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## *Critical Theory and the Twentieth Century*

### *I.*

I propose writing a book on the historical trajectory of Critical Theory—the ensemble of approaches developed by theorists of the Frankfurt School, and critically extended by Jürgen Habermas and others. Critical Theory is arguably one of the richest and most powerful attempts (to come to grips with the twentieth century by formulating a social and historical theory adequate to it). Eschewing conventional disciplinary boundaries as well as orthodox Marxist “base-superstructure” understandings of social life, Critical Theory sought to synthesize various dimensions of modernity—political, social, economic, cultural, legal, aesthetic, psychological—systematically and intrinsically, rather than eclectically and extrinsically. To this end, these approaches thought together Marx, Weber, and Freud in rich and complex ways. Moreover, they rejected as spurious the notion of a social-scientific standpoint independent of its social and historical context. Instead, they insisted on epistemological self-reflection as a condition of an adequate social theory.

In general, Critical Theory set itself a double theoretical task—to critically illuminate the great historical changes of the twentieth century, and to self-reflexively ground its own critique as an historical possibility. It is, in that sense, emphatically contextual—a self-reflexive theory of historical context.

I intend to contextualize these sophisticated theories of context with reference to large-scale historical patterns that have become

increasingly evident in the past decades. Most books on Critical Theory are either general and internalist, or emphasize the direct effects of historical phenomena on the development of that theoretical approach. Moreover, they tend to do so from a standpoint whose presuppositions are not thematized. I also intend to approach these theories as attempts to respond to important historical phenomena, but with reference to large-scale structural transformations of capitalism in the twentieth century. Moreover, I shall do so from the standpoint of a late twentieth century understanding of those structural developments that both grows out of and criticizes the theoretical framework developed by Critical Theory. This projected book, then, is ultimately concerned with the complex interrelation of social theory to its historical context as the object, as well as the purpose, of its investigation. By historically relativizing the theoretical tradition of Critical Theory, I am also attempting to delineate a more adequate theory of context and, in this way, to contribute to the ongoing project of developing a critical theory adequate to the contemporary world.

The book I am proposing will not attempt to write another comprehensive account of the Frankfurt School, but will be a shorter book (approximately 150–200 pages) that will present a historical-theoretical argument by focusing on a limited number of authors and their works. This book should appeal to scholars and students in modern intellectual history, social theory, political theory, as well as literature, philosophy, and cultural studies.

## II.

I shall take as my point of departure Eric Hobsbawm's masterful history, *The Age of Extremes*. In attempting to make sense of the short twentieth century, Hobsbawm discerns three basic periods:

The first, from 1914 until the aftermath of World War II, was an "Age of Catastrophe", marked by two world wars, the Great Depression, the crisis of democracy, and the rise of Stalinism, Nazism, and

Fascism. This was followed by an unexpected "Golden Age" from about 1947 until the early 1970s, an age of rapid economic growth, expansion of welfare states, relative political stability, and a functioning international system. This "golden age" was superseded in the early 1970s by a new period marked by the reemergence of economic crises, mass unemployment, increasing social differentiation, the collapse of the international system, catastrophic downturns in parts of the world, and the collapse of Communism.

One dimension of Hobsbawm's periodization I will emphasize is that of the changing relations of state and (capitalist) economy. The first period can be characterized in terms of a number of different attempts to react to the world crisis of nineteenth century liberal capitalism through increasing state intervention in the economy, whereas the second period was marked by a successful state-centric synthesis, in both East and West. The last third of the century has been characterized by the unraveling of this synthesis—the weakening of national states as economically sovereign entities, the undermining of welfare states in the capitalist West, the collapse of bureaucratic party states in the Communist East, and the apparently triumphant reemergence of unchecked market capitalism.

These recent social and economic restructurings have undermined any notion of historical linearity. They have placed the problems of historical dynamics and global transformations back on the agenda of critical analysis and discourse. In particular, they have underscored the central significance of capitalism as a critical category of our times.

