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Modernity and capitalism: Conceptual retrieval and comparative-historical analyses

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Abstract
The terms modernity and capitalism remain in widespread use to characterize contemporary societies, but the distinction between them is much less antagonistic in current social theory than it used to be when a theory of 'modern society' was opposed to the theory of 'late capitalism'. Rather than seeing societies either on an evolutionary trajectory realizing the functionally efficient institutionalization of freedom or as determined by increasing contradictions due to the logics of capital and to class struggle, a key task of social theory today is to reconceptualize modernity and capitalism in such a way that the dynamics of historical transformations and the varieties of current socio-political constellations can be more adequately understood. This article contributes to addressing this task, introducing a special issue of the *European Journal of Social Theory* devoted to 'modernity and capitalism'. This introduction elaborates a concept of modernity focused on the interpretative self-understanding of societies and a concept of capitalism as a historically specific response to the question of satisfying human material needs. On this conceptual basis, a historical-comparative perspective is taken to analyze transformations in the self-understandings of societies and the institutional changes in organizing the economy related to the former, placing the comparative analysis of societies in the global context of transformations of modernity and capitalism.

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Despite their widespread use, it is not at all evident, much less agreed, what the terms 'modernity' and 'capitalism' refer to in current social theory. Each has its rather separate conceptual history. 'Modernity' today often replaces the term 'modern society', a key concept in modernization theory, and thus descends from Talcott Parsons and is connected with the idea of functional differentiation as a higher state of evolution of socio-political organization. 'Capitalism', in turn, points back to Karl Marx (who never used the noun) and the idea of fundamental contradictions in current socio-political organization, which cannot be resolved without a major social transformation. But both concepts appear to have shed these strong connotations. Rather than being a model, 'modernity' is now seen to exist in plural forms and constitutes a 'field of tensions' (Arnason, 1991). And instead of being bound to be overcome, 'capitalism' is often considered to be without any alternative as a way of organizing the economy, even if it exists in a variety of rather stable ways with different functional advantages (Hall and Soskice, 2001).

It is not the aim of this article to further survey the field of current usage (see, in this journal, Arnason, 2015, for further discussion). Rather, we aim at making a conceptual proposal that links the two terms – and thus two largely separate traditions of thought – to each other in a plausible way and allows further comparative-historical investigations of configurations of modernity and capitalism. The starting-point is the observation that both the analysis of modern society/modernity in mainstream social theory and the analysis of capitalism in critical social theory have considered institutional forms in a rather mechanical way and derived a logic of coordination or conflict and of evolutionary or transformative dynamics from such forms. As a consequence, the view of one key institution, markets, as either integrated into an overall institutional framework of society or as conditioning all other institutions has led to the well-known opposition between affirmative and critical theory. Furthermore, the formal institutional emphasis has led to debates about the comparative merits of institutional arrangements for various purposes, such as the 'states' versus 'markets' debate, limiting the scope of investigation.

To overcome these limitations, we suggest analyzing socio-political constellations first of all from the angle of the meaning that human beings give to them. Institutions, then, are seen as sedimentations of meaning.[1] This proposal can draw on retheorizations of modernity over the past three decades (see Wagner, 2012: Chapter 2 for an overview), but it is much less common for analyses of capitalism (a significant exception is Boltanski and Chiapello, 1999). Thus, our first step will be a reconceptualization of modernity in relation to capitalism. We will do so by referring to the reinterpretation of the world that occurred in the late eighteenth century and draw conceptual conclusions from these historical observations. Second, we will discuss the relation between this interpretative and the institutional approach to the social world, spelling out the differences between them without, however, creating a new and unfruitful opposition. Third, we will employ the interpretative approach to develop a comparative-historical perspective on constellations of modernity and capitalism, not least with a view to rethinking the

relationship between the historical 'core' areas of capitalism and its supposed periphery. Finally, we will draw some conclusions for applying this interpretative approach to the current constellation of modernity and capitalism.

