matters – for example, where people want to invest their collective energies, how they want to balance "productive work" vis-à-vis family life, leisure, and other activities; how much and what they want to leave to future generations. Instead of being treated as matters for collective discussion and decision-making, they are handed over to an apparatus for reckoning monetized value. This is closely related to our third point, about capital's inherent self-expansionary thrust, the process through which it constitutes itself as the subject of history, displacing the human beings who have made it and turning them into its servants. The removal of fundamental questions from the purview of human determination, the ceding of them to an impersonal mechanism geared to the maximal self-expansion of capital – this really is perverse. And it's really distinctive of capitalism. Whatever else socialism might mean, it must entail collective democratic determination of the allocation of social surplus!

Jaeggi: I agree completely. This is exactly where I would locate alienation, which I take to be a certain kind of powerlessness and unfreedom that results from this "displacement" and subjection of the very human beings who created it and set it in motion.

But we should also discuss the "structuring force" exerted by markets in capitalist societies. This may be another distinctive feature of capitalism that distinguishes it from non-capitalist societies. I'm thinking especially of the claim that, under capitalism, the structure of commodity exchange is deeply infused into social life. There are different versions of this claim, but the basic idea is that to treat something as a commodity produced for sale is to alter our relation to it and to ourselves. This involves de-personalization or indifference and orients relations to the world in terms of instrumental, as opposed to intrinsic, values. In this way, the market exercises a qualitative structuring force: it shapes the "worldview," the "grammar" of our lives. We might want to refrain from a totalizing picture of a society entirely controlled and determined by this logic, but it still points to an important insight.

Fraser: That's a good Frankfurt School formulation! And it makes sense, certainly, to say that the labor market (and the whole institution of "free" labor surrounding it) is a major structuring force in capitalist society, which impresses its stamp quite deeply on social life. Over time – and here again, the phrase signals capitalism's inherent historicity – markets in labor power assume not just an allocative function, but also a deeper, more formative function. They change the internal character of what is traded on them and the surrounding form of life in which they are located. This point is important for both Marx and Polanyi. Markets have long existed, but in many societies they are peripheral, contained, confined to the edges of social life. They don't structure the form of life internally. But with capitalism they start to do that.

Jaeggi: Is this Polanyi or Marx? Because if you ask Polanyi, "What is capitalism?", he would say it's market totalization. He definitely does refer to markets as having this structural function. In which respect is this also true for Marx?

Fraser: Just recall Marx's account of the "real" versus the "formal" subsumption of labor. At first, a market in labor just means that people perform essentially the same work they did before, except now they do it in a factory instead of in their cottage. They receive an hourly wage instead of piece rates, but they still make the entire shirt, as they always did. That's what Marx called the "formal subsumption of labor," in which the labor market's force does not yet go "all the way down." Soon, however, the combination of a market in "free" labor and capital's inherent self-expansive thrust creates pressure to restructure the labor process internally. The work is divided into small segments, which are parceled out to different workers, each of whom is now required to perform the same small, partial operation over and over again – to stitch hundreds and hundreds of collars, for example, which is not at all the same thing as making a shirt. This is one (rather dramatic) example, from Marx, in which the market has not just an allocative or distributive function, but a constitutive, structuring force.¹⁹ There are other examples as well. I think that Marx and Polanyi are close on this point.

Jaeggi: I agree, though I would still say that only Polanyi sees a scandal in the fragmentation per se, because it dissolves some organic unity of the person. I read Marx as far less of a romantic. For him, the absurdity is that we can come up with such an efficient process

Jaeggi: But still, in stressing the distinct "normativities" and "social ontologies" of foreground and background, you seem to be recycling some version of Habermas's system/lifeworld distinction, a distinction that you yourself criticized in the past. I myself have become more and more skeptical about this framework – this "two spheres" picture that has such a strong hold on us in social theory. I believe this is the wrong picture to start with, because it solidifies a view whereby the central issue is the *invasion* or "colonization" of the economic into other, more "innocent" areas of social life. The problem with this strategy is that, while it is intended to criticize the capitalist economy, the economic sphere as such is effectively removed from the realm of criticism. It is treated as something autonomous, self-propelling, and non-normative, which must be accepted as more or less given. As a result, critical theory is reduced to the project of somehow "taming" it and protecting social life from it, instead of engaging it directly. This kind of framework makes it impossible to rethink the economy itself, while urging us to find strategies whereby it becomes unnecessary to do so.

This is why I've been advocating a monistic social theory, which accounts for economic and other areas of life as practices. This, of course, no longer allows us to pit the economy against the rest, or to argue that certain spheres (cultural, social, personal) need to be protected from contamination by the supposedly separate economic sphere. Economic practices are not merely "embedded" in a surrounding or enabling ethical form of life; they are rather *part of the form of life* itself, part of the social order and its respective dynamic. This is an argument on the level of social ontology, and it aims at a different understanding of the economy as such. In order to understand economy in a "wider" sense – following Horkheimer's intuition – we should conceive of economic practices as being interrelated with other practices in ways that make them part of the socio-cultural fabric of society. Taking up a perspective like this is better suited for a more immanent form of critique – one that can hold economic practices up to the normative conditions of fulfillment immanent to their location within a given form of life. The issue would then no longer be the invasion of the economy into society – as in Habermas's colonization thesis – but defects in the shape and content of economic practices themselves.⁴⁷

You yourself have been very critical about the system/lifeworld distinction, so I am wondering how you reconcile your previous criticisms of that paradigm with this foreground/background distinction, which in some ways sounds quite similar.

not integrated primarily via the norms of the foreground economy. I would even state this more strongly. Each of these background arenas harbors some distinctive normative and ontological grammars. For example, social practices oriented to reproduction (as opposed to production) tend to engender ideals of care, mutual responsibility, and solidarity, however hierarchical and parochial these may typically be. Likewise, practices associated with capitalism's background conditions in non-human nature tend to foster such values as sustainability, stewardship, non-domination of nature, and justice between generations, however romantic and sectarian these may often be. Finally, practices oriented to polity as opposed to economy often refer to principles of democracy, equal citizenship, and the public interest, however restricted or exclusionary these may often be.

Jaeggi: Again, this makes me curious about the exact relation between foreground and background. Is there a double-play of functional dependency and normative contrast? What role does the distinctive normative "grammar" of the background play for you? Does it just help descriptively to tell the two apart, or is it a resource for critique in a stronger way? We can think of conflicting normativities as arising out of contradictions immanent to a given form of life, but one might also style them as the fragments of a more harmonious past reasserting themselves against the corrupting forces of rationality and modernity. Do the normativities you associate with these background domains form "innocent" reservoirs on which we can draw to spell out our critique of the brutal world of the economy?

