

Philosophy and Politics - Critical Explorations

Albena Azmanova  
James Chamberlain *Editors*

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# Capitalism, Democracy, Socialism: Critical Debates

 Springer

# Philosophy and Politics - Critical Explorations

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Albena Azmanova • James Chamberlain  
Editors

# Capitalism, Democracy, Socialism: Critical Debates

 Springer

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# About the Editors

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In 2021, Chamberlain and Azmanova founded and now edit the open-access journal *Emancipations* ([www.emancipations.org](http://www.emancipations.org)), which publishes cutting-edge research on capitalism from around the globe.



# Chapter 1

## Introduction



# Democracy, Capitalism, Socialism, or None of the Above – Deciphering History’s Tremors

Albena Azmanova and James Chamberlain

**Abstract** We are on the verge of a tectonic socio-political shift. The impetus for transformation is tangible in policy-making, social criticism and intellectual critique. This book tries to make sense of this moment of radical instability by orienting analysis towards three cardinal points in modern social life: capitalism, socialism and democracy. Working on the intersection of the concepts and focusing on specific features of the contemporary social order, the analyses collected here offer a survey of some of the pressing issues and debates surrounding twenty-first century capitalism. In addition to exploring directly the relationship between capitalism, socialism and democracy (Chap. 2), contributions to this volume examine privatization and the governance of the commons as the leading dichotomy that has structured debates on economic organization (Chap. 3), financialization as a key mechanism of capitalism’s expansion and transformation (Chap. 4), and technology and work as central institutions in the consolidation of capitalism, as well as its potential overcoming (Chap. 5). In seeking to discern the parameters of radical progressive change, we review variegation within global capitalism (Chap. 6), cosmopolitanism, development and human rights (Chap. 7), feminist theory and social solidarity (Chap. 8), the ecological trauma as a catalyst for seeking an alternative to capitalism beyond the horizon of socialism (Chap. 9), and capitalist crisis (Chap. 10). The exigencies of radical progressive transformation are clear; the available paths are many, as this volume displays and offers a rudimentary map with which to navigate this shifting terrain.

**Keywords** Democracy · Capitalism · Critique · Social transformation · Crisis

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The neoliberal order – erected, as it is, on a cross-ideological consensus in favor of free markets and trade, cultural liberalism, and internationalism in foreign policy – is shaking. On one front, anti-establishment protests around the globe – from the Indignados in Spain, the Mashtots in Armenia, the Movimento Passe Livre in Brazil and the Occupy movement in the U.S – burst the bubble of apparent consent to the neoliberal order that had appeared intact since the mass anti-war marches in the early 2000s. Many of these mobilizations declared themselves to defy the left-right divide and opposed political partisanship and institutionalised politics altogether – in a radical move to defy all political dogmas, including those about progressive politics. Some of these movements translated their efforts into success at the ballot box, with the emergence of Podemos in Spain and Syriza in Greece, while radical currents found greater support within established parties like the US Democrats and the UK Labour party. Members of the ‘yellow vests’ movement in France ran in the European Parliament elections. On another front, the neoliberal hegemony and its related internationalism suffered at least a rhetorical defeat with the election of right-wing populists like Donald Trump in the United States, Viktor Orbán in Hungary, and Andrejz Duda in Poland, as well as the result of the referendum in Britain to leave the European Union, in a gesture of regaining national sovereignty.

It is still unclear whether these first blows to the neoliberal status quo will uproot it. The space of uncertainty they have opened is fast getting filled with contradictions and paradoxes. At the global level, the Millennium Development Goal of halving extreme poverty was met in 2010 (5 years early), proving that global policy coordination, together with transnational civil society mobilization, are effective engines of progressive politics. Yet this success has only further fueled the debate on appropriate paths of reform. Proponents of market liberalization have praised globally integrated capitalism for lifting nearly a billion people out of destitution. On the other hand, critics point to increasing inequality, the growth of urban poverty, and the fact that global capitalism has eliminated sustainable forms of economic life that are not reliant on money and replaced them with precarious market economies.<sup>1</sup>

At the national level – but with clear transnational resonances and affinities – autocratic leaders in Poland, Hungary, Bulgaria, Brazil, the US, the UK and elsewhere are rising to power through democratic electoral politics. Violations of the rule of law are becoming trademarks of old liberal democracies – as assaults on press freedom and civil rights increase in Austria, France and Spain.<sup>2</sup> The

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<sup>1</sup>Homi Kharas and Wolfgang Fengler, “Global Poverty is Declining but not Fast Enough,” *Brookings* November 7, 2017, accessed February 13, 2019, <https://www.brookings.edu/blog/future-development/2017/11/07/global-poverty-is-declining-but-not-fast-enough/>

<sup>2</sup>Reporters Without Borders, “Austria: Freedom Party attacks Austria’s public broadcaster again” (1 May 2019); Reporters Sans Frontières, ‘Qui possède les medias en France?’, (7 Dec 2017); OHCHR. ‘France: UN experts denounce severe rights restrictions on “gilets jaunes” protesters’ (2019). Amnesty International. ‘France: New security law risks dystopian surveillance state’, (3 Feb 2021.); “Should politicians be prosecuted for statements made in the exercise of their mandate?” a Council of Europe report pursuant to Parliamentary Assembly’s Resolution 2381 of 21 June 2021.

anti-establishment outrage often seems to do no more than plead for inclusion in a deeply unjust system, as when the Spanish *indignados* declared, “We are not against the system, the system is against us”. The Greek Communist Party Syriza was tasked by a popular vote to defy the EU’s economic dictate, yet it accepted the EU’s demands. And the most bewildering development – those very neoliberal governments that were supposed to be vassals to markets, abandoned these markets during the Covid-19 pandemic in order to save lives, thereby bringing the economy to the brink of collapse.<sup>3</sup>

We are on the verge of a tectonic socio-political shift. The impetus for transformation is tangible in policy-making, social criticism and intellectual critique. While the contours of the future are still indiscernible, now is the time to venture a fresh diagnosis of the dynamics driving this shift. This book tries to make sense of this moment of radical instability by orienting analysis towards three cardinal points in modern social life: capitalism, socialism and democracy. Debates over the meaning and merits of these concepts, as well as their inter-relations, have held a prominent place in the search for the social parameters of our collective and individual welfare for nearly two centuries, and the arguments explored in this volume suggest that they will remain central for the foreseeable future.