The place of capitalism in the modern imaginary

The late-eighteenth-century revolutions have often been seen as laying the foundations for the institutional structures of 'modern societies', most importantly a capitalist market economy and a modern democratic state. On closer look, however, actual institutional practices often changed rather little on both sides of the Atlantic during much of the nineteenth century, somewhat more so in the Americas than in Europe, an insight captured by Arno Mayer's (1985) phrase about 'the persistence of the Old Regime'. What had occurred, rather, was a 'rupture in societal consciousness' (Koselleck and Reichardt, 1988), which set the social and political imagination on a new trajectory. Thus, that which often is referred to as the 'birth of the modern world' (recently Bayly, 2004) is first of all a look at the world in new terms, a reinterpretation of the world.

There are good reasons to doubt whether this moment should be called the onset of modernity, but we will not discuss them here (see Wagner, 2015a, for further discussion). The main reason why this moment indeed can be referred to as the onset of modernity is the forceful emergence of a new social and political imaginary focused on the concept of autonomy. Rooted in Enlightenment thought, autonomy became the guiding idea for notions of human rights, for freedom of expression, for liberty of commerce, and collectively as the commitment to self-determination as popular sovereignty and democracy. While practices of autonomy were rarely institutionalized, the idea of autonomy guided social and political struggle further on. We can consider the period around 1800 to be a significant moment of modernity, if we understand by modernity a socio-political situation marked by the commitment to autonomy. This is the first building block for exploring the relationship between modernity and capitalism.

Two specifications can be added that allow us to continue. First, the commitment to autonomy indicates the ways through which those questions that all societies have to answer will be addressed: how to satisfy material needs, how to decide about and implement the rules for the life in common, and how to identify the knowledge sources upon which one can rely. We can call those questions the economic, the political and the epistemic problématique, respectively (Wagner, 2008). Under conditions of autonomy, there is no one else to provide answers to these questions; they have to be found and determined on one's own.

Second, autonomy does not simply mean freedom, though the terms are often used synonymously. Autonomy means to give oneself one's own laws. Therefore, the idea of autonomy already contains a reference to mastery, namely to establish the law that henceforth is to guide one's own actions. In the same move, a tension is created: once there is a law to be followed, there is potentially a limit to freedom (for more detailed discussion, see Wagner, 2015b: Chapter 4).

These specifications permit us to understand certain conceptualizations of modernity and capitalism better. Some authors operate within an unduly strong separation of the two; others tend to conflate them. In historical terms, for instance, Ellen Meiksins Wood

(1999) sees the origins of capitalism in the Industrial Revolution and thus locates them in Britain, whereas the origins of modernity are to be found in the French Revolution. In conceptual terms, the identification of autonomy and mastery as the imaginary signification of modernity is due to Cornelius Castoriadis (see Arnason, 1989). However, he equates the commitment to autonomy with democracy and the commitment to mastery – pseudo-rational pseudo-mastery, as he liked to put it – with capitalism. For both authors, the two phenomena are entirely disconnected. Critically, they see capitalism as undermining democracy and autonomy. In contrast, the mainstream Marxist tradition tended to see the French Revolution as a 'bourgeois revolution' driven by the interests of the capitalist class, thus subordinating the political transformation to the economic transformation.

Neither of these approaches is adequate in the light of our earlier conceptual reflections. The political problématique addresses different concerns from the economic one; the two should not be conflated. At the same time, democracy can be equated with autonomy only if the inherent component of mastery is also considered. A democratic polity needs to ensure that the self-given laws are also followed. The modern understanding of a commercial society, in turn, is also based on the view that the actions of autonomous human beings relating to each other through commercial exchange will tend to enhance domestic peace and create a greater 'wealth of nations' (Hirschman, 1977; Casassas, 2010). Thus, neither a full separation of modernity from capitalism nor the identification of the one with the other is a fruitful conceptual strategy to understand the relations between the two.

Let us then return to the starting-point to elaborate a more adequate strategy. We have introduced the term modernity to refer to a societal self-interpretation based on the commitment to autonomy, which was strongly expressed around 1800. This was a comprehensive self-understanding, the term autonomy potentially applying to all walks of life. At the same time, the commitment to autonomy does not lend itself to straightforward institutionalization. It is riddled with tensions and in need of more specific interpretation, most importantly with regard to the relation between personal freedom and collective self-determination and with regard to the relations between autonomy as instituting society, to use Castoriadis's terms, and the mastery that results from following already instituted rules. This openness of the commitment to autonomy to interpretation leads to a potentially rather wide range of different societal self-understandings based on this commitment.

