

Theses on Capitalism and its Other(s)

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I write this provocation in the hope of clarifying the periodization of capitalism, slavery in the antebellum South, and modern socialism. I do so in view of the recent debates on the character of slavery in the antebellum South and the earlier debates started by Thomas Haskell's 1985 intervention in the *American Historical Review*. I agree with the majority of scholars who assume that slavery at the South was not a form of capitalism. But one of my core arguments is that the slave South was the extremity of modern bourgeois society.

I want to insist on the distinction between these modes of production, and in doing so I want to suggest that capitalism resides in the generalization of wage labor—the creation of a modern proletariat, the extension of the commodity form to work, the most basic form of human purpose, to the point where “abstract social labor” becomes the norm—and that, so conceived, capitalism is the cause of social, political, and moral progress. I will therefore treat its attendants, alienation and the universalization of exchange value, in Hegelian terms, as signs of such progress, rather than in the terms proposed by the Frankfurt School, as the unambiguous evidence of the rationalized inferno in which modern subjectivity—the autonomous subject authorized by humanism—must perish.

I want to claim, then, that the rise of capitalism in the antebellum North is the necessary condition of anti-slavery politics, in the sense that an impending passage beyond bourgeois society allowed for the imagination of alternatives to bourgeois individualism and its cognate notions of family, kinship, markets, and property. I also

want to claim that the transition from proprietary to corporate capitalism entails the “social death” of the capitalist class, in the same way that the transition from feudalism to capitalism entailed the “social death” of the landed aristocracy. Here I will want to make some remarks on the development of capitalism in the 20th as well as the 19th century.

Throughout I will be suggesting that the “pursuit of profit”—the search for the difference residing in a surplus of signs—has been a feature of market behavior, indeed all human behavior, since the beginning of recorded history, and so cannot be used to distinguish capitalism from either its predecessors or its rivals, except in the sense that Weber proposed, as a matter of means rather than ends: “Unlimited greed for gain is not in the least identical with capitalism, and is still less its spirit. Capitalism *may* even be identical with the restraint, or at least a rational tempering, of this irrational impulse. But capitalism is identical with the pursuit of profit, and forever *renewed* profit, by means of continuous, rational, capitalistic enterprise.” Throughout I will also be suggesting that Marx was right to admire the revolutionary force of capitalism.

I begin with three rudimentary propositions that will serve as premises of the polemical theses that follow.

1. Adam Smith was right, the urge to truck and barter, to exchange goods of both the material and immaterial kind, is a basic dimension of human nature. In this sense, markets, market societies, and market behavior are trans-historical properties of human civilization; their absence is typically a symptom of extraordinary crisis, degeneration, or cataclysm. Markets precede capitalism by millennia, and will presumably last far longer than the mode of production in which they become synonymous—almost—with the social fabric.

Money is less common than markets, although here, too, it appears in ancient as well as modern contexts, functioning, in the shape of coinage, as the intersection of material circumstance and intellectual inscription—as both use and exchange value, as a particular thing, a precious metal with intrinsic value, and as a representation of abstract powers not physically present (the head of a king, for example, stands for the power of a dynasty); and later functioning, in the form of paper money, as a sign of specie in the vault and/or real commodities in circulation; and even later, by the end of the 19th century, functioning as “modern credit,” a sign of a sign. In fact, the only market system that worked without money, as far as we know, was the Phoenician trading empire of antiquity which centered on the Mediterranean.

So the commodity form is also a trans-historical phenomenon that predates capitalism by thousands of years, and that will presumably outlast capitalism by thousands more. What distinguishes capitalism from its predecessors, according to Marx and Polanyi alike, is not the commodity form as such but its *generalization* to human labor via primitive accumulation, which, according to Weber, then permits and requires the *rationalization* of social labor.

2. Markets are economic phenomena, to be sure, but they are a great deal more. They are, to begin with, cultural systems through which equivalent values are assigned to unlike things, usually by use of the strongly metaphorical device called money. So they are not to be comprehended in the terms on offer from economic history. A better understanding of markets, and therefore of capitalism, the epitome of market society, is afforded by disciplines such as anthropology and philosophy; at any rate the methods of economic history should be supplemented by those, at least, of cultural/intellectual

history and philosophy. In that way, we can better appreciate what Hegel says about work, and what Nietzsche says about economic calculation, but more importantly for present purposes, we can also better appreciate how the nature of work and the experience of economic calculation have shaped the western philosophical tradition.

If we follow Nietzsche's lead, for example, we will want to treat markets and cost-benefit analysis as trans-historical phenomena; at any rate we will see that market behavior presupposes a cultural literacy involving, at least, purpose, language, and thus metaphor, and that no economic transaction involving things happens in the absence of thoughts: "Setting prices, determining values, contriving equivalences, exchanging—these preoccupied the early thinking of man to so great an extent that in a certain sense they constitute thinking *as such*."