Fraser: No, that's not at all where I'm heading. Far from wanting to idealize these "non-economic" normativities, my aim here is simply to register their divergence from the values associated with capitalism's foreground, such as growth, efficiency, equal exchange, individual choice, negative liberty, and meritocratic advancement. The divergence makes all the difference for how we conceptualize capitalism. Far from generating a single, all-pervasive logic of reification, capitalist society is normatively differentiated, encompassing a determinate plurality of distinct yet interrelated social ontologies. What happens when these collide remains to be seen (in chapter 2). But the structure that underpins them is already clear: capitalism's distinctive normative topography arises from the foreground/background relations we have identified. If we aim to develop a critical theory of it, we must replace the Lukácsian view of capitalism as a uniformly reified mode of ethical life with a more differentiated, structural view.

and still leave it so fundamentally irrational in its effects. The division of labor into very small parts might be a good thing if we had come to it via a process of collective self-determination and also controlled the allocation of the surplus gained. Instead, the division of labor is instituted in a non-transparent, self-disguising way.

But let's continue with markets. Beside the functions of them we discussed – distributive, allocative, formative – we might also focus on their particular form under capitalism. For example, we could also distinguish capitalist markets by their "disembedded" character, to use Polanyi's word. He distinguished "embedded" markets, which are enmeshed in non-economic institutions and subject to non-economic norms (such as "just price" and "fair wage"), from "disembedded" markets, which are freed from extra-economic controls and governed internally by supply and demand. According to Polanyi, embedded markets were the historical norm; throughout most of history, markets have been subject to external controls (political, ethical, religious), which limit what can be bought and sold, by whom, and on what terms. In contrast, the disembedded market is historically anomalous and specific to capitalism. In theory, at least, disembedded markets are "self-regulating": they establish the prices of the objects traded on them through supply and demand, a mechanism internal to the market, which trumps or brackets external norms.²⁰

Fraser: Yes, that's the theory, but the reality is rather different. Markets have never really been truly "self-regulating." Nor could they ever be, in Polanyi's view. Marx, too, can be read this way, as rejecting the reality, in history, of "self-regulating markets." In his famous chapter on the struggle over the working day, for example, he demonstrates that wage levels depend on political power and on the outcome of class struggle, not on supply and demand.²¹ So historical reality contradicts economic theory on this point.

Jaeggi: I agree. From my perspective, neither markets nor any other form of economic social practice can ever be fully "disembedded" from the forms of life in which they are situated. In fact, I would go further and say that even to refer to markets as "embedded" in societies already goes too far in positing some kind of normative or functional "separation" between economic practices and other social practices. It makes it sound like the economy is something that exists or functions independently of the rest of society, and then it is "embedded" in it or "disembedded" from it. This is not to say an economy can't be institutionalized in a way that resembles or

“presents itself” as one or the other; however, I think the relation between economic and other social practices is much more dynamic in a way that can be obscured by the language of “embedding” or “disembedding.”²²

Fraser: I would stress the *paradoxical* character of capitalism’s institutionalized differentiation of its economy from “society.” This differentiation is at once real and impossible – which may explain why capitalist society is so perverse and self-destabilizing, so subject to periodic crises.

Jaeggi: Let’s recap what we’ve said here about markets. It’s not markets in general, but only certain types or uses of markets that are specific to capitalism. The issue is not the use of markets to distribute consumer goods, but their use in allocating the major inputs to production (including, but not only, labor power) and the disposition of social surplus.

We now have four core features that distinguish capitalist societies: (1) a class division between owners and producers; (2) the institutionalized marketization and commodification of wage labor; (3) the dynamic of capital accumulation; and (4) market allocation of productive inputs and social surplus.

Behind the scenes: from the front-story to the back-story

Jaeggi: But still, this really does sound very orthodox, and presumably we don’t want to leave matters at that. Firstly, I sense that both of us take “capitalism” to be about more than just the economy or those social practices and institutions that are *directly* economic. And if we’re serious about overcoming the bad habits of economism and determinism that plagued so many previous critiques of capitalism, then we would not want to reduce capitalism to its economic system. But more than that, I think we both agree that these core features we’ve been discussing did not simply happen of their own accord; rather, they had to be somehow established or institutionalized through various means. We’ve already said that this form of life was no natural development and that it radically disrupted the forms of life that preceded it, and we also raised some doubts about the notion that the economy is an autonomous, self-regulating and non-normative sphere that functions independently of the rest of society.

In other words, what we need is a conception of capitalism that

in all spheres of social life? Lukács famously identified capitalism with a grammar of life, based on the commodity form. Supposedly ubiquitous, the commodity form supplied a template for objects in general and for all subject–object relations. Nothing in capitalist society escapes its imprint, including legal, scientific, and philosophical thought.⁴⁶ Is that where your view is leading?

Fraser: No, no, no! That’s not where I want to go at all. That view is far too totalizing. It renders invisible major swaths of social interaction that are essential components of a capitalist society but are not governed by market norms. It obscures the character of social institutions that supply indispensable preconditions for commodity production and exchange, but which are themselves organized on different bases.

The whole point of the foreground/background perspective is to relativize the commodity form. It’s to insist that the commodity form, while causally consequential, is not at all ubiquitous in capitalist society. Granted, it is immediately visible from the standpoint of exchange. And it plays a significant role at Marx’s next level, the standpoint of production, where the buying and selling of labor power (that very peculiar commodity which generates surplus value) is what enables the “self-expansion” of capital via exploitation. But the commodity form is decentered when we shift to the still deeper background levels we have disclosed here. Remember, the commodity was not (and is not) the paradigmatic object form in “primitive accumulation.” The same holds for social reproduction, ecology, and polity. Those arenas, too, are instituted differently, on different terms, and they operate in accord with different norms.

Jaeggi: So capitalism’s commodified zones depend for their very existence on zones of non-commodification. But, furthermore, these non-commodified zones – social, ecological, and political – do not simply mirror the commodity logic, but operate according to a different logic. We are confronted with a variety of different dynamics that have their own logics even if they are, at the same time, entangled. We can trace how they inform each other, enable each other, or even presuppose each other – or, in the weakest sense, how they are related via elective affinities. This would certainly lead to a complex picture, an interesting and “thick” understanding of the web of social and economic relations.

Fraser: Yes, and this is worth spelling out. I am indeed claiming that the social, ecological, and political backgrounds I’ve identified are

Fraser: Well, so far I haven't said anything about how the foreground interacts with the background. I've focused instead on identifying some key topographical divisions that structure capitalist society: production/reproduction, economy/polity, and human/non-human nature. My aim was not to chart the causal flows across those divisions, but to provide an institutional map that can situate and clarify the place of "the economy" within capitalist society.

