# The Ends of Economic History: Alternative Teleologies and the Ambiguities of Normative Reconstruction

Let's start with the assumption that the key function of social critique is to comprehend, as Marx had it, the struggles and wishes of the age. Further, I assume that such comprehension involves developing an empirical social philosophy to describe and explain both present struggles and the broader social context in which they arise. Finally, I assume along with the tradition of critical social theory that such theory is not intended merely as an idle exercise in empirical description and explanation, but that it crucially involves a normative dimension as well; in particular, a theory for assessing and evaluating current struggles and wishes, with an eye to furthering our basic interests in human emancipation and flourishing. This much, I assume, is relatively uncontroversial.

Axel Honneth's recent book *Das Recht der Freiheit* (hereafter *Freedom's Right*) achieves both the empirical and normative tasks by creatively updating Hegel's later methodology of institutional reconstruction from the *Philosophy of Right*.¹ One of the distinctive claims of Honneth's new critical social theory is that the normative standards of the evaluative part of the theory – in particular, the specific values it assesses social reality with – are the very same standards that the empirical social theory claims as constitutive of social reality. In other words, the theory's central critical criteria are the same as those used to organize the description and explanation of society. I want to look at this normative strategy, because I think on the one hand this distinctive methodology of normative reconstruction has much to recommend it, and, on the other, because I think it has potential limitations that must be addressed if it is to serve the functions set for it.

The structure of the paper is as follows. First, I consider, at a general level, the promises and limits of three ideal-typical normative methodologies of social critique: first principles critique, intuition refining critique, and institution reconstructing critique (1). Then I turn to the details of Honneth's history and his diagnosis of market spheres of society as an example of institution reconstructing critique (2). This leads to a consideration of some challenges facing this kind of critique, with particular attention paid to problems posed by alter-

<sup>&</sup>lt;sup>1</sup> Honneth, Axel: Freedom's Right: The Social Foundations of Democratic Life. Transl. by Joseph Ganahl. Malden, MA 2014.

native reconstructions of the same data (3). Finally, in a brief concluding section, I suggest some methodological remedies which might need to be adopted in order to make good on the promise of institution reconstructing critique while avoiding some of its most challenging problems (4).

# 1. Three Normative Strategies of Critique — Promises and Limits

In a recent interview, Honneth makes a distinction between three methods for normative social critique: external critique, immanent critique, and internal critique.<sup>2</sup> The first involves philosophically developing and justifying universal principles, say in a theory of justice, and then applying those principles to social reality. The second starts from the ordinary normative beliefs of contemporary social members, and uses them as a gauge against which to measure contemporary social practices and institutions. The third starts from the actual practices and institutions of contemporary society, reconstructs the normative principles implicitly (and imperfectly) constituting those practices and institutions, and then uses that normative content to critically evaluate contemporary society. I adopt this helpful typology here, but I will not adopt Honneth's labels. Instead, I prefer to call these methods hirst principles critiques, hintuition refining critiques, and hinstitutional reconstructing critiques respectively.<sup>3</sup> Taking these three forms as ideal types, we can contrast their basic promises and typical limitations.

- <sup>2</sup> Honneth, Axel/Gonçalo, Marcelo: »Recognition and Critical Theory Today: An Interview with Axel Honneth.« In: *Philosophy & Social Criticism* 39, no. 2 (2013).
- <sup>3</sup> I suggest changing the labels, in part because <code>>immanent<| and >internal<| are almost interchangeable, but more fundamentally because I do not think many versions of first principles critique are actually <code>>external<| to extant society. Consider only Rawls's paradigmatic theory of justice as an example of this type of theory: he clearly intends to derive its basic content from the underlying normative consensus actually existent in liberal democratic societies. If he didn't so tie his theory to moral content immanent in contemporary society, there would be no theoretical role for concepts such as <code>>reflective equilibrium,</a> <code>>overlapping consensus,</a> <code>>political (not metaphysical) liberalism,</a> <code>>public reason,</a> and so on. For instance: <code>>[W]e look to the public political culture of a democratic society, and to the traditions of interpretation of its constitution and basic laws, for certain familiar ideas that can be worked up into a conception of political justice. (Rawls, John: \*Justice as Fairness: A Restatement. Ed. by Erin Kelly. Cambridge, MA 2001, p. 5.) Perhaps other first principles theories, such as those of Cohen, Dworkin and Nozick, are better accused of being <code>>external</a> to their societies <code>> but even here I have my doubts.</code></code></code></code></code></code></code></code></code>

#### 1.1 First Principles Critique

The form that social critique most often takes within philosophy is first principles critique; paradigmatic versions include John Rawls' theory of justice, Ronald Dworkin's theory of equality, Robert Nozick's libertarianism, Gerald Cohen's socialism and various forms of utilitarianism. Theory is tasked with working up one or a few first principles of political justice, rightness or legitimacy, organizing those principles and any sub-principles in a hierarchical and coherent system, justifying that system as the one uniquely true account of political normativity for society, and then using those ideal principles as a measure of social reality in order to detect injustices, wrongs or illegitimacies and (perhaps) to prioritize remedial action. First principles critique promises, if successful, a set of universally true, non-contingent, and trans-contextual principles useful for evaluating social practices and institutions.<sup>4</sup> These first principles promise, in short, a justified and unimpeachable standpoint for social critique.

Of course, there are several limitations such a strategy standardly encounters.<sup>5</sup> The first limitation is that the principles, insofar as they are quite abstract and often justified through high-level philosophical arguments, will often have little to no motivational force in the real world. Such general rules and standards will often appear to be utopian in comparison with the everyday realities and messiness of our actual social world: against social reality they have the finger-waving character of a mere ought. For individuals and groups of persons, such mere oughts – everyone ought to be equal, distributions should be fair, property regimes should be just – will seem to have little to no motivational purchase. Rather they appear to be the abstract conceits of overly remote, merely hortatory theorizing.

A second limitation can be captured in Weber's phrase – warring gods and demons – although I do not mean to invoke Weber's problem of moral relativism. Rather, I mean that in comparing rival versions of first principles critique, it can be difficult if not impossible to make a reasoned evaluation of them at the level of generality they are originally formulated and justified in terms of. Consider two apparently correct first principle oughts: persons ought to be treated with equal respect, and, persons ought to own the personal property they have acquired fairly. Of course, neither of these oughts conflict at the level of ab-

<sup>&</sup>lt;sup>4</sup> I pass over here its usefulness for answering certain standard philosophical questions that it is often explicitly aimed at addressing: what is the basis of legitimate state coercion, what is the best form of social cooperation, why should I obey the law, and so on.

<sup>&</sup>lt;sup>5</sup> Honneth, following Hegel's critique of Kant, points out several of these limitations, though I shall be reformulating them for my own purposes here. For an overview, see Honneth: *Freedom's Right*, pp. 1–11.

stractness formulated, but they may be conflicting principles once the theorists have fully specified all of the relevant institutions a utopian society might require to embody the specific conceptions of the principles. In other words, at the level of ideal theory, there is little to help make a reasoned evaluation of which ideal theory is better, while any purchase we can get on the respective theories only comes in the detailed specification of a utopian set of social arrangements. So as ideal theories, we have merely warring gods and demons – perhaps we should say warring gods and angels – while the real contrasts capable of evaluation only come by virtue of evaluating much more specific, detailed, and concrete social arrangements.

A third major limitation follows straight away: the problem of application indeterminacy. For in fact, when it comes to connecting high level principles to the messy reality of concrete circumstances - when those abstractions are being brought down to social reality - it becomes clear that the bridging maneuver is only effected by presupposing (usually tacitly) further substantive normative content that is not itself part of the justified first principles. Without that further presupposed substance, there remains a plurality of different potential application >utopias<. Only the further content decides between them. Consider, for instance, that Kant's categorical imperative could only debar a universal regime of taking what one needs from others on the supposition of an already extant and justified regime of private property.6 While it looks like the first principles (the categorical imperative) are doing all the work, the principles are in fact being conjoined with further normative substance (legitimate private property) that is tacitly presupposed in virtue of being built into social practices and institutions. For a different example of application indeterminacy, consider how Rawls's own application of his first principles of justice to matters of political economy yields two quite distinct just regimes – property owning democracy and liberal (democratic) socialism - with little theoretical guidance about how to decide between them.7

In summary, it seems that the central promise of first principles critique is that it justifies its standards as normatively valued *simpliciter*, without regard to contingently given beliefs, practices, or institutions. It gains this universal justification precisely by abstracting from extant social relations to very general principles and a priori justifications. However, through such abstraction, it trades universality for the problems of non-motivating mere oughts, warring

<sup>&</sup>lt;sup>6</sup> Hegel is the originator of this claim about the empty formalism of Kant's moral theory. See, for example Hegel, Georg Wilhelm Friedrich: *Elements of the Philosophy of Right*. Ed. by Allen Wood, transl. by Hugh Barr Nisbet. New York 1991, §135. Yet, I find an Italo Calvino short story particularly poignant and useful here: Calvino, Italo: »The Black Sheep.« In: *Granta. The magazine of new writing* 46 (1994).

<sup>&</sup>lt;sup>7</sup> Rawls: *Justice as Fairness*, pp. 135–140.

gods and demons, and application indeterminacy – three problems that are in fact traceable to its own abstracting moves.

# 1.2 Intuition Refining Critique

We can think of the second ideal typical strategy – intuition refining critique – as arising in reaction to the limitations of the first principles strategy. The idea here is to start with the everyday moral beliefs of the members of a given society – typically the critic's own society – and then purify and clarify those beliefs into sharp normative intuitions that can in turn be incorporated into an overall set of normative standards useful for evaluating particular elements of social reality. Social philosophy, on this account then, gets its normative content from the actual beliefs social participants have about what is right and good and refines them into incisive standards that can be used to evaluate given practices and institutions. Representative theories include classical authors like Marx (at least when he is making normative evaluations of the present) and contemporary authors such as Michael Walzer, Michael Sandel, and Debra Satz.<sup>8</sup> Rather than attempt a pure philosophical justification of norms, intuition refining critique simply takes its intuitions as justified by the fact that they are widely shared in society – acceptance by actual people is supposed to underwrite their normative force. Of course, such a strategy gives up the aspiration to find universally valid, trans-contextual normative standards good for all societies (or, less ambitiously, all modern or all liberal societies). But it does so in order to avoid the limitations encountered by first principles critique.

