I. Capitalism: Basic structure & dynamics

1. A note on concepts & definitions

“Capitalism” is the first of many concepts we will be defining this semester. Here are a few others: Class, exploitation, class formation, forces of production, the state, ideology, mystification, and many many more. So, I want to say something general about words, concepts, and definitions:

**Words:** The same “word” is often used to identify quite different concepts, and it is very important not to get hung up on this. We will see this in our discussion of class: the word “class” is used as the term for completely different concepts.

**Levels of abstraction of a definition:** This is a very difficult idea. Again we will return to it many times. Let me explain with a biological analogy that I like: I had a dog Ozzie, who was a corgi. If you saw this creature in my yard and had never seen such an animal before, you might ask: what is that? There are many correct answers: Ozzie, a corgi, a dog, a canine, a mammal, an animal, a living thing. All of these a correct answers, but they are differ in what can be called the level of abstraction at which the answer is being formulated. Now here is the crucial point: the appropriate level of abstraction of the concepts used to describe something depends upon the question being asked. There is no “correct” level of abstraction in general; it all depends on what the theoretical agenda and purpose is.

What I will do in this lecture is discuss capitalism at a very high level of abstraction. This is what Marxists call the level of the “mode of production”. For many purposes this is too high a level of abstraction. It would be like analyzing the behavior of a specific dog with only the concept of canine, for example. If you want to explain why Ozzie liked to herd people while Micah, the Golden retriever we had before Ozzie, never herded people but loved to fetch tennis balls even when thrown in Lake Wingra, you would need the level of abstraction of dog breeds, not mammals or canines to answer the question. The mode of production level of analysis of economic institutions may be too high for many problems, but it is the level of abstraction that anchors the diagnosis and critique and sets the stage for the elaboration of problems at lower levels of abstraction.

**Concepts and Theories**

Concepts really only get their full meaning from the theories of which they are a part. You need concepts to build theories, but the meaning of those concepts depends upon the theories within which they function. There is thus a deep connection between the problem of concept formation and theory construction.

One of the key things a theory does is define what can be called the relevant *contrast space for any given concept*. Evolutionary biology gives us a contrast space for distinguishing different orders of animals. Nailing down a concept, then, involves specifying the relevant kind of contrast space. We will do this with respect for a number of concepts in this course: class is contrasted to
a variety other forms of social relations and social divisions; exploitation is contrasted to a number of other forms of oppression.

2. Capitalism: the contrast space

Again: Concepts get their meaning in part from the conceptual contrast-space in which they are located. Part of our understanding of mammals comes from the contrast with reptiles.

Two issues here:

1) Mode of production is a way of classifying a society in contrast to other ways of classifying societies. Here are some alternatives:

- Dominant Technology: industrial vs agrarian vs hunter gatherer vs postindustrial/knowledge/information
- Degree of Rationalization of social life: modern vs traditional
- Broad Cultural complexes: Western vs Eastern
- Religious traditions: Judeo-Christian vs Islamic vs Confucian

2). Capitalism is itself contrasted to other ways of organizing an economy. [Within Marxism the term here is “mode of production”. This is basically a way of identifying the highest level of abstraction for identifying the salient characteristics of an economic structure.] Here the contrasts are with primitive communism, feudalism, socialism, and communism, but sometimes various other modes of production are in the list.

3. Two approaches within the Marxist tradition for developing a definition of capitalism

3.1 Capitalism as a distinctive form of market society:

One standard way in Marxism for introducing the concept of capitalism by distinguishing the logic of market transactions in capitalism and what is called simple commodity production. This approach is often embedded in an historical account, since the earliest forms of capitalism emerged out of simple commodity production:

1. Market transactions in simple commodity production: C – M – C. You start with some commodities you have produced, you exchange them for money which you use to buy different commodities which you need. The purpose of exchange is strictly to satisfy need. This is what subsistence farmers typically do.