If we follow Hegel's lead, as Marx did, we will realize that consciousness—the stuff of recorded history—is a function of work because it begins when the separation of subject (active humanity) and object (nature) is acknowledged as unfinished, as a beginning rather than an ending, and develops insofar as the relation between subject and object is enacted and experienced as a social phenomenon, in the labor process. Here is how Marx put this profoundly Hegelian principle of periodization: "It is not the unity of living and active humanity with the natural, organic conditions of their metabolic exchange with nature, and hence their appropriation of nature, which requires explanation or is the result of a historic process, but rather the separation between these inorganic conditions of human existence and this active existence, a separation which is completely posited only in the relation of wage labor and capital."

3. A mode of production according to Marx is an ensemble of forces of production and social relations of production; the former include immaterial facts such as cultural standards, political traditions, and abstract notions that inform human conduct and shape expectations of the future, just as the latter include material facts such as technological capacity and legal precedents. But every mode of production in history has been contaminated or complicated by its predecessors and rivals. We should therefore study the development of capitalism both as a mode of production, an ideal type if you will, and as an element in social formations that include its predecessor, bourgeois society, and its rival, socialism. Corporate capitalism *contains* socialism in the exclusive and the inclusive sense of that word, as Martin Sklar puts it; presumably a socialist mode of production would then contain capitalism, as bourgeois society did, once upon a time, contain capitalism.

To borrow and bend the terms proposed by Raymond Williams and Stuart Hall for cultural studies, and by J. K. Gibson-Graham for economic history, we should treat social formations as instances of uneven development, as unstable isotopes convened by their elements—a residual, a dominant, and an insurgent mode of production. For example, the current situation in the USA might profitably be understood as a moment in which the dominant mode of production is still capitalism, the residual mode is bourgeois society, and the insurgent mode is socialism. So conceived, these modes of production can no longer be comprehended as moments in a linear sequence through which one displaces its predecessor in the course of revolutionary upheaval; each must instead be construed either as Freud understood the stages of infantile development, as moments that always

remain as sedimented layers of the mature organism, or as Gramsci understood the class alignments in a “war of position,” as moments in a “passive revolution.”

Let me restate this proposition in another, perhaps more provocative way. In the political theories of the Left and the Right alike, socialism is the mode of production that displaces capitalism. But in history, as against mere theory, socialism and capitalism have appeared together in mongrel social formations that allow, and indeed encourage, the development of both. These different modes of production are not players in a zero-sum game; instead, each has modulated the idiocies and excesses of the other, thus improving the performance of both. In fact, insofar as one displaces the other, its performance falters—as, for example, in the Soviet Union of the late-20th century, when the transition to economic growth determined from the bottom up, by consumer preferences and registered in a de-centered price system, was stalled by adherence to investment priorities planned from the top down; or in the United States of the 1920s and the early 21st century, when the balance of social power between capital and labor, and the consequent distribution of income between profits and wages, were tipped so far in favor of capital that catastrophic economic crisis inevitably ensued.

4. Bourgeois society is not the same thing as proprietary or corporate capitalism. The latter is inconceivable in the absence of the former, just as the “formula for capital” (M-C-M*), as Marx famously called it, is impossible in the absence of simple commodity circulation (C-M-C), when money functions not as the purpose of goods production but merely as a means of exchange. Nevertheless, capitalism is the unlikely successor to bourgeois society, or rather is no more inevitable than feudalism—for example, the *latifundia* and the cultures of Hellenistic and then medieval Europe were built on the

ruins of those *ancient bourgeois* societies in which classical republicanism thrived, first Athens, then Rome. As Claude Mosse, the great historian of antiquity, argued, “the essential basis for the ancient city was . . . a community of small farmers who were free and who owned their own land. Although the historical evolution of the Greek cities and of Rome soon changed this original social structure, nevertheless the citizen-soldier who owned his land remained the social ideal for antiquity.” Or again: “An estate could of course be divided into various units, and would comprise farms from several different districts in Attica. But the fact is that small estates of less than twenty-five acres were the general rule, and these small estates were often farmed by the owner in person.”

5. So conceived, bourgeois society is both ancient and modern—it is a trans-historical phenomenon. It was the social basis and ethical ideal of (a) the Athenian democracy, a convenient rubric that actually describes the social/political system of several city-states in the 5th and 4th centuries BC; (b) the Roman republic; (c) the Machiavellian Moment of early modern Europe, when the classical republican tradition was rediscovered; (d) the closed corporate communities planted in North America by the Massachusetts Bay Company; (e) the revolutionary movement that created the United States of America; and (f) the slave society of the antebellum South. So conceived, bourgeois society is both the condition and the negation of capitalism, in much the same way that capitalism is both the condition and the negation of socialism. So conceived, it occupies an intermediate space, historically, conceptually, and politically, between the more familiar modes of production that once marched, single file, toward the future as it was specified in conventional Marxist formulae.