This second strategy directly responds to the motivational problem of the mere ought, for the norms employed are already in fact motivational for people: they are actually invoked and employed by social participants as critical and justificatory standards in everyday life. Furthermore, it solves the problem of incomparable abstract standards, since theory has direct access to the actual way such standards are used by attending to the commitments and entailments individuals take on when they use them in their moral practices. It is quite clear, for example, what the contradiction is between Don't tax me because I made this money and its mine and People should pay taxes because we are all in this together. Finally, it is also usually clear what the particular institu-

<sup>&</sup>lt;sup>8</sup> Sandel, Michael J.: What Money Can't Buy: The Moral Limits of Markets. New York 2012; Satz, Debra: Why Some Things Should Not Be for Sale: The Moral Limits of Markets. New York 2010; Walzer, Michael: Interpretation and Social Criticism. Cambridge, MA 1987. Much of contemporary moral philosophy and applied ethics (the closest there is to >social philosophy<) in the style of analytic philosophy proceeds through intuition refinement.

tional application of a given everyday belief is: I made it and its minec translates more or less directly into a minimal state with minimal taxation; we're all in this together translates into a much more extensive public-goods providing state with a more extensive and progressive tax base. Theoretical work can help here, for in refining the intuitions involved, it can also indicate the tensions and tradeoffs between different normative contents drawn from ordinary moral beliefs. So intuition refining critique seems to make an even trade: giving up trans-contextual justification for solving the problems of the mere ought, warring gods and demons, and application indeterminacy.

However, such internalist strategies have their own distinctive limitations. Notoriously, they threaten to descend into mere conventionalism, with little to no critical distance possible toward whatever moral beliefs happen to be held by social participants. While they may be able to critically evaluate particular social arrangements that do not live up to the moral standards individuals profess belief in, there is almost no way to say that any particular beliefs are mistaken or wrong or problematic. The mere fact that a great majority endorse them is all the warrant there apparently can be for their worth. It is not at all hard to think of any number of social beliefs from our own society's past which we now regard as distinctly misplaced, problematic and frankly immoral. Intuition refining critique would have been largely incapable of identifying them as defective at the time.

A special version of the problem of conventionalism is posed by ideological beliefs. Here we are dealing with widely shared beliefs which we suspect have no real moral worth, but are rather persistently reproduced because such beliefs function to maintain certain social relations that are unjustifiable in terms of their true moral character. Edmund Burke and his contemporaries may have believed sincerely that "the occupation of a hair-dresser or of a working tallow-chandler cannot be a matter of honour to any person — to say nothing of other more servile employments«,9 but merely holding this belief cannot make it morally correct. Furthermore, we should be rightly suspicious that such a belief is maintained precisely because it is functionally useful for supporting a caste-like status structure.

A third limitation of empirical adequacy often appears precisely where intuition refining critique begins to diverge from everyday folk intuitions in order to gain more critical distance from them. For example, consider Satz's enlightening refinement of intuitions regarding when markets become noxious and should therefore be either regulated or banned – markets for example, in child labor or women's reproductive capacities or human body parts. Many of

<sup>&</sup>lt;sup>9</sup> Burke, Edmund: »Reflections on the Revolution in France.« In: *The Works of Edmund Burke, with a Memoir,* Volume I. New York 1835, p. 477.

the criteria for noxious markets she cites do seem to clearly reflect wide-spread intuitions about the moral limits of markets: for instance that markets ought not to take advantage of extreme vulnerability or that markets should not produce extreme harms to the basic welfare interests of individuals. But it turns out that most of the heavy moral lifting in Satz's actual critiques of extant market institutions is done by the notion that markets become noxious when they »undermine the social framework needed for people to interact as equals, as individuals with equal standing« and, more specifically, when they undermine the democratic »equality of individuals as co-deliberants and co-participants in making laws that apply to themselves.«10 To put it bluntly, it seems to me that Satz has here moved away from reliance of ordinary folk beliefs and distinctly moved into the realm of sharp moral standards developed by egalitarian and deliberative democratic political philosophies. I doubt that there is widespread empirical endorsement of these stringent beliefs about equal status, at least among Americans. And my doubt that Satz has accurately represented these beliefs is furthered by the fact that most Americans do not wholeheartedly endorse what Satz claims is the concrete realization of these beliefs (if they endorse it at all): T. H. Marshall's account of equal citizenship as requiring universal social rights to health care, education, housing and a baseline decent income, without regard to personal preferences for such goods or ability to pay for them.<sup>11</sup> In short, it seems that when everyday beliefs are theoretically seen as morally insufficient – when conventionalism threatens critical philosophy – theory must choose between empirical adequacy and the critical capacity of the theory itself.

#### 1.3 Institution Reconstructing Critique

The third critical strategy responds to difficulties with intuition refining critique. The central idea of institution reconstructing critique is to draw the substantive normative content of the theory immanently out of the actual patterns and practices of social relations, rather than the beliefs of members. Paradigm examples of such a strategy include both Hegel's mature method in *Philosophy of Right* and Nietzsche's reconstruction of punitive practices in the second treatise of *On the Genealogy of Morals*. <sup>12</sup> As developed by Honneth under the label of normative reconstruction, this form of critique develops its social theory at

<sup>&</sup>lt;sup>10</sup> Satz: Why Some Things Should Not Be for Sale, p. 95.

<sup>&</sup>lt;sup>11</sup> Ibid., pp. 100–105.

Hegel: Elements of the Philosophy of Right; Nietzsche, Friedrich: On the Genealogy of Morality. Transl. by Maudemarie Clark, and Alan J. Swensen. Indianapolis, IN 1998.

the same time, and with the same resources, as its normative and critical theories. The basic task for social theory is to reconstruct the different institutional spheres or orders of society in terms of the central values each sphere distinctively realizes. The normative theory then attends to how those very same values have worth for individuals such that the institutions' obligations and benefits are justified to those individuals. Finally, critique arises where institutions promise the realization of some values, but do not fully deliver on those promises

Institutional reconstruction addresses the three problems faced by first principles critique in similar ways to intuition refining critique, but achieves perhaps even more satisfactory solutions in attending to practices rather than beliefs. First, it does not face the problem of confronting reality with non-motivating, abstract mere oughts. For the values reconstructed are, in fact, those that are actually already serving to motivate people in social reality, at least insofar as individuals continue to reproduce those practices and institutions. Since it is a fundamental premise of reconstructive social theory that institutions require ongoing consent to function, insofar as institutions perdure, there must actually be a motivating consensus around certain values. Furthermore, because the normative content is much more concrete than the abstract norms of a first principles strategy, there is little worry about having no basis on which to evaluate competing substantive content: the warring gods and demons here are actually operationalized for individuals through the specific obligations and benefits they assume in different roles in different institutional complexes. Rather than abstract considerations of whether, say, the right should have priority over the good or how to adjust tradeoffs between freedom, equality and efficiency, social participants can quite well understand the conflict between the values of family relations and political interactions when their institutionalized roles as parents and voters come into direct conflict. Finally, of course, no problem of application indeterminacy arises, since the papplication of principles is already achieved by social reality, rather than being a problem of theoretically specifying a utopia.

Normative reconstruction also promises to handle the problems faced by intuition refinement of empirical adequacy and ideological beliefs. To begin, if the social theoretic reconstructions of empirical institutional reality are accurate, then the theory's substantive reference points are precisely, and only, those values that are actually operative, rather than beliefs about which values are operative. Hence the values identified by the theory cannot be fallacious representations of reality. Nor can they be standard ideological beliefs that do not match up with how institutions actually function, for on an empirically accurate reconstruction those values simply are those necessary for the perdurance of the relevant practices and institutions. Of course, the theory itself might be em-

pirically inadequate – it may not accurately portray institutional reality and it may be tempted to extend its critique beyond actually existing values. And the theory itself may be ideological – it may function to maintain power asymmetries in an unacknowledged way. But these are problems of theory formation faced by any critical theory, no matter what its normative strategy. What is distinctive about both immanent strategies – intuition refining and institutional reconstruction – is that they heavily rely on getting the relevant facts correct in a way that, at least *prima facie*, first principles critique is apparently exempt from. We will see soon that this can pose serious challenges.

A defender of first principles critique might point out here that it has resources for much more robust responses to these two problems, since its philosophically justified principles are not tainted by empirical contingency. With justified, universally valid principles at hand it doesn't matter what the actual beliefs of people are, nor does it matter what the character of their institutions is, for the critical standards it brings to bear are the morally correct ones, *simpliciter*. In the light of its first principles, such critique can directly evaluate whether extant beliefs or institutions are justifiable; moreover such principles can serve as a check on theory itself so that it does not inadvertently become an ideological defense of an immoral status quo. In other words, these two problems bring us back to the central peril of the two immanent strategies: namely, the threat of becoming a form of mere conventionalism.

A pressing question, then, is whether institutional reconstruction can retain the advantages it has over the first principles and intuition refining critical strategies, without succumbing to problems associated with conventionalism. One would despair, for instance, if Nietzsche's genealogical method is the only route here – where genealogy traces a practice such as punishment that is relatively stable over time but which has been reinterpreted in any number of quite distinct and contingently arising evaluative schemas.<sup>13</sup> Here normative reconstruction finds a historical procession of different and incompatible values – rendering threats harmless, recompensing injured parties, maintaining social purity, revenge, rehabilitation, etc. - that are all adventitiously tacked on to a single practice in line with reigning social schemas of valuation. The problem here is interpretive or reconstructive indeterminacy: which among different plausible values correctly characterize an institution? This is the inverse of the indeterminacy of application problem that plagued first principles critique. I will soon argue that Honneth's normative reconstructions are threatened by this problem of ascending from concrete institutional reality to those more abstract values useful for critique.

