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Social critique and transformation: Revising Habermas's colonisation thesis

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Abstract

What is critical theory – and what is it not? This essay attempts a new answer to this old question and examines which normative convictions immanent to social reality can be used to describe, analyse and criticise contemporary, global forms of domination that form blockades of social and political participation. The analysis proceeds in a double step, referring both to the critique of society and to the critique of theory that describes society. The basis of this parallel swing is an analysis in which the author makes revisions to Jürgen Habermas's colonisation thesis and uses the example of housing to show how these revisions which refer to the global perspective, the demarcation between system and lifeworld, the language of critique and, finally, the theoretical mode of an inherent dialectical critique make possible an analysis of the financial and economic sectors as well as everyday interactions. Reading Habermas more dialectically than he probably would himself also allows the identification of potentials for transforming relations of oppression.

Keywords

Colonisation theory, Frankfurt School, Habermas, inherent critique, social blockades, social theory, social transformation, structure and interaction

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Introduction

It is seldom particularly helpful when theory becomes too preoccupied with itself and with distinguishing itself from alternative currents of theory. The frequently posed question of what critical theory is and what it is not – whether with a capital or small 'c' – has often enough distracted from actual social problems in need of theoretical reflection. And at the same time prevented productive collaboration between, for example, critically thinking Foucaultians, postcolonial thinkers and representatives of a critical theory. In view of the current multiple crises – from the rise of right-wing extremism and autocracy, to climate change, species extinction, increased warlike conflicts and the further commercialisation of natural resources such as water and the human genome as well as social goods such as housing – the question arises which political and social theory can provide a fruitful method and sound answers when it comes to describing, explaining and legitimising the conditions of social change – without lapsing into an all-too-narrowly-conceived conceptual analysis or a reality-detached normativism.

One can observe a recognisable trend towards a *scientification of sociology and philosophy* which leads to a restriction of the research object to a conceptual–analytical clarification of subjective conditions as well as merely cognitively graspable processes. This largely disregards the theory's relation to society and the world as a whole and, moreover, it overlooks the consideration of the researcher as a human being, and the relationship of the individual to the community and to their historical epoch.

At the same time, there are strong approaches of normative, *idealistic positions* in political and social theory (and social philosophy) that start from an abstract construction of global normative assumptions, such as universal respect or principles of global justice, and then try to apply them to real social conditions. These current developments in theory have undesirable effects. A purely conceptual analysis lacks a reference to the reasonable processed understanding of contemporaries, whose knowledge, articulation and understanding of the world form the basis of theoretical reflection. And a purely normative theorising gets lost in impotent obligation, which Hegel brought into play against Kant, and which points to a misguided relationship between normativity and empirical social analysis.

Instead, the assumption in the approach defended here is that new social problems present themselves as cognitive and sometimes non-cognitive *dissonances between normatively tainted world knowledge and social reality.* These dissonances between institutionalised, normative claims and everyday practical reality, spring from either crisis phenomena or new insights about the world, and shake previously shared understandings. It is at this point of dissonance description and normative processing that a critical social theory begins; one that does not merely engage in conceptual analysis with a fixed gaze on the identified object of research, but rather, speaking with Max Horkheimer, takes subject and object, theory and practice together and presupposes the idea of freedom, even and especially when this does not exist.

In that confrontation of existing norms, reconstructed from context, which encounter another reality and which is the basis of an inherent critique, blockages of social and political participation can be revealed, through which, in the favourable case, possibilities of social transformation become discernible. The special, and as will be argued,

fruitful relationship between a critique *inherently reconstructed* from social relations and a theoretical reflection gives critical theory an advantage over other approaches to social theory that appear either too scientific or too normative.

A critical dissonance theory that offers a practice-inherent normative critique through uncovering systemic and lifeworld domination borrows from both 'old critical theory' and more recent ones and is unfolded in four steps. Against the background of scientistic and idealistic approaches, four indispensable features of a critical theory are defended (I). In the next step, the theory–practice relationship is revised in methodological terms with the help of Habermas's 'colonisation of the lifeworld' (II). In doing this, outlines of four productive revisions of the colonisation thesis are offered which address forms of globalised domination, the boundary shifting of systemic intrusions, the place of normative argumentation and dialectical mechanisms of inherent critique. In order not to fall into the 'bloodless' meta-discussions about the relative benefits of critical theory mentioned at the beginning, the example of housing is used throughout the text to demonstrate theoretical and practical advantages of a critical theory approach understood in this particular way (III). This then leads into a brief conclusion on emancipatory moments.