In the late 19th century and through the 20th century, bourgeois society remained as the social basis and the ethical ideal of resistance to the juggernaut of corporate-industrial capitalism. This resistance has many names, of course, but when it took the form of a political movement in the 1880s and 90s, it was known as Populism. Later, when it took the form of an intellectual protest against the liquidation of the autonomous subject at the level of social existence by means of “reification” or “technological dehumanization”—an intellectual protest against the “eclipse of reason” and the bureaucratization of imagination—it earned the loftier title of critical theory or existentialism.

Sombart could glimpse a spirit of capitalism in the ancient world, and Weber would painstakingly differentiate capitalism from the profit motive as such, precisely because bourgeois society has been so ubiquitous in the historical record—and is still visible even under the contemporary circumstances of post-industrial, post-modern capitalism (as witness the indefatigable intellectual presence of, say, George Gilder, Michael Novak, Charles Murray, and Newt Gingrich). Intellectual briefs for bourgeois society need not, then, be anti-modern, or anti-industrial, or anti-market, although when offered from the Left, as a critique of consumer culture, they can be; but in history if not in theory, bourgeois society, like capitalism or socialism, breaks down in the absence of markets, commodities, and money.

6. Bourgeois society is uniformly characterized by a small holder economy in which households are the basic unit of production; these households are often but not always extended rather than nuclear families, and, at a certain point in the evolution of bourgeois society, the size, composition, and political significance of the household becomes a point of contention for its constituents because the economic interests of the

small holders and the large planters begin to diverge. In any event, commerce consists largely of occasional transactions between such households rather than the daily traffic of buying and selling the material conditions of subsistence and the legible emblems of individual identity. It is a market society—it is, however, a “simple market society” in the twofold sense that (a) it contains a well-developed market in goods, but not (yet) in labor, and that (b) labor as such is more or less artisanal, through which inert objects (“raw materials”) are fashioned by active subjects who wield their own tools, or who are provided those tools (and the requisite training) by the master of the household. Industry is a branch of agriculture in bourgeois society (that is why some economic historians call it a “proto-industrial society”), and, in keeping with the rules of simple commodity circulation (C-M-C), consumption is the goal and the limit of production (conspicuous consumption in the case of the large planters, “safety first” in the case of the small holders). To put the same proposition differently, the goal of production in bourgeois society is not to accumulate wealth in the abstract; it is instead to recreate the material foundation and insignia of the self-determining personality, of the individual who owns himself and thereby functions as the *paterfamilias* who can fulfill the duties of a citizen.

7. Slavery is perfectly consistent with bourgeois society, in part because the ethical ideal of genuine selfhood specific to this mode of production is always framed in proprietary, hierarchical, and paternalistic terms: you must own yourself, and you must “own” your family—not in the sense that, say, your wife is an alienable commodity, but in the sense that her body and her property are dimensions of your legal identity as the head of household. In the absence of such proprietary rights exercised in the privacy of the household, neither the ready embrace of familial obligations nor the articulation of a

public, political identity is conceivable. The patriarch or the *paterfamilias* is thus the paradigm of selfhood or individuality; male supremacy is not only normative, it is constitutive of the genuine self. Indeed reciprocity or equality among citizens—among men—in the public sphere of political deliberation is produced and enforced by this hierarchy in the private precinct of the family. The selfhood or individuality of females is accordingly problematic at best because their legal identities, bodies included, are originally subsumed by the father—he decides on the allocation of their sexuality by means of his matrimonial choices—and then absorbed by the husband upon marriage.

In bourgeois society, whether ancient or modern, women enter society not as individuals in the abstract, as multi-faceted personalities or citizens, but as bearers of specific familial roles and domestic obligations, as mothers, daughters, sisters, and wives—that is, as the subordinates of fathers, brothers, and husbands; for the containment of their sexuality within the boundaries of the family (of the household) is of paramount importance in a society where the inheritance of property determines the distribution of subjectivity and the composition of the citizenry. The emergence of capitalism revolutionizes this inherited bourgeois relation between public and private spheres by exporting goods production from the household, and, as a result, it permits a new, skeptical perspective on male supremacy from the standpoint of the thickening cultural space of civil society, where individuals shorn of familial insignia congregate.

By the same token, the emergence of capitalism permits new thinking on genuine selfhood, as the American Renaissance of the 1840s and 1850s would suggest (and as the counter-example of Edgar Allan Poe would attest). At the very least it permits, and perhaps requires, new thinking about abstraction, interdependence, reciprocity, and

equality as the constituent elements of civil society, that extra-political yet public sphere where women would remake politics without casting a vote by trying to change or adjourn the boundaries of the household. Walt Whitman goes further than anyone else in reimagining the self as absorbed in and by externality, and, like Emerson, he takes what Marx would call the fetishism of commodities as his poetic, and political, point of departure. Here, for example, is the conclusion of “Song for Occupations:

‘When the minted gold in the vault smiles like the nightwatchman’s daughter,
When warrantee deeds loafe in chairs opposite and are my friendly companions,
I intend to reach them my hand and make as much of them as I do of men and women.’