2. Capitalist commodity production: M – C – M’. Here you start with a sum of money and use it to buy commodities which you use in production for the purpose of exchanging the products of the production process for more money than you started. The only reason of deploying the money capital is to end up with more than you started. Capitalism is then defined as a market system driven by the M – C – M’ logic of exchange. The key to understanding capitalism, in this specification, is understanding where the extra money comes from. This is the problem of surplus value.
3.2. Capitalism as a distinctive organization of production: the basic structural definition

I generally prefer to begin with a structural analysis of the distinctive elements that distinguish capitalism from other ways of organizing the economic activities of a society. It can be defined along two primary dimensions: the nature of its class relations, and its central mechanisms of economic coordination across units of production.

**Class relations:** Class relations are the social relations through which the means of production are owned and power is exercised over their use. In capitalism, the means of production are privately owned and the use of those means of production is controlled by those owners or their surrogates. The means of production by themselves, of course, cannot produce anything; they have to be set in motion by human laboring activity of one sort or another. In capitalism, this labor is provided by workers who do not own the means of production and who, in order to acquire an income, are hired by capitalist firms to use the means of production. The fundamental class relation of capitalism, therefore, is the social relation between capitalists and workers. We will add a lot of complexity to this in a couple of weeks.

**Economic coordination:** Economic coordination in capitalism is accomplished primarily through mechanisms of decentralized voluntary exchange by privately contracting parties – or what is generally called “free markets” – through which the prices and quantities of the goods and services produced are determined. Market coordination is conventionally contrasted with authoritative state coordination, in which the power of the state is used to command the allocations of resources to different purposes. The famous metaphor of “the invisible hand” captures the basic idea: individuals and firms, simply pursuing their own private interests, engage in bargaining and voluntary exchanges with other individuals and firms, and out of this uncoordinated set of micro-interactions comes an economic system that is more or less coordinated at the aggregate level.

3.3 Complexity

The definition of capitalism offered here is at the level of abstraction of “mode of production.” Actual capitalist economies, of course, are much more complex than this. This is so for two reasons:

1. Capitalism is mixed with a variety of non-capitalist forms in any actual economy;
2. There are many different types of capitalism, which vary in all sorts of ways:
   - Degree and form of regulation of markets, erosion of private rights over property: Regimes of accumulation; organized vs disorganized capitalism
   - Degree of competitiveness; concentration and centralization of capital; etc.
   - Globalized capitalism vs nationally contained capitalism
   - Industry intensive capitalism vs service centered capitalism vs information/knowledge capitalism
   - Degree of financialization
   - Forms of organization of labor and capital and the associated forms of constrained cooperation

These kinds of complexity matter hugely. The implicit claim in the abstract definition is that each of these forms of complexity gains its specificity by its connection to the core elements of the more abstract concept. Not everyone agrees with this. Some people argue that social democratic economies are not variants of capitalism, but a qualitatively distinct form of economy.
4. Capitalism: core dynamics

The structural analysis of capitalism as a specific kind of mode of production is only a point of departure – a kind of structural stage setting for the substantive development of a theory of capitalism. The heart of that theory is an account of the dynamic forces in play within capitalism, or what Marx called the “laws of motion” of capitalism.

4.1. The key source of dynamism: The combination of these two features of capitalism – class relations defined by private ownership and propertyless workers, and coordination organized through decentralized market exchanges – generates the characteristic competitive drive for profits and capital accumulation of capitalist firms. There are two central mechanisms here that generate dynamism: competition and class struggle.

(1) Capitalist competition: Each firm, in order to survive over time, must compete successfully with other firms. Competition should not be viewed mainly as a motivation by individual capitalist firms, but as a pressure they experience in order to stay in business. There are two broad strategies that firms adopt in competition (there are many sub-types, of course – again, this is at a high level of abstraction):

- **Lower costs of production and increase productivity.** This enables firms to under-cut their rivals, increase their profits and thus expand at the expense of other firms. Firms that abstain from this, decline and then disappear. Each firm faces these competitive pressures, and thus in general all firms are forced to seek to lower costs of production in order to survive. They can do this in many ways: technical innovation, productivity-enhancing technical change, finding cheaper sources of inputs, etc. The result is a broad trajectory of productivity enhancing technological innovation over time.