Capitalism, in turn, is a term that, we propose, should be seen as referring to one way of addressing the economic problématique. In very general terms, then, on the one hand, the meaning of modernity exceeds the one of capitalism in the sense that it refers to a general societal self-understanding, which includes the economic problématique as one aspect. But, on the other hand, the economic problématique needs to be addressed under all circumstances, and we need to understand how capitalism came to be a way of doing so after the modern moment of an emerging strong commitment to autonomy.

Two observations are central in answering this question: First, the rise of the modern imaginary of autonomy in the late eighteenth century included the notion that the economic problématique, too, can be addressed on the basis of autonomy. Making commercial bonds between free human beings more significant would lead to the better

satisfaction of material needs, due not least to the increase of productivity in a more specialized economy based on a pronounced division of labour.[2] This was the core reasoning of what we now know as classical political economy, and it was historically unprecedented. Until this moment, the ancient Greek idea had prevailed that household matters had their rules ('eco-nomos') that needed to be followed; there was no space for autonomy in this regard.

Whether this was an 'argument for capitalism before its triumph', as Albert Hirschman (1977) has put it, is less certain. It was rather an argument for commercial society or market society, a society in which autonomous producers encounter each other in markets for the exchange of the products of their labours. A definition of capitalism, though, should arguably – we return to this question below – include the distinction between two social groups, those who own significant property and those who only have their labour-power to sell. This distinction should become central for the 'critique of political economy' and the socialist/communist political tradition.

What happened between the late eighteenth century and the middle of the nineteenth century, second, was a major reinterpretation of modernity. Politically, the late-eighteenth-century revolutions often combined the call for personal liberty with the one for democracy, but in the course of events the concern for order and control overrode the one for collective self-determination, with an orientation towards mastery through statecraft exercised by elites, in turn, increasingly to be opposed by social movements. Economically, the combination of economic freedom with the Industrial Revolution led to what Marx called the 'concentration and centralization of capital', the creation of industrial factories with large numbers of workers. In other words, the transformations both had a double orientation: The political revolution was liberal and democratic, with the former, restricted to elites, prevailing over the latter. The economic revolution had a commercial and an industrial component, with the latter over time prevailing over the former. In short, one can say that the orientation towards mastery by elites over the majority of the population and over nature came to dominate over a generalized orientation towards autonomy (see Wagner, 2015b, for a general reasoning along those lines).

This is what we have come to know as the societies of 'modern capitalism', a combination of 'restricted liberal modernity' (Wagner, 1994) and an industrial economy. A major theorem of critical social theory suggested that such 'modern capitalism', though born out of the spirit of modernity, undermines the basic commitment of modernity to autonomy. Leda Maria Paulani as well as Antoni Domènech and María Julia Bertomeu refer to this theorem in their contributions in this special issue of the journal, aiming to retrieve it in novel ways by applying it to specific trajectories of modernity and capitalism, in Paulani's contribution, or widening its conceptual connotations, in Domènech and Bertomeu's contribution. Max Weber's observations on the 'spirit of capitalism' that escapes from the iron cage and is no longer needed once the institutions of such capitalism are in place had provided a major example of such analysis. When reading Weber today, we have to keep in mind that he provided an analysis of a certain historical constellation of modernity and capitalism, one in which institutions had become so firmly sedimented that the structures of meaning that had led to their creation are forgotten. This historical constellation proved to be much more limited in time and space than Weber thought. Thus, we have to reopen the question of the relation between

meaning-providing interpretations and institutions as a guide to comparative analyses of other historical trajectories of modernity and capitalism, as well as of the current constellation.