<sup>&</sup>lt;sup>13</sup> Nietzsche: On the Genealogy of Morality, Treatise 2, §§12–15.

Hegel's philosophy of history, of course, promises a solution to the problem of conventionalism. On this account a given society's current practices and institutions are not mere accidents of history, but have arisen as the result of a developmentally directional and progressive process of transformation, in particular, the progressive process of Reason coming to know itself in history. Critique can then start by reconstructing the values constitutive of current institutions, confident that those institutions and their values are themselves justified as ever greater realizations of progressive Spirit itself. While the metaphysical burdens of argumentation for Hegel's route are exceedingly demanding, it does promise an extra-conventional check on interpretive indeterminacy. For the specific values that social theory distills out of institutions must at the same time be exactly those values that have been revealed as progressive – in particular as the teleological ends of history – by a philosophical reconstruction of Reason itself.

On my understanding of *Freedom's Right*, Honneth attempts to respond to the threat of conventionalism by steering a middle course between genealogy and the philosophy of history. In particular, he aims to portray the history of institutional change as directional and developmental, but not in virtue of some metaphysically secured teleology. The claim is rather more modest: current institutions and the values constitutive of them are partly justified because social participants accept them as worthy and also partly justified because current institutions can be seen as the results of learning processes. Thus, current institutions need not be measured against some ultimate end of history in order to be evaluated, but they do need to show that they are (more or less) historically progressive in the sense that current arrangements represent a cognizable improvement over previous ones.

This move warrants further investigation. In particular, I am concerned that, as presently worked out, Honneth's quite promising attempt to reinvigorate the strategy of normative reconstruction for purposes of social critique is in danger of succumbing to problems of both mere conventionalism and interpretive indeterminacy. Furthermore, I am convinced that certain changes need to be made to the theory to avoid these dangers: in particular, a more demanding specification of a context-transcending moral point of view and a much more extensive comparison of plausible but alternative reconstructions of our history. These points cannot be worked out, however, at the abstract level of comparing theoretical strategies: we need rather to take a longer march through the details of Honneth's various institutional reconstructions. I propose to use his account of market institutions as an example here, even as I will suggest that analogous challenges arise for his other reconstructions of the social spheres of personal relationships and democracy.

#### 2. Honneth's Reconstruction of Market Morality

To be exceptionally brief, the project of *Freedom's Right* can be summarized in five theses. The first fundamental thesis of Honneth's socio-theoretic reconstruction of modern society and its history is that *freedom* is the central overriding value constitutive of all of the central spheres of life. While there are other values important for modern life, all of these other values »have been placed under the spell of freedom; sometimes they infuse this idea with greater depth or add new accents.«<sup>14</sup> The second fundamental thesis is normative: the best conception of freedom is the *social* conception of freedom, rather than negative or reflexive conceptions. According to the social conception of freedom, free actions require an accommodating social environment from which those actions derive their sense and purpose, and within which those actions fit into a cooperative scheme of social activity, with reciprocal roles and expectations. As Honneth puts the basic intuition:

For modern subjects, it is obvious that our individual freedom depends upon the responsiveness of the spheres of action in which we are involved to our own aims and intentions. The more that we feel that our purposes are supported and even upheld by these spheres, the more we will be able to perceive our surroundings as a space for the development of our own personality.<sup>15</sup>

The third fundamental thesis of the book is socio-theoretic: each of the central institutional spheres of modern life – law, morality, the family, the market, democracy and the state - are constitutively structured around enabling and promoting social freedom. In particular, each of the different spheres is best reconstructed by articulating the specific kind of social freedom it enables. For instance, institutions of friendship, romantic love, and parenting enable the freedom to consummate ourselves through the confirmation of intimate others; market institutions enable the freedom to meet our own needs and receive recognition for our distinctive achievements; democratic institutions enable the freedom to improve the conditions of our social life through collective deliberations and decisions. The fourth fundamental thesis is justificatory: the normative reconstruction of the different social spheres demonstrates the value of those spheres for individuals, showing how their institutions are necessary conditions of the social freedom of participants. A final fundamental thesis is critical: having reconstructed the internal normative content institutionally promised by each social sphere, Honneth diagnoses the ways in which the ac-

<sup>&</sup>lt;sup>14</sup> Honneth: Freedom's Right, p. 15.

<sup>15</sup> Ibid., p. 60.

tual history and practices of the sphere fail to make good on that normative promise. Thus, alongside the project of justifying institutional complexes in the best light of their inner moral promise is also the project of critique: detecting the specific limitations, misdevelopments, injustices, or even pathologies that those institutional complexes exhibit in their actual, contemporary operation. <sup>16</sup> In order to elucidate certain concerns about the use of the strategy of institutional reconstruction for critical theory, I need to first turn to some of the details of Honneth's account of market mediated domains of society.

An extended section of Freedom's Right is devoted to a significant sociological and historical deepening of the basic normative analysis of the economy that Honneth first articulated in his earlier work<sup>17</sup> and later sharpened through debate with Nancy Fraser.<sup>18</sup> In this section he argues that market relationships allow a form of social cooperation that is in the individual interest of all involved. 19 According to this approach – which Honneth labels »moral economism«<sup>20</sup> – markets distinctively enable the complementary realization of individuals' own aims by institutionalizing cooperation in a manner (ideally) responsive to two moral principles: meeting individual needs and recognizing distinctive individual achievement. The social freedom made possible by markets is thus institutionalized in two main arenas. First, there is the sphere of consumption within which individuals realize their freedom in a mutual system for meeting needs, organized around the complementary roles of consumers and producers. Second, there is the sphere of the labor market within which individuals realize their freedom in a system of mutual, esteem-based recognition for persons' distinctive and valued achievements in their roles as

- <sup>16</sup> Beginning in *Freedom's Right*, Honneth makes technical distinctions between four different kinds of negative social developments: limitations, misdevelopments, injustices, and social pathologies. This paper only looks at misdevelopments in the economic sphere. A misdevelopment for Honneth occurs where a social sphere falls short of its inherent normative potential. See Zurn, Christopher F.: *Axel Honneth:A Critical Theory of the Social*. Cambridge 2015, p. 168, for further information on these distinctions.
- <sup>17</sup> For instance, Honneth's third published article from 1980 highlighted the moral potential for protest embedded in contemporary capitalist conditions of work: Honneth, Axel: »Moral Consciousness and Class Domination: Some Problems in the Analysis of Hidden Morality.« In: *The Fragmented World of the Social: Essays in Social and Political Philosophy.* Transl. by Charles W. Wright. Albany, NY 1995. Furthermore, the economy is a central location of paradigmatic recognition struggles according to Honneth, Axel: *The Struggle for Recognition: The Moral Grammar of Social Conflicts.* Transl. by Joel Anderson. Cambridge 1995.
- <sup>18</sup> Fraser, Nancy/Honneth, Axel: *Redistribution or Recognition? A Political-Philosophical Exchange*. Transl. by Joel Golb, James Ingram, and Christiane Wilke. New York 2003.
  - <sup>19</sup> Honneth: Freedom's Right, pp. 176–253.
  - <sup>20</sup> Ibid., p. 190.

employees and employers. For Honneth, by tracing the expansion, development and change of market mediated spheres of interaction over the roughly 300 years of capitalism, we can see that markets uniquely enable individual's socially-secured freedom. On the one hand, markets meet basic needs for food, shelter, clothing, etc. for ever greater numbers of people and in increasingly satisfactory ways. On the other hand, markets facilitate social forms of esteem tied to the actual achievements of individuals in their distinctive and valued contributions to the system of social cooperation. Even if from one perspective, markets seem to be simply competitive systems that interlock egocentric interests of isolated subjects behind their backs (say, by the >invisible hand< of price signals), according to Honneth they must ultimately be judged by the implicit moral criteria of social cooperation. Markets, on this account, are distinctly not norm-free systems that coordinate action according to functional or purely economic imperatives.<sup>21</sup> Rather, »economic processes of exchange ... remain embedded in this frame of pre-market norms and values. ... There is an intrinsic connection between the conditions of competition on the market and the norms of the lifeworld.«22 Consumer and labor markets serve, then, as facilitators of the basic values of meeting needs and recognizing achievement. That they serve those values - and thereby ultimately facilitate distinctive forms of individual freedom – is also what ultimately justifies markets from a normative perspective.

What evidence supports these significant claims about the inextricable embeddedness of markets in norms, and thus about the methodological inescapability of moral economism? How, for instance, might Honneth convince a traditional economist or a Marxist or a systems theorist that moral economism is true, especially when all three are committed to some version of a contrary socio-historical claim: namely, that markets increasingly detach themselves from any and all normative constraints and respond ever more autochthonously to only their own intrinsic imperatives and piron laws? Especially in light of the apparently unstoppable powers of global markets to reshape any and all communities they come into contact with, Honneth's moral economism might seem hopelessly idealistic. In the exchange with Fraser a decade earlier, Honneth advanced two main arguments against the functional autonomy of markets from norms: one formed around the claim that esteem dispositives have a determinative influence on wage and salary rates, and another formed around

<sup>&</sup>lt;sup>21</sup> This puts Honneth's analysis of markets not only at odds with Fraser's functionalist account, but perhaps more fundamentally at odds with Habermas's sociological dualism, a dualism that sharply distinguishes between the functional and hermeneutic forms of social integration – between systems and lifeworld.

<sup>&</sup>lt;sup>22</sup> Honneth: Freedom's Right, pp. 190–191.

the normative preconditions for the existence of markets.<sup>23</sup> If I read *Freedom's Right* correctly, Honneth has more or less abandoned the first argument concerning esteem dispositives<sup>24</sup> – an argument I contend had serious troubles – but has deepened and subtly reformed the second argument about normative preconditions. He also now implicitly advances a new, third argument from social history.