This is a world in which the antecedents of money and the symbols of property have come to life. This is a world turned upside down by the commodity form and its attendant estrangement. And yet even when our products preach to us, as if they were the speaking subjects and we were the inanimate objects—even when the commodified world of objects obeys its own logic of reproduction, indeed begins to procreate in the form of capital—Whitman can respond without panic or resignation or bewilderment. For the reversal of cause (subject) and effect (object) impending in the post-bourgeois market society that is industrial capitalism has become the condition, not the limit, of his poetic imagination.

8. To treat bourgeois society or simple commodity circulation as a trans-historical mode of production—or, if you like, as a component of every other mode of production designated in Marxian schema—is to solve several riddles of periodization.

First, as already suggested, its ubiquity accounts for the propensity of historians and economists to see capitalism everywhere they look in the historical record. Where

they find money, markets, commodities, usury, and profits, they also find capitalism, whether they are rummaging in the ancient world or in the antebellum South, even though both Marx and Weber insisted that all these economic devices or motives could and did exist in the absence of capitalism. To see bourgeois society instead of capitalism in these unlikely places is to corroborate the claims of Marx and Weber as against Sombart, and to give Karl Polanyi rather than C. B. Macpherson the deciding vote in dating the advent of capitalism; it is also to recognize not only how late capitalism appears in the annals of human civilization—the O.E.D.'s first recorded use of the term is 1854—but how brief its reign has been.

Second, the Machiavellian Moment of early modern Europe looks less mysterious from the standpoint afforded by the accreditation of bourgeois society. That is, the rediscovery of the classical republican tradition in the 16th and 17th centuries need not appear as a random event or a freak of intellectual history. It can instead appear as the likely outcome of the rebirth of bourgeois society in medieval cities, in the commercial culture of the guilds, where the small holder or the Gothic freeholder once again became the “social ideal” and the material basis of popular government.

Third, we can agree that the antebellum South was a modern market society—a bourgeois society—that never made the transition to capitalism. Its free white inhabitants made extensive use of property, contracts, markets, money, credit, bookkeeping, and advertising in their pursuit of profit, but wage labor, or rather abstract social labor, neither characterized relations of production nor animated the forces of production under slavery at the South. In this light, we can accredit the very different characterizations of the antebellum South on offer from, say, Eugene D. Genovese, Stanley L. Engerman,

Robert S. Fogel, James Oakes, Stephanie McCurry, Diane Sommerville, Walter Johnson, Steven Deyle, and Louis Hartz. Unlike the makers of the “market revolution” at the North, among them an emergent working class, the slaveholders and their allies accepted and acted upon what Elizabeth Fox-Genovese called the “full implications of bourgeois individualism,” including the burden of paternalism.

Fourth, both the origin and the persistence of subject-object dualism in the western philosophical tradition become explicable in view of bourgeois society’s ancient and modern incarnations. In other words, when asked why epistemology rather than the history of subjectivity is the default setting of western metaphysics, from Plato to Kant and, yes, even unto the later Heidegger, we can answer that the idealization of artisanal labor (*poiesis*) and the small holder—the self-made man whose claim on space, on property, extricates him from the vicissitudes of time—comes with the territory of bourgeois society, particularly when it is under siege from the naturalism and empiricism that seems always to accompany its successors, whether feudalism or capitalism.

We can also better appreciate Hegel’s achievement, and understand his profound effect on the western philosophical tradition. We can see that Nietzsche, Royce, Wahl, Kojève, Lacan, and Marcuse, not to mention Marx, Peirce, James, and Dewey, were correct in grasping *The Phenomenology of Spirit* (1807) as the critical turning point in this tradition because it made work as such the site of self-consciousness, and, more importantly, because it redefined work to include the most abject forms of human labor, as something more *and* less than *poiesis*—as something very much like wage labor (see 10 below). This is the decisive break that changes everything; this is the decisive break that announces the impending end of the era of the ego, when the “man of reason” who

owned himself would no longer serve as the paradigm of self-mastery. No wonder Whitman said that “only Hegel is fit for America.”

No wonder Marx said almost the same thing in claiming that the category of abstract social labor was characteristic of 19th-century American culture:

“The fact that the particular kind of labour employed is immaterial is appropriate to a form of society in which individuals easily pass from one type of labour to another, the particular type of labour being accidental to them and therefore irrelevant. Labour, not only as a category but in reality, has become a means to create wealth in general, and has ceased to be tied as an attribute to a particular individual. This state of affairs is most pronounced in the United States, the most modern form of bourgeois society. The abstract category ‘labour,’ ‘labour as such,’ labour sans phrase,’ the point of departure of modern economics, thus becomes a practical fact only there. The simplest abstraction, which plays a decisive role in modern political economy, an abstraction which expresses an ancient relation existing in all social formations, nevertheless appears to be actually true only as category of the most modern society.”