It is with reference to this overarching historical trajectory that I wish to discuss the relation of Critical Theory to historical context. Attempts to contextualize the first generation of Critical Theorists have frequently interpreted their theoretical revisions of orthodox Marxist conceptions (such as the notion of the proletariat as the historical subject), with reference to historical developments such as the failure of revolution in the West, the development of Stalinism, the rise of fascist mass movements, and the growing importance of mass-mediated forms of consumption, culture, and politics.

Such attempts do not always consider that the Critical Theorists sought to make sense of these historical developments with reference to a larger context—a large-scale transformation of capitalism. Understanding their interpretation of that transformation is essential to understanding the trajectory of Critical Theory.

It has been claimed, for example, that in the early 1940s Critical Theory moved away from the critique of political economy to a critique of instrumental reason, culture, and political domination. I would argue that this shift did *not* signify a move away from the former critique, but expressed a specific understanding of the political-economic dimension of the transformation of capitalism. This understanding then became an important aspect of Jürgen Habermas' later attempt to reconstitute Critical Theory. And it is precisely this underlying political-economic understanding that has been called into question by historical developments since 1973 and that must be rethought if Critical Theory is to remain adequate to its object.

In the first chapter I shall analyze the most important theoretical precursor of Critical Theory—the approach developed in the early 1920s by Georg Lukács in *History and Class Consciousness*. In that work, Lukács sought to respond to the historical transformation of capitalism from a market-centered to a bureaucratic form by synthesizing Marx and Weber. He adopted Weber's characterization of modern society in terms of a historical process of rationalization, and attempted to embed that analysis within the framework of Marx's analysis of the commodity form as the basic structuring principle of capitalist society. By grounding the process of rationalization in this manner, Lukács sought to show that what Weber described as the "iron cage" of modern life is not a necessary concomitant of any form of modern society, but a function of capitalism—and, hence, could be transformed. At the same time, the conception of capitalism implied by his analysis is much broader than that of a system of exploitation based on private property and the market; it implies that the latter are not ultimately the central features of capitalism.

Lukács's interpretation was based on a brilliant reading of the categories of Marx's critique of political economy (commodity, capital), which Marx had characterized as forms of being-in-the-world

(*Daseinsformen*) or determinations of existence (*Existenzbestimmungen*). Consonant with that characterization, Lukács treated Marx's categories as structured forms of practice that structure forms of social being as well as forms of consciousness. This approach breaks decisively with the "base-superstructure" conception of orthodox Marxism, avoiding the functionalism and reductionism associated with that conception. More generally, it represents a systematic attempt to get beyond the classical Cartesian subject/object dualism. (Indeed, as a social theory of knowledge, it seeks to explain that dualism itself socially.)

Lukács's reading deeply influenced Critical Theory's attempt to grasp the historical transformation of modern capitalism by means of categories that would overcome the classical subject/object dualism. Yet Lukács's attempt to conceptualize post-liberal capitalism was deeply inconsistent. When he addressed the question of the possible overcoming of capitalism, he had recourse to the notion of the proletariat as the revolutionary Subject of history. This idea, however, only makes sense if capitalism is defined essentially in terms of private ownership of the means of production, and if labor is considered to be the standpoint of the critique. Although, then, Lukács recognized that capitalism could not be defined in traditional terms if its critique were to remain adequate as a critique of modernity, he undermined his own historical insight by continuing to regard the standpoint of the critique in precisely those traditional terms, that is, in terms of the proletariat and, relatedly, a social totality constituted by labor.

Lukács has been strongly criticized for his strong affirmation of totality, of the dynamic of history, and of the proletariat as the Subject of history who will realize itself once it overthrows capitalism. And indeed, in its development, Critical Theory took issue precisely with these positions.

Nevertheless, before investigating the trajectory of Critical Theory more directly, I shall examine in depth Lukács's understanding of the categories of the critical political economy in order to show that Lukács's powerful general approach to those categories as historically specific, subjective/objective forms of practice is separable from his specific understanding of those categories, which in some respect rep-

licated precisely the sort of dualism Lukács criticized. In this way, I shall be taking a first step in rendering more explicit the theoretical position from which I analyze the theories discussed in this book.