First, a few words about his reformulation of the preconditions argument. The basic argument from *Redistribution or Recognition?* is that if market institutions do not realize, at least to some tolerable extent, the implicit norms that justify them in the first place, then people will simply withdraw their consent from them and stop participating in them or in the legal and social practices needed to sustain them.<sup>25</sup> Thus, to the extent that markets do actually continue to operate, there must be at least some minimal moral consent to them on the part of participants. Hence, from the evidence that markets continue to thrive, we can infer that they are morally embedded. Acknowledging the difficulty of empirically establishing that markets must be morally embedded, Honneth now explicitly recasts this argument as a form of *normative* functionalism (:26 markets can only be freely consented to when they are embedded in specific social relations that meet pre- or non-market moral criteria.<sup>27</sup> So, for instance, if markets systematically and pervasively failed to meet large numbers of people's individual needs - say, leaving large populations destitute and hungry - and yet people continued to participate in them, we would be justified in saying that although they acquiesced, they had not given their free consent to market institutions. Along with this reformulation of the argument, Honneth also significantly deepens it by showing the different kinds of consilient support it has received in thinkers as diverse as Hegel, Durkheim, Polanyi, and Parsons.

On my reading, *Freedom's Right* also implicitly advances a new, much more extended argument for moral economism: namely an argument from actual social history. The idea here is that we can see that markets are in fact morally embedded once we carefully attend to all of the different ways that intellec-

<sup>&</sup>lt;sup>23</sup> I reconstruct and critically evaluate these two arguments in Zurn, Christopher F.: »Recognition, Redistribution, and Democracy: Dilemmas of Honneth's Critical Social Theory.« In: *European Journal of Philosophy* 13, no. 1 (2005).

<sup>&</sup>lt;sup>24</sup> In a few short passages, Honneth appears to return to this idea, for example: »wage levels are a symbolic expression of the measure of social esteem enjoyed by a given instance of labor«. See Honneth: *Freedom's Right*, p. 246. But I do not interpret such passages as shouldering an argumentative burden in favor of moral economism, but rather as reporting an experiential connection often felt by labor market participants between pay scales and self-esteem.

<sup>&</sup>lt;sup>25</sup> Fraser and Honneth: Redistribution or Recognition?, e.g., pp. 249–251.

<sup>&</sup>lt;sup>26</sup> Honneth: Freedom's Right, p. 183.

<sup>&</sup>lt;sup>27</sup> Ibid., pp. 181–185.

tual movements, legal and state reforms, and especially social struggles have invoked and employed the leading moral ideas of market cooperation in their attempts to socialize and domesticate the worst consequences and side-effects of capitalism. Tracing a wide range of diverse intellectual, political, legal, and social phenomena, especially over the changing landscape of the last century and a half of capitalism, Honneth intends to show that these various movements and trends should be read as attempts to realize the normative potential implicit in market modes of social integration.

The force of the argument can only be appreciated by reading through the historical and sociological record Honneth advances. Even though it can't be recapitulated here, I think this socio-historical content shows that Honneth's new argument for the broad claims of moral economism – that capitalist markets are inescapably structured by normative content and so cannot be taken to be norm-free spheres that are integrated in a purely functional way – is neither conceptual nor normative, but empirical. In particular, the burden is shouldered by an in-depth sociological and historical reconstruction of approximately two centuries of economic history, attending to diverse attempts to institutionalize suitable moral constraints and conditions so that markets fulfill their inherent normative principles.

The important payoff of these empirical studies for social critique is the normative account of the market sphere as a domain of social freedom. First, markets institutionalize individuals' freedom in two specific ways, namely by meeting needs and by providing a crucial location for self-esteem. Markets for consumer items satisfactorily fulfill individual needs by structuring complementary and reciprocal roles of consumers and producers. Markets for labor enable the development of healthy, individual self-esteem through a reciprocal regime of recognition based around individuals' productive achievements in their complementary roles as employees and employers.

Second, what justifies the market domain as a sphere of social freedom is that it enables a form of social cooperation that is in the interest of all involved, one that serves the complementary realization of individuals' aims. The sphere of consumption is morally valuable to the extent that individuals' needs are met in a way consistent with the general good, and the sphere of labor is valuable to the extent that it allows for esteem-focused self-realization through mutual recognition. According to the thick and rich historical record Honneth develops, markets are, however, not only organized around these two basic normative principles. For in order to fully realize social freedom within market arenas, we have progressively realized over time that the spheres of consumption and labor need to be regulated according to further moral conditions: safety and environmental regulation for producers, promotion of accurate consumer information, reciprocal relations of solidarity across classes, respect for the

dignity of others' work, equality of opportunity, rules of fair play in buying and selling, the security of a wage that is adequate for living, meaningful work, humane working conditions, reciprocal recognition of others as members of a cooperative community, available arenas for discourse about and cooperative bargaining over the conditions of consumer and labor markets, and so on. In other words, Honneth finds a rich vein of normative content that internally structures market spheres and this normative content should be seen as a historical elaboration of the central market values of meeting needs and enabling self-realization.

Finally, it is in the light of this normative content that Honneth advances his social critique, proposing a number of diagnoses of the main limitations, injustices and misdevelopments of the market sphere. He is especially concerned with economic transformations over the past two decades where social, geographical and political changes have combined to increasingly disembed markets, a set of transformative changes often summarized as >neo-liberalism. <a href="Rather than consider the entire bill">Rather than consider the entire bill of particulars that Honneth charges these neoliberal changes with, it is perhaps sufficient to see that he is quite pessimistic about the current state of markets as spheres of social freedom. Indeed, he takes neo-liberalism to be a clearly regressive social misdevelopment, >none that hollows out and undermines the normative potential of the market. <a href="#arket.">«28 Although his historical work has enabled him to reconstruct that normative potential through diverse historical and social phenomena over two centuries, Honneth is convinced that the economy cannot be understood as a sphere of social freedom in its contemporary state:

»There can be no doubt that the current economic system in the developed countries of the West in no way represents a relational institution and is thus not a sphere of social freedom. It lacks all the necessary characteristics of such a sphere: It is not anchored in role obligations to which all could agree, and which interweave with each other in a way that would enable subjects to view each other's freedom as the condition of their own freedom; it therefore lacks an antecedent relation of mutual recognition from which the corresponding role obligations could draw any validity or persuasive power.«<sup>29</sup>

Honneth himself notes in the sentences immediately following this passage that this pessimistic diagnosis raises a *prima facie* challenge for his method of normative reconstruction. Such a method appears to require an appeal to evidence of moral progress, but here we have evidence of regress. Even if we grant

<sup>&</sup>lt;sup>28</sup> Ibid., p. 177.

<sup>&</sup>lt;sup>29</sup> Ibid., p. 176.

that progress need not be linear, continuous or unidirectional, the evidence from the rapid disembedding of markets from normative constraints seems to undermine the claim about the *progressive* realization of the inherent normative content of market spheres. I turn now to this and other problems concerning history for the strategy of institutional reconstruction.

## 3. Problems in History

## 3.1 Historical Progress?

Start with a worry that Honneth's evaluative claims for the basically *progressive* character of modern Western societies might in fact be a form of Whiggish history. Of course, his normative reconstructions of recent history are by no means triumphalist: for instance, he advances somewhat pessimistic assessments of the likelihood of overcoming contemporary misdevelopments in both the economic and democratic spheres, even though he paints a relatively rosy picture of the current character of personal relationships.<sup>30</sup> And yet, even if we see that he intends to take up a critical stance toward many specific practices and institutional forms of modern society, the picture of historical change is nevertheless teleological, viewing current social reality as fundamentally better than previous eras.<sup>31</sup> In fact, this teleological character is, as it were, a methodological prejudice of normative reconstruction. As Honneth puts it: »In spell-

<sup>30</sup> From my own attitudinal stance, the sections of the book on the family are those I found most worrisomely optimistic. For he strongly endorses family forms that are exclusively dyadic, stable, nuclear and hetero-normative (in tenor, even as he endorses homosexual marriage). In addition, he expresses a corresponding skepticism for all nonnuclear and changing forms of family - see especially ibid., pp. 161-176. I found these sections overly suffused with the warm glow of inevitable moral progress in family relations, and unfortunately insensitive to the ways in which the family sphere has been and continues to be a school of androcentric oppression, and a reliable reproducer of racism, xenophobia, stunted emotions and fraught intersubjective relations; Okin, Susan Moller: Justice, Gender, and the Family. New York 1989. Related concerns about Freedom's Right are developed at greater length in van den Brink: »From Personal Relations to the Rest of Society. « In: Krisis: Journal for Contemporary Philosophy no. 1 (2013). For some of my concerns about the contemporary institutions of marriage, as well as my proposed remedies, see Zurn, Christopher F.: »Misrecognition, Marriage and Derecognition,« in Recognition Theory as Social Research: Investigating the Dynamics of Social Conflict. Ed. by Shane O'Neill and Nicholas H. Smith. New York 2012.

<sup>31</sup> One can imagine that John Grey, a relentless critic of the idea of progress – especially enlightenment-inspired celebrations of Western liberal democracy as evidence of progress achieved through reason – might level all of the charges collected here against Honneth's account, and more in the same vein. To get a flavor one might look to the first

ing out the normative implications of already institutionalized spheres of recognition we, as theoreticians, have to try to give the best possible interpretations of them in terms of moral progress.«<sup>32</sup> Indeed, *Freedom's Right* is certainly not a radical indictment of the present calling for a fundamental revolution against its basic features, but rather an endorsement of its central values, coupled with a call to correct our institutions and practices to be better in line with their underlying ideals.