Four features of critical theory

Political and social theory has responded in different ways to the intra-societal and global challenges of our time. Most of the prevailing approaches either persist in a *scientistic perspective*, in which the object and subject of research are strictly separated and normative sources are not even named, while on the other hand *idealistic approaches* fail to recognise the dialectical necessity of critique. Even if this distinction into two streams of theory must inevitably turn out to be somewhat crude, fundamental difficulties in the relationship between theory and practice can be solved indicating the way forward for critical theory.

A first influential reaction to these challenges can be found in broadly differentiated *scientistic approaches* that can best be described as *quantitative-oriented governance theories in sociology and political sciences.*[1] These approaches offer a non-normative description of how society and governing functions, both domestically and beyond the nation-state. Taking their lead from the American sociologist Talcott Parsons, quantitative-oriented governance theories describe society disconnected from concrete actors in terms of social systems that are integrated through functional requirements, for instance, in the domains of economics, law and politics. In the centre stands efficient regulation, an idea that also became attractive for describing transnational networks, private–public partnerships and other forms of coordinated societal transactions.[2] The coordination and communication within the realm of, for example, financial policy, anti-terrorism, security, education and health policy, experts from various interest groups, companies, NGOs and lobby groups are described as being involved in consultation and decision-making at a horizontal level, equipped with personal responsibilities and entangled in supposedly non-hierarchical power relations.

This sounds like a critical concept that contrasts with hierarchically organised regulatory social processes. Yet, the analysis from the point of view of alleged

non-hierarchical networks comes with some theoretical and practical problems. First of all, the boundary between the object and the subject of regulation is blurred, which is not without consequences for relations between citizens and the public sphere. The *subject of regulation*, at one time the people, now private actors, is described simultaneously as highly generalised and as fragmented. The result is that it is no longer possible to identify shared interests in social and political processes, and neither are critical effects of structural incompatibilities evaluated because the normative grounds are missing (e.g. the unjust effects of an unregulated global housing market or a mismanagement in fresh water supply through transnationally operating firms). Secondly, the research object of regulation is no longer merely an aspect of society, or of states, but is politics itself. While politics is narrowed down to technical planning, the legitimacy of planning is reduced to its efficiency alone and is completely detached from the democratic influence of citizens. Through this, governance is being described in a scientific way so it can be used as a tool for market-conforming regulation, which without hesitation can function as a substitute for democracy. And thirdly, a scientistic approach fits almost perfectly with some features of the still prevailing neoliberalism and has no tools for critique. Unlike classical liberalism, neoliberalism does not consider competition to be an indispensable precondition for market processes. Instead it relies on the market as the most efficient way to get increased welfare. This leads to a preferential treatment of large organisations instead of strong antitrust law (Crouch, 2011; Mau, 2019). And offers an institutional framework characterised by increasing measurement and quantification of our everyday life (rating agencies, dating apps, etc.). This effects even science, where reputation scores are increasingly establishing themselves as the leading currency, and evident-based quantitative research seems to fit into the quantification bias perfectly (Mau, 2019, pp. 89–90, 47–53). Scientistic approaches, however, have nothing to offer to describe a problematic side of these developments, nor do they have the theoretical tools for criticising these developments as part of a social whole. This fails to see society in its full complexity and rather assumes it can be analysed part by part.

On the other side of the spectrum lie *idealist theories.* They assume (justified) ideals and project a desirable social and political situation on this basis.[3] The implosion of the Soviet Union, the most recent empire held together by violence, led to an upsurge of normative, idealist theories. They start off by constructing global normative principles from the standpoint of moral philosophy, such as universal respect or principles of global justice, which they proceed, in a second step, to apply to political reality. Idealist theories no doubt remind us of what governance theories and quantitative social research systematically suppress, that is the pioneering role of ideas in social evolution, in politics and in history. One need only think of Olympe de Gouges and her struggle for women's rights during the French Revolution, which cost her her life, or of the French leader of workers, Louis Auguste Blanqui, who, when asked by a court what his profession was, said 'proletarian' – as it was for millions of French people. A fundamental problem with this is that idealist theories can only address the systemic complexity of international and domestic relations, of economy, climate change, wars and so on, as well as interest-based resistance in political struggles and interactive power relations, as marginal phenomena of social integration and political action. The concept of reason employed by these theories is justified by an allegedly 'correct' conception of morality or justice which

means that they cannot be shaken by anything such as 'unfavourable' material and political conditions.