The dichotomy capitalism/socialism has been used to categorize the spectrum of available choices of social organization since the very notion of capitalism (rather than simply a market society) originated in the writings of the mid-nineteenth century European Socialists. These activists set out to describe and deplore the exploitation and immiseration of the industrial working class as the very producers of material wealth. Reacting to the experiments with “actually existing socialism” in the twentieth century, defenders of capitalism have consistently invoked socialism’s costs in terms of political oppression, economic inefficiencies and environmental damage. Meanwhile, critics of capitalism have increasingly highlighted the environmental harms of *that* social order, while the co-existence of political authoritarianism and capitalism demonstrates that not only socialism can lead to political oppression. Relatedly, the combat between capitalism and socialism is often assessed in terms of their relationship with democracy: parties and movements across the ideological spectrum invariably claim democratic credentials, while claiming that their adversaries and the positions they defend pose the *real* threat to democracy.

Much in these debates hinges on how precisely capitalism, socialism and democracy are defined. Indeed, these terms demarcate conceptual spaces too vast to attempt to cover in a single volume. Our approach instead has been to work at the intersection of the concepts and to focus on specific features of the contemporary social order. While we have avoided privileging any particular definition or intellectual approach to the study of capitalism, it is worth emphasizing that this project

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<sup>3</sup>The World Bank announced in June 2020 that the measures adopted to contain the epidemic have triggered the deepest recession since the Second World War (World Bank press release, June 9, 2020: <https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii> 2020; accessed 27 July 2021).

emerged from a group of *political scientists*, specifically the newly “resurrected” Research Committee on Socialism, Capitalism and Democracy (part of the International Political Science Association). The challenges of collaborative work, combined with the disruptions of the Covid-19 pandemic, have meant that not all chapters are co-authored by members of the Research Committee on Socialism, Capitalism and Democracy of the International Political Science Association as originally envisioned. However, we believe that the final product does justice to the original vision, and hope that this volume meets the need that we initially identified for a comprehensive yet accessible introduction to some of the pressing issues and debates surrounding twenty-first century capitalism.

The analyses that make up this volume align with the approach to capitalism that characterizes critical theory (broadly construed), insofar as they exhibit three key features. First, critical theory regards capitalism not simply as an economic system, but instead understands the economy as nested within a broader social order that comprises political, social, cultural, and environmental processes. Second, for critical theorists, the systemic critique of capitalism aims to uncover the power dynamics that underly the specific phenomena that are being scrutinized. Third, critical theory aspires to shed light on paths of emancipatory social change.

The chapters that follow aim to provide detailed overviews of ongoing thematic debates rather than original arguments, and as such our goal is to offer a volume that serves as a useful reference for readers looking for an introduction to the field. However, by bringing together a broad range of topics, we also hope that at least some chapters will present fresh material for even the more advanced scholar, and that their combination will perhaps trigger new questions and insights regarding capitalism. Thus, in addition to exploring directly the relationship between capitalism, socialism and democracy (Chap. 2), contributions to this volume examine privatization and the governance of the commons as the leading dichotomy that has structured debates on economic organization (Chap. 3), financialization as a key mechanism of capitalism’s expansion and transformation (Chap. 4), and technology and work as central institutions in the consolidation of capitalism, as well as its potential overcoming (Chap. 5). In seeking to discern the parameters of radical progressive change, we review variegation within global capitalism (Chap. 6), cosmopolitanism, development and human rights (Chap. 7), feminist theory and social solidarity (Chap. 8), the ecological trauma as a catalyst for seeking an alternative to capitalism beyond the horizon of socialism (Chap. 9), and capitalist crisis (Chap. 10).

In Chap. 2, “**Capitalism and Democracy: Complementarity, Complicity, Conflict, Compatibility,**” Brian Milstein sets out four ways of theorizing the relationship between capitalism and democracy. While classical liberals have maintained that democracy and capitalism are *complementary* (and even that the former requires the latter), orthodox Marxists often held that liberal democracy as a political system is *complicit* in the maintenance of capitalism. Still other thinkers have characterized the relationship between democracy and capitalism as one of fundamental *conflict*, focusing in particular on questions about the effects of global corporations, financial markets, and international organizations on democratic self-determination and state capacity. Milstein, however, raises the possibility that

there is no inherent relationship to be discovered, but that there might be ways to *make* democracy and capitalism *compatible* with each other, for example by investigating the kinds of freedom and equality that democracy requires, and exploring the relations of production, allocation, and distribution that are necessary to sustain them.