The first worry about an overly Whiggish account of history is its depiction of apparently inevitable progress towards increasing freedom. One potential problem here might be the picture of progress as more or less inevitable – in the Hegelian image, of the gradual and unstoppable unfolding of the inner content of the concept of freedom. Of course, Honneth is no defender of such an inevitability thesis. Not only does *Freedom's Right* repeatedly stress the developmental interruptions, discontinuities, and promising yet untaken historical paths – undermining the attribution of inevitability – but the diagnoses that the book presents regarding substantive pathologies, continuing injustices and misdevelopments should also put to rest any suggestion that history is characterized as progressive. Nevertheless, one might reasonably wonder whether enough attention has been paid to the historical contingency and unpredictability of change.

Another general worry about Whiggish history is captured in the epithet Eurocentric«: it tends to idolize one's own current position as the proper goal of history. *Freedom's Right* focuses exclusively upon the development of so-called >WEIRD« societies: Western, educated, industrialized, rich democracies. Within this context, the charge of Eurocentrism becomes a worry that European and North American development is hypostasized as the single and sole telos of legitimate or worthy history. This then denigrates, at least by implication, any alternative social arrangements or developments found in non-Western societies.<sup>33</sup> Even though the claim to cultural superiority is, as far as I can tell, never endorsed or even broached in Honneth's book, it seems nevertheless to be a plausible inference from the celebration of the practices and institutions of social freedom found therein.

These concerns are not merely about tone or focus. For insofar as Honneth methodologically aims to reanimate Hegel's project of an internal recon-

section of essays in Grey, John: *Heresies: Against Progress and Other Illusions*. London 2004.

- $^{\rm 32}\,$  Honneth and Marcelo: »Recognition and Critical Theory Today: An Interview,« p. 214.
- <sup>33</sup> Allen, Amy: »The Ineliminability of Progress?« Paper presented at the conference *Freedom's Right: A Symposium on Axel Honneth's Political Philosophy* (Stony Brook University, NY 21 September 2013).

struction of the progressive valence and direction inherent in the history of social freedom, he must deal with concerns about the philosophy of history. Of course, he intends to jettison Hegel's unconvincing metaphysical grounding of historical teleology in the self-unfolding of Reason/Spirit, and replace this with an account of learning mechanisms built into social practices and institutions. The primary mechanisms of progress here are social struggles that push for change by exploiting surplus normativity – the difference between ideals implicit in social institutions and their actual realizations – and then the eventual consolidation of such improvements through rational assessment and reflective endorsement by participants.

Nevertheless, it remains unclear how he might respond to concerns about teleological history as Whiggish, Eurocentric, and a potential tool of cultural imperialism. There seem to me to be at least two options, both of which have their own drawbacks. First, he could claim to be doing only an internal reconstruction of our own society's progress, whereby improvements or deteriorations are gauged only relative to previous states of our own society, with no implications for cross-cultural comparisons. Here he could still claim, for instance, that freedom is our society's central and most worthy value, and that we have seen real progressive developments with respect to its realization in the various spheres of our social life. But he could scrupulously avoid any inference of cultural superiority or any claim that there is only one goal of moral history: social freedom has simply structured *our* history. The limitation of this approach – let's call it >conventionalism < – is that freedom in general and the more specific forms of social freedom seem to have little more claim upon us, according to this approach, than that they are simply ours. Conventionalism looks like a groundless endorsement of our own values as worthy values simply because they are the product of our own history. If so, critical social theory has become decidedly less critical: it could easily descend into an empty chauvinism coupled with an uncritical endorsement of the status quo ante, whatever that status might be.

Alternatively, Honneth might argue in a more objectivist vein: that the various forms of social freedom are in fact superior to alternative values and to different practices or institutions realizing other values – and it is only that superiority which could underwrite claims of real progress and diagnoses of real regress. Perhaps the reference to objectively better is anthropological: a perfectionist account of human flourishing, or more likely for Honneth, a specific philosophical anthropology of self-realization – in any case, something standing in the place of traditional value theory's reliance on inherent human nature. In this case, the philosophy of history would then have to explicitly explain its grounding in an account of human nature. Alternatively, the philosophy of history might be grounded in some form of trans-cultural claim to

universal standards of rationality, such that progress is measured in terms of norms of rationality that are potentially operative in all cultures, even if the social conditions for their realization are not universally available.<sup>34</sup> At any rate, both forms of objectivism concerning freedom would still have to explain how one could avoid the implications of Eurocentrism or cultural imperialism, in addition to the philosophical heavy lifting of supporting an account of human nature or universal rationality (and, all this while remaining post-metaphysical in method).<sup>35</sup>

#### 3.2 Alternative Teleologies

Objectivism might be ambitious, and even daunting in our anti-foundationalist, social constructionist, and generally skeptical philosophical times. But I would like to briefly sketch a case for why Honneth needs some form of objectivism in order to contend with a very serious problem I believe the substantive diagnoses in *Freedom's Right* face. We might call this the problem of alternative teleologies. The problem is a variant of the problem of interpretive indeterminacy we encountered before: the difficulty of abstracting from concrete institutional reality to a unique set of values that those institutions are said to embody. It's perhaps easiest to see in terms of Honneth's diagnosis of the specific misdevelopments in the contemporary economic sphere, but I believe it is also structurally present in his diagnoses of the current state of the spheres of personal relations and democracy. The problem is a variant of the spheres of personal relations and democracy.

- <sup>34</sup> This is basically the strategy of Habermas's critical theory: universal, trans-cultural standards of rationality are built into communicative uses of language, even as they have not been fully realized in the course of more-or-less progressive Western history. See Habermas, Jürgen: *The Theory of Communicative Action*, Volume 1. Reason and the Rationalization of Society. Transl. by Thomas McCarthy. Boston 1984.
- 35 Many years ago I argued that Honneth had basically three options for grounding his normative claims: piggybacking on Habermas's language-based arguments for the universality of moral standards, rationally reconstructing features of social rationality that are taken to be universal across cultures, or relying on a universalist account of inherent human nature Zurn, Christopher F.: »Anthropology and Normativity: A Critique of Axel Honneth's »Formal Conception of Ethical Life«.« In: *Philosophy & Social Criticism* 26, no. 1 (2000). It is now clear that the first option is not of interest to Honneth. My sense is that he has not yet settled decisively between the second and third options, but is still actively grappling with the problem; see Honneth, Axel: »The Normativity of Ethical Life.« Paper presented at the conference *Freedom's Right: A Symposium on Axel Honneth's Political Philosophy* (Stony Brook University, NY 21 September 2013).
- <sup>36</sup> See van den Brink: »From Personal Relations to the Rest of Society« for some analogous considerations about alternative teleologies of personal relations, especially from the point of view of conservative views of the family.

Consider then the history and diagnosis of contemporary capitalism in Freedom's Right. In a nutshell, evidence is presented regarding a strong history of intellectual trends and social movements that insist upon the inherently moral character of market capitalism, and fight for necessary regulations and constraints on unbridled markets so that they realize their telos as spheres of social freedom. To be actual spheres of social freedom, markets would need to be relational institutions where individuals willingly take on their role obligations - as consumers and suppliers, as employees and employers - because those roles structure morally valid and persuasive relations of mutual recognition within which individuals could realize their freedom in and through cooperation with other. According to the diagnosis of the last 20 years of market disembedding, however, actual markets today are not, according to Honneth, true domains of social freedom. Rather, current neo-liberal regimes have witnessed the systematic detachment of markets from those moral constraints Honneth claims are inherent in them. In short, contemporary capitalism is a misdevelopment away from previously progressive trends, as the spheres of consumption and labor have become ever more hollowed out of their normative content and social promise - turning instead into arenas for fierce competition between warring, atomistic individuals who do not view others as cofacilitators of their own freedom.

According to this story then, moral economism of the leftist-social-democratic variety is inherent in economic relations – as shown by the normative reconstruction of two centuries of history – but is currently on the rocks, battered by the misdevelopments of the recent disembedding of markets from morality.<sup>37</sup> This is, however, not the only story that might be plausibly told from the same evidence.

An alternative version of moral economism – say, a libertarian version – might point to the recent disembedding of the market as the final triumph of the inherent normativity of market relations – namely the freeing of the individual from any constraints on personal liberty to buy and sell at will – and the achievement of individual esteem merely through one's superior income and wealth in comparison to others. Markets have been increasingly purified of their immoral redistributive, regulative, and nanny-state admixtures, and the pure risk-responsibility morality of unbridled individual contract rights has

<sup>&</sup>lt;sup>37</sup> The argument that follows about alternative teleologies of the market is deeply inspired by critiques briefly made in Claassen, Rutger: »Justice: Constructive or Reconstructive?« In: Krisis: Journal for Contemporary Philosophy no. 1 (2013). Whereas Claassen takes them to be probative about the debate between philosophical constructivists (like Kant and Rawls) and reconstructivists (like Hegel and Honneth), I pursue them in order to argue that Honneth ought to adopt an objectivist over a conventionalist form of developmentalism.

increasingly come to rule the roost. On the libertarian story, the market is seen then as realizing fundamental moral values – but the values are quite different than those at the heart of the story of social freedom. In particular, rather than a social conception of freedom, libertarianism reconstructs the normative goals of market relations as individual consumer freedom to buy and producer freedom to sell. Importantly for normative reconstruction, the libertarian version of moral economism also has real social actors and movements actively struggling to achieve this vision. For instance, in the United Sates a movement of grass-roots activists that started in 2009 called the TEA Party – TEA standing for Taxed Enough Already – has been remarkably successful in achieving its goals of limiting the growth of federal and state governments. And finally, of course, the libertarian reconstruction is a story of triumph, while the social freedom story is one of at least temporary defeat, a misdevelopment.<sup>38</sup>

Consider a third (and perhaps fourth) possible story that is put forward by many economists. In contrast to the social freedom and libertarian models, the economy is not seen as inherently moral or immoral – it rather is amoral. Markets are simply very efficient mechanisms coordinating the production and distribution of goods that are functionally integrated through price incentives, and which establish an arena wherein individuals encounter each other as more or less rational egocentric maximizers. Other social institutions – such as the state, charitable organizations, and private families – are responsible for encouraging or enforcing any moral content that would, in the name of other-regarding concerns, put constraints on individual maximizing behavior within the amoral economic sphere. We could call this the >economistic< model, or