Agency, interpretation and institution

The sociology of 'modern society' had suggested that there is an univocal package of institutions – including 'the (modern) market', 'the (modern) state' – that mechanically unfolds across history. However, historical evidence shows that a variety of different configurations of such markets and states emerged as the result of socio-political decisions taken by – a few or the majority of – the people. What 'the market' means and can become, what 'the state' means and can give rise to are something that results from dense sets of social interaction processes without closure. Institutions are constructed and maintained in the light of interpretations of given socio-political situations. There is no social institution that is not the object of collective appraisal and configuration – a claim that does not deny the presence of conflict and even political exclusion in these institution-defining processes.

Contrary to common misunderstandings an emphasis on interpretations is not in opposition to institutional analysis in general; it is only opposed to the hypostatization of certain institutional forms as model institutions of modernity. The contributions by Jeremy Seekings, Leda Maria Paulani and Rubén Lo Vuolo in this issue all focus on socio-political institutions that play a crucial role in the making of capitalist economies, such as markets, families, states and their public policies, etc. Rather than aiming to show how these 'Southern' institutions – in South Africa and Latin America – either follow the 'Northern' modern pattern or remain necessarily 'incomplete' or 'distorted' for some structural reason, as many similar analyses do, these analyses engage with the history of institutionalization as a response to perceived problems and their interpretation. For this reason, institutions vary across societies and change over time, as individuals and groups put their efforts into shaping them according to their world-views and interests. This applies to social policy institutions (Lo Vuolo) as much as to core economic institutions (Seekings and Paulani). Unlike what both economics and the sociology of functional differentiation want to make us believe, economic action is 'always embedded' (Fred Block, with reference to Karl Polanyi) in society and subject to justifications with regard to the collectivity: the economy is to be seen 'as a polity' (Joerges et al., 2005). The making of the economy is thus a social course entailing the acts of hearing (and silencing) voices, of juxtaposing bits of diversely conceived institutions, of administering the possible clashes of projects and interests.

But if institutions are the outcome of action and interpretation, does that imply that they can be decomposed and completely reduced to small atomized component pieces? In other words: does it mean that the world is made of isolated atoms that limit themselves to making choices that are merely driven by individual desires and beliefs? Clearly, such an ontological perspective stating that the world is just a big set of individual intentional psychologies was at the core of the neoclassical revolution. It followed up on the suggestion, mentioned above, that bonds by interest only should prevail between human beings, and 'the motley feudal ties' (in the words of Marx and Engels) be

overcome, to create a more peaceful and more affluent world. And it finds its most recent form in rational-choice theorizing, ever more influential in the social and political sciences. By claiming that individual preference and interest are and should be all that counts, however, such an ontology ignores the structure of social relations as it emerged from past interactions. If you sign a labour contract that turns you into a wage-earning worker, it is, from this viewpoint, because you are not as risk-prone as the employer is. You psychologically *prefer* to delegate to the employer the perturbing managing tasks within the productive unit, and the employer accepts the deal because s/he harbours the kind of psychological attributes and inclinations that are needed to run a business. Such psychological explanations of the running of labour markets and entire economies, which were absent within classical political economy (Casassas, 2013), deny the impact of power relations in all sorts of social structuring processes. The current constellation of modernity and capitalism may not lend itself as easily as the 'modern capitalism' of Marx's and Weber's times to a two-class representation, but it does not, for that reason, come to resemble the aggregate of individual preferences either. Not recognizing the essentially conflicting nature of social life is, according to Abba Lerner (1972), what explains why economics became the 'queen of social sciences' by becoming first the science of 'solved political problems' – in the sense of non-existent 'political problems', of non-existent power relations.

Hence, to answer the question that has just been posed, stressing the importance of an interpretative approach to economic processes does not equal psychologizing economic analysis. As Angelo Pichierri shows in his contribution to this issue, assuming that institutions are (re)interpreted by individuals and groups does not lead to an atomizing power-free portrait of how the economy works; rather, it urges us to give a precise account of the various ways in which individuals and groups generate intertwined – and at times conflicting – social orders that gain their legitimacy by forging a certain 'common sense' about economic practices and social relations. And this is a social and political endeavour, nothing that emerges from summing up preferences.