Idealist theories not only miss a relation to social reality but also fail to do justice to the crucial *dialectical point*. The dualistic character of morality – being torn between freedom and duty – is only halfway resolved. Although the freedom inherent in normative ideals (human rights, equality etc.) is being emphasised, these theories have a patronising side – which is by no means conducive to freedom (Brunkhorst, 2010). Yet, as we know, even human rights, for example, can be misused to justify oppressive interventions, imperialist geopolitics or even to promote neocolonialism, which purports to be of help to peoples who supposedly do not know what is good for them (Spivak, 2004). A normative theory understood in this way runs into the problem of forcing an analysis of society into the corset of its own normative assumptions and by this of narrowing down the sociological and political view unnecessarily into a foreign object shut off from a systematic consideration of theory. Political and social theories, to use Raymond Geuss's terms, have turned into a kind of 'applied ethics' that misinterprets societal conditions (Geuss, 2008, p. 8).

Having pointed out some of the problems of social theory today, it is now necessary to come up with a suggestion about what a critical theory that avoids those problems may look like. It is worth keeping in mind that a critical theory is a *mode of thinking* and a *method*, and not a theoretical approach that is completely absorbed by a critical standpoint inherent in society, nor is it a theory that proposes an external critique, as so many opponents claim. Rather, it is characterised by at least four aspects that lead to a specific understanding of critique (Kreide, 2015).

First, social theory restores the subject to the centre of social theory. It was Jürgen Habermas who criticised Marx for not distinguishing between empirical and critical–reflexive forms of knowledge and stressed social criticism as *self*-reflection. This spotlights the role of the subject – an aspect which Marx ignored. In the *act of self-reflection*, the subject realises that they cannot identify themselves (Habermas, 1972, pp. 7–9). The subject sees themself as someone trapped within the forces and restrictions of labour processes, a rat-race in neoliberally organised institutions, completely at the mercy of the demanding requirements of a highly technological, extremely mobile and flexible world, and they realise that they are socially and politically powerless. This experience leads us to beg to know more about these processes and about how to reverse them. Since this process of self-reflection in critical theory is always a reflection on the social context, it is at the same time a critique of one of the dominant scientistic approaches in psychology – positive psychology – which also starts with the subject and self-reflection, but sees above all, self-optimisation and identity development with personal responsibility as the main route to individual happiness and personal satisfaction (Seligman, 2012). The role of any *social* blockades and obstacles is ignored. Yet it is this *context-specific* self-reflection through which self-knowledge starts. The interest in knowing about the conditions of self-preservation and knowing about pathological structures has led to the famous insight that radical criticism of knowledge (*Erkenntniskritik*) is only possible as a social theory. Theory needs to take as its starting point the perspective of the subject, and not societal structures as with most quantitative governance theories.

Second, critical social theory as defended here is based upon a *notion of practice*. Max Horkheimer famously made the distinction between *traditional* and *critical* theory, meaning that traditional theory confronts its object of research at an objectifying distance, while critical theory, as briefly described above, holds up a mirror to the subject of research, and thus to the researcher, as well as to theory itself. Not to recognise society in it, but to be able *to identify one's own situation* within an oppressive context with all kinds of blockades of freedom. Theory, as Horkheimer stressed, needs to describe itself as a part of life's context, which it tries to capture. This might be a theoretical weakness as it may lose its critical distance. But this alleged weakness is, at the same time, its very strength: social theory reflects its self-referentiality and understands itself as a part of the self-same practice which it describes (Horkheimer, 1972). Phenomena such as alienation in the labour production process, being subjected to transnational administrative structures (such as the EU or through the WTO), and exclusion from political participation, can only be overcome in practice, not in theory (Habermas, 1972, p. 9). In other words, *theory is the science of practice*. This is a hint about the weakness of 'idealist' theory.