- **New products & markets.** The second way to compete is to figure out new things to sell or new places to sell things. Since it takes time for other firms to copy new products and move to new markets, the early movers will have a competitive advantage. But other firms will follow, and eventually competitive pressures increase on the now expanded scale of the market.

The resulting relentless drive for profits by reducing costs and expanding markets is a central factor that generates the striking dynamism of capitalism relative to all earlier forms of economic organization.

(2) Class conflict: As we will see when we discuss exploitation, capitalists always face a problem of extracting labor effort from workers, getting workers to work hard and work productively. You don’t have to agree with the traditional Marxist idea that the source of all profits in the aggregate is the extraction of surplus from the effort of workers to see that the performance of labor effort is a perpetual problem of capitalists. This problem is intensified when workers organize for collective resistance. There are thus also internal pressures within capitalist firms to innovate either to increase their control over labor or to reduce their dependence on the effort of workers – for example, by substituting robots for people.

There are other aspects to the dynamism of capitalism, some of which we will discuss in some later lectures. But these are the two pivotal mechanisms that generate dynamism in capitalism.
4.2 Contradictions within these dynamics

Again, there is much to say here – we will discuss some of this later – but there are many aspects of this dynamic process which can be thought of as contradictory. What does contradiction mean?

**Two definitions of contradiction** (1) chains of effects of a given process which disrupt the functioning of the process; (2) Multiple functional requirements of system in which satisfying one conditions undermines another.

Here the idea is that capitalist dynamics generate chains of effects which undermine the functioning capitalism. This need not mean that those chains of effects make capitalism impossible, but simply that they continually undermine and disrupt the smooth functioning of capitalism. When these intensify sufficiently they generate what Marxists call a “crisis of accumulation” in which, in general, some kind of structural change in the conditions for accumulation is needed in order for vibrant capital accumulation to continue.

Harvey discusses these issues in terms of what he calls the “inherent barriers to continued capital accumulation”. Most of these are endogenous to the dynamics of capitalism -- they are barriers to accumulation that are generated by capital accumulation itself. (p.47):

- insufficient initial money capital
- scarcity of or political difficulties with labor supply
- inadequate means of production, including natural limits
- inappropriate technologies and organizational forms
- resistance or inefficiencies in the labor process
- lack of demand backed by money to pay in the market

4.3 The Surplus absorption contradiction

This last barrier is often especially important, so let us look at this specific contradiction more closely. This issue reflects what Harvey calls the “surplus absorption problem”: capitalist firms organize the production of products, and those products contain “surplus value” – that is, they are more valuable than all of the inputs used to make them – but this surplus can only be turned into money profits if the firms can actually sell what they produce. If they cannot, then they are likely to sit on hoards of capital and not invest much, since they won’t bother investing unless they can get a return. The pivot of the contradiction is that to reduce costs, capitalist push wages down, but this reduces the capacity of employees to purchase goods and services in the market. This is what Keynesians call “inadequate demand”. One remedy can be state spending, but this opens up what we will call in the middle of the course the “:Frankenstein problem”: how to control the level of state spending in a democratic political context. This is the current situation. Strategies to expand the market, therefore, are in part generated by this problem of finding profitable forms of investment.
4.4 An ambiguity in the analysis: From profits to Capital accumulation

Now, so far all that we have shown is that where you have competitive markets and capital/labor class relations, there will be pressures on firms to innovate in order to survive. Capitalist firms need net profits – i.e. a surplus after all existing expenses are paid – in order to innovate. But this is not yet sufficient to explain the relentless drive to accumulate capital, to expand. What is it that forces firms not merely to make profits and use them to stay competitive, but actually forces them to accumulate capital – to grow, to produce more and more, to expand?