But I don't want to duck your question. The implications of this view cut against economic determinism. By situating "the economy" in this way, we delimit it. And by revealing its dependence on the non-economic backgrounds of social reproduction, ecology, and public power, we stress the latter's weight and societal importance, as well as their capacity to impact and indeed to destabilize historically entrenched regimes of accumulation. But, of course, the converse is also true; foreground processes of capital accumulation impact and often destabilize the very background structures on which they depend. So, no, there's no economic determinism here.

Jaeggi: Fair enough. But then what exactly *is* capitalism, on this view? Is capitalism only an economic system, the economic sphere within a larger society? Or does your concept of capitalism also include the spheres you identified as the economy's background conditions of possibility?

Fraser: Capitalism is definitely not just an economic system. Granted, it may have looked at first sight as if the core features we identified were "economic." But that appearance was misleading. It became clear, in the course of our discussion, that these are not features of a capitalist economy, but features of a capitalist *society*. The peculiarity of capitalist society is that it treats its central defining and structuring social relations as if they were "economic" and pertained to a separate subsystem of society, an "economy." But that's just an appearance. We very quickly found it necessary to talk about the "non-economic" background conditions that enabled such a system to exist. And we concluded that those background conditions must not be airbrushed out of the picture, but must be conceptualized and theorized as part of our conception of capitalism. So capitalism is something larger than an economy.

Jaeggi: Does this "enlarged" picture lead us back to the view associated with Georg Lukács, which conceives capitalism as a single totalizing system, which impresses the commodity form everywhere,

does not limit itself to only one dynamic and historical force – the economy – which determines everything else in society in a one-sided, one-dimensional way. Rather, we need to somehow account for a more nuanced and complex web of dynamics that encompasses multiple realms of society – of which the economy is an important and central one, but not the *only* one – so that we can look at the various ways they function in relation to one another.

Fraser: Agreed. For me, the whole point of starting with a relatively orthodox definition of capitalism was precisely to set up the next step, of "de-orthodox-ification." So I want to show now exactly why the orthodox definition is inadequate – by demonstrating that the four core features we identified rest on some other things, which constitute their background conditions of possibility. In the absence of those other things, this capitalist economic logic that we've been describing is inconceivable. It only makes sense when we start to fill in its background conditions of possibility. In sum, the "economic foreground" of capitalist society requires a "non-economic background."

Jaeggi: What must exist behind or beyond the immediate purview of capital in order for the system's core features to be possible? What must be present behind markets in labor power and other major direct inputs to commodity production, behind private property in the means of production and private appropriation of social surplus, and behind the dynamic of self-expanding value?

Fraser: I'm going to answer your question by turning yet again to Marx. This may seem strange, given my "de-orthodoxifying" aim. But Marx himself may be less orthodox than we've been assuming. After all, he raises a question very like this one near the end of volume I of *Das Kapital* in the chapter on so-called "primitive" or "original" accumulation. Here, he asks: where did capital come from? How were means of production transformed into private property? And how did the producers become separated from them? In the preceding chapters, he had already laid bare capitalism's economic logic in abstraction from its background conditions of possibility. These latter were taken for granted, assumed as simply given. But it turns out that there is a whole back-story about where capital itself comes from – a rather violent story of theft, dispossession, and expropriation.²³

What interests me here is the epistemic shift that occurs when we move from the front-story of exploitation to the back-story of expropriation. Actually, there are *two* such shifts in volume I. There

is, first, the shift from the standpoint of exchange to the standpoint of production. In that case, we were led from a world where equivalents are exchanged for equivalents to a world of exploitation, in which the capitalist pays the workers only for the “necessary” portion of their labor time and appropriates the “surplus” for himself to augment his capital.²⁴ And now, we have come to a second shift: from production to primitive accumulation. In this case, Marx leads us from *accumulation through exploitation*, which is a legally sanctioned form of rip-off that works through – and is mystified by – the labor contract, to *accumulation by expropriation*, which is an overtly brutal process, with no pretense of equal exchange.²⁵ The latter process, which David Harvey calls “dispossession,” lies behind contractualized exploitation and renders it possible.²⁶

I don’t mean to turn the discussion now to “primitive accumulation” – we’ll get to that soon enough, I’m sure. No, what interests me here is Marx’s method. In each of the twists I’ve just outlined, he orchestrates a major shift in perspective, leading us from a standpoint associated with what I’m calling “the foreground” (in the first case, exchange, in the second, exploitation) to one that discloses the relevant background (first exploitation, then expropriation). The effect in each case is to make visible something that was previously in the shadows. Suddenly, that “something” appears as a necessary presupposition for what we (mis)took for the main event, and its revelation casts everything that went before it in a new light. Thus, market exchange loses its innocence once we see that it rests on the dirty secret of exploitation. In the same way, the sublimated coercion of wage labor appears still more unsavory when we see that it rests on the even dirtier secret of overt violence and outright theft. The second shift is especially relevant for our problem. It shows that the long elaboration of capitalism’s “value logic,” which constitutes most of volume I, is not the last word: that it rests on another level of social reality, in effect – an abode behind the abode.

Jaeggi: In speaking about exploitation’s “conditions of possibility,” you are using metaphors of foreground and background, front-story and back-story.

Fraser: Right. My strategy is to take this “Marxian method” of looking beneath a given socio-historical complex for its underlying conditions of possibility and to apply it further, including to some matters that Marx himself did not fully explore. I want to show that there are some other, equally momentous epistemic shifts that

profitably exploit “free workers.” The official “ex” of exploitation rests on the hidden “ex” of expropriation, which is to say on a racialized “caste” of subjects stripped of political protection and rendered defenseless. That caste is the disavowed enabling condition for the official working class, those free “White” or “European” proletarians, who are constructed as rights-bearing individuals and (eventually) as political citizens.

But we should also note that many contemporary forms of expropriation are tricked out with a façade of legality. Think of for-profit prisons and foreclosures on predatory debt, including the subprime mortgages marketed specifically to people of color in the United States. Think also of the new forms of precarious, low-paid service work, the so-called McJobs, largely assigned to racialized minorities and immigrants, which pay less than the socially necessary costs of the workers’ reproduction. These too involve an expropriative element, despite the contractual façade. They permit accumulation through processes distinct from, although imbricated with, exploitation.

Economic system, totalizing grammar, or institutionalized social order?