Third, critical social theory uses the *generalising power of negation* (Brunkhorst, 2010, pp. 40–45). It does not start off from the legitimation of principles, but from a sense of injustice (Moore, 1978; Shklar, 1992); which appears through the exploited classes, the suppressed and enslaved peoples, and the excluded parts of the population (Shklar, 1992, p. 13). In the history of critical social theory, this reflexive dynamic of negation has, for the most part, been neglected – although there have been some exceptions. Kant uses the reflexive dynamic of negation when he speaks of the violation of rights that can be felt in every place on earth by everyone; Jean Piaget identified the role of the experience of injustice for the development of a consciousness of justice; and Judith Shklar stresses the universality of a sense of injustice for the formation of a just order (Shklar, 1992). Negative feelings, as Adorno and later Habermas claimed, have a cognitive content, which lies in their inter-subjectivity (Brunkhorst, 2010, p. 40). Those who are enraged at the exploitation to which they are subject have a reason for their moral indignation which can be shared with others. This is why the moral feeling of humiliation experienced by slaves is not resentment. When, as Barrington Moore says, exploited workers or suppressed people bring about their rejection of suffering and oppression, then they claim something like 'I can't stand it any longer' or 'workers of the world, unite!' (Moore, 1978, p. 81). They use the universalism of negation, without which theoretical knowledge about society would be impossible (Brunkhorst, 2005, p. 198).

And finally, critical theory is based on practical reasoning that was, at no point, based on a mere 'ought', like idealist theory, but was supposed to develop its properties (or effectiveness) in reality. It is the task of *re-constructive science* to work out these performative ideals with which the deformations of a false consciousness can be revealed. In Habermas's theory, for example, it is a rational reconstruction that articulates the conditions of communicative understanding, and then, in a second step, societal criticism points out the deficits of real-world communication in concrete situations (Habermas, 2013, p. 175; Gaus, 2013, pp. 553–567). From the experienced dissonance between the results of self-reflection and a harsh reality consisting of non-transparent and unjust rules and structures one thus arrives at individual insights about what is wrong

in one's life, and as sociologists also at *theoretical insights* about deficits in scientific research. Against the background it may become then even possible to determine the potential for emancipation.

Social critique and the 'colonisation thesis'

If one now looks a little more closely, one can identify different approaches that claim to be spelling out a social critique that may function as a reliable framework of a critical theory. Despite the need to be brief, there are at least two perspectives that should be mentioned. On the one side, post-Luhmannian system-theory claims that the old critical theory still appears to be too norm-guided.[4] For them, critical theory is first-order observation, projecting its normative, implicit beliefs onto its object of research. In a kind of smart move, systems theory self-reflection is then processed through the perspective of a second-order observation, avoiding any normative stance but taking into account the theory's position. The problem with this is that what is analysed lacks any sense of structures of domination, of subjective experience or any potentials for political emancipation. On the other side of the spectrum lies a minimal–normative critical theory, such as the one Luc Boltanski offers, which also tries to overcome a supposed gesture of normative superiority of the old critical theory (Boltanski, 2011). Their 'external critique' is substituted by an 'internal critique' that allows the examination of critical interventions by subjects who are aware of their alienation from the world in daily life. As convincing as it is to start with the subject's experiences, this approach nevertheless falls short when it comes to structural domination and being able to give criteria for whether what is experienced is really worthy of critique.

A somewhat different middle path is taken here to explore the relationship between normativity and social research as critical theory reflecting the above four criteria. The long-neglected *Theory of Communicative Action* (TCA) by Jürgen Habermas will play a crucial role on this path but requires some 'rebuilding' to make it fruitful. TCA is considered to be a classic. One might think this was not for the best because the book's main thesis has been largely ignored over the last two decades.[5] Wrongly, though, it seems. To flesh out this point of the potential of TCA, the colonisation thesis' will be briefly summarised and then confronted with major objections through which a revised framing of the colonisation thesis will be developed. Using the example of housing and the housing market, it is demonstrated how the theoretical treatment of *social dissonance* can lead to what is called here an *inherent critique*.