Each of the following three chapters then addresses a core component of contemporary capitalism: private property, finance, and work. In Chap. 3, **“Privatization and the Governance of the Commons,”** Jordi Mundó, Soledad Soza, and Nayara F. M. M. Albrecht note that critiques of capitalism have often highlighted the negative effects of private property, including on the grounds that it undercuts the political equality of democracy. However, the authors show that the exclusivist version of private property that has prevailed since the eighteenth century is but one historical form among many other versions that are less clearly distinct from public property and the commons, and which emphasize the value of trusteeship. Indeed, the first part of the chapter demonstrates that modern political thought has often approached property rights in this latter sense, requiring justification in terms of public utility. The chapter then turns to a case study of aquaculture in Chile, paying particular attention to the outbreak of the Infectious Salmon Anaemia virus in 2007, which had a devastating effect on the industry. The authors examine the factors that enabled firms to operate without effectively solving the biohazards resulting from overproduction, especially private management of this particular Common Pool Resource through marine concessions. Based on this analysis, the authors then stress the importance of the common good and ecological limits in any reformulation of the governance of the commons.

In Chap. 4, **“Finance and the Financialization of Capitalism,”** Ivan Ascher, Carolyn Hardin, Steven Klein, Johnna Montgomery, and Emily Rosamond review the recent debates on the financialization of capitalism and explore its ramifications for a host of issues — the politics of race, gender, and welfare; for democracy and the state; for subjectivity and culture; and for global environmental crises — to conclude that the impact of finance has become so pervasive that we live in an era of “financialized citizenship”. Financial capital is often cast as a threat to political sovereignty and democracy, especially given the influence of international bond markets and inflows of foreign capital on the fates of countries. The authors deepen this argument by showing how financialization not only *constrains* democracy but effectively *shapes* it — for example, by forcing states to govern through the market and promoting the ideal of “collective sovereignty *as* responsibility for national debts.” They note that financialization has an impact even on the logic and structure of democratic political mobilization, as the various social groups and classes are increasingly integrated into financial markets in their everyday lives.

In Chap. 5, **“Technology and the Future of Work,”** James Chamberlain, Denise Celentano and Keally McBride explore the present and future of work within the context of the digitization of the economy, automation and Artificial Intelligence. Given that capitalism has always relied on the development and deployment of new technology, this chapter begins with a narrower focus on the role of “big tech” companies like Google and Amazon within contemporary capitalism. The services that

these companies provide have become essential to most other businesses in contemporary capitalism, a situation that the Covid-19 pandemic has intensified. At the same time, the business model of many big-tech companies is distinguished by relatively low labor costs, and the generation of profit from “raw materials” — personal data — that users provide for free, raising questions about the meaning and remuneration of work. The chapter also considers the gig-economy and algorithmic employers, as well as recent efforts to regulate and tax the sector. Having set out the role of big-tech companies in contemporary capitalism, the authors turn to empirical and philosophical debates on automation and Artificial Intelligence. The chapter thus explores the areas in which humans currently, and possibly always will, enjoy a comparative advantage over machines, and considers ethical questions raised by automation, with a particular focus on care work. The chapter concludes with an assessment of the role that technology could play in developing a post-work society.

In Chap. 6, “**Varieties of Neoliberal Capitalism,**” Jinah Kwon, George Klay Kieh and Tukumbi Lumumba-Kasongo address the development of various forms of capitalism within the broader neoliberal landscape, asking in particular to what extent this variegation harbors the prospect for meaningful alternatives to neoliberalism. The authors begin with a critical account of the neoliberal development model, including a review of its means features: the Structural Adjustment Program, the Highly Indebted Poor Countries Initiative, and the Poverty Reduction Strategy. While the success of the East Asian Tigers is often invoked to respond to criticisms of the neoliberal development model, based on a case study of South Korea, the authors argue that their economic success rests on a combination of a selective adoption of neoliberalism alongside state protectionism, but that even this has not spared these societies from the worst social effects of neoliberalism. The authors next offer an empirical analysis of the summits of the BRICS bloc (Brazil, Russia, China, South Africa) to understand the extent to which this bloc constitutes a genuine alternative economic model. They find that, while it does challenge the contemporary unilateral world dominated by the United States, the BRICS bloc lacks a coherent ideology shared by its members. To overcome the various shortcomings of the BRICS countries, the authors conclude by sketching the outlines of what they call the social democratic development state.

In Chap. 7, “**International Development, human rights and cosmopolitanism,**” James Chamberlain, Kevin Hockmuth and David Ingram begin with an assessment of “liberal cosmopolitanism.” This discursive constellation articulates economic globalization and development with human rights as mutually reinforcing and beneficial processes. Yet Chamberlain, Hockmuth and Ingram show that this particular form of cosmopolitanism is inherently unstable: although *some versions* of development and human rights can be made to overlap within a single framework (in this case liberal cosmopolitanism), closer examination of each distinct set of discourses and practices reveals tensions between them. For example, “development” has consistently rested on the promotion of capitalist growth, yet this has often resulted in negative human rights outcomes. Indeed, as the authors show, while some aspects of the human rights discourse can be used to justify capitalism, others can be mobilized to criticize it, especially its moral and aspirational claims.



Similarly, while mainstream cosmopolitanism has been criticized for its Eurocentrism and universalism, bottom-up approaches try to overcome these limitations, and also overlap with alternative modes of development such as *Buen-Vivir*. In this way, the chapter both critically analyzes the dominant model of liberal cosmopolitanism, and in examining in more detail cosmopolitanism, development and human rights, highlights historical and contemporary alternatives to their hegemonic articulation.