38 Other versions of moral economism might need to be considered as well, especially if we widen our view beyond the advanced, industrialized democracies, and consider, say, post World War II trends in welfare economics. Here there has been a clear developmental trajectory of international development institutions ever more clearly realizing that the inner moral purposes of economies is to meet needs and improve welfare. Originally, meeting needs and improving welfare was operationalized through mechanisms guided by quite blunt measurements of either GDP growth or preference satisfaction. Through the sustained struggles of intellectuals, activists and NGO's, these development mechanisms were transformed by being tailored to more complex development measures, allowing for several different metrics of basic goods and individual welfare, for example in the Millennium Development Goals. This form of moral economism may, like Honneth's, decry the harshness of neoliberalism, but the values it appeals to as built into the market are perhaps best understood by interpreting needs and welfare in terms of real capabilities, real opportunities, and robust freedoms to realize one's agency goals. In other words, if we were to develop Sen's welfare economics and theory of justice as a kind of moral economism through normative reconstruction (Sen, Amartya: The Idea of Justice. Cambridge, MA 2009), rather than the intuition refining critique Sen currently presents it as, we may very well end up with quite a different picture of the values inherent in market institutions than that proposed by Honneth.

perhaps better the >technocratic< model since it does acknowledge the need for technical interventions in markets in order to correct for standard forms of market failure. Notably, the technocratic model comes in both right and left flavors: there are defenders of neo-liberal and of welfare state capitalism, both of whom assume that economic history is a progressive autonomization of markets from morality, a learning process whereby we have realized that markets are most efficient where only technical interventions correct market failures. In general it seems that the rightist, neo-liberal flavor has the better empirical claim as a story of recent triumph: namely, the triumph of removing exogenous moral constraints on markets. Here the recent disembedding of markets from moral constraints is a triumph of functionalist specialization: markets run best when they are responsive only to their own internal mechanisms and signals, rather than gummed up with social norms and moral fetters. On the neo-liberal story capitalism triumphs when economies are functionally differentiated from social integration. The leftist, welfare state and technocratic story has a bit harder time being optimistic, given the recent defunding of many mid-20th century welfare-securing programs, but it too can cite historical evidence in its favor. In particular, comparative data regarding the European and American responses to the financial crises beginning in 2007 and 2008 appears to vindicate the importance of counter-cyclical economic stimulus spending by governments and central banks in recessionary environments, rather than governmental austerity and debt reduction. Simplistically put, technocrats following John Maynard Keynes seem to have been vindicated over those following Milton Friedman and Alan Greenspan. But whether in its left or right flavors, the technocratic model seems to have perhaps the most accurate account of the historical trajectory of advanced economies and individuals' beliefs about them: markets perform best when they are left to their own amoral mechanisms in combination with technical interventions by politically and morally unaccountable specialists. Moral concerns are then to be limited to non-market institutions.

Honneth himself sometimes indicates this problem of alternative teleologies, but only in an indirect way, and usually only as a problem of the social scientific evidence needed for diagnoses of misdevelopment. For instance, he is clearly concerned to locate actual, current social movements against what he regards as a new form of regressive political economy. And at the end of the section diagnosing the recent social disembedding of the market sphere and the recent rise and dominance of the notion of individual over social responsibility in the economy, he notes that, »[t]his misdevelopment ... poses a problem for our normative reconstruction. ... we are faced with the difficult situation that we cannot rely on normative countermoves«<sup>39</sup> from those struggling

<sup>&</sup>lt;sup>39</sup> Honneth: Freedom's Right, p. 252.

to re-embed the market. But he never considers whether his diagnosis of the present political economy *as a misdevelopment* should be seriously questioned given this problematic lack of empirical purchase. The only question, rather, is how the theorist can have access to the feelings of outrage that must surely be there – inarticulately, individually, unexpressed – because of the present misdevelopments.

Assuming that each of the alternative teleologies has sufficient historical evidence to make it plausible, which story is right and why? Notably, this is not a question that can be settled by empirical evidence alone, since the claim that current market institutions are *misdevelopments* relies on getting the internal normative content of markets correct, as that normative content is what warrants the evaluation that current institutions have fallen away from their moral promise. At this point, I would contend, Honneth cannot employ a merely conventionalist account of historical progress. At points, he seems tempted in this direction. For instance, the non-metaphysical mechanism of progress he hypothesizes relies on the fact that individuals - courtesy of legal and moral freedom – can take up a distanced and reflective stance towards the social practices and institutions they normally operate unquestioningly within. This distantiating interruption of individual freedom then allows for people to either struggle for changes in the current arrangements or to continue to reproduce them as rationally acceptable in their current form. And, in the methodological introduction to Freedom's Right, Honneth argues that the fact that people do indeed continue to reproduce given social arrangements is itself evidence of their moral acceptability and hence of historical progress: »The fact that subjects actively preserve and reproduce free institutions is theoretical evidence of their historical value.«40 In other words, the mere fact that institutions exist, which in turn relies on individuals accepting those institutions, appears to underwrite a claim about their moral rightness. Further evidence that Honneth is tempted to endorse conventionalism comes in his recent replies to critical reviews of Freedom's Right, although that evidence is somewhat ambiguous.<sup>41</sup>

<sup>&</sup>lt;sup>40</sup> Ibid., p. 59.

<sup>&</sup>lt;sup>41</sup> In a piece responding to diverse critics, Honneth's summary of his method mostly favors conventionalism: »>Normative reconstruction · ... refers to attempts at articulating the norms that are tacitly accepted by the participants in a given practical sphere ... guided by the hope that the developmental paths thus reconstructed will exhibit a certain directedness towards moral progress. ... When there have been departures from the developmental path revealed by the reconstruction ... I speak of >normative misdevelopments · (>normative Fehlentwicklungen ·). If by contrast, the institutional reform of a practice leads to a fuller and more adequate application of its basic normative ideal, I speak of >moral progress ·. The history of Western societies is marked by a series of historical caesuras that in retrospect are perceived (or should be described) by everyone as particularly beneficial or as particular gains, precisely because they brought about sig-

There at least three major problems with such a conventionalist approach to moral progress. To begin with, it does not clearly decide between the alternative teleologies. The question of how to interpret the history of economic changes in our own societies is, simply, indeterminate. That history contains clear evidence of each of the three stories: struggles to embed markets in egalitarian social relations, struggles to embed markets in libertarian individualism, and struggles to free economies of any indigenous moral content. Without more evidence than this is the way we happen to do things around here, it is hard to see which teleology is the correct interpretation.

Second, conventionalism does not in fact favor the social freedom story, since the actual history is a story of defeat (misdevelopment) rather than triumph (progress). If anything, the increasing predominance of laissez faire economic and policy regimes that are disembedded from normative constraints and which have spread across the developed world over the last three decades seems to point to the neo-liberal technocratic teleology as the real story about the direction of progress (though, as noted above, perhaps the most recent history of responses to the financial crises points instead towards Keynesian technocracy). The moralized libertarian story is supported by evidence about the increasing spread of consumerist definitions of freedom itself: freedom is seen as no more than an individual's choice between different product purchases, whether those are the consumer products realizing personal freedom or the politicians and policies realizing political freedom. In short, the technocratic and libertarian stories seem more true to the social practices and institutions that are actually being reproduced. On the conventionalist approach, that should be taken as clear evidence that people in fact find either technocratic or libertarian economism as morally valid and convincing. By contrast, the social freedom story can point to much less evidence that it is getting sustained up-

nificant improvements in the practice of the relevant norm.« See Honneth, Axel: »Replies.« In: *Krisis: Journal for Contemporary Philosophy* no. 1 (2013), p. 37. However, the second parenthetical remark (>should be described<) seems to me to point toward objectivism.

Another part of his response is more ambiguous verbally, it seems to me, between conventionalism and objectivism: »It is a requirement on the (in principle corrigible) validity of any particular normative reconstruction that it should know itself to be tied to those particular emancipatory promises of modern societies which it treats as already institutionalized and thus, within this historical context, as universally authoritative. But granted the acceptance of the relevant principles, the reconstructive method then claims to objectively trace the developmental trajectories along which those principles come to be actualized. « In: Ibid., p. 39. (all emphases added). Nevertheless, the idea in this passage seems to be conventionalist: that the moral ideals that are the markers of progress are only justified immanently to a particular society. The objectivity referred to pertains only to the factual, historical claims of the reconstruction.

take and support by individuals and groups. If ordinary folks simply no longer agree that social freedom is the basis of market legitimacy, then how can a conventionalist theory say that the move away from social freedom is normatively poor – a misdevelopment?<sup>42</sup> In short, this is a problem of divergence between the empirical ends of economic history and the ends theory has purportedly reconstructed as already being implicit within institutions.

Third, it is simply insufficient for a critical social theory to claim that we can infer progress or even moral acceptability for social institutions from the mere fact of widespread individual compliance with the status quo. There may be any number of explanations for why individuals do, or do not, in fact continue to reproduce given social institutions. They may have no feasible alternatives; they may be unaware of feasible alternatives; they may be forced to comply; they may find material incentives overwhelming; there may be rationality distorting ideologies or wealth-based asymmetries in communications preventing critical reflection; the structures of opportunity may be unequally aligned with wealth disparities and class positions; and so on. Most importantly, a given institutional structure – which is the source of the reconstructed values - may itself directly or indirectly generate institution-supporting values. To give just one plausible example concerning public elementary education: the institutional existence of private elementary schools may itself tend to generate privatizing, libertarian values, while simultaneously undermining values supportive of public goods such as free elementary education for all children. As more higher-achieving students are pulled out of public schools, those schools are more apt to become caught between the pincers of defunding and increasingly difficult educational tasks, thereby making the >failure< of public education into a self-fulfilling prophecy. Of course, individuals might also be convinced on the basis of good reasons that their society's given economic institutions are morally justifiable and preferable. But compliance alone is not sufficient evidence to support this latter explanation of moral endorsement. In short, given the variety of explanations for ongoing compliance many of them morally disreputable – compliance alone cannot warrant a claim of moral acceptability.<sup>43</sup> And this is precisely what Honneth seems to recognize in recommending his >normative functionalist< reformulation of his earlier argument regarding the ineliminability of social integration for all social spheres,

<sup>&</sup>lt;sup>42</sup> This is, of course, structurally analogous to the problem I pointed out for intuition refining critique (above at 1.2), where it seeks some greater critical purchase on contemporary reality, but is forced to surrender the claim that its description of people's actual beliefs is empirically adequate.