We can see, finally, that the dissolution of bourgeois society in both the ancient and in the modern world is typically the occasion for the appearance of the “unhappy consciousness,” in which the estrangement of mind and world becomes an incentive to the kind of experimentation and innovation Hegel sponsored. In this sense, we can acknowledge that the rise of capitalism on the ruins of bourgeois society is the cause of intellectual and moral progress; for the passage beyond bourgeois society demanded the articulation of alternatives, in theory and practice, to metaphysical specifications of the autonomous subject in the terms made intelligible by the experience of *poiesis*. In theory

that alternative specification was completed by the left-Hegelians and their intellectual heirs on both sides of the Atlantic, but not until the late-19th or early 20th century; in practice that specification was accomplished by labor movements in the same places, but again, not until the late-19th or early 20th century, when the working class and its allies finally relinquished the artisanal ideal of the 19th century.

Marx, the most famous and influential of those left-Hegelians, recognized, for example, that in the stage of capital accumulation he called Modern Industry, the relation of active subject to inert object mediated by extensions of the human body (tools)—the relation experienced in *poiesis*, in artisanal forms of labor—was fundamentally changed if not simply reversed. The active agent in the goods production process now appeared to be the machines that the worker merely tended as watchman and regulator. And yet, like Whitman, Marx saw promise and, if you will, progress, in this passage beyond the artisanal ideal.

“Modern industry, indeed, compels society under penalty of death to replace the detail-worker of today, crippled by life-long repetition of one and the same trivial operation, and thus reduced to a mere fragment of a man, by the fully developed individual, fit for a variety of labours, ready to face any change of production, and to whom the different social functions he performs are but so many modes of giving free scope to his own natural and acquired powers.”

9. Proprietary capitalism (which is not the same thing as corporate capitalism) emerges in the northern United States in the course of the so-called market revolution, ca. 1820s-1860s. Its salient features are derived from the decay of the small holder economy in which households are the basic unit of production and in which artisanal labor is

therefore the norm. These features are (a) the completion of primitive accumulation, that is, the conversion of natural resources to fungible commodities, or at any rate the removal of obstacles to this conversion such as Indian titles to the land; (b) the development of a market in labor power to the point where “abstract social labor” becomes the norm in non-agricultural goods production; (c) the concurrent export of non-agricultural goods production from the privacy of the household to the public sphere of central shops and factories—a new civil society—as the outwork system sustained by merchant capital breaks down; (d) the creation of a new sexual division of labor, which divides females into social classes according to the degree of their labor force participation; (e) the demotion of agriculture to a branch of industry, even as machines driven by inanimate sources of power supplant tools as the basic technology of goods production in the country as well as the city; (e) the convergence of ownership and control of productive property in the person of the proprietor or entrepreneur, or in the legal form of partnerships and small firms that militate against the dispersal of managerial authority; (f) the articulation of class as the regulative principle of social relations as such, as transactions between capital and labor begin to remake the scene of non-agricultural goods production (that is, as these transactions begin to remove work from the supervision of a patriarch with legal and customary control of—and liability for—the worker’s body, for example, under the outwork system through which sons, daughters, and wives produced commodities from within patriarchal rural households, or in the relation between master and servant/apprentice).

10. Slavery at the South, the extremity of modern bourgeois society, is inconsistent with capitalism for three reasons. First, capitalism develops by differentiating between

the capacity to produce value through work (labor-power) and the physical form of the person, the body that is both condition and limit of this human capacity; the measurable or material manifestation of this gap was the growing difference steam-driven machines created between the exertions of the individual body and the output of a socialized labor process. Capitalism is, in this sense, a cross-class construction that evolves only insofar as its adherents are able to *confine market forces* to certain social spaces. In other words, capitalism cannot emerge from the constraints of a bourgeois or a proto-industrial or a simple market society unless wage laborers and their allies can establish clear limits on the scope of the commodity form—unless they can specify and enforce a meaningful distinction between the value of their labor time and the worth of their lives. In the absence of this distinction, as Hegel noted (see below), workers are slaves. That is why the most ferocious, popular, and effective critics of the South denounced slaveholders for treating human beings as if they were commodities to be bought and sold, “soul by soul,” but also welcomed what we call the “market revolution” as evidence of moral progress and meanwhile noticed no contradiction or hypocrisy in their position because there was none.

Second, and this may be the same thing, capitalism cannot and does not develop unless workers are able to insist on what Marx called the “historical and moral element” in their wage rates, that is, are able to organize the labor market according to their moral, legal, and political purposes. Note that these interrelated developments are consistent with the completion of primitive accumulation, that is, with the conversion of all natural resources, including the human capacity to produce value through work by transforming natural environments, into fungible commodities and thus moments in the price system.