In Chap. 8, “**Feminist Theory and Social Solidarity**” Nathan Rochelle DuFord takes the contemporary support for social democratic programs as a provocation to explore the relationship between feminism and social solidarity. Indeed, given the tendency to attribute the left’s electoral losses to the eclipsing of the traditional materialist agenda by so-called “identity politics,” it is all the more urgent to theorize this relationship. To address the overriding question of whether the development of feminist solidarity can help further social solidarity more broadly, DuFord first offers a genealogy of solidarity, uncovering a range of definitions and deployments of the concept within social theory, including its relationship to democratic praxis. Here she finds a tension, however, for whereas social solidarity has a universalist and integrating logic — *e pluribus unum* — feminist solidarity aims to improve the lives of a particular group within society. To analyze the relationship between feminist theory and social solidarity in a more nuanced way, DuFord distinguishes between identitarian, post-identitarian, intersectional, and neoliberal forms of feminism. Of these, the post-identitarian and intersectional approaches offer the best prospects for building social solidarity, especially when they emphasize material concerns. On the other hand, neither identitarian nor neoliberal feminisms prove apt to promote social solidarity, especially due to the latter’s individualism and celebration of capitalism.

The environmental crisis has been a powerful catalyst in the pursuit of radical social transformation. In Chap. 9, “**Sustaining What? Capitalism, Socialism, and Climate Change**,” Ajay Singh Chaudhary surveys academic and policy debates on sustainability. Capitalism emerges as the culprit of the environmental trauma: through the concept of ‘extractive circuit’ Chaudhary traces the full scope of capitalism’s dynamics in order to expose the vicious cycle capital deploys in the metabolic interchange between society and nature. He then offers a panoramic survey of the state of play of environmental commitments in order to highlight what he calls the ‘sustainability paradox’ that haunts academic debates and policy efforts: sustainability in terms of safeguarding or stabilizing existing social systems are fundamentally at odds with sustainability in socioecological terms. He then reviews main bodies of academic and policy literature (from “green capitalism” to “degrowth” and eco-Marxism) that attempt, in vain, to solve the sustainability paradox. Chaudhary’s analysis discloses the need to recast the matrix of left-wing climate politics: while capitalism is the central driver of anthropogenic climate change, many of the problems identified aren’t simply dissolved by socialism. The task at hand is, instead, carving out what he names a “sustainable global human ecological niche capable of supporting the flourishing of some 7–9 billion humans”; an

imminent possibility which, while drawing on so many critical approaches, is a lateral radical project on its own.

In Chap. 10, **“Capitalism and Crisis: Thinking through capitalist crisis with Schumpeter and Polanyi,”** Gerard Delanty discerns paths for transcending capitalism that are implicit in conceptualisations of capitalism-in-crisis as developed by Joseph Schumpeter and Karl Polanyi. While the two authors were very different – Polanyi, a prominent socialist thinker; Schumpeter, an eminent right-wing economist – both were influenced by Marx’s analysis of capitalism and have helped to shape the debate on capitalism’s endogenous transformative dynamics. These insightful accounts, however, Delanty notes, share a common deficiency in their treatment of agency and purposeful political action. Crisis, he notes, is a turning point when social actors actively respond (rather than just react) to structural tensions, as they reinterpret social and political reality and set out to reshape it. This is the breeding ground for anti-systemic social struggles, which should be placed at the center of intellectual critique seeking to redesign progressive politics in the current historical junction.

The exigencies of radical progressive transformation are clear; the available paths are many, as this volume displays. Even as no revolution is in the offing, capitalism is on edge and societies are ripe for a novel future. Will or should this future emerge by taming capitalism or by democratizing it? Can socialism be reinvented in a form free from its anti-liberal propensities and its penchant for inefficient economic management? Do the regional varieties of neoliberal capitalism contain clues for alternatives that are still to be properly recorded and theorized? These are some of the overarching questions confronting us in this caesura of history. While you will not find definitive answers to them in this volume, we aim to provide a rudimentary map with which to navigate this shifting terrain.



# Chapter 2

## Capitalism and Democracy: Complementarity, Complicity, Conflict, Compatibility



**Brian Milstein**

**Abstract** In this chapter I review four ways of theorizing the relationship between capitalism and democracy. Classical liberalism has long maintained that capitalism and democracy are *complementary*—that both mutually reinforce the same demand for freedom or, at the very least, that the freedom democracy requires fits best with a competitive market system. Orthodox Marxists, meanwhile, often held that liberal democracy as a political system is *complicit* in the maintenance of capitalist domination. Still others have characterized the relationship between capitalism and democracy as one of fundamental *conflict*, with capitalists fearing takeover by democracy and democrats fearing takeover by capitalism. Finally, there are those who strive to make capitalism and democracy *compatible*, for example by de-commodifying democratic citizenship or re-politicizing capitalist institutions. In the course of reviewing these perspectives, I will argue that how one conceptualizes the relationship between capitalism and democracy varies greatly with how one defines these two terms, the normative value one places on each, the level of precision one brings to the analysis, and the social ontology one adopts.

**Keywords** Capitalism · Democracy · Liberalism · Marxism · Social ontology

Democracy predates capitalism by millennia. Nevertheless, it is difficult to overlook the ways the two evolved together in Western modernity, so much so that it is commonplace to speak of them as two sides of the same coin. Liberal thinkers have long maintained that capitalism and democracy are *complementary*—that both mutually reinforce the same demand for freedom or, at the very least, that the freedom democracy requires fits best with a competitive market system. But the relationship between the two has been hotly debated for centuries. Marxists have been known to claim that democracy—at least in its received liberal and parliamentary forms—functions as little more than an instrument of class hegemony. They view capitalism and democracy to not be so much complementary as *complicitous*. Still others take

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the two to be in outright *conflict*: there are those who argue that the freedom that resides in capitalism is under perpetual threat from democracy, and there are also those who argue that the freedom that resides in democracy is under perpetual threat from capitalism. And then there are those who take capitalism and democracy to be inherently neither complementary nor conflictual, yet they look for ways to make them *compatible* with each other.