Jaeggi: Let’s return to the big question with which we began: what is capitalism? I’d like to know how you would answer that question now, in light of our discussion. When you use the metaphors of front-story and back-story, what do they really imply? In order really to de-orthodoxize the picture, one would need to come up with a model that differs from the orthodox base/superstructure model in that it gets rid of a certain kind of determinism. As long as the economic foreground is seen as one-sidedly determining the background, as long as the background is conceived in some way as related *qua* “functional necessities” to the economic foreground, you are still within a rather orthodox framework. My take is that we have to re-conceptualize this one-dimensional way of conceiving of the relation. It’s definitely not a one-way street, but a two-way street, at the very least – which is to say, a rather complicated story with multiple dependencies in several directions. The slippery slope here might even be that, with enough back-and-forth, we realize, as it were, that we are somewhere in a circle and the whole distinction between back and front starts to reel. I don’t want to press this, but rather ask whether you would see the two levels – background and foreground – at least as mutually imbricated and interacting.

to threaten capital to those that do – another distinction that often correlates with “race.” Such divide-and-rule tactics mobilize those racially coded status hierarchies that distinguish citizens from subjects, nationals from aliens, free individuals from slaves, “Europeans” from “natives,” “Whites” from “Blacks,” entitled workers from dependent scroungers.

What all of this shows is that expropriation and exploitation are not simply separate parallel processes. Rather, the two “exes” are systematically imbricated – they are deeply intertwined aspects of a single capitalist world system. The conclusion I draw is that the racialized subjection of those whom capital expropriates is a hidden condition of possibility for the freedom of those whom it exploits. And that tells us that racial oppression stands in a systemic, non-accidental relation to capitalist society – that the connection between them is structural, not contingent.

Jaeggi: I agree that the phenomena associated with expropriation are more in the foreground now, but we still need to retain the Marxist insight that capitalism is not robbery. This was one of the most important contributions of Marx’s theory of exploitation. We do need to push back against the orthodox Marxist idea that everything beyond exploitation is merely a side story, but we should also be wary of telling a similarly under-complex story about capitalism being built on greed and robbery. I’d say what makes your reading interesting is the way these two sides of the coin – exploitation under the guise of the wage contract and outright expropriation and coercion – are mutually dependent on each other. This is what distinguishes capitalist expropriation from the kind we find in feudalism or ancient slave societies, which does not have that other “above ground” or “more legal” side into which it feeds and with which it is mutually dependent.

Fraser: Absolutely, I agree. The last thing we want is to assimilate capitalism to simple robbery. That’s why I define expropriation as *confiscation plus conscription into accumulation*. What is essential, in other words, is that the commandeered capacities get incorporated into the value-expanding process that defines capital. Simple theft is not enough. Unlike the sort of pillaging that long predated the rise of capitalism, expropriation in the sense I intend here channels wealth into capital’s circuits of accumulation, where it becomes imbricated with exploitation. This imbrication constitutes the specificity of capitalist expropriation. As I said, it is only by confiscating resources and capacities from unfree or dependent subjects that capital can

are implied in his analysis of capitalism but that he did not develop. These still need to be conceptualized, written up in new volumes of *Kapital*, if you like, if we are to develop an adequate understanding of 21st-century capitalism. In fact, I can think of three further epistemic shifts, over and above the shift to expropriation, which are required to fill out our conception of capitalism.

From production to reproduction

Fraser: The first is the shift, theorized by Marxist- and socialist-feminists, *from commodity production to social reproduction*. What are at issue here are the forms of provisioning, caregiving, and interacting that produce and maintain social bonds. Various called “care,” “affective labor,” or “subjectivation,” this activity forms capitalism’s human subjects, sustaining them as embodied, natural beings, while also constituting them as social beings, forming their *habitus* and the socio-ethical substance (*Sittlichkeit*) in which they move. Central here is the work of socializing the young, building communities, and producing and reproducing the shared meanings, affective dispositions, and horizons of value that underpin social cooperation, including the forms of cooperation-cum-domination that characterize commodity production. In capitalist societies, much (though not all) of this activity goes on outside the market – in households, neighborhoods, civil society associations, and a host of public institutions, including schools, childcare and eldercare centers; and much of it does not take the form of wage labor. Yet social reproductive activity is absolutely necessary to the existence of waged work, to the accumulation of surplus value, and to the functioning of capitalism as such. Wage labor could neither exist nor be exploited, after all, in the absence of housework, child-raising, schooling, affective care, and a host of other activities that produce new generations of workers, replenish existing generations, and maintain social bonds and shared understandings. Much like “original accumulation,” therefore, social reproduction is an indispensable background condition for the possibility of capitalist production.

Jaeggi: This is a familiar theme in Marxist-feminist theory – that the reproduction of wage labor in the factory depends on and is subsidized by unwaged labor in the household. How would you position yourself in relation to the work of Maria Mies or other approaches in Marxist-feminism that have developed since the 1970s?

Fraser: Yes, it is familiar, although you'd be amazed at how many major Marxist thinkers have managed to avoid incorporating it systematically into their work, even today! They ignore a great tradition of Marxist-feminist thought, which goes all the way back to Engels.²⁷ Continued by Alexandra Kollontai and Sylvia Pankhurst in the Bolshevik era, this tradition was richly expanded by "second wave" thinkers like Mariarosa Dalla Costa and Selma James, Juliet Mitchell, and Angela Davis.²⁸ There's also my personal favorite among Marxist-feminist theorists, Lise Vogel, whose brilliant 1983 book has recently been rediscovered by a new generation of "social reproduction feminists."²⁹ This isn't the place to rehearse my agreements and disagreements with the various thinkers in this tradition. But since you specifically mentioned Maria Mies, let me say that she was the first to develop a "world systems" perspective on social reproduction. Her account of the link between European "housewifization" and Third World colonization remains a major contribution and unsurpassed insight.³⁰ On the other hand, I'm not sympathetic to the "subsistence perspective" she developed with Veronika Bennholdt-Thomsen; nor to the version of ecofeminism she developed with Vandana Shiva – both romanticize a supposed "outside" of capitalism, as I will explain later on.³¹

But let me make one general point about my relation to this tradition. Many of the thinkers I've mentioned construe social reproduction quite narrowly, as concerned only with the reproduction of labor power, whereas I take a broader view of it. For me, social reproduction encompasses the creation, socialization, and subjectivation of human beings more generally, in all their aspects. It also includes the making and remaking of culture, of the various swaths of intersubjectivity that human beings inhabit – the solidarities, social meanings, and value horizons in and through which they live and breathe. In addition, I want to take a broad view of the sites where social reproduction is located in capitalist society. Unlike those Marxist-feminists who associate this activity exclusively with the domestic sphere of the household, I find it occurring in multiple sites, including, as I just mentioned, neighborhoods, civil society associations, and state agencies, but also increasingly in marketized realms.