An exposition of the 'colonisation thesis' must necessarily make a selection of topics and is, of course, always an interpretation, which is presented here in context of the overall approach. The nowadays somewhat difficult concept of the 'colonisation' of the lifeworld, which will be presented in more detail, means first of all that everyday communication oriented towards understanding is dominated and displaced by instrumentally oriented language and action, so that economic and technocratic thinking and action penetrates everyday life and leads to deformations of living together. This requires a more detailed explanation. Following Max Weber's pessimistic diagnosis, Jürgen Habermas describes modernisation processes as inevitably leading to a loss of freedom. Central to the theory of communicative action is the development of the idea of linguistic

understanding or communicative rationality as a mechanism of action coordination (Habermas, 1987a, p. 370). It is the rationalisation of society, previously analysed by Weber, that Habermas takes up and that combines action theory together with social theory. As is well known, Weber develops action with reference to purposive rational action (Habermas, 1987a, p. 369). Habermas sees the concept of communicative rationality as a necessary and, unlike Weber, as a more comprehensive approach. Communicative rationality is evident in all modes of behaviours for which reasons can be given, and in the central experience of *unifying argumentative speech*. A reconstructive theory sees in communicative rationality a normative basis of social theory insofar as it is always contingent upon the validity of speech. But when communicative rationality is deployed in public discourse, it unfolds performative power. Here a Hegelian element is evident in Habermas, as normativity can in this way become *practically true* in the process of argumentative interaction.

And something else is interesting here: apart from the occurrences of reason in the non-reversible preconditions of communication, Habermas ultimately sees an *increasing* communicative rationality at work in societal development. In the long process of the development of language, the mechanism of a linguistic communication oriented to claims of validity emerges ever more clearly and purely. The stubbornness of communicative action, which is demonstrated in being detached from its normative contexts and social contingencies, does not disappear completely in the dialectical process of reason, as in Horkheimer and Adorno, but preserves, against all regressive social phenomena and tendencies (autocracy, anti-egalitarian and discriminatory statements, and so forth), its emancipative critical potential. This, however, is not a 'self-runner'; the normative potential of language alone is too weak for this. As with Kant's 'historical signs', in repressive phases the reference to a historical understanding of freedom, equality and so on can initiate a possible linguistic transformation towards emancipation from non-legitimised domination (Brunkhorst, 2014).

The development of language (Habermas, 1987a, p. 459) in the realm of symbolic reproduction in the everyday spheres of family, leisure or the public sphere is (and here again borrowings from Weber and Durkheim become apparent) only one half of this social theory. The other half is the corresponding language in the realm of material reproduction and thus in the area of economy and state administration. These are domains of purposive rationality, or in Habermas's words, of functionalist reason, oriented only on ends and means considerations. Habermas thus splits the rationalisation of society into these two opposing and contradictory developments, whose predominance is ultimately dependent on the different modes of people's actions. With this procedure, Habermas develops a two-part concept of society: society consists of lifeworld and system (Habermas, 1987b, p. 380). As a normatively integrated lifeworld, it is accessible to the participants from their perspective as acting subjects. As a functionally integrated system, it is understandable from the observer's perspective of the trained sociologist. Accordingly, there are two types of action coordination: one via linguistic understanding of *worldviews and everyday practices* and the other via *systemic code-based communication*, which is oriented towards the consequences of action and, with Niklas Luhmann, perceives society in different subsystems (economy, politics, administration, etc.).

Habermas claims by means of this distinction to be able to identify 'pathologies of modernity' (Habermas, 1987b, p. 554). What is pathological is the penetration and overformation through economic and administrative rationality into societal areas whose reproduction takes place through linguistic communication. This then shows itself in the loss of freedom. It is this intrusion of systemic action into lifeworld contexts that Habermas calls '*colonisation*', in other words *domination or dominance*. According to Johannes Berger, the fact that Habermas speaks here of pathologies and not – like Marx – of crises, can be explained by the fact that crises in the Marxian sense led to revolution and not necessarily to reform, and Habermas probably wants to avoid this inevitability (Berger, 1991, p. 165). Pathologies, in contradistinction, can be corrected as undesirable developments. For it is not the Durkheimian division of labour, nor the Luhmannian systemic 'communication', nor diversity and inequality that is a problem. Rather, social differentiation is necessary to maintain the complex division of labour that characterises modern societies and without which they would not function. It is nevertheless exactly the subjugation to systemic constraints, enforced by purposive rational action, that causes the destruction of freedom of action and communication.