The purpose of this chapter is not to defend any particular position in this long-running debate, but to give an overview of the major positions taken and the key arguments raised. Modest as this goal may initially sound, it is no easy task. One difficulty is the sheer volume of contributions that could be reasonably claimed relevant. It goes without saying that there will be important voices and perspectives left unincluded or given short shrift in what follows. More vexing, however, are the key terms themselves. Both “capitalism” and “democracy” denote evasive concepts that mean different things to different authors, and sometimes even different things to the same author using them in different contexts. Is capitalism defined more by free market exchange, by an institution of private property, or by a form of class division? And does the appellation “capitalist” describe the whole of a society or merely a subsystem within it? Is democracy more about electoral competition or a form of equality? Is it a form of life or just a form of government? And how closely does one link it with such things as liberalism or national self-determination? Moreover, when we talk about capitalism and democracy, are we talking about them in terms of the ideals and principles they espouse or in terms of how they actually exist and are practiced in history?

As it turns out, the mutivocality of the two terms is by no means incidental to the debate about their relationship. On the contrary, it is essential to understanding it. Whether one sees capitalism and democracy to be complementary or complicitous or conflictual or compatible correlates heavily with one’s assumptions not only about what these entities are and the normative value one places on each, but also the level of precision and even the social ontology one brings to the analysis. Accordingly, my aim will be less to provide an exhaustive survey of viewpoints than to sketch a rough framework for comparison. This chapter will be broadly guided by the four “C”-headings indicated above: complementarity, complicity, conflict, and compatibility. But as will become clear soon enough, these labels do not so much mark out a typology as a cartography: the four Cs do not represent a set of discrete and mutually exhaustive categories of logical relations between capitalism and democracy; at best, they mark points of orientation on a chaotic hermeneutic landscape. Moreover, several theories can be plausibly categorized under more than one of these four Cs. Despite all this, it remains possible to detect informative patterns and glean some useful criteria for comparing and evaluating various accounts.

## 2.1 Liberal Legacies and the Early Modern Tradition

The idea that capitalism and democracy are natural complements is by far the most prominent in public discourse. So closely are the two associated in the Anglophone imagination that, when confronted with the prospect of constraining one, most citizens will assume that the other will be constrained in equal proportion: “socialism” is almost as likely to be contrasted with “democracy” as with “capitalism.” Typically, their complementarity relies on the intervention of a third term—liberalism—which in principle supports both. Hence Francis Fukuyama writes in *The End of History and the Last Man* (1992) that it is the “liberal idea” that couples together a desire for prosperity and (“thymotic”) recognition and moves populations to *both* free markets and free elections. To be sure, both capitalism and democracy as they are commonly understood in Western modernity emerge in conjunction with the liberal tradition of post-Reformation Europe, and this legacy gives claims about their complementary a long pedigree: it allows both sets of ideas to draw on common languages, struggles, and purposes and to differentiate themselves from their medieval predecessors in similar ways.

And yet one need only scratch beneath the surface to find these claims of complementarity coming with significant reservations: despite their apparent co-evolution, the correct way to *understand* this complementarity has never been resolved. In fact, when pressed on the issue, most adherents to the complementary thesis ultimately take either democracy or capitalism to have priority. Indeed, assertions of complementarity seem to be strongest when the terms are given only general and minimalist definitions. Thus Fukuyama limits his definition of democracy to “formal democracy,” defined in terms of universal suffrage and free elections, and “capitalism” as a system that protects “private property and enterprise” (Fukuyama 1992: 43–4). But it is important to note how this ambiguity goes back much further. The seventeenth-century Levellers movement, for example, simply did not have developed conceptions of capitalism or democracy, and so could more easily view their nascent ideas of them as forming a unity. Present-day commentators like C.B. MacPherson and Elizabeth Anderson have shown how, entrenched as they are at the beginnings of the modern liberal tradition, these early assumptions still color our contemporary reception of it.

### 2.1.1 *The Levellers Controversy*

The Levellers’ position as the first great radical movement in English political thought is well-captured by Thomas Rainborow’s declaration at Putney: “the poorest he that is in England has a life to live as the greatest he; and...the poorest man in England is not at all bound in a strict sense to that government that he has not had a voice to put himself under” (Hart and Kenyon 2014 [1647] (spelling modernized)). Known for their early use of pamphleteering, petitions, and public addresses, the

Levellers were associated with parliamentary supremacy, dramatic expansion of male suffrage, and extensive rights to civil, religious, and economic freedom. They were also vocal advocates of rights to private property and free trade, and some of their rhetoric foreshadowed Locke's writings decades later.

MacPherson reads in Leveller ideology some of the tensions that would plague liberal-democratic theory to this day. Despite their reputation, in his view the Levellers "ought rather to be considered radical liberals than radical democrats" (MacPherson 1962: 158). He notes, for example, that although they supported expanding the franchise far beyond what Oliver Cromwell favored, they rejected its extension to servants, wage-laborers, and beggars. With Cromwell, they shared the belief that participation required a certain kind of "individual economic independence," which excluded those dependent on wages or charity (MacPherson 1962: 129). Notably, freedom as such—both in terms of freedom from dependence on the will of others and freedom to pursue one's own will—was understood by the Levellers in terms of property or proprietorship. As Richard Overton declared in 1646: "To every individual in nature is given an individual property by nature not to be invaded or usurped by any. For every one, as he is himself, so he has a self-proprietty, else could he not be himself" (Overton 1646). From this natural freedom conceived as "property" in oneself, the Levellers derived further those economic, civil, and religious rights deemed necessary to develop, improve upon, and enjoy one's capacities as persons. Though in one sense radicals and political pioneers, in MacPherson's view, the Levellers contributed to an ideology of "possessive individualism" that would ultimately favor the values of a burgeoning market society over a truly democratic one.