<sup>&</sup>lt;sup>43</sup> This is, of course, structurally analogous to the problem I pointed out for intuition refining critique (above at 1.2), where it lacks normative resources to gain critical distance on everyday beliefs that are merely ideological.

based on the notion that ongoing institutional reproduction implies some general evaluative consent by participants. As applied to the market, for instance, normative functionalism implies that there are norms outside of the particular institutional sphere that contribute to the free consent of participants.

»Normative functionalism['s] ... point of reference would thus not be the sheer existence of an institutional sphere, but the values and norms it embodies, provided that the members of society regard them as a condition for being able to consent to the economic order. According to this interpretation of [the] claim, the market economy relies on an vethical framework of pre-contractual norms because it is only under this normative condition that it can garner the consent of all economic actors.«<sup>44</sup>

This new normative functionalism itself, then, pushes toward some form of objectivism, at least if I correctly understand the claim.

In short, I would contend that, on the basis of a conventionalist internal historical reconstruction alone, it is hard to tell whether the social freedom teleology – including its story of long historical progress and recent misdevelopment – should in fact be favored over alternative teleologies. Furthermore, this difficulty is not limited to Honneth's account of market institutions. For instance, in discussing the development of the democratic public sphere, he argues that current tendencies towards sensationalism in the mass media – in particular, the way in which contemporary media is apt to construct virtual realities that do not correspond to political realities – must be seen as misdevelopments. And again he notes – without considering the full implications – that this diagnosis of misdevelopment must be made, in this case, independently of any supporting social reality:

»These virtualizing tendencies of traditional media pose a significant difficulty for our normative reconstruction; according to the criteria inherent in the democratic public sphere itself, these tendencies must be regarded as a misdevelopment because they no longer sufficiently inform the public, but rather produce reality self-referentially. ... It is quite difficult to separate reality from fiction and get a sober look at real social developments.« $^{45}$ 

But what if virtuality is the real normative telos of the public sphere – a sphere inherently concerned with spectacle and entertainment – rather than with public deliberation about the common good as Honneth argues? How exactly would we decide between the alternative normative reconstructions of the mass media as either reporters or entertainers?

<sup>&</sup>lt;sup>44</sup> Honneth: Freedom's Right, pp. 183-184.

<sup>45</sup> Ibid., p. 297.

Take a more general example: Honneth's reconstruction of political institutions hypothesizes that a discursive and deliberative public sphere, coupled with a responsive constitutional state that takes direction from that public sphere, is the telos inherent in our political practices. But an alternative reconstruction may see our political institutions and practices working themselves pure over time to a minimalist vision of democracy that is premised on extreme skepticism about the epistemic capacities of ordinary citizens deliberating together. Such a minimalist vision favors experts and technocratic administrations, and deflates the role of popular sovereignty to little more than a mechanism for legitimately and peacefully changing either regimes, rulers or parties in power. Indeed, Schumpeter and (more recently) Somin endorse such a vision.<sup>46</sup> If this minimalist vision of democracy is in fact the current historic winner both institutionally and in terms of citizens' reflective understanding of themselves - a victory that is at least implicitly acknowledged in Honneth's judgment that many current political institutions and phenomena must be judged as misdevelopments - then why should we accept the reconstructive claim that deliberative democracy best models the inherent meaning of our institutions?

## 4. Methodological Remedies

The basic problem I have pointed out here of alternative teleologies is one of the indeterminacy of abstraction: normative reconstruction must start with concrete social institutions as given, and then interpret them as realizing specific values that are more abstract than the rules, regularities and roles definitive of the institutions themselves. However, for the process of interpretive extraction, there is no direct translation of concrete routines and behaviors into one unique value or set of values. As thinkers from Nietzsche to Foucault have taught us, one given practice can serve many different values and purposes in different times: punitive confinement can serve revenge, or retribution, or removal or rehabilitation and beyond; sexual chastity can serve the art of self-constitution, or self-abnegation, or science, or new modalities of population control.<sup>47</sup> If then the problem is one of the indeterminacy of abstracting up from concrete institutions, it seems that we are faced with the converse of the

<sup>&</sup>lt;sup>46</sup> Schumpeter, Joseph A.: Capitalism, Socialism, and Democracy. London 1943; Somin, Ilya: Democracy and Political Ignorance: Why Smaller Government Is Smarter. Standford, CA 2013.

<sup>&</sup>lt;sup>47</sup> Foucault, Michel: *The History of Sexuality*, Volume 1. An Introduction. Transl. by Robert Hurley. New York 1978; Nietzsche: *On the Genealogy of Morality*.

problem of application indeterminacy faced by first principles critique, that is, the problem of moving down from *a priori* abstractions to concrete institutions.

How then to cope with the problem methodologically? To begin, it seems quite clear to me that institution reconstructing critique must engage in sustained consideration and comparison of potential alternative interpretations of institutional complexes. In terms of the economy, this would mean not only doing the serious historical and sociological work of investigating what the theory takes to be the true meaning of the institutional sphere – as Freedom's Right impressively does – but also at the least considering the counter evidence for different interpretations. The point here is not simply to make more work, as real results can come from such a comparison. For instance, I have suggested that there is a potential alternative technocratic teleology (or two) of market institutions, which insists that the telos of markets is their functional differentiation from all forms of social integration through values. However, Honneth has actually marshaled a great amount of evidence against this thesis in his arguments against systems theoretic accounts of capitalist economies. Both in his most recent book and previous work, there is enough evidence to contradict amoral economism, at least at a sufficiently general level.<sup>48</sup>

However, if I am not mistaken, we do not yet have evidence to decide between two (or more) alternative forms of moral economism, since we get no real sustained consideration of the plausibility of a libertarian or any other reconstruction. Notably, we also need this comparative evidence in order to begin to address the problem of compliance vs. endorsement. In order to understand whether individuals are merely complying with given institutional structures or are contributing to their reproduction because they sincerely believe those institutions further important values, we need to look at different potential explanations for individuals' ongoing participation in those institutions. Comparing explanations then, is a first step to addressing concerns about ideological institutions manufacturing the bases of social consent.

However, even if we had such comparisons as a basis for making an assessment about which story was most historically accurate, facts about social reality cannot alone settle the matter of whether the current arrangements represent, say, *moral* progress, stasis, or regress. Nor could we judge whether an institution that reproduces its own consent is to be rationally endorsed as acceptable nevertheless, or rejected as disreputable. Nor finally could we decide whether our family structures, economic systems and political structures currently count as achievements or misdevelopments. For these assessments –

<sup>&</sup>lt;sup>48</sup> For my assessment of his earlier arguments along these lines, see Zurn: »Recognition, Redistribution, and Democracy.«

which are at the heart of Honneth's diagnosis of the present – we need normative criteria which are justifiable without sole reliance on any current facts about our given institutions or the extant social consensus. In short, I would argue, Honneth needs some kind of transcontextual universal standards – some form of moral objectivism – in order to underwrite his normative diagnoses and evaluations of the present. Perhaps this should be grounded in a philosophical anthropology of human nature; perhaps in a philosophical theory of the universal rationality of intersubjectivity; perhaps in a modified philosophy of history; perhaps in some other way. In particular, the specific conception of social freedom needs philosophical justification, and in a way that doesn't collapse back into mere conventionalism. But whatever way this is achieved, a judgment that the recent disembedding of the market represents a misdevelopment requires a moral account of the way history *should* have gone, but did not – and this cannot be settled by historical facts alone.

Such a defense of the specific social conception of freedom could, regardless of the path through which it is achieved, then be applied back to the problem of alternative teleologies. For instance, the alternative reconstruction of political institutions in terms of minimalist democracy would be shown to be a misunderstanding of the way in which our collective self-determination cannot be out-sourced to experts and technocrats and then given a veneer of legitimacy by periodic elections. Should our collective self-determination also then be shown to require decent channels for information and communication in order to hear all relevant facts and opinions, the alternative reconstruction of the mass media as a mere entertainment medium that can legitimately virtualize reality would be shown to be a misdevelopment of what democratic social freedom requires. And of course, the libertarian reconstruction of markets as rewarding individual effort and genius and punishing mediocrity could be shown to be a fundamental misunderstanding of the demands of mutual recognition built into social freedom.

It may be that what Honneth could employ here is an unabashed, "principles-first" philosophical defense of the specifically social conception of freedom as the best, most morally appealing version of freedom. That might involve developing, say, arguments for the context-invariant character of social freedom as the apex value of human existence. And *Freedom's Right* has already taken some steps in this direction in its opening sections by arguing that the social conception of freedom is superior because it corrects limitations found in alternative conceptions of negative and reflexive freedom. However, that principles-first approach would, it seems to me, court the old dangers of first principles critique, particularly the worries about producing a motivationally inert set of mere oughts and about the problem of warring gods and demons.

Let me suggest what seems like a better strategy – a more normatively modest strategy – namely, spelling out the objectivity of the social conception of freedom in terms of the notion of a historical learning process. To a certain extent, this strategy is already in *Freedom's Right*, at least *in nuce*. Consider how Honneth's opening sections on three different conceptions of freedom already have some comparative steps that gesture towards comparative work analogous to that which I am calling for in terms of his institutional reconstructions: these sections contrast social freedom with the barren, ends-devoid character of negative freedom as well as with the socially blind character of reflexive freedom, and find that social freedom is much richer and more compelling than either the negative and reflexive conceptions.