These ambivalent processes of rationalisation, such as the differentiation of the lifeworld, the decentralisation of interpreting the world and the formalisation of worldviews have led to different actor–world relations (to the objective, social and subjective world), and, accordingly, to different standards of rationalisation (truth, morality, expressivity) (Habermas, 1987b, p. 97). These rationalisation processes, however, are *paradoxical*. They enable a higher degree of complexity which is wanted for complex societies, and, through the uncoupling of the lifeworld and the system, simultaneously lead to the unleashing of the systemic domain and its inexorable growth-oriented internal dynamic. Systemically organised areas of society dominated by *money* and *power* displace norm-based attitudes and social relations expressed in lifeworld contexts. This is only a first form of 'colonisation'.

Besides these phenomena of systematically induced reification, Habermas identifies a second form of colonisation, which is often neglected but is important here as well. Citizens seen as subjects have difficulty identifying the sources of their suffering. The explanation is that the colonisation enforces an assimilation to the existing structures, but this game of market and bureaucracy and other dominating forces can no longer be perceived by citizens because of their disaggregated cultural perspectives. They are too ensnared in the logic of instrumental thinking which has tainted all aspects of their daily life. This is why Habermas does not speak about 'false consciousness' but of a '*fragmented*' consciousness. He calls this 'cultural impoverishment' (Habermas, 1987b, pp. 196, 322, and 326). Instead of a lost revolutionary consciousness, these are steps in the search for the lost vital consciousness of daily life in a rationalised world.

All these processes of a '*colonisation of the lifeworld*' show that the coordination of action is no longer based upon understanding but is, instead, maintained through money and administrative power, and, through this, it marginalises the potential of normative and expressive power (Habermas, 1987b, p. 196). If monetarisation, market imperatives and bureaucratisation not only determine lifeworld conditions – which cannot be prevented – and through this replaces communicative action, then a pathological change within those two societal spheres, and also within the public sphere, is at stake. As an

effect, actors more and more become consumers of what the market supplies, citizens become social-welfare recipients and members of society are exposed to the risk of their political and social autonomy being massively impaired by identity crises and different symptoms of alienation.

What one has at one's disposal here is a normative mechanism grounded in linguistic pragmatics to identify everyday structural modes of being illegitimately dominated. It is these disturbances in the systemic as well as the lifeworldly social integration and their effects on the social, cultural and personal relations of reproduction (knowledge and value relations, cultural knowledge and critique as well as identity formation) that can be analysed and criticised. Thus, we have worked out how, with Habermas, to describe social deformations, and particularly how we can understand a critique of social relations: as illegitimate domination by monetary and juridical imperatives that shape the thought and action of people's daily lives and prevent unconstrained interaction with others. At the same time, one deals here with a *reification* that dries up the multiplicity of meaning inherent in linguistic communication and subjects it to market and administrative thinking. So unfortunately, it is not that easy after all.

Towards a revised social critique

The major reason why it may not be immediately convincing is that the TCA and also the colonisation thesis are of their time. It needs at least *four kinds of revisions* to make it fruitful for the critical analysis of the present. Through these revisions, the outlines of a newly understood colonisation thesis can be sketched that uses dissonances between normative claims found in reality – and also in an existent recalcitrant reality – for a fruitful analysis and social critique.

A first revision is a change of perspective towards *global* interconnectedness and a political, legal, digital and administrative infiltration of global institutions into everyday lifeworld contexts. This was not an issue in TCA; understandably because the situation looked different when the colonisation thesis was first published. During the 1960s and 1970s, politics developed with the pragmatics of authority. Accordingly, the state had to reckon with the withdrawal of its legitimacy – a development to which it responded with more administration. The repercussions of this insurmountable crisis dynamic of capitalism (and not just the de-coupling of the system and the lifeworld alone, which also entails gains in rationality) are the causes of 'colonisation'. It is not surprising that, under the influence of Keynesian theory in the early 1970s, the dominant assumption was that economic crises could be cushioned and overcome through political nation state interventions and corrective measures. Nevertheless, the situation looks different today because of the *global* problems alluded to at the beginning: capital has forged an alliance with similarly globalised private law and pursues 'progress'; national politics has been disempowered in many areas; and the welfare state has been hollowed out and subjected to a new, market-friendly paradigm.