Harvey gives what I think is not a very compelling answer:

Why do capitalists reinvest in expansion rather than consume away their profits in pleasures? This is where ‘the coercive laws of competition’ play a decisive role. If I, as a capitalist, do not reinvest in expansion and a rival does, then after a while I am likely to be driven out of business. I need to protect and expand my market share. I have to reinvest to stay a capitalist. This assumes, however, the existence of a competitive environment, which requires that we also explain how competition is perpetuated in the face of tenden ces towards monopolisation or other social or customary barriers to competitive behaviour. I will return to this problem shortly.

There is, however, another motivation to reinvest. Money is a form of social power that can be appropriated by private persons. Furthermore, it is a form of social power that has no inherent limit.

The first sentence here is not exhaustive of possibilities: in response to competition firms could reinforce innovation and productivity without investing in expansion. If a rival invests in expansion and you don’t, this will NOT drive you out of business unless by virtue of expansion the costs of your rival are lower. It doesn’t matter if your market share declines; you can perfectly well stay in business so long as the growth of your rivals has the result of expanding the size of the market. So, why does competition not merely force a profit maximizing logic on firms, but a growth logic on individual firms as well? Why does it generate an endless accumulation of capital?

There are three explanations that I know of for the growth dynamic – for why the endless accumulation of capital is a characteristic of capitalism rather than simply profit-seeking:

- Economies of scale
- Aggregate political and economic instability from lack of growth
- Motivations of capitalists, rather than structural imperatives

1) Economies of Scale. This is, as far as I know, the only really compelling explanation for a purely structural imperative at the level of individual capitalist firms for a growth dynamic (rather than just the profit dynamic): the only reason why growth is an imperative for individual units of capital is because there are economies of scale for various reasons in many sectors and for many dimensions of production. This indeed does mean if you stay small then your costs
become stably higher. Economies of scale include things like the costs of credit, and the lower transaction costs and discounts of large purchases of inputs, as well as technological issues like fixed infrastructure costs of production. All of these can make per unit production in small firms more expensive. Economies of scale also include the ways in which big corporations can bully suppliers, like the way Wal-Mart behaves: the power of large corporations to control the market does generate an imperative for accumulating power.

2) There is a second kind of explanation for the growth dynamic of capitalism, but this one does not make this growth dynamic an outcome of the micro-level imperatives of capitalists to continually invest in expansion. A no-growth capitalism becomes politically much less stable. Competition takes on a more intense zero-sum character. This means that collective actors have a stake in trying to create conditions for growth, even if this is not imperative for individual firms. This is the Keynesian logic for growth.

3) Capitalist motivations for power. This is the other argument that Harvey makes: “There is, however, another motivation to reinvest. Money is a form of social power that can be appropriated by private persons. Furthermore, it is a form of social power that has no inherent limit.” Also included under motivations would be the pressures on individual firms that come from the stock-market if the investors in stocks only care about short-run returns on their investments. We know that investors can have other motivations – there are socially-screened mutual funds for example. But most investors, empirically, are mostly concerned with rates of returns; and some investors, such as pension managers, are legally required to care only about rates of return. This translates into pressures on the actual top managers of firms to grow, not just to remain profitable and distribute all profits in the form of dividends to owners.

Note: this last kind of pressure does not apply to family-owned firms (or closely held firms which do not sell stocks on a public stock exchange): they do not have to maximize profits; they simply need to generate satisfactory profits. The saga of the fight of the grocery chain “market basket” reflects this dramatically: market basket is not a publicly traded corporation. The shares are family owned. The CEO owned 49% of the firm; the rest were owned by a cousin. The CEO was extremely popular with the workers – the chain provided full benefits and way above minimum wages. The firm was profitable, but didn’t maximize profits. The cousin wasn’t happy about this and so on the board of directors mobilized his faction, which had 51% of the votes, to fire the CEO. The workers – who were not unionized -- went on strike to demand his reinstatement. Eventually the cousin agreed to sell his controlling share.
II. The Critique of Capitalism

1. Two main ways to Criticize institutions

There are two distinct, but interconnected, ways in which the critique of capitalism can be framed:

- Capitalism generates harms and irrationalities of various sorts.
- Capitalism generates injustices.