Capital accumulation requires, or just means, “increase of the proletariat,” as Marx put it in *Capital*, volume I. This process commodifies labor-power, to be sure, but it also permits the introduction of the fellow-servant as against the master-servant rule at the law, thus making employees something other than family members (e. g., apprentices) or mere slaves—that is, it detaches labor or work as such from patterns of kinship, from the control of the *paterfamilias*, and places it in a larger, anonymous, abstract social setting. To put it more pointedly, the enunciation of the fellow-servant rule by Lemuel Shaw in *Farwell v. Worcester Railroad Co.* (1842) was not a loss in labor’s cause, as the regnant interpretation would have it; for that rule accomplishes what another break from the common law, the dissolution of *femme couverture*, does at exactly the same moment for women: it extricates the body, the identity, and the agency of the worker from the legal personality of the head of household, that is, from the social and intellectual confines imposed by the master-servant rule. Neither departure from legal precedent and cultural custom could be enunciated at the South—not even by that most expansive and insightful of pro-slavery jurists, Judge Thomas Ruffin of North Carolina—because the social and intellectual differentiation of the capacity to produce value through work (labor power) and the physical form of the person, the worker’s body, was impossible under slavery.

In this sense capital accumulation, or, what is the same thing, increase of the proletariat, *creates civil society*. For it exports goods production from the household, stretching the family to its logical limits and making the intermediate space between family and state the site on which abstract individualism can be posited. Bourgeois society, including the slave South, is by and large intolerant of such individualism. Its residents and defenders cannot imagine males or females detached from the roles and

obligations determined by life within a family, or at any rate they cannot believe that someone detached from such roles and obligations could acquire the character necessary to defer immediate gratification. From their standpoint, the history of morality, if there can be such a thing, is written in the fortunes of the family. Antigone has the last word.

Hegel recognized this process and these connections in the first systematic treatment of civil society, his *Philosophy of Right* (1821), which of course Marx drew on in differentiating between labor and labor-power. Hegel's treatise is predicated on a close reading of modern political economy—Smith, Say, and Ricardo—and an equally close reading of the “moving life of the dead” on display in the factories of the late 18th and early 19th centuries. And yet it breaks beyond the invidious distinction between “real work” (*poiesis*) and mere labor inherited from ancient philosophy (a distinction reiterated by Kant and later political theorists such as Hannah Arendt), and thus posits a crucial difference between slavery and wage labor which acknowledges the genuine freedom of the proletarian: “Single products of my particular physical and mental skill and of my power to act I can alienate to someone else, and I can give him the use of my abilities for a restricted period, because on the strength of this restriction, my abilities acquire an external relation to the totality and universality of my being. By alienating the whole of my time, as crystallized in my work, and everything I produced, I would be making into another's property the substance of my being. . . [Thus] the use of my powers differs from my powers and therefore from myself, only insofar as it is quantitatively restricted.”

Third, the redefinition of genuine selfhood accomplished by an industrial proletariat detaches human subjectivity from the proprietary model specific to bourgeois society; this redefinition has profound implications for the natural right of property,

among other things. For it allows human beings to ascribe initiative, industry, frugality, and so forth, to sources other than property, on the one hand, and, on the other hand, it reveals a world of intentionality, subjectivity, and freedom removed from the scene of goods production merely by differentiating between work and life, between labor and leisure, between society and family. It complicates the legacy of the Reformation in this sense by forcing men and women to ask whether their capacity to produce value through work exhausts the meanings of human being.

11. The market revolution happened at the South, but it didn't lead to capitalism because it didn't make wage labor, let alone abstract social labor, the predominant social relation of goods production. That is, the slave South responded to growing demand from the world market—it became a key player in that market—by intensifying the bondage of its work force. The useful analogies here take us back to the Dobb-Sweezy debates of the late-1940s, then forward to the emergence of world-systems theory in the 1970s (which was, and is, an echo and an extension of dependency theory). These bodies of literature demonstrated that the creation of a world market had profoundly different effects on Western and Eastern Europe, on Africa, and in the Western Hemisphere, ca. 1400-1700; it was not the uniform catalyst of a globalized capitalism, even though it was the handiwork of merchant capital, except in the sense that capitalism flourished in western Europe, particularly in England, precisely because new forms of servile labor flourished elsewhere. In Eastern Europe, for example, the second serfdom, not capitalism, was the result of a new world market for agricultural raw materials. Everywhere east of the Elbe, new species of bondage were the immediate and enduring result of this market, as the landed aristocracy scrambled to meet growing western

European demand for grain, hemp, and flax by imposing greater restrictions and obligations on the available labor force. So, too, in the antebellum South. The intensification of slavery at the social and ideological levels of daily Southern life was the immediate consequence of the cotton boom of the early 19th century, and, more important, of the interregional slave trade that united the upper and the lower South after 1830. As Walter Johnson and Steven Deyle, not to mention James Oakes, have shown, the Slave South was a modern market society. It nonetheless produced an anti-capitalist culture and politics.