In sum, the approach we suggest here is threefold. First, it seeks to trace those societal interpretative and meaning-giving processes that explain particular configurations of socio-economic institutions and arrangements – in this sense, it echoes Max Weber's project of a social science that comprehends specific interests and representations in the shaping of social life. On this basis, second, it aims at identifying key social institutions in the operation of the economic realm – in this sense, it is an approach that owes a lot to the long-standing 'institutionalist' tradition, from Thorstein Veblen to Karl Polanyi and Elinor Ostrom. Third, it intends to do so without denying the collective and conflicting nature of all these processes, for the constitution of our societies occurs in the context of material and symbolic power relations and cannot be understood as the sum of strictly individual actions, the bases of which are psychological.

Changing constellations of modernity and capitalism: a world-sociological perspective

Having said this, the difficult task is to employ an approach that emphasizes agency and interpretation to investigate the long-term transformations of the constellations of

modernity and capitalism. There are few examples to draw on, and the most successful ones are in some way or other inspired by Karl Polanyi's path-breaking work *The Great Transformation*, first published in 1944.[3] To recall, Polanyi analyzed the idea of the market self-regulation as a particular interpretation of the economic question of need satisfaction, called the disembedding of markets from society, and traced its historical application through the nineteenth century and the first half of the twentieth century, emphasizing movements for reinterpretation in the face of disastrous consequences as calls for re-embedding. Polanyi's work has been widely discussed and left a strong imprint on both historical sociology and economic sociology. His historical account has also been criticized, not least for overemphasizing the actual impact of the idea of market regulation and for assuming homogeneity in the response by 'society' in its 'self-defence' (see, for instance, Halperin, 2005). Both appreciation and criticism need now to go some steps further: to refine Polanyi's perspective with a view to reviewing his account of the nineteenth and early twentieth centuries; to extend it towards an analysis of the late-twentieth-century transformation of modernity and capitalism; and to go beyond the focus on Europe to elaborate a global and comparative analysis of constellations of modernity and capitalism. In different terms, the following articles can all be seen as contributions towards this endeavour.

Drawing on her earlier critique of Polanyi but constructively re-employing Polanyi's terms 'disembedding' and 're-embedding', Sandra Halperin puts the European constellations of modernity and capitalism in global perspective. She underlines that the disembedding of markets from society during the nineteenth century was owed to an external orientation of the economies, through colonialism and imperialism, at the expense of fostering internal demand. But European elites became dependent on the masses for warfare in the twentieth century and accepted the politico-economic re-embedding that became known as the democratic Keynesian welfare state, today on the verge of demise with a return to earlier patterns of external economic orientations. Jeremy Seekings's and Leda Maria Paulani's articles can be read as providing the complement to Halperin's analysis from a Southern angle. Seekings shows how the white South African elites aimed at emulating the Australian-British model of embedding the economy into society and, in particular, of integrating the working class into a capitalist economy, a 'model' adapted to the circumstances by formally excluding the majority of black African workers in the mines and in the households from the institutional arrangements. Paulani starts out from the tension between modernity and capitalism that, in her view, makes itself felt in a particular way at 'the periphery', meaning that Brazilian elites always found it more convenient to reap profits by trading with the central economies rather than developing the domestic economy. Rather than seeing this as an inescapable fate of the periphery, though, Paulani reviews the historical and contemporary attempts at changing the scenario and explores their conditions of success and failure.

Rubén Lo Vuolo's article continues the analysis of Latin American experiences, but in a comparative perspective and with a conceptual focus on the dimensions of autonomy and control in social policies. In particular, Lo Vuolo analyses cash transfer schemes as forms of social policy that, up to a certain point, are committed to the principle of autonomy that modernity entails. At the same time, he explores the extent to which their conditionalities end up creating a huge variety of forms of mastery that are used to control