These are interconnected in pretty interesting and complex ways:

- one would not care so much about an injustice unless it was also associated with a significant harm
- in a sense an injustice is itself a kind of harm.
- Irrationalities of a socio-economic system wouldn’t matter much unless they also generated harms in the lives of people. One can imagine specific arguments for ways in which chaotic, destabilizing, inefficient processes also were “functional” for a system that in other ways was beneficial, so the irrationality as such might be desirable.

In spite of these interconnections, however, these are also distinct problems. First, in some conceptions of social justice it is possible to recognize that a social arrangement generates harms and irrationalities without it also being unjust. Many libertarians, for example, insist that strong property rights connected to free markets are just, and nevertheless acknowledge that there are people who lose out and suffer in a free market for no fault of their own. As I already suggested in the discussion of normative foundations, one can argue that national borders and citizenship rules are just, and still admit that this imposes harms on people that excluded by these rules. Identifying the harms generated by capitalism, therefore, can be done without resolving the difficult philosophical problems of justice.

Second, there are some harms that are not easily framed as injustices – or, at least, framing them as an injustice does not identify the core of the critique. For example, consider the claim that capitalism undermines a sense of community and creates a world of greater atomization and anomie, and this harms the lives of most people. The issue here is not really that some people are more harmed than others by this – if everyone were equally harmed it would still be a criticism of capitalism. There are also injustices connected to the erosion of community in that some people have a privileged access to community, but this isn’t the main complaint. The same can be said about the claims that capitalism generates irrationalities (or inefficiencies). Consider the classical argument against capitalism that the anarchy of the market simply creates instability, destructive cycles and other forms of gross economic irrationality. Again, the issue here is not mainly that this irrationality means some people unfairly suffer while others do not – the unfairness of the anarchy of production -- but that there is simply unnecessary suffering, eliminable suffering generated by these chaotic, irrational processes.

Both of these kinds of critiques of capitalism are important, but historically Marxists have emphasized harms more than injustice. What Marxists argue that capitalism hurts the interests of workers and they would benefit from its over-throw, this is a claim about who benefits and is harmed by alternative economic systems. No arguments about injustice are needed to support this claim. Indeed, Marx himself was generally fairly skeptical of arguments about justice
believing that theories of justice were generally ideologically grounded rationalizations for interests. Contemporary Marxist philosophers have devoted more attention to questions of justice, believing – I think correctly – that beliefs in the justice or injustice of institutions is critical to struggles to transform those institutions.

Here I want to explore the critique of capitalism in a slightly different way from the way I organized the discussion in the book. There I organized the discussion in terms of a list of eleven criticisms. Here I will organize the criticisms in terms of the four normative principles we discussed around emancipatory social science. I will then briefly discuss the irrationality critique of capitalism.

2. The four principles (reprise):

   Equality: *In a just society all persons would have broadly equal access to the material and social means necessary to live a flourishing life.*

   Democracy: *In a fully democratic society, all people would have broadly equal access to the necessary means to participate meaningfully in decisions about things which affect their lives.*

   Community/Solidarity: *Community/solidarity expresses the principle that people ought to cooperate with each other not simply because what they personally get out of it, but also out of a real commitment to the wellbeing of others.*

   Sustainability: *Future generations should have access to the social and material means to live flourishing lives at least at the same level as the present generation.*

3. Diagnosis & Critique of capitalism

3.1 Equality: *Capitalism inherently generates levels of inequality in income and wealth that systematically violate social justice.*

A commonly held view is that inequality itself should not be a matter of particular concern. We should care about deprivation and poverty, but not about inequality as such. While I agree that the most pressing moral issues connected to inequality concern the human suffering connected to poverty, nevertheless I think inequality itself is an appropriate object of moral concern. There are four principle reasons for this claim.