Logically, then, an intellectual position for or against capitalism (or the globalization of markets) has no predictable political valence, whether articulated in the 19th or the 20th century. We should be willing, accordingly, to recognize that overt opposition to capitalism (or the globalization of markets) can take reactionary political and cultural forms—a possibility emphasized in the 1950s by so-called consensus historians and by intellectuals who attempted a theoretical specification of totalitarianism. We should also be willing to acknowledge that the overt opposition to capitalism (or the globalization of markets) which goes by the name of socialism needs assessment and periodization in terms of political differentiation. For example, the schizophrenic mix of capitalism and socialism in the fascist experiments of the 1920s, 30s, and 40s was no less socialist (or capitalist) than the programs that amount to the New Deal. The difference between these approaches to the breakdown of markets and the reanimation of class struggle was clearly the liberal inheritance that had taught Americans to believe in the sovereignty of the people—the supremacy of society over the state—and to value individual identities achieved through association with others, usually in and through

markets, rather than identities assigned by political criteria, ascribed by class standing, or determined by national origin.

11. The decay of proprietary capitalism and the rise of corporate capitalism, ca. 1880s-1920s, allows for even more innovation in the imagination of selfhood, the design of markets, and the articulation of political possibility, in part because it causes, indeed requires, the “social death” of the capitalist class and the “domestication” of the artificial persons denominated by the law as corporate bodies. In these terms, the decisive event in the decline of proprietary capitalism came between 1886 and 1904, when capitalists in the US tried to reconstitute their prerogatives and reinstate their incomes by reconstructing production and distribution under the aegis of the corporation—just as the decisive event in the decline of feudalism came between 1350 and 1550, when the landed nobility of England tried to reconstitute its prerogatives and reinstate its incomes by turning over control of agricultural production to rent-paying commoners known first as peasants, then as yeomen or freeholders, and finally as “the gentry.”

American capitalists clearly wanted to avoid the status of public servants, and hoped to use the corporate legal device to guarantee their private lease on the future—much as their aristocratic predecessors had hoped to use copyhold tenure to guarantee their private lease on England’s future. But in realizing their hopes, the captains of industry were quickly replaced at the helm of business enterprise by professional managers who control but do not own the resources that, as organized through corporations, compose the crucial sectors and linkages of the 20th-century political economy. The long-term effects of this massive but legal and peaceful transfer of control over productive property were the dessication or “social death” of capitalists and the

emergence of a “post-industrial society” that might well be called either post-modern or post-capitalist.

Marx was perhaps the first observer to understand the process in exactly this way. In the incomplete studies that were published as volume III of *Capital*, he saw, for example that the formation of modern “stock companies” and the development of “modern credit” entailed a separation of ownership and control which turned the active, functioning, proprietary capitalist into a mere manager of other peoples’ money. Indeed he claimed that this very separation signified “the abolition of capital as private property within the boundaries of capitalist production itself,” and in doing so, it announced a “phase of transition to a new form of production” organized around “social property.” The early modern moment of transition to a post-feudal society served accordingly as the historical standard by which Marx gauged the impending results of the “socialised mode of production” residing in corporate forms of enterprise:

“Stock companies in general, developed with the credit system, have a tendency to separate [the] labor of management as a function more and more from the ownership of capital, whether it be self-owned or borrowed. In the same way the development of bourgeois society separates the functions of judges and administrators from feudal property, whose prerogatives they were in feudal times. [Since] money-capital itself assumes a social character with the advance of credit, being concentrated in banks and loaned by them instead of by its original owners, and since, on the other hand, the mere manager, who has not title whatever to the capital, whether by borrowing or otherwise, performs all real functions pertaining to the investing capitalist as such, only the

functionary remains and the capitalist disappears from the production process as a superfluous person.”

12. Proprietary capitalism and socialism as well as bourgeois society are contained, in both senses, by corporate capitalism. Because each is annulled *and* preserved in the new social formation, we don't have to pretend that it obliterates either the “archaic,” bourgeois, proprietary past, or the impending, “socialistic” future. Accordingly, we don't have to claim that periodization in terms of corporate capitalism requires willful ignorance of proprietors and their virtues, or that there are no historical continuities between the 19th and the 20th century versions of American civilization. At the same moment in history, the older “pioneer” individualism gave way to newer ideas about “social selfhood,” but that older notion was not replaced by these newer ideas; instead its cognitive status and political function changed by virtue of its inclusion in the new. So too, with both the predecessors and the rivals of corporate capitalism.

13. Corporate capitalism departs from its predecessors in the following ways (this is not an exhaustive list). (a) As Marx (and many other observers) noted, the most fundamental shift is probably the separation and control of property which the corporate legal form accomplishes. From this shift follow several social-intellectual consequences or possibilities, apart from the “social death” of the capitalist class, for example (b) the redefinition or “socialization” of property at the law and in the larger culture, through which natural right is finally adjourned, and (c) the development of bureaucracy or “bureaucratic rationality,” which in turn allow for (d) the regulation and “socialization” of the market through long-range planning as well as short-run adaptations of supply to demand; (e) the pacification and institutionalization—not the abolition—of class conflict

over income shares accruing to labor and capital; (f) the reconstitution of social mobility and the revision of class and gender relations through the incorporation of working class as well as middle-class men and women in clerical, managerial, and/or professional positions; (g) the reconstruction of the labor system to the extent that the formal subjection of labor to capital becomes real, labor-time ceases to function as a universal or reliable measure of value, and the production of value through work can no longer determine incomes and corresponding claims on goods; and (h) the articulation of new relations between personality and property, between internal dispositions and external circumstances, between the inner and outer dimensions of the genuine self—in other words, between subjects and objects as such.