These processes have a direct influence on subjective experiences in dealing with societal institutions. This is easy to see when, for example, water is privatised in the course of worldwide marketing, or – and this will be the leading case here – when the housing market is systematically 'rolled up' by real estate corporations. It is helpful to

look more closely at an example of the effects of globally effective overdevelopment caused by the influence of power and money. Housing that is unaffordable for the middle and lower classes is perceived locally as outrageous and unjust; a similar picture can be drawn in Toronto, London, New Delhi, Mexico City, New York and recently even in middle-sized cities around the world. Starting from the concrete experience of the subject, a picture emerges that housing has become a *contested commodity*. One witnesses the internationalisation and financialisation which has given the housing market a 'twist' that has once again shifted the balance of power. From the subjective perspective, this sell-out of the housing market is often described as a problem of gentrification: instead of the little grocery store and the bookstore around the corner, there is now another yoga studio and a bubble-tea chain. With the help of the systemic-lifeworld perspective, now globalised, we can have another look at what is really going on when we talk about gentrification. We realise that we are not only dealing with individual 'greedy' single landlords, who, of course, also exist. Rather, it is large, globally operating corporations that systematically purchase apartments on a large scale (Trautvetter, 2021). They scan cities for 'undervalued living space', that is, living space in which tenants can still live at acceptable rents, buy these houses, renovate them and then rent them out much more expensively (Madden and Marcuse, 2016). But it is even more lucrative to leave the apartments empty from which the tenants have had to vacate because they could no longer afford to pay the rent, to be able to sell them more expensively at some point in the future (Butler, 2017). The market is huge. The sum of all the real estate traded as assets is 217 trillion dollars, a multiple of the world's gross national product (Butler 2017; Cumming, 2015).[6] And the sprawling, but above all non-transparent international law in this area contributes its share. With the exception of mafia-ridden Italy, which reacted early on with a compulsory register for real estate owners, it allows money laundering on a large scale, since the ownership of letterbox companies in the world's tax havens cannot be traced. Every year in Germany, for example, some 100 billion dollars in tax revenue goes missing in the non-financial sector (especially real estate) (Bussmann, 2018).[7]

Moreover, recent developments show that the financial market has changed fundamentally. Offices in urban areas have been in high demand over the past two decades. And the financial economy is already increasingly *decoupled from the real economy* (Hesse, 2020, p. 103). A financialisation is at stake through which the media, money and power follow paths that are not directly comprehensible to the individual. More investment capital has flowed into ownership of land, so that *land has become a tradable commodity* as well, and speculation on land has become the basic premise of an erratic financial market. The additional inflow of international investment capital invested in real estate, the so-called concrete gold, ultimately became a delocalisation from an actually existing market. Housing thus went from being goods that were *used* to being goods that were *traded.* The housing market became more and more determined by abstract imperatives of the money markets (using stock market algorithms) and investment strategies of anonymous investors who have the political power to just do what they want. The colonisation thesis provides a good tool here to look behind the glittering facades of urban development programmes propped up by investors.

The very concrete effects on people's lives have helpfully been described by the geographer Neil Smith. Smith who made a major contribution to the spatial turn in the humanities and social sciences opposes the frequently put forward notion that, if there is no demolition and no new buildings, and there is only building renovation, then there is also no gentrification (Smith, 2015, p. 165). In fact, according to Smith, since the 1960s and 1970s in the United States (and somewhat later in European countries), there has been a steadily increasing displacement of the poorer population from popular neighbourhoods. Under these conditions, it is impossible to achieve ideals of municipal identity, civic duty and belonging – much less any urban vision of a heterogeneous arrangement of social, political and cultural offerings open to all in a dynamic public sphere. It is clear that the level of subjective experience means that even finding somewhere to live has become an *existential problem.*