   The first, and perhaps most important, is that inequality is itself a cause of poverty. The rich are rich, in part, because the poor are poor – they are rich at the expense of the poor. Poverty and wealth are not causally independent of each other. The central way this causal interconnection is understood in Marxism is through the concept of *exploitation*. As we will see when we discuss class, there is a closely connected concept – nonexploitative economic oppression – which is also important. The key idea is that the kind of economic inequalities generated within capitalism perpetuate severe deprivations even in the face of substantial economic growth. Or, to put it another way: *capitalism perpetuates eliminable forms of human suffering.*

   The second issue concerns social justice. Let us make the distinction between (a) everyone simply *having access* to the material means to live a flourishing life, and (b) everyone having roughly *equal access* to those means. If the first of these holds, but not the second, then some people have to work much harder than others to acquire the material means to flourish, but...
everyone could still with enough effort acquire those means. One way of thinking about absolute poverty is that condition (a) is not satisfied. Capitalism inherently violates (a). But even apart from that, even if through strong welfare state institutions and redistribution, (a) is satisfied, capitalism would still violate (b). So long as the material conditions of life of children are substantially affected by the income of their parents, nothing close to equal access to the conditions to flourish will not exist under a capitalist system.

One additional comment on the harms generated by the inequalities of capitalism: high levels of inequality have adverse effects on the lives of most people, even many who are relatively advantaged within the unequal distribution. This is a controversial claim and needs much more research to be firmly established. This is the argument most famously advanced by Wilkinson and Pickett in their book *The Spirit Level*, in which they amass considerable evidence that average wellbeing along many dimensions is inversely linked to the degree of inequality in a society. The specific mechanisms behind this empirical relation are not entirely clear, but the hypothesis is that higher levels of inequality generate a variety of effects which undermine the wellbeing of most people, not just the severely disadvantaged. These effects of high inequality include such things as stress, conflict, insecurity, envy, intensified competition at all levels of the economic structure, and a weakened sense of community. In effect this argument means that while high inequality may give a majority of people access to the material conditions to live a flourishing life, it also undermines for many materially advantaged people the social conditions for human flourishing. This means that capitalism-generated levels of inequality are irrational, not just harmful to some.

### 3.2 Democracy:

*Capitalism generates severe deficits in realizing democratic values by excluding crucial decisions from public deliberation, by allowing private wealth to affect access to political power, and by allowing workplace dictatorships.*

The first of these points is the most fundamental. It is an intrinsic feature of private property that it gives power of owners of property to dispose of it as they like – to sell it, even destroy it. If a capitalist could not move a firm to a cheap labor country without getting “permission” from the workers in the firm, this would mean that those workers had significant rights over the property in question, even if the capitalist continued to be able to appropriate the profits of the firm.

This issue – that private property rights in the means of production generates a democratic deficit – reflects a fundamental feature of property rights: property rights constitute a structure of power relations. To own things is to have power with respect to those things. However, it is critical to understand that “ownership” is not one-dimensional, but involves a very heterogeneous set of rights, and it is possible for the power connected to these rights to be vested in different agents. This is the case, for example, when there are safety rules and pollution rules imposed on owners. This means that the power over those aspects of production are no longer under the control of owners, but of the state or some other entity. The most fundamental aspect of capitalist property rights over means of production is the right to invest and disinvest. When that right is curtailed, then the capitalist character of the economic power relations is undermined.
3.3 Community/Solidarity: *Competition and commodification within capitalism undermine community/solidarity.*

The impact of capitalism on community and solidarity is quite complex because there are two quite different sorts of processes in play. On the one hand, competition and individualism which are such organic parts of capitalist market relations undermines community. As Jerry Cohen put it, capitalism is based on the dual principles of greed and fear – greed to accumulate; fear of losing our in competition. This competitive spirit pits individuals against each other in labor markets and cities, states and countries against each other in their efforts to attract investments.