(i) The corporate reconstruction of production and distribution allows for increases of output without corresponding or even proportionate increases of inputs, whether of labor or capital, because, as Alvin Hansen and other economists noted at midcentury, scientific management, the epitome of “bureaucratic rationality,” contributed to “capital-saving” as well as labor-saving techniques in American industry. By the 1920s, therefore, (j) consumer expenditures rather than private investment out of savings or profits—that is, out of deferred consumption—had become the fulcrum of economic growth and the focus of cultural practices and commentary in the “machine age.” (k) The gender trouble produced by the new “tertiary” sector of white-collar work is meanwhile compounded by this consumer culture, for the New Woman is its emblem and agent. (l) Moreover, that culture’s promotion of “being through having” seems to reverse the proper relation between active subjects and inert objects by emptying out the inner self, by making its private attributes public goods to be bought and sold in the market as

beauty, cleanliness, sincerity, etc.—through this process of “reification,” all persons become just as artificial, or just as inauthentic, as the corporation, whose standing as an unnatural person is clearly a function of legal inscription.

Meanwhile, insofar as social relations of (goods) production are evacuated by the reconstruction of the labor system and/or complicated by the growth of “tertiary” occupations, (m) the category of class cannot describe or determine social relations as such; thus the categories of race or gender can become more salient in articulating American nationality, and (n) the causative connections between work and character, or occupation and identity, are attenuated if not dissolved. Finally, (n) as the large corporations take on regulatory functions that were hitherto the province of the state, they enable a “dispersal of power” from the state to society; accordingly, (o) the boundary between the private and the public sectors, between the personal and the political, becomes increasingly porous, and (p) cultural politics becomes increasingly pivotal.

14. So the emergence of corporate capitalism sponsors a “post-industrial society” because it extricates labor from goods production; because it reconfigures the relation between property and power as well as property and personality; and, as Daniel Bell, C. Wright Mills, and Harold Cruse recognized, because it makes the “cultural apparatus”—the “tertiary” sector of service industries, mass communications media, and information technologies—the cutting edge of social and political change.

By the same token, corporate capitalism enlists socialism as a component or condition of its development because it requires continuous reform, regulation, and administration of markets and prices, not adjustment to external and anonymous laws of supply and demand; because it enlarges the public sphere of “self-government”—what

the market socialists of Eastern Europe used to call workers' self-management—by enabling a “dispersal of power” from the state to society; and because it points beyond class society, first by reducing the scope of the capital-labor relation in determining the content of social relations as such, and second, insofar as socially necessary labor time accounts for a shrinking proportion of the value of goods in circulation, by detaching the receipt of income from the production of value through work.

Socialism, by this accounting, is not the exclusive property of “the” working class, however that stratum is defined; like capitalism or liberalism, it is instead a cross-class construction in which every social stratum has a vested interest, and to which every social stratum has already made an intellectual and political contribution. By the same accounting, socialism is not the equivalent of state intervention in markets or statist command of civil society; it works in and through the private sector, including markets, as well as in and through public policy. Socialism is, in this sense, the heir to modern liberalism in defining civil society, not state-centered political participation, as the site of self-discovery and self-determination, and in valorizing individualism, not collectivism, as it is produced by voluntary association with others.

15. In sum, then, the revolutionary force of capitalism has been quite astonishing, and it is by no means spent. In its corporate form, it still serves as the necessary condition of socialism, and as the host, if you will, of both bourgeois society and proprietary capitalism. But the reign of capitalism in American history has never been undisputed, or rather it has always been contested or complicated, and sometimes improved, by modes of production that precede and accompany it—even in the 19th century, when its lease on American life was more certain than it has been in the 20th

century. Indeed that lease looks tenuous at best, even in the 19th century. The emergence of capitalism as such from the constraints imposed by the extremity of modern bourgeois society at the South was, for example, a political miracle that produced not one but two major sectional crises—the Civil War in the 1860s and the Populist Revolt of the 1890s—in which rationalized violence became commonplace. And yet the emergence of corporate capitalism after 1896, which involved transfers of titles to property of revolutionary proportions, was transacted peacefully.

The transition to the “socialised mode of production” which Marx saw as the product of joint stock companies and modern credit has been underway, more or less peacefully, for more than a century, thanks first to the triumph of proprietary capitalism over slavery and then to the emergence and consolidation of corporate capitalism in the US. So if we ever get around to calling that mode of production “socialism,” we should hope that capitalism remains as one of its active ingredients.

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