Others have taken MacPherson's judgment to be too hasty. Michael Levy accuses MacPherson of misreading the context in which property comes to be associated with freedom. He insists "property" in seventeenth-century English did not yet have the objectifying, exclusionary connotation it would eventually acquire, and the language of "property in" one's own person or "self-proprietty" is best understood in relation to the feudal understandings of royal "proprietorship" to which the Levellers opposed themselves. It would thus be a mistake to overread capitalistic connotations of the Levellers' use of the language of property, which is better understood as shorthand for legal protections against arbitrary power (Levy 1983: 123–4).

Elizabeth Anderson stressed that it was not merely the arbitrary power of the state that the Levellers opposed but also that of state-chartered monopolies, as well as a variety of feudal holdovers such as the church, the aristocracy, guild networks, apprenticeships, and household patriarchies (Anderson 2017). Networks of power pervaded all levels of society. Accordingly, a common cause between democratic and free-market ideals made sense to a seventeenth-century "left" movement: "The Levellers' support for free trade formed an essential part of a larger program of liberating individuals from interlocking hierarchies of domination and subordination. They saw in free markets some essential institutional components of a free society of equals, based on their proliferation of opportunities for individuals to lead lives characterized by personal independence from the domination of others" (Anderson 2017: 8).

In either reading, both the vocabulary of market society and the vocabulary of liberal democracy can be traced back to a broader process of social and political individuation in early European modernity. This individuation pointed to the claims that every “free” person—from “the poorest he” to “the greatest he”—simultaneously has a right to one’s own person and property, on one hand, as well as the right to participate in how one was governed as an equal member of the community, on the other (Levy 1983: 123–4), and these rights inhered independently of temporal privilege, grant, or status. We can acknowledge Levy’s and Anderson’s cautions against reading Levellers as liberal *rather than* democratic thinkers, while still acknowledging MacPherson’s observation that the seventeenth-century propensity to couch appeals to freedom in the language of property injected an ambiguity in the liberal-democratic tradition that continues to spark controversy today.

### 2.1.2 *Liberalism and the Priority Argument*

Some version or other of the complementarity thesis remained a mainstay of the developing liberal tradition. Still, not all liberals understood this complementary in the same way or held capitalism and democracy in the same regard. *Social liberals* were more likely to stress that capitalist or market freedoms were conditional on a freedom realized through some form of democratic voice or equality of power. Immanuel Kant praised the “power of money” for its ability to draw nations together (the “civilizing” power of commerce was a common theme in Enlightenment thought), but he was suspicious of national accumulation of wealth and he also sought restrictions on the uses of sovereign debt (Kant 1996 [1795]: 318–9, 336–7 [8:345, 368]). Elsewhere, he claimed excessive inequality, while unavoidable at certain stages of societal development, is in the long run unstable and contrary to humanity’s ends (Kant 2000 [1793]: 299–300 [5:432]). John Stuart Mill did express concerns about a “tyranny of the majority” that might come with democratization, but he also came to endorse some democratic-socialist ideas, including worker cooperatives.

In contrast, what could be variously called *classical liberals*, *economic liberals*, or *liberal conservatives* are more likely to give precedence to market freedoms in the name of “personal liberty.” Benjamin Constant emphatically opposed taking democracy as the paragon of freedom. While the ancients associated liberty above all with the “sharing of social power among the citizens,” for us moderns liberty is to be found in the “private pleasures” provided by a civilization oriented to commerce. “Political liberty” may be necessary to secure “individual liberty,” but only the latter constitutes “the true modern liberty.” Commerce, meanwhile, both feeds the desire for individual freedom and helps to secure it against authority: “it changes the nature of property, which becomes...almost impossible to seize.” Constant did not share Kant’s trepidations about sovereign debt; on the contrary, he saw the system of credit as a means of restraining government power by placing “authority itself in a position of dependence.” For Constant, the market and democracy are two

mechanisms for securing personal liberty, but it is the market that embodies the more direct and reliable expression of it: “Power threatens; wealth rewards: one eludes power by deceiving it; to obtain the favors of wealth one must serve it: the latter is therefore bound to win” (Constant 1819).

The liberal-conservative position takes the ambiguity left by the early modern liberal tradition and tilts it decisively in favor of the priority of the market. The essence of this “priority argument” is that the good things we associate with democracy are dependent, if not on capitalism itself, then on certain principles of negative freedom that allow capitalism to flourish. This argument takes several forms, but two are of particular note. The first is a positive argument from *progress*: that it is the capitalist, competitive market dynamic that furnishes society with forces of experimentation and innovation that push civilization forward in not just the economy but all spheres of life, including the political realm (Hayek 2011 [1960]; Friedman and Friedman 2002 [1962]: 3–4, 9–10). Hence Joseph Schumpeter credits capitalism with virtually all good things associated with modernity, including not only technology and medicine, but scientific reason, the arts, international peace, women’s rights, and also democracy itself: “whatever democracy there was, outside of peasant communities, developed historically in the wake of both modern and ancient capitalism” (Schumpeter 2003 [1943]: 126).