Jaeggi: You mentioned subjectivation as an element of social reproduction. Does that mean that you want to fold the Foucauldian problematic into the feminist perspective? For that matter, you also mentioned the terms *habitus* and *Sittlichkeit*, which suggests that you also want to include Bourdieusian concerns and the "ethical" and cultural concerns of neo-Hegelian thinkers.

Jaeggi: You've said several times that the connection is structural. But you haven't actually spelled that out. What exactly are the structural mechanisms that drive capital to cultivate a hidden abode of expropriation beneath the Marxian story of exploitation?

Fraser: Well, to begin with, a system devoted to the limitless expansion and private appropriation of surplus value gives the owners of capital a deep-seated interest in confiscating labor and means of production from subject populations. In that way, they obtain productive inputs for whose reproduction they do not (fully) pay. We know that, in exploitation, they are supposed to pay the reproduction costs of the free workers whose labor power they purchase in exchange for wages. But their production costs would soar if they also had to pay the full reproduction costs of other inputs, such as energy and raw materials. So they have a strong incentive to seize land and mineral wealth; to conscript the unfree labor of subjugated or enslaved populations; and to extract stores of fossilized energy that formed beneath the crust of the earth over hundreds of millions of years. Profit rates rise to the extent that capital is able to free-ride on such processes, avoiding responsibility for their replenishment.

But that is not all. Expropriation also lowers the reproduction costs of "free labor." Jason W. Moore explains this point with a memorable line: "Behind Manchester stands Mississippi."⁴⁴ He means that goods (cotton, sugar, coffee, tobacco) produced under racialized slavery cheapened the cost of living for industrial workers, allowing capital to pay them lower wages and to reap higher profits. Polanyi tells a similar story about the repeal of the protectionist British Corn Laws in the nineteenth century.⁴⁵ By opening up free trade in corn and grain, industrial and commercial interests were able to cheapen the cost of food and thereby to drive down wages of English workers. In other words, by confiscating resources and capacities from unfree or dependent subjects, capitalists could more profitably exploit "free workers." And so what I have taken to calling the two "exes" (exploitation and expropriation) are intertwined.

This shows that expropriation is advantageous for capital in "normal" times. But it becomes even more so in periods of crisis, which occur periodically and for non-accidental reasons in the course of capitalist development. In those times, intensified confiscation of resources serves as a critical if temporary fix for restoring profitability and navigating economic crisis. Expropriation can also help defuse capitalism's political crises, which can sometimes be tempered or averted by transferring value seized from populations that appear not

the mark that distinguishes free subjects of exploitation from dependent subjects of expropriation.

Jaeggi: I agree that there is truth, in a historical sense, to Luxemburg's idea – which Harvey and now you have taken up – that original accumulation and dispossession or expropriation are ongoing features of the capitalist story. But isn't there a further, even more dramatic implication of this modification of Marx's original idea? The original Marxist picture was that these moments of primitive accumulation or expropriation are framed as features of capitalism's distant past, so that, whenever these things occur today, it is only at the margins of capitalism and no longer integral to its continuation. But if expropriation is not just a precondition but an ongoing condition, then capitalism has an ongoing imperative to explore more and more terrain to expropriate. It has to look out for ever-new grounds not just of capital accumulation but of possible dispossession. This is actually a dramatic change with respect to classical Marxism.

Fraser: Yes, it is dramatic, though perhaps no more so than the other back-stories I've been proposing, which together make visible entire "hidden abodes" beneath Marx's front-story. And just as we can build on rich bodies of feminist, ecological, and political thought to develop those other back-stories, so we can build here on the very distinguished tradition of "Black Marxist" thought, which runs from C. L. R. James, W. E. B. Du Bois, Eric Williams, and Oliver Cromwell Cox in the 1930s and 1940s to Stuart Hall, Walter Rodney, Cedric Robinson, and Angela Davis (among many others) in the late twentieth and twenty-first centuries.⁴³ These thinkers rejected the conventional economic, class-essentialist, and color-blind assumptions of orthodox Marxism, but without throwing out the baby with the bathwater. That is the stance I take as well.

Building on that illustrious tradition, I maintain that expropriation has always been entwined with exploitation in capitalist society; that even "mature" capitalism relies on regular infusions of commandeered capacities and resources, especially from racialized subjects, in both its periphery and its core; that its resort to them is not just sporadic, but a regular aspect of business-as-usual. In short, the connection is not just historical. On the contrary, there are structural reasons for capital's ongoing recourse to expropriation – hence, for its persistent entwinement with imperialism and racial oppression.

Fraser: Yes, that's right. I am deliberately casting a broad net here. My aim is to develop an *expanded conception of capitalism* that can incorporate the insights of all of those paradigms. I would argue, in fact, that the insights of Foucault, Bourdieu, and the neo-Hegelians who focus on "ethical life" only receive their full meaning and importance when they are situated in relation to capitalism as a historically elaborated social totality. I think a full account of social reproduction must integrate the concerns of Marxist- and socialist-feminists with those of theorists of subjectivation, *habitus*, culture, lifeworld, and "ethical life."

Jaeggi: The Marxist-feminist claim that unpaid reproductive labor is necessary for productive labor has raised quite a heated debate. A lot of that has focused on whether this amounts to a sufficient theory of patriarchy – let alone heteronormativity. But even if we focus on the claim about capitalism needing such a background, this is a strong thesis. I find it interesting that your view is that, by extending the background, you can make the argument hold better. This in fact goes half-way to seeing capitalism as an entire form of life. But for you, though you understand reproduction much more broadly than in most accounts, you also situate it in relation to commodity production, taking it to be one of the latter's necessary background conditions and enabling presuppositions.

Fraser: Yes, I do understand social reproduction very broadly. But the point I want to stress here concerns the very specific way in which social reproduction is *institutionalized* in capitalist society. Unlike earlier societies, capitalism institutes a division between social reproduction and commodity production. Their separation is utterly fundamental to capitalism – and indeed is an artifact of it. And as many feminists have stressed, this division is thoroughly gendered, with reproduction associated with women and production with men. Historically, the split between "productive" waged labor and "reproductive" unwaged labor has underpinned modern capitalist forms of women's subordination. Like that between owners and workers, this division, too, rests on the break-up of a previous unity. In this case, what was shattered was a world in which women's work, although distinguished from men's, was nevertheless visible and publicly acknowledged, an integral part of the social universe. With capitalism, by contrast, reproductive labor is split off, relegated to a separate, "private" sphere, where its social importance is obscured. And, of course, in a world where money is a primary medium of power, the

fact of its being unpaid seals the matter: those who do this work are structurally subordinate to those who earn cash wages, even as their work also supplies some necessary preconditions for wage labor.