### *III.*

The chapter on Lukács will be followed by chapters on “first generation” Critical Theorists, Max Horkheimer, Theodor Adorno, and Herbert Marcuse. I shall begin the second chapter by outlining a theoretical difficulty at the heart of Critical Theory’s attempt to grasp the transformations of capitalist society in the first half of the twentieth century. Proceeding on the basis of a sophisticated understanding of capitalism, Frankfurt School thinkers analyzed those large-scale historical changes in terms of the historical transformation of capitalism from a market-centered form to a bureaucratic, state-centered form.

In so doing, these theorists recognized the inadequacy of a traditional Marxist critique that grasped capitalism solely in nineteenth-century terms—that is, in terms of the market and private ownership of the means of production. Within such a traditional framework, the structural contradiction of capitalism is between those basic social relations and the sphere of labor, transhistorically understood as an activity mediating humans and nature that is the principle of social constitution and the source of wealth in all societies.

It should be noted that the notion of contradiction is crucial for critical theories of capitalism; it serves to explain both the historical dynamic of capitalist society as well as the immanently generated possibility of social critique and opposition. That is—capitalism is seen as generative, as well as constraining.

For the central strand of Critical Theory, the transformation of capitalism rendered the traditional Marxist critique anachronistic. Nevertheless, in their attempts to overcome the limits of that critique, these Frankfurt School theorists retained some of its basic presuppositions. The resulting tension has been constitutive of Critical Theory.

This can be seen most clearly in an important shift in Max Horkheimer’s conception of Critical Theory in the late 1930s. In

1937, Horkheimer still characterized capitalism in traditional terms, however sophisticated—namely in terms of a structural contradiction between a social totality constituted by labor, which could be organized in a just and rational manner, and the fragmented, irrational form imparted on that whole by the market and private property. Like “totality,” labor here is understood transhistorically, positively valorized, and closely related to reason and emancipation. Critical Theory is grounded reflexively in the contradiction between the totality constituted by labor and the way that totality is mediated by capitalism’s relations.<sup>1</sup>

Horkheimer’s understanding of the larger context changed fundamentally in 1940, when, like Pollack, he concluded that what earlier had characterized capitalism—the market and private property—no longer were its basic organizing principles.

Yet Horkheimer did not, on the basis of this insight, reconceptualize the basic social relations of capitalism. Instead, he retained the traditional understanding of capitalism’s contradiction (as one between labor, on the one hand, and the market and private property, on the other), and argued that the contradiction had been overcome—the market and private property had been effectively abolished. Society was now directly constituted by labor. Rather than being liberating, however, this development had led to a new historical form of unfreedom, state capitalism, characterized by a new technocratic form of domination.

This indicated, according to Horkheimer, that labor (which he continued to conceptualize in traditional, transhistorical terms) could not be considered the basis of emancipation but, on the contrary, should be grasped as the source of technocratic domination, as instrumental action. Capitalist society, in his analysis, no longer possessed a structural contradiction, it had become one-dimensional. This analy-

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1. Note that, although Horkheimer wrote this essay long after the Nazi defeat of working-class organizations, he did not take the absence of effective social opposition to signify the end of structural contradiction.

This shows that Horkheimer’s later theoretical pessimism cannot be understood solely as a response to the bleakness of his immediate historical context, but must also be understood with reference to his understanding of the larger context.

sis suggested that capitalism no longer had an immanent dynamic, that this dynamic had been superseded by state control.

Because Horkheimer retained some of traditional Marxism's pre-suppositions regarding labor and capitalism's contradiction, his attempt to overcome the limits of that theory was problematic. Not having elaborated an alternative conception of capitalism's basic social relations, he could not justify his continued characterization of modern society as capitalist, given his contention that the market and private property had been effectively abolished. Moreover, his critical analysis could no longer ground itself and, hence, lost its reflexive character. This is the theoretical background for *Dialectic of Enlightenment* and its transhistorical categories.