Furthermore, these comparisons could be understood as outlining a kind of progressive learning process starting at the birth of modern freedom. Indeed, Honneth does tell a kind of developmental story of sequenced learning here, where (at least intellectually) the modern West has moved from the negative freedom of Hobbes and Locke, to the reflexive freedom of Rousseau and Kant, to the social freedom of Hegel and Honneth. And each step in this process can be seen as intelligibly responding to both the promise and limitations of previous stages. What we would need then is an extension of this method beyond intellectual history in order to make the long march through institutional history. In other words, a particular normative reconstruction would have to show how its preferred values – centered around social freedom, but in their specific form for each institutional sphere - represent cognizable improvements over previous institutional complexes and their associated values. Notably, by using the learning process method to gain some objectivity on the institutional reconstructions, critical theory does not need to reach for an ahistorical, fully transcontextual standpoint from which to judge societies and their institutions. In other words, we need neither a view from nowhere, nor a full picture of the ideally just society, nor a utopian picture of the end of history to do the evaluative work necessary. For progress is shown by the fact that current complexes of institutions and their values solve problems that older complexes could not. And regress or misdevelopment is shown by the fact that current complexes can solve neither current nor past problems. Because this is, in broad strokes, a basically Hegelian strategy – where progress is shown by determinate negation of past complexes leading to their sublation into new and better complexes - it should be especially congenial to Honneth's project.

The idea here is somewhat analogous to a non-realist account of scientific progress, where there is no need to posit an ever better, more realistic correspondence between scientific theory and an independent world in order to understand theory change as progressive. For a new theory is better just to the extent that it can not only solve the problems of the old theory, but also solve

new problems the old theory could not, all the while explaining why the old theory was incapable of doing so.<sup>49</sup> Analogously, institution reconstructing critique needs posit no history- and institution-independent objective standard of morality to which our institutions ever better correspond in order to justify claims about moral progress. Rather, it is enough to say that our current institutions solve problems that were evidently unsolvable through our old institutions, that they solve new problems our old institutions did not even grapple with, and that we can clearly comprehend how and why our current institutions represent cognizable improvements over past ones.

Let me also suggest that this learning process strategy would dovetail quite nicely with the naturalized pragmatist moral epistemology Elizabeth Anderson has recently been developing to explain the social processes essential to achieving moral progress.<sup>50</sup> One of her central claims is that errors and biases in moral reasoning on the part of the powerful are most frequently overcome through practical contestation, through the less powerful holding the powerful to account and insisting on the limitations of dominant moral reasoning. To this extent, the account has deep affinities with Honneth's emphasis on practical social activism and diverse practices of social contestation as ineliminable motors for progressive institutional change. A second Anderson claim is also apropos of Honneth's institution reconstructing critique: namely, that judgments of institutional progress can only be made in light of actual individuals' experiences of living with new institutions and the specific principles they embody. Asking how a society might be able to tell whether its new arrangements represent moral progress, Anderson answers that it can »see if it finds social life governed under the new principles more satisfactory than life governed under the old – whether the new principle resolves longstanding interpersonal or intergroup conflicts better than the old, or replaces intractable conflicts with more tractable and less dangerous ones, or produces new benefits. «51 In Anderson's picture, as well as Honneth's, normative social change is not first and foremost driven by abstract ratiocination: it is a matter of the practical assess-

<sup>&</sup>lt;sup>49</sup> MacIntyre, Alasdair: »Epistemological Crises, Dramatic Narrative and the Philosophy of Science.« In: *The Monist* 60, no. 4 (1977).

<sup>&</sup>lt;sup>50</sup> Anderson, Elizabeth: »The Quest for Free Labor: Pragmatism and Experiments in Emancipation.« In: *The Amherst Lecture in Philosophy* no. 9 (2014), pp. 1–44. http://www.amherstlecture.org/ anderson2014/; »Social Movements, Experiments in Living, and Moral Progress: Case Studies from Britain's Abolition of Slavery.« In: *The Lindley Lecture* (2014), pp. 1–28. http://kuscholarworks.ku.edu/bitstream/handle/1808/14787/ Anderson\_Social\_Movements.pdf; »The Social Epistemology of Morality: Learning from the Forgotten History of the Abolition of Slavery.« In: *The Epistemic Life of Groups*. Ed. by Miranda Fricker and Michael Brady. New York forthcoming.

<sup>&</sup>lt;sup>51</sup> Anderson: »The Social Epistemology of Morality, « p. 2.

ment of actual experiments with the different normative principles, and only when those principles are realized in and through existing social institutions.

A final key Anderson claim follows from these two: namely, that we need not advert to any abstract, society-independent standard of moral rightness to understand many historical sequences as moral progress (or regress). We can infer moral progress, rather, when moral change occurs due to certain features of the social structures within which intersubjective moral reasoning takes place, features that will tend to counteract well-known sources of moral bias, confusion, error, oversight and blindness. So, for instance, Anderson insists that, »[s]ound moral inquiry ... demands the participation of the affected parties. ... We cannot hope to get our moral thinking straight unless we include the affected parties in our moral inquiry, and include them on terms of equality.«52 Conversely, when change occurs without the participation of the affected – say when simply imposed by the powerful based upon their own insulated moral thought - we have much less grounds for expecting that change to be progressive. Such epistemological criteria for inferring moral progress refer, like MacIntyre's criteria, to features immanent to the social context of change rather than to a context-independent standard of moral rightness that social arrangements supposedly correspond to.

How might such a learning-process strategy work with respect to Honneth's diagnostic claim of recent misdevelopments away from a social freedom model of the economy, and its competition with the alternative reconstruction of triumphant libertarian moral economism? Here in particular, Honneth would need to tell an un-learning or regress story, for instance, where current institutions fail to solve problems previously solved by older institutions. Let me briefly sketch, in a speculative mode, what kind of a story might be told here. One might think that the devastating consequences in many social spheres resulting from the most recent financial crisis – consequences entirely familiar from past explosions of economic bubbles – are themselves probative evidence that removing significant regulatory checks on financial institutions in the name of the supreme morality of individual freedom over property is a kind

<sup>52</sup> Ibid., p. 3. Although Habermas is never cited in these three Anderson papers, many ideas are remarkably close to those of his discourse ethics and especially his version of deliberative democracy. Anderson puts much more emphasis on social activism, social movements and concrete contestation, in contrast with a standard (I'd argue mis-) interpretation of Habermas as mostly concerned with seminar-style polite exchanges of formal philosophical reasons. But many of the ideas – of moral progress as achieved through the epistemic improvements in moral reasoning brought about only through participatory interactions between all affected, not to mention the proceduralist standard of normative rightness as what would be accepted as right by all participants under the right reasoning conditions – are central, longstanding features of Habermasian moral and political theory.

of regression or un-learning. Furthermore, we can comprehend how our latest economic institutions led to market failure, and how our older (less regressive) institutions were better able to deal with such forms of market failure. We might be able to further this story along Andersonian lines. We would thereby expect that financial market policy makers will be subject to errors and biases in their moral reasoning precisely to the extent to which they are insulated from practical interaction and contestation with diverse social actors representing competing interests and presenting diverse moral ideas. And we should expect that our collective moral reasoning concerning political economy will not be progressive when that reasoning is not structured in such a way that it systematically exposes the powerful to the voices of those affected by their decisions so as to correct for predictable failures of solipsistic reasoning. Perhaps ever increasing structural inequality over the last forty years in OECD countries between the economically powerful and those affected by their decisions has something causally to do with the morally regressive changes of neoliberal political economy over the last decades? And finally, there seems to be some significant evidence that, in fact, we do not find »social life governed under the new [neoliberal] principles more satisfactory than life governed under the old«53 social freedom principles. It seems to me that even if the details of this story are rejected, it is nevertheless open to Honneth to attempt to justify the normative superiority of left-democratic social freedom over libertarian market freedom precisely in terms of reconstructible processes of cognizable learning and unlearning.

If such a strategy of revealing concrete learning (or regression) processes with real cognizable improvements (or diminishments) as immanent within historical changes driven by social contestation is feasible, then we can maintain the advantages of institution reconstructing critique without the worrying interpretive indeterminacy that threatened to undermine the kinds of diagnostic and critical claims we would like to make about contemporary institutions when they do not measure up to the values they seem to promise. Or so I hope.

#### Conclusion

In this paper I have argued for the attractiveness of one particular form of social critique – institution reconstructing critique – over either the first principles or the intuition refining forms of critique. Axel Honneth's normative reconstruction of market spheres of society in terms of the values of social freedom was shown to be a paradigmatic form of reconstructive critique. How-

ever, I also showed how his reconstruction of economic institutions had certain characteristic shortcomings in attempting to employ the very same values for social evaluation that it claimed were empirically constitutive of actual social institutions. In particular, I focused on the problem of interpretive indeterminacy: how to decide between different and incompatible reconstructions of the same institutional history. I argued that, in order to maintain itself as a robust form of social critique, normative reconstruction could not collapse into mere conventionalism, along the lines of intuition refining critique, but instead needed to have access to some more or less objective standards for gauging progress and regress. Finally, I suggested a way of avoiding the perils of the way in which first principles critique approaches objective standards: namely, the normatively modest strategy of relying on historical learning (and un-learning) processes. If this is correct, then institution reconstructing critique can bring to bear robust tools for solving the problems of alternative teleologies, without either collapsing into a mere social conventionalism in danger of being ideologically blind, or spinning off into socially and motivationally untethered abstract utopias.54\*

<sup>&</sup>lt;sup>54</sup> \*My thanks to participants at two conferences who gave invaluable feedback on earlier versions of this paper: Internationale Tagung: Die Philosophie des Marktes, Technische Universität Braunschweig (February 2014) and The Critical Theory Roundtable, Dartmouth College (September 2014). Sections 2 and 3 of this paper incorporate some material, with many changes and additions, from chapter 6 of Zurn: *Axel Honneth: A Critical Theory of the Social*.