Jaeggi: I'm not so happy with your account of this development as the "break-up of a previous unity." Some nostalgia seems to be in play here, a nostalgic tone that suggests that the undifferentiated state of pre-modern or feudal societies is somehow more desirable. But wouldn't this then obscure the emancipatory effects, or at least ambivalences, that flow from their break-up? And doesn't it also lend itself to the misleading suggestion that the supposed former unity was "more natural?" I would hold that these "unities" were themselves the result of a historical development. In fact, neither the former "unity" nor its subsequent split-up is a natural state of affairs. Both are historical and social all the way down. So there is a certain danger in your account. It might sound conservative or backward-looking, as if there were an innocent past that we should try to recover. Surely you don't mean to suggest that!

Fraser: No, absolutely not! That's the last thing I want to suggest! So let me clarify. What capitalism disrupted was not an "original unity" to which we should try to return. It was in every case a thoroughly historical, and often hierarchical, form of society, albeit one that did not hive off production from reproduction. That division was quite unknown in feudalism, for example – capitalism alone can claim credit for it. But it doesn't follow that precapitalist societies were gender-egalitarian or otherwise desirable. On the contrary, the rise of capitalism brought many positive, emancipatory developments, as Marx often stressed. He was much better in this respect than Polanyi, who was so relentless in stressing the negative that he overlooked capitalism's upside. Having criticized Polanyi for succumbing to nostalgic communitarianism, I could hardly do the same thing myself.³² No, I certainly don't want to idealize precapitalist society!

My point is rather that the division between production and reproduction is a historical artifact of capitalism, not a "natural" state of affairs. And it is not given once and for all. On the contrary, the division develops historically and takes different forms in different phases of capitalist development. In the twentieth century, for example, some aspects of social reproduction that had previously been privatized were transformed into public services and public goods; they were de-privatized but not commodified. Today, by contrast, neoliberalism is (re)privatizing and (re)commodifying some of these services, as well

chiefs associated with it: metropolitan citizens versus colonial subjects, free individuals versus slaves, "Europeans" versus "natives," "Whites" versus "Blacks." So yes, you are right. To understand the status divisions that underlie capitalism's racial formations, we need to attend simultaneously to all these levels: national/domestic, international/"Westphalian," and colonial/imperialist.

Jaeggi: Okay. That point is clear. But tell me: what is the relation between your view that expropriation is central to capitalism and Marx's account of primitive accumulation? According to Marx, capital was initially stockpiled through the outright theft of resources, land, animals, labor, the commons, without any pretense of contract. Such confiscations simultaneously generated the private property of the capitalist class while separating workers from the means of production.⁴⁰ And subsequent thinkers have developed this idea. I am thinking of Rosa Luxemburg's concept of "Landnahme" and David Harvey's idea of "dispossession."⁴¹ How would you situate your view of expropriation in relation to these thinkers?

Fraser: I already said that my view – that exploitation rests on the even more hidden abode of expropriation – is inspired by Marx's account of "primitive" or "original accumulation," with which it has clear affinities. But what I am arguing here differs in two respects. First, primitive accumulation denotes the "blood-soaked" process by which capital was initially stockpiled at the system's beginnings.⁴² Expropriation, in contrast, designates an ongoing confiscatory process essential for sustaining accumulation in a crisis-prone system. I am closer in this respect to Luxemburg and Harvey, who also stress the continuing character of so-called primitive accumulation.

But there is also a second respect in which I differ from Marx. He introduced primitive accumulation to explain the historical genesis of the class division between propertyless workers and capitalist owners of the means of production. Expropriation explains that as well, but it also brings into view another social division, equally deep-seated and consequential, but not systematically theorized by Marx – nor, for that matter, by Luxemburg or Harvey. I mean the social division between the "free workers" whom capital exploits in wage labor and the unfree or dependent subjects whom it cannibalizes by other means. Historically, that second division correlates roughly but unmistakably with the color line. In my view, the expropriation of racialized "others" constitutes a necessary background condition for the exploitation of "workers." In fact, I would say that "race" just *is*

means of production and proletarianized, they are protected, at least *in theory*, from (further) expropriation. In this respect, their status differs sharply from those whose labor, property, and/or persons are still subject to confiscation to capital's benefit; far from enjoying protection, the latter populations are defenseless, fair game for expropriation – again and again.

This status differential is forged politically. The paradigmatic agencies that afford or deny protection are states. And it is largely states, too, that perform the work of political subjectivation. They codify the status hierarchies that distinguish citizens from subjects, nationals from aliens, entitled workers from dependent scroungers – all categories that invite racialization. These distinctions are essential for a system that pursues accumulation simultaneously along two tracks. They construct and mark off groups subject to brute expropriation from those destined for “mere” exploitation. In codifying and enforcing those distinctions, states supply yet another indispensable precondition for capital accumulation.

Jaeggi: I can see how states are engaged in codifying the subjective statuses that underwrite expropriation and exploitation, respectively. And I see how those statuses are connected with race. But you have insisted throughout our discussion that capitalism's political order is inherently geopolitical. Aren't transnational arrangements also implicated in political subjectivation and in the racial hierarchies associated with it?

Fraser: Yes, that's right. We can't understand the dynamics of racialization if we limit our thinking to the national frame. We already said that capitalism's economy has always relied on trans-state political powers to facilitate flows of value across borders. But these powers are also implicated in fabricating the political statuses essential to capital accumulation. Obviously, the “Westphalian” system of sovereign territorial states underwrites the border controls that distinguish lawful residents from “illegal aliens,” as well as the limits of political community that demarcate citizens from non-members; and those status hierarchies are racially coded – just think of current conflicts over migration and asylum. But that is not all. Capitalism's other, unofficial geography, its imperialist division of “core” and “periphery,” is at work here as well. Historically, the capitalist core appeared as the emblematic heartland of exploitation, while the periphery seemed to be the iconic site of expropriation. And that geography was explicitly racialized from the get-go, as were the status hierar-

as commodifying other aspects of social reproduction for the first time. By demanding retrenchment of public provision at the same time that it is massively recruiting women into low-waged service work, it is remapping the institutional boundaries that had previously separated commodity production from social reproduction. As a result, neoliberalism is reconfiguring the gender order of capitalist society. Equally important, it is turning social reproduction into a major flashpoint of capitalist crisis in the present period.

I maintain, in fact, that all capitalist societies entrench a *tendency to social-reproductive crisis* – over and above the tendency to economic crisis theorized by Marx. As I'll explain in chapter 2, this strand of crisis is grounded in a structural contradiction – in the fact that the capitalist economy simultaneously relies on and tends to destabilize its own social-reproductive conditions of possibility.