#### IV.

Against this background, Jürgen Habermas's project can be understood as an attempt to reconstruct a critical theory of the contemporary world that overcomes the theoretical dilemmas generated by Critical Theory's pessimistic turn. His project can also be located with reference to the trajectory of the twentieth century. Historical developments in the 1960s and 1970s undermined the thesis of one-dimensionality in several distinct ways. In the 1960s, the rise of new social movements called into question the notion of a totally administered world. In the 1970s, the overt reemergence of capitalism's dynamic contravened the notion that the state could direct economic processes as it saw fit, and suggested that capitalism's contradictory character—whatever its content—had not been overcome. Habermas's project is rooted in the former set of developments; its limits have been made manifest by the latter.

Habermas first formulated his approach in the 1960s, when the postwar welfare state was at its height, and as new social movements began to emerge. Against the background of prosperity which was becoming generalized, Habermas extended the Frankfurt School critique of technocratic domination, and criticized capitalist welfare states and socialist states for separating out issues of material welfare



from those of democratic self-determination.

On the other hand, Habermas—seeking to reestablish the self-reflexive character of Critical Theory and also grasp the rise of new oppositional movements—criticized the Frankfurt School thesis of the one-dimensionality of post-liberal society.

Yet Habermas did not locate the conditions of possibility of critique and opposition in capitalism itself (which would have entailed fundamentally rethinking the traditional paradigm). This decision reflected the widespread consensus, during the 1960s, that states had finally achieved control over economic processes and that the working classes had become fully integrated into capitalism. It was reinforced by consideration of the values expressed by the new social movements, which appeared less interested in issues of material welfare than in cultural, aesthetic, and political issues.

Instead of rethinking capitalism, Habermas essentially accepted Horkheimer's position that post-liberal capitalism is constituted by labor (transhistorically understood as instrumental action) and is non-contradictory. In order to ground the possibility of critique, Habermas then argued that labor constitutes only one dimension of social life, which is paralleled by another dimension, constituted by interaction. The sphere of interaction grounds the possibility of critique, according to Habermas, while that of labor constitutes the object of that critique.

Habermas's magnum opus of the early 1980s, *The Theory of Communicative Action*, refines and deepens this general approach, even as it departs in some important respects from his earlier schema. Habermas's general intention is to ground the possibility of a self-reflexive critical theory of modern society in the development of what he calls communicative reason—while formulating a critique of post-liberal society in terms of the growing domination of instrumental forms of rationality.

To do so, Habermas posits a universal evolutionary logic of socio-cultural development in which linguistically-mediated communication increasingly structures the lifeworld. He sharply distinguishes that logic (which points toward the rationalization of worldviews and the generalization of moral and legal norms) from the empirical historical

dynamic of worldview development. Indeed, that logic serves as the immanent standard against which the actuality of modern development can be judged.

What characterizes the modern world is that system integration becomes effected by quasi-objective steering media: money and power. These media allow social processes to be regulated in a purposive-rational manner, and result in an uncoupling of system integration from the lifeworld. The crisis of the contemporary world, according to Habermas, is rooted in the growing expansion of instrumental rationality (which is appropriate for systemic spheres) into lifeworld realms structured by communicative rationality. Habermas claims that this process results in disturbances in the symbolic reproduction of the lifeworld—and thereby runs up against a new form of resistance. On the basis of this analysis, he then attempts to historically ground the "new social movements" of the past three decades.

## V.

*The Theory of Communicative Action* succeeds in recovering the theoretical self-reflexivity of critical social theory, but at the cost of weakening Critical Theory's power to grasp contemporary historical transformations.

These transformations, which I outlined earlier, are undermining the sort of state-centered order (characteristic of much of the twentieth century) with whose emergence earlier Critical Theory wrestled. They indicate that, in spite of appearances, state structures—both West and East—had not managed to gain control over capitalism's dynamic during the Golden Age. These historical processes must be grasped if a critical theory of contemporary society is to be adequate.