On the other hand, capitalism erodes down a wide range of exclusionary solidarities based on ascriptive characteristics of race, ethnicity, gender. Both Marx and Weber emphasized this – the way capitalism undermines status hierarchies.

One way of thinking about the connection of these processes is that capitalism helps destroy traditional status barriers to more universalistic and inclusive forms of community and solidarity, but blocks the realization of the potential for community by fostering competitive-individualism.

3.4 Sustainability: *Capitalism inherently threatens the quality of the environment for future generations because of imperatives for consumerism and endless growth.*

Here the central issue that the stability of capitalism requires the continual expansion of markets. When markets are stagnant, the crisis tendencies within capitalism intensify.

Now, there is a complication here. The growth dynamic of capitalism is for the accumulation of capital, and this involves markets in both goods and services. So, it is logically possible that one could have a capitalist economy in which there was no growth in material production and consumption and still capital accumulation in the production of nonmaterial services. We could – conceivably – consume less and less material stuff per capita and still have economic growth in GDP (i.e. capital accumulation) via capitalist firms that produce services, internet entertainment. This is hard to imagine in practice, and in any case would require massive government intervention in investment patterns in ways which would undermine the overall capitalist logic of the system.

4. The problem of the “irrationality of capitalism”

There is a strand of Marxism in which the central critique of capitalism is around the irrationalities of markets as such, rather than class power. A classic phrase used to capture this is the “anarchy of production”. There are two main axes of this kind of critique:

1. *Waste:* capitalist markets generate huge levels of waste because of instability, overproduction, under-utilization of productive capacity (including labor). Environmental destruction can also be grouped under this heading if one ignores the injustice to future generations problems. Many kinds of collective action failures generated by market competition and negative externalities also can be framed as problems of inefficiency, irrationality, waste (although these often have injustice issues as well).
(2) *Fettering of the forces of production*: At the end of the semester we will discuss G.A. Cohen’s grand reconstruction of historical materialism – the theory of history – in which the key problem which leads to the demise of economic structures is the ways they come to fetter the development and use of the forces production. This basically refers to the gap between the way the world is and the way it could be by virtue of the development of human productive capacity. Again, this is in part on injustice argument – some people unnecessary suffer by virtue of this (eg. they have to toil more than they would need to) – but the deeper criticism is that flourishing in general is decreased, toil in general is increased, human progress is in some sense blocked.
Appendix

In *Envisioning real Utopias* I list eleven criticism of capitalism. Many, but not all of these, can be subsumed under the discussion of the four principles.

Here is another way of organizing the critique of capitalism. Critical theories generally organize the critique of institutions in terms of four rubrics of indictment: exploitation, domination, injustice, and irrationality. Of course, many of the substantive criticisms of capitalism fall under more than one of these labels but loosely we can organize the eleven specific criticisms in *Envisioning Real Utopias* along these lines.

Exploitation

1. *Capitalist class relations perpetuate eliminable forms of human suffering.*
2. *Capitalism blocks the universalization of conditions for expansive human flourishing.*

Domination

3. *Capitalism perpetuates eliminable deficits in individual freedom and autonomy.*
4. *Capitalism, in a world of nation states, fuels militarism and imperialism.*
5. *Capitalism limits democracy.*

Injustice


Irrationality

7. *Capitalism is inefficient in certain crucial respects.*
8. *Capitalism is environmentally destructive.*
9. *Capitalism has a systematic bias towards consumerism.*
10. *Capitalist commodification threatens important broadly held values.*
11. *Capitalism corrodes community.*