Jaeggi: We'll get to that later. Here I want to stick with your idea that the move, in feminist theory, from commodity production to social reproduction inaugurates another epistemic shift, as profound as Marx's shift to “primitive” or original accumulation. In the reproduction case, too, we move from the front-story of exploitation to a back-story of what makes exploitation possible. And in both cases, the new perspective needs to be fully elaborated and integrated into our understanding of capitalism. But you said you wanted to introduce three such epistemic shifts. So what are the other two?

From human to non-human nature

Fraser: The second one is the shift inaugurated in eco-Marxian and eco-socialist thought, which foregrounds another condition of possibility for a capitalist economy. Just as Marx, Harvey, and (one should add) Rosa Luxemburg have revealed the back-story of capital's reliance on “original” and ongoing dispossession, and just as feminists have disclosed the back-story of capital's dependence on women's unwaged labor of social reproduction, so these thinkers are now writing another back-story – this time about capital's free-riding on nature. This eco-Marxian story concerns capital's annexation (*Landnahme*) of nature, both as a “tap” to provide “inputs” to production and also as a “sink” to absorb the latter's waste. Nature here is made into a resource for capital, one whose value is both presupposed and disavowed. Capitalists expropriate it without compensation or replenishment and treat it as costless in their accounts.

So they implicitly assume it to be infinite. In fact, nature's capacity to support life and renew itself constitutes yet another necessary background condition for commodity production and capital accumulation. Needless to say, it is also indispensable in sustaining all our *dramatis personae*: owners, producers, reproducers, and expropriated or colonized subjects, none of whom could exist without it.

Like the perspective of social reproduction, this one, too, has been theorized by an impressive group of thinkers – James O'Connor, John Bellamy Foster, Jason W. Moore, Joan Martinez-Alier, and many others.³³ And, like the social-reproduction perspective, this one, too, foregrounds a historical division that is fundamental to capitalism. Structurally, capitalism assumes (indeed inaugurates) a sharp division between a natural realm, conceived as a free, unproduced supply of “raw materials,” available for appropriation, and an economic realm, conceived as a sphere of value, produced by and for human beings. Along with this goes a hardening of the pre-existing distinction between “humanity,” which is figured as spiritual, socio-cultural, and historical, and (non-human) “nature,” which is cast as material, objectively given, and ahistorical. The sharpening of this distinction, too, rests on the break-up of a previous world, in which the rhythms of social life were adapted in many respects to those of non-human nature. Capitalism brutally separated human beings from those latter rhythms, conscripting them into industrial manufacturing powered by fossil fuels and into profit-driven agriculture bulked up by chemical fertilizers. Introducing a “metabolic rift,”³⁴ it inaugurated what scientists now call “the Anthropocene,” an entirely new geological era in which human activity decisively impacts the Earth's ecosystems and atmosphere. Actually, that term is misleading, since the principal culprit is not “humanity,” but capital.³⁵ But the effects are real enough. After three centuries of capital's predations, capped by neoliberalism's current assault on what remains of the ecological commons, the natural conditions of accumulation have now become a central node of capitalist crisis.

Jaeggi: Once again, this can sound a bit romantic and backward-looking. I'm quite glad that my life does not conform to nature's rhythm – I wouldn't want to have to go to bed as soon as it gets dark. And as bad as ecological crises in capitalism are, precapitalist crises, where people were dying as a result of plagues and starving as a result of bad harvests, were also not much fun. Couldn't we view the split between the human and the natural – and the resulting mastery over nature – as a good thing as well?

a status hierarchy. Whereas exploited workers are accorded the status of rights-bearing individuals and citizens who enjoy state protection and can freely dispose of their own labor power, those subject to expropriation are constituted as unfree, dependent beings who are stripped of political protection and rendered defenseless – as, for example, in the cases of chattel slaves, colonized subjects, “natives,” debt peons, “illegals,” and convicted felons. (Recall that I hinted at this point earlier, when we discussed the worker's double freedom.) The third and final step is that this status differential coincides with “race.” It is overwhelmingly racialized populations who lack political protection in capitalist society and who are constituted as *inherently expropriable*.

Jaeggi: I understand that you are claiming that expropriation is a built-in feature of capitalism, a structural and ongoing feature, and that it correlates strongly with racial oppression. But I still don't see how it relates to capitalism's institutional divisions. Exactly where and how is the distinction between exploitation and expropriation anchored in your picture of capitalism as an institutionalized social order? You seemed to imply that the distinction was not just economic but also political, that it correlated with freedom and subjection, with access to and deprivation from political protection. So are you saying that the line between the two “exes” is drawn politically? That it is grounded in the economy/polity division, which is constitutive of capitalism as you understand it?

Fraser: Yes, that's exactly what I'm saying. The distinction between expropriation and exploitation is simultaneously economic and political. At one level – call it “economic” – these terms name mechanisms of capital accumulation, analytically distinct yet intertwined ways of expanding value. In the case of exploitation, capital pays for the workers' socially necessary costs of reproduction in the form of wages, while appropriating the surplus their labor creates. In expropriation, by contrast, it simply seizes labor, persons, and land without paying for their costs of reproduction. That's the nub of the distinction when viewed economically. Viewed politically, however, it's about hierarchical power relations and status differentials, which distinguish rights-bearing individuals and citizens from subject peoples, unfree chattel slaves, and dependent members of subordinated groups. In capitalist society, as Marx insisted, and as we ourselves noted before, exploited workers have the legal status of free individuals, authorized to sell their labor power in return for wages; once separated from the

and racism. Where exactly do these matters fit into your account, and how would you relate them to the various spheres, divisions, and boundaries that you have identified? For example, you said that you modeled your account of the front-story/back-story relation on Marx's discussion of "primitive accumulation," but you haven't discussed that issue in its own right. And it's with regard to relations of colonial and imperial oppression that this topic is often brought up. Marx himself, in fact, stresses this connection.

Fraser: I take imperialism and racial oppression to be integral to capitalist society, as integral as gender domination. Just as we found a structural basis for gender hierarchy in capitalism's constitutive institutional separation of production from reproduction, so we should also look for built-in, constitutive institutional bases for racial and imperial oppression.

Jaeggi: So where would you locate the institutional division that anchors racial oppression? What is the racializing analogue to the gendered division between production and reproduction?

Fraser: As before, my idea turns on the distinction between capitalism's foreground economy and the latter's background conditions of possibility. But in this case, we don't need to reinvent the wheel. We can follow the path laid out by Marx in his chapter on "primitive accumulation," to which you just referred. In that chapter, he tunneled beneath the hidden abode of exploitation to excavate an even more obfuscated realm, which I've called "expropriation." Building directly on Marx's argument, while taking it further than he did, I see expropriation as another abode behind the abode, which makes exploitation possible. And when it is properly understood, the back-story of expropriation clarifies the structural place of imperial and racial oppression in capitalist society. Let me explain.