The second is a negative argument from *freedom*: that any departure from free-market principles will lead to a deterioration of democracy, or at least of the good things we identify with it. “Economic liberalism,” writes Hayek, “regards competition as superior not only because it is in most circumstances the most efficient method known, but even more because it is the only method by which our activities can be adjusted to each other without coercive or arbitrary intervention of authority” (Hayek 2001 [1944]: 38). Economic planning, be it socialist or Keynesian, is fundamentally incompatible with democracy, for the complexities and possibilities for disagreement are bound to overwhelm any deliberative process (“To draw up an economic plan in this fashion is even less possible than, for example, successfully to plan a military campaign by democratic procedure” (Hayek 2001 [1944]: 68)). Accordingly, any state that embarks upon actively steering an economy will end up delegating matters to experts commanding increasing amounts of discretionary authority and willingness to use it (Hayek 2011 [1960]: 376–9). The Friedmans likewise insist that the separation of economic and political power allows the former to serve as a check against the latter while also dispersing power generally. Moreover, a market society is better able to secure rights to free dissent and campaigns: “It is the mark of the political freedom of a capitalist society that men can openly advocate and work for socialism. ...How could the freedom to advocate capitalism be preserved and protected in a socialist society?” (Friedman and Friedman 2002 [1962]: 16).

Like Constant, liberal conservatives grant democracy value to the extent that it can help preserve individual freedom. But this support for democracy has always been qualified and, indeed, hostile to more substantive, Rousseauian conceptions: the democracy viewed most “complementary” to capitalism is a minimalist, Schumpeterian vision of democracy. As we will see below, as this particular branch

of liberalism moves from “classical” positions such as Locke or Constant and toward full-on “neoliberal” doctrines, its regard for democracy as an ideal in its own right recedes.

### 2.1.3 *Neorepublicanism and the Ambiguity of the Early Modern Tradition*

The liberal-conservative position claims continuity with the legacy of the seventeenth-century English revolutionaries—hence their preferred appellation as “classical liberals.” But it is worth noting how this claim has not gone unchallenged. Inspired by the intellectual histories of J.G.A. Pocock and Quentin Skinner, the recent “neorepublican” movement includes a reinterpretation of the philosophy of freedom elaborated and embraced by early modern movements. On this reading, the Leveller embrace of the free market alongside an expanded franchise stems not so much from a desire to be free from “interference” by the state as “domination” by any number of powerful parties. In question was not power per se but its arbitrary usage. This shift is then used to push back against the liberal-conservative idea that the core way to preserve individual freedom is restrict government authority *tout court* and embrace *laissez faire* policies. Thus Philip Pettit argues that it is not government power but *arbitrary* power that constrains freedom, and, in fact, unfreedom can just as easily result from a lack of government power in the face of the arbitrary power of market forces (Pettit 1997, 2006). With such moves, some neorepublicans look to restore a more balanced complementarity between capitalism and democracy, whereby each plays a role in protecting the individual from subjection to arbitrary power: republican freedom, or “freedom as nondomination,” replaces negative freedom as the middle term linking our two key terms. The success of this approach remains subject to debate, with arguments both for greater free rein to the market (Taylor 2013) and for less (Klein 2017).

## 2.2 Theories of Complicity and the Separation Thesis

As noted, arguments for an “easy” complementarity between capitalism and democracy depend on the relevant terms remaining underdefined or defined minimally. It is perhaps this lack of commitment—especially on the democratic side of the equation—that led early critics of capitalism to see a relation not so much of complementarity as of subservience. Thus Karl Marx once derided universal suffrage as “deciding once in three or six years which member of the ruling class was to misrepresent the people in Parliament” (Marx 2010b [1871]: 333). V.I. Lenin was even more direct: “Democracy for an insignificant minority, democracy for the rich—that is the democracy of capitalist society” (Lenin 2011 [1917]: 465).



Just as complementarity depends on a certain way of (under)defining capitalism and democracy, arguments about complicity—and, as we shall see, conflict and compatibility—also require us to take some definitional assumptions into account. One has to do with how these terms are characterized as forms of sociation. The common view among nineteenth and twentieth-century Marxists that democratic institutions were in fact “complicit” in capitalist domination cannot be easily separated from their tendency to identify capitalism with the *totality* of society, encompassing all economic, social, cultural, and political domains. Only when one can view them as having distinct bases of existence in the same society is it possible to envision two existing forms of practice as being in “conflict,”<sup>1</sup> and only when one conceives society as having sufficient room for both can one speak of potentials for “compatibility.” For much of classical Marxism, capitalism determines society from top to bottom. But we must also distinguish between existing and possible ideal imaginings: a Marxist who decries present-day democracy as an instrument of bourgeois domination may yet extol the future democracy that would flourish with capitalism’s defeat (as Marx himself also wrote, “all forms of state have democracy *for* their truth and...they are therefore untrue insofar as they are not democracy” (Marx 2010a [1843]: 31)). One may thus take existing democracy to be “complicit” with capitalism but a more idealized or potential democracy to be in “conflict” with it. This makes it possible for Rosa Luxemburg and Karl Kautsky to condemn both Eduard Bernstein’s perceived fetishizing of democratic norms and the Bolsheviks’ disregard of them altogether.

A further consideration has to do with democracy’s relation to the state, whether it is specifically democratic governance or organized governance in general that is in question, and whether “democracy” is bound to a specific form of state. Hence, a communist who anticipates a “withering away of the state” or an anarchist may hold suspect *all* organized authority at scale. For Mikhail Bakunin, even the most devolved state is bound to reinforce class domination, no matter how “democratic” its setup: “If a government composed exclusively of workers were elected tomorrow by universal suffrage, these same workers, who are today the most dedicated democrats and socialists, would tomorrow become the most determined aristocrats, open or secret worshippers of the principle of authority, exploiters and oppressors” (Bakunin 1972 [1870]: 221). On this view, state machinery by its very logic creates a distinction between ruler and ruled and the worldviews that follow from those relations. It also creates realms of expertise and specialization for which everyday workers have little time and energy, meaning they must defer to their ruling-class representatives, which in turn legitimizes the idea that one group is “meant” to rule and the other to be ruled.