But Habermas's mature theory is ill-suited to illuminate or respond to these recent processes of historical transformation, for this would require a critical rethinking of capitalism's dynamic.

Habermas, however, has adopted a systems-theoretic approach in lieu of a critical theory of capitalism. This has severely constrained the scope of his analysis. The categories of "money" and "power" are

essentially static and indeterminate. They neither illuminate the specific structures of the economy and polity, nor can they elucidate the historical dynamic of modern, capitalist society.

Habermas's understanding of contemporary historical dynamics is essentially linear and spatial—a matter of extension—rather than temporal—a matter of transformation. His critique is that the organizing principles of state and economy are overstepping their “legitimate” bounds. This critique does not grasp the massive restructuring of the world today that is fundamentally changing political, economic, and social structures within a new global framework. It presupposes a configuration of state and economy that has been unraveling since the early 1970s, and does not allow for a vision of a fundamentally different form of state and of economy.

Moreover, because Habermas grounds system and lifeworld in two very different ontological principles, it is difficult to see how his theory can explain interrelated historical developments in economy, politics, culture, science, and the structure of everyday life.

In other words, however well-taken Habermas's critique of orthodox Marxism may have been, his attempt to reconstitute critical theory brackets the centrality of capitalism's dynamic in ways that undermine his attempt to bridge the normative and the historical/factual and thus render it anachronistic.

The weaknesses in Habermas's approach are ultimately rooted in his appropriation of systems-theory, his quasi-ontological distinction between system and lifeworld, and his insistence on distinguishing evolutionary logic from empirical historical development. As I have indicated, Habermas draws these distinctions in order to be able to reflexively ground his critique of post-liberal society. This, in turn, presupposes that such a critique cannot be grounded in the nature and dynamic of modern capitalism itself.

Earlier Critical Theory's analysis of postliberal capitalism as “one-dimensional” is the basis for that presupposition. Having adopted that analysis, Habermas attempted to theoretically recover the possibility of a reflexive social critique by positing a social realm that exists outside of capitalism.

The result is a linear, evolutionary theory of historical development

that does not allow Habermas to elucidate a central feature of modern society—its unique historical dynamic—and, hence, to deal with the significant transformations of the contemporary world.

## VI.

I have argued that, in attempting to come to grips theoretically with large-scale historical transformations, Critical Theory retained some traditional Marxist presuppositions even as it sought to overcome the limits of that theoretical framework. This ultimately undermined Critical Theory's ability to fulfill its double theoretical task—to adequately illuminate the large-scale historical transformations of the modern world in a historically self-reflexive manner.

The transformations of the past decades strongly indicate the need for a renewed critical theory of the present and suggest that, if such a critical theory is to be adequate, it must be centrally based on an adequate theory of capitalism. At the same time, the course of the twentieth century suggests that, if a critical theory of capitalism is to be adequate to the contemporary world, it must differ in important and basic ways from traditional Marxist critiques of capitalism.

What seems clear, considered retrospectively, is that the social/political form associated with the hegemony of capital has varied historically—from mercantilism through nineteenth-century liberal capitalism and twentieth-century state-centric, organized capitalism, to contemporary neo-liberal capitalism. Each form has elicited a number of penetrating critiques—of exploitation and uneven, inequitable growth, for example, or of technocratic, bureaucratic modes of domination. Each of these critiques is incomplete, however—for, as we now see, capitalism cannot be identified fully with any of its historical forms. Rather, the category of capital delineates a historically dynamic process that is associated with a number of historical forms.

That dynamic is a core feature of the modern world. It entails an ongoing transformation of all aspects of social and cultural life that can be grasped neither in terms of the state, nor in terms of civil society. Rather, that dynamic exists “behind” them, as it were, as a socially-

constituted compulsion that transforms the conditions of people's lives in ways that seem beyond their control.

An adequate theory of capitalism could allow for an approach that might be able to accomplish the two-fold theoretical task defined by Critical Theory— to develop categories that can illuminate the historical transformations of our world and be historically self-reflexive—that is, develop an approach to the modern world (and to theories of that world) that is fundamentally historical.