Expropriation is accumulation by other means. Whereas exploitation transfers value to capital under the guise of a free contractual exchange, expropriation dispenses with all such niceties in favor of brute confiscation – of labor, to be sure, but also of land, animals, tools, mineral and energy deposits, and even of human beings, their sexual and reproductive capacities, their children and bodily organs. Both of these "exes" are equally indispensable to capital accumulation, and the first one depends on the second; you could not have exploitation without expropriation. That is the first step of my argument. The second is that the distinction between the two "exes" corresponds to

Fraser: Perhaps. But as with the production/reproduction separation, my point is not to idealize a supposedly original unity, but rather to view the division between the human and non-human historically, as well as to reckon the gains and the losses. That is because this division, too, undergoes a series of structural mutations in the different phases of capitalist development. The current neoliberal phase is full of complexities. On the one hand, we are facing a new round of enclosures – think, for example, of the commodification of water – which are bringing "more of nature" (if one can speak that way) into the foreground of the official accumulation process. At the same time, neoliberalism is also proliferating new technologies that promise to blur the nature/human boundary – just think of new reproductive technologies, the bio-engineering of sterile seeds, and the various "cyborgs" that Donna Haraway has written about.³⁶ Far from offering a "reconciliation" with nature, however, these developments intensify capitalism's commodification-cum-annexation of it. Certainly, they are far more invasive than the land enclosures Marx and Polanyi wrote about. Whereas those earlier processes "merely" marketized already-existing natural phenomena, their 21st-century counterparts are producing new ones. Penetrating deep "inside" nature, neoliberalism is altering its internal grammar. We could see this as another case of "real subsumption," analogous to the real subsumption of labor we discussed earlier. Finally, we are also seeing halting efforts to assert public political responsibility for sustaining the Earth's biosphere, which would require a profound structural transformation of our way of life – a shift from fossil fuels to renewable energy. And all this occurs, of course, against the background of looming ecological crisis, which I understand as yet another, structurally grounded "moment" of capitalist crisis. As I'll explain in chapter 2, capitalist societies institutionalize an *ecological contradiction*: capital simultaneously relies on and tends to destabilize its own "natural" conditions of possibility.

From economy to polity

Jaeggi: What about the third shift? Doesn't capitalism depend on political conditions? One could call state power another background condition for the front-story of capitalism. Political power has certainly shaped capitalist societies and economies more than people are sometimes ready to admit when they conceive of the capitalist economy as a bounded sphere with a logic of its own.

Fraser: Yes, that's exactly what I had in mind. Capitalism relies on public powers to establish and enforce its constitutive norms. A market economy is inconceivable, after all, in the absence of a legal framework that underpins private enterprise and market exchange. Its front-story depends crucially on public powers to guarantee property rights, enforce contracts, adjudicate disputes, quell anti-capitalist rebellions, and maintain, in the language of the US Constitution, "the full faith and credit" of the money supply that constitutes capital's lifeblood. Historically, the public powers in question have mostly been lodged in territorial states, including those that operated as colonial powers. It was the legal systems of such states that established the contours of seemingly depoliticized arenas within which private actors could pursue their "economic" interests, free from overt "political" interference, on the one hand, and from patronage obligations derived from kinship, on the other. Likewise, it was territorial states that mobilized "legitimate force" to put down resistance to the expropriations through which capitalist property relations were originated and sustained. Finally, it was such states that nationalized and underwrote money. Historically, we might say, the state *constituted* the capitalist "economy."

Here we encounter another major structural division that is constitutive of capitalist society: the *division between economy and polity*. With this division comes the institutional differentiation of public from private power, of political from economic coercion, of the noisy, strident compulsion of armed force from (what Marx called) the "silent compulsion" of capital. Like the other core divisions we have discussed (those between owners and producers, producers and reproducers, human and non-human nature), this one, too, arises as a result of the break-up of a previous unity. In this case, what was dismantled was a social world in which economic and political power were effectively fused – as, for example, in feudal society, which vested control over labor, land, and military force in the same institution of lordship and vassalage. In capitalist society, by contrast, as Ellen Meiksins Wood has elegantly shown, economic power and political power are split apart; each is assigned its own sphere, its own medium and *modus operandi*.³⁷

Jaeggi: The picture you've just sketched sounds very "Westphalian." What about globalization? How does the picture change once the national state is no longer in charge to the extent that you just described? How then are these political background conditions established under conditions of a globalized economy?

Fraser: Good point. We must not imagine capitalism's political conditions of possibility exclusively on the level of the territorial state. We must also consider the geopolitical level. What is at issue here is the organization of the broader space in which territorial states are embedded. This is a space to which capital naturally gravitates, given its expansionist thrust. But its ability to operate across borders depends on international law, brokered arrangements among the Great Powers, and supranational governance regimes, which partially pacify (in a capital-friendly way) a realm that is often imagined as a state of nature. Throughout its history, capitalism's front-story has depended on the military and organizational capacities of a succession of global hegemonies, which, as Giovanni Arrighi argued, have sought to foster accumulation on a progressively expanding scale within the framework of a multi-state system.³⁸

Here we find some other structural divisions that are constitutive of capitalist society: the "Westphalian" division between the "domestic" and the "international," on the one hand, and the imperialist division between core and periphery, on the other – both premised on the more fundamental division between an increasingly global capitalist economy organized as a "world system" and a political world organized as an international system of territorial states. These divisions are currently mutating as well, as neoliberalism is increasingly hollowing out the political capacities on which capital has historically relied at both the state and geopolitical levels. As a result of this hollowing out, capitalism's political conditions of possibility are also now a major site and flashpoint of capitalist crisis.

We can speak here of a *political crisis of capitalist society* over and above the other strands of crisis I mentioned before. As I'll explain in chapter 2, this strand of crisis is grounded in a specifically *political contradiction* of capitalist society – in the fact that its economy simultaneously relies on and tends to destabilize public powers. Fortunately, there's a raft of excellent work on this point as well, ranging from Polanyi and Hannah Arendt on liberal capitalism, to Jürgen Habermas on state-managed capitalism, and Wendy Brown, Colin Crouch, Stephen Gill, Wolfgang Streeck, and Nancy MacLean on the financialized capitalism of the present day.³⁹

Race, imperialism, and expropriation

Jaeggi: You just mentioned the distinction between core and periphery, and we've noted earlier capitalism's entwinement with slavery