Where complicity accusations do not extend to a suspicion of all forms of state, many subscribe in some way to what we might call the “separation thesis”—the claim that modern capitalist society enacts a unique separation of political and economic realms that is not present in other forms of society, and this separation

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<sup>1</sup>I am grateful to Albena Azmanova for pointing this out to me.



facilitates a camouflage of capitalist power under a democratic façade. Ellen Meiksins Wood (1995) offers one of the most detailed treatments of this separation, but notable accounts can also be found in Marx, Antonio Gramsci, and Nancy Fraser. According to Marx, the feudal orderings of familial ties, vassalage, privileges, and guilds lent civil society a “*directly political* character” while dressing the state up as the “*private* affair” of the ruler; after the political revolutions of the eighteenth century, these characteristics became inverted, politicizing the state while depoliticizing civil society (Marx 1978a [1843]: 44–5). Meiksins Wood distinguishes between forms of domination linked to organized production and those linked to legislation, adjudication, and communal administration. On the feudal manor and in the guild system, the two forms of domination were bound up with one another; with the rise of capitalism, domination linked to production was “privatized” and depoliticized (Meiksins Wood 1995: 19–48).

For Marx, modern liberal democracy is grounded on an image of civil society in which alienated, economic individualism is presented as the normal state of humanity. He singles out the language of the “rights of man” with its emphasis on private liberty, property, and security as exemplary of this worldview, where “the only bond between men is natural necessity, need and private interest, the preservation of their property and their egoistic persons” (Marx 1978a [1843]: 43). In the “Critique of the Gotha Program,” he adds to this a critique of the language of “equal right,” which in his view always ends up becoming “a right of inequality...like every right” (Marx 1978b [1875]: 530). This is because any abstract “equal right” must take its subjects as somehow homogeneous in a way that disregards likely inequalities of need, whereas a system that genuinely seeks to meet the needs of all its members cannot be equal in the abstract sense required by the language of rights but must attune itself to the particularities of each.

Some have argued that Marx’s real target was not so much democracy as liberalism and its tradition of rights discourse. Accordingly, he can be found at times distinguishing between the “rights of man” and the “rights of the citizen,” and this may be taken as a signal that political democracy does not *have* to be part and parcel to bourgeois society (Marx 1978a [1843]: 41; see, e.g., Bartholomew 1990: 247–54). Still, it is fair to ascribe to him the lifelong belief that “political emancipation is not the final and absolute form of *human* emancipation” (Marx 1978a [1843]: 32). If Marx believed in the merits of political democracy, he did not see those merits being realizable under capitalism.

While Marx viewed the modern state as an organ that reflects and is tailored to the image of bourgeois civil society, Gramsci took the distinction between state and civil society to be fluid and their relationship bi-directional. In *The Prison Notebooks*, Gramsci understands “the State” as “the entire complex of practical and theoretical activities with which the ruling class not only justifies and maintains its dominance, but manages to win the active consent of those over whom it rules” (Gramsci 1971 [1930–32]: 244). It must be stressed that, for Gramsci, “the State” includes not just the administrative bodies and instruments of physical coercion (e.g., law, courts, police) but a variety of cultural and social institutions, including parties, schools, associations, knowledge production, the Church, and so forth. Consequently, “the

State” is not just a reflection of the bourgeois worldview but an active participant in its reproduction and reinforcement. Both of these features are essential to understanding the thinking behind Gramsci’s best-known innovation—his theory of hegemony. His notion of “the State” as “political society + civil society” (Gramsci 1971 [1930–32]: 263), among other things, attempts to push back against the bourgeois attempt to cast civil society as a private, apolitical realm of individualized natural freedom and only the formal structures of legislation, administration, and coercion as political. To him, the state in this latter sense is “only an outer ditch, behind which there stood a powerful system of fortresses and earthworks” (Gramsci 1971 [1930–32]: 238; see Buci-Glucksmann 1980: 69–115).

### 2.3 Marketizing Democracy

We have already seen hints that both proponents and critics of capitalism see potentials for not only complementarity or complicity between capitalism and democracy but also conflict. In classical Marxism, such conflict took the form of an opposition between the “false” democracy that exists in capitalist society and the “ideal” one made possible with its abolition. This framing relies on the idea that capitalism constitutes an irreducible totality; other institutionalized practices can only be viewed as part and parcel to its superstructure. Something comparable might be said of views of complementarity, according to which free markets and democracy are celebrated as two sides of the same liberal coin.

By the mid-twentieth century, alternative sets of assumptions can be seen gaining currency; capitalism and democracy come to be viewed in terms of *differentiated* logics, subsystems, or spheres of normativity and action that coexist in society simultaneously but not per se harmoniously. Even Fukuyama, a champion of complementarity if there ever were one, saw room for tension. Fukuyama believed there were two types of striving for recognition: “isothymia,” or desire for recognition as an equal, and “megalothymia,” desire for recognition as a superior. He acknowledged the possibility that inequalities generated by capitalist megalothymia could damage democracy; however, he believed the greater danger to lay in an excess of isothymia, whereby “we risk becoming secure and self-absorbed last men, devoid of thymotic striving for higher goals in our pursuit of private comforts” (Fukuyama 1992: 328). In his view, an overemphasis on equality could lead to a variety of pathologies that range from prideless mediocrity to simmering fascistic resentment; democracy must therefore leave sufficient outlets for capitalist megalothymia (Fukuyama 1992: 315).

The notion that the coexistence of capitalism and democracy may not be a happy one typically takes the form of a claim that one is interfering with the true freedom the other represents: it is democracy that is held back by capitalism, or it is the freedom and progress promised by capitalism that is held back by democracy. To be sure, the idealizations have not disappeared entirely. The vision of an unhindered free market society implied by the likes of Hayek or the Friedmans is a utopian one;