and discipline the lower classes across the continent. Lo Vuolo's article provides the bridge to the last three contributions, which focus on conceptual re-elaborations. When emphasizing the commodity relation, Polanyi indeed drew on a much earlier concern about rights to property and its implications for freedom, including the particular status of money, which it is useful to retrieve today. Domènech and Bertomeu's article revolves around these issues – with particular attention to conceptual developments by the Salamanca School, John Locke and Karl Marx – and shows the importance of conceptualizing money not as a politically neutral device – as Locke did – but as a political creation with great implications in terms of shaping accumulation patterns. A political problematization of this particular 'fictitious commodity' is thus needed in order to truly open the discussion about the kind of economic world we (might want to) have. The relations between private and public matters, re-ideologized in the present by neo-liberal thinking, in turn, should be seen in the context of the varieties of justification for social orders. As shown by Angelo Pichierri in his article, re-embedding the economy into politics also means putting an end to the great public/private dichotomy and assuming that continuous societal decisions are to be made: on the nature we want to give to economic goods; on which social actors – or 'social orders' – are expected to produce these goods; and on which property regimes are most desirable for these actors to operate with. Finally, retrieving key concerns of classical republican political philosophy, and in keeping with some of the analytical tools that are offered in the previous articles, David Casassas and Jurgen De Wispelaere develop a normative proposal that relocates economic matters at the core of modern democracy. On the one hand, democracy is to be understood as the outcome of decisions that are made by economically empowered individuals and groups – hence the importance of theoretical-political criteria on how to universally guarantee positions of social invulnerability for an autonomy-respecting interdependence to emerge. On the other hand, the institutional guarantee of such positions can be inimical to democracy itself if no channels for popular control and contestation are available.

Self-determination in economy and society: re-conceptualizing the relationship between modernity and capitalism

It used to be very common to associate modernity with freedom and agency and capitalism with oppression and alienation. Our previous discussion has given some reasons why this was so, but also suggested that this is not the most fruitful conceptual strategy. During the extended debates around 1800 about building societies on the principle of autonomy, one key suggestion was that the satisfaction of material needs could also best be achieved through autonomous human action. In some respect, classical political economy can be seen as liberating political thought, as a part of the debates that we now refer to as the onset of modernity.

The problems emerge elsewhere, as matters of conceptual reinterpretation and later historical experience. Historically, industrialization transformed economic activity, giving greater emphasis to 'dead' over 'living labour' and increasing control over work. Conceptually, the metaphor of the 'invisible hand' was taken to mean absolute market self-regulation – absolute in the sense that individual actions on their own generate

maximum positive outcome, without any other coordination between the actors and without being framed by larger societal concerns. This is what Polanyi called disembedding, hypostatized both in economics and in the theory of functional differentiation. Due to these transformations, the institutions of 'modern capitalism' became that iron cage, the actual building of which was forgotten.

In this vein, our task today is to undo liberal and neoclassical mystifying beliefs on the allegedly apolitical origins of social relations. Markets are far from being metaphysical entities, the origins of which one cannot elucidate, but human creations that emanate from specific political options which, in turn, are the outcome of concrete constellations of collective aspirations. '"Market", in singular or abstract terms, does not exist; what do exist are different forms of markets historically configured as a result of a political option – or a set of political options' (Casassas, 2013: 6). This is a key insight from Polanyi's work, and evidence for this assertion is found throughout this issue: Jeremy Seekings and Leda Maria Paulani trace the political constructions of economic institutions and practices through the history of South Africa and Brazil. Sandra Halperin discusses both the active dismantling and the rebuilding of market-framing institutions across European history. Antoni Domènech and María Julia Bertomeu's article shows that the roots of such a project can be traced back at least to seventeenth-century English political thought.

In conclusion, we shall try to briefly reflect on what embedding of the economy can mean and what it entails in general terms. We do so with recourse to the modern commitment to autonomy and suggest that the individual autonomy of economic actors in disembedded markets is only one possible modern approach to the satisfaction of needs. Its merits and deficiencies need to be explored in the context of the broader societal commitment to autonomy. Autonomy as collective self-determination implies the possibility of handling the autonomy of needs satisfaction in different ways, only one of which is individual autonomy in markets.

In the following reflections, we obviously cannot offer an answer to this question in terms of necessary and sufficient institutional settings for such an embedding of the economy into societal self-determination to unfold – if we did so, we would be contradicting our view that institutional concretizations are always radically context-dependent. Nevertheless, some general criteria can be drawn from what has been explored until now – Casassas and De Wispelaere's as well as Pichierri's contributions to this volume delve into these issues as well. We concentrate here on three main aspects.

First, self-determination within the economic realm requires the capacity to individually and collectively decide when to commodify resources and activities and when to decommodify them. To put it succinctly, there is no general problem with the extension of market-based social relations; what can be seen as morally and politically problematic is the fact that individuals and groups lack the opportunity to exit or remove resources from markets when they deem it as necessary or desirable. As one can infer from the work of Albert O. Hirschman (1970), having an 'exit option' available helps secure the freedom-respecting nature of social relations. The right to divorce is not something that forces you to divorce, but something that enables you to do so if marriage is likely to undermine your freedom and dignity. In the same vein, the possibility to decommodify resources and activities – for example, to decommodify the labour force – is a possibility

individuals and groups may exercise or not, but its presence seems to guarantee a higher degree of control over key economic processes. *Decommodifiability*, not *actual decommodification*, is what appears to be a core objective within any project aiming at deepening economic democracy.

Second, self-determination within the economic realm requires the effective power to collectively establish the nature and running of markets in all those cases where a group has decided to resort to the commercial sphere in order to organize certain aspects of its life in common. As said before, markets do not work univocally under all sorts of circumstances. Markets can allocate resources and shape social life in a myriad of ways, depending on who is (dis)allowed to do what. Consequently, a set of political decisions of great import in terms of world-making is at stake. What exactly can be bought and sold? What proportion of the available quantity of the resource? Who can buy and who can sell? How should prices be determined? During which periods of time can certain resources be bought and sold? Where should the purchase take place? Needless to say, the different answers to all these questions can lead to the emergence of radically differential worlds, which brings us again to face the unavoidable need to decide.

Third, self-determination within the economic realm requires the introduction of political spaces for the democratic control over all these decisions. No concrete politico-institutional plan will be suggested in this article; rather, we have focused on saying that *some* politico-institutional action is to be carried out if the goal is an inclusive decision-making process on the shape and procedures of our economies. Whether such political action is to be based on forms of self-management – and of what kind – and/or on sets of public policies – and in which direction – are things that, again, are beyond the reach of this article. What we are claiming here is that *something* is to be instituted in order to turn economic modernity into a project that is in our hands; and that nothing can be *instituted* without the awareness that the power to imagine *instituting* moves is never limited (Castoriadis, 1987). In our current constellation of modernity and capitalism, the modern imaginary of autonomy, in particular, collective autonomy, needs to be forcefully and urgently mobilized to counteract the increasingly visible disastrous consequences of a capitalism that was erroneously conceived as self-steering but is clearly out of control.

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Notes

1. Using Hegelian terminology, Arnason (2015) refers to institutions as 'objective spirit', one of the three layers of social life. While this is useful, it is less clear whether and how 'subjective spirit' and 'absolute spirit' can be distinguished in a post-Hegelian way. In the following, we merely distinguish institutions from interpretations, with the latter term comprising both the subjective assignment of meaning to a situation one finds oneself in, and cosmologies, the meaning collectively assigned to the world, which are different in reach but not in substance.

2. Our suggestion of defining the economic problématique as the search for the best way of satisfying human material needs has two implications that should be spelt out: It presupposes some distinction between material and other needs; and it suggests that the economy is concerned with the former only. By material needs, we refer to needs such as food, shelter, medical care, education, essential to live. Even though the boundary between those needs and others, such as for recognition, may be socio-historically variable, some such distinction is useful. Relating those needs to economic matters, second, means using a traditional notion of the economy. Thus, marketization, monetarization or commodification are not as such markers of economic matters. They can be a means of addressing the economic problématique, but the problématique can be addressed by other means as well, as much as these means may be employed for other purposes than the satisfaction of material needs.
3. Among recent works, Luc Boltanski and Eve Chiapello's *Le nouvel esprit du capitalisme* (1999) stands out, which focuses on motivations and justifications, but also complements the analysis by drawing on insights on 'accumulation regimes' from the Regulation School.

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