A *second revision* of the colonisation thesis that is made here starts at the point of the *boundaries between lifeworld and system.* An early criticism of Habermas's TCA was that the distinction between lifeworld and system was too schematic and, above all, too rigid, not only *between* the two social spheres, the system and the lifeworld, but also *within* the spheres. For an actualisation of the colonisation thesis, it is important to examine more closely *struggles* over 'outer boundaries' of the two social spheres and also over boundaries within these spheres (McCarthy, 1991, p. 119). This is a justified criticism, especially when one considers that current neoliberal tendencies want to push forward precisely the expansion of functionalist rationality. The current neoliberal encroachments on lifeworld organised contexts aims at *extending* the boundaries of efficiency-based organisation (administration and economy) to social spheres such as health, pension provision, sports, even leisure (self-optimisation), as well as housing. The quantification of society mentioned above is one aspect of these boundary crossings (Mau, 2019).

Another aspect, to stay with the housing example, is that as somewhere to live has become a *scarce* commodity, the scarcity of housing affordable for lower and middle-income families also differs in terms of *quality*. The location of the apartment (whether on the outskirts of the city without good infrastructure or centrally near the workplace with good traffic connections), how an apartment is equipped (what sort of heating, separate bathroom, lighting, balcony, etc.) and which shopping possibilities there are nearby have all become of decisive importance. It reminds us of what Friedrich Engels described more than 150 years ago:

> (T)he workers are forced out of the centre of the towns towards the outskirts; that workers' dwellings, and small dwellings in general, become rare and expensive and often altogether unobtainable, for under these circumstances the building industry, which is offered a much better field for speculation by more expensive dwelling houses, builds workers' dwellings only by way of exception. (Engels, 1872; 1997)

It is striking how well this description still fits the situation today in Europe. Access to scarce high-quality housing was and is strongly stratified. Global financialisation has taken a firm grip on the housing market, made housing a rare commodity and through this expanded the systemic boundaries into the realms of daily life communication.

But this shift in boundaries did not remain without contradiction, and this is also part of the analysis of boundary shifting. Those 'colonialising' tendencies are not just one-dimensional; they go from the systemic side towards the lifeworld – although analytically the description of these relations of domination is certainly a crucial concern of science. Depending on the political context, these developments can also meet with resistance (Verovšek, 2021). There are some counter-movements against land grabbing, species extinction, climate change and the marketisation of housing. They claim they are trying to promote rational action and to shift and redefine the boundaries between what is declared as lifeworld and system. Particularly prominent is, staying with our housing example, the European citizens' initiative 'Housing For All' and the initiative in Germany, 'Deutsche Wohnen Enteignen' (Expropriate German Housing), which demands that real-estate corporations with more than 10,000 apartments be socialised. And the German corporation 'Deutsche Wohnen' (German Housing) is one of those.[8] Of course, it is permissible at this point to ask whether any kind of resistance to systemic encroachment is legitimate and how one can arrive at a more precise assessment.

Following Nancy Fraser, a distinction can be made between *affirmative and transformative boundary struggles* (Fraser and Jaeggi, 2018, pp. 173–78). The former means that the actual concern of the struggles (e.g. reform of the healthcare system) is seen as important, as is the intention, but either the speed of the approach or the place itself (as e.g. not hospitals, but health insurance companies) is misplaced. These affirmative struggles do not abolish the relations of dominance; they give up at the possibility of large-scale purchase of flats and houses (despite the housing shortage) and propose, for example, a state allowance for poorer people which means profit can be further skimmed off and social support is paid for by the taxpayer. The systemic encroachment is evident in the silencing of social movements. Transformative struggles, on the other hand, assume the entire focus of the invasion of economising and measurement thinking, a social aberration that leads to pathological conditions. These pathological phenomena, which directly impinge on the subject and exist in political discourse as actual violations, can be considered transformative and thus legitimate boundary shifts. From the outset, resistance aims at overcoming, or at least changing, economic structures. Only the goal of overturning these freedom-robbing conditions allows this movement to be called legitimate. This is possible because it is based on a non-functionalised, lifeworldly form of understanding. This revision of the colonisation thesis concerns boundary shifts, from systemic infiltration (such as marketing of housing) into previously non-reified relations (housing as a social good), but it includes also the questioning of previous boundaries and their effective expansion against any infiltration by systemic power. Rebellion belongs to the colonisation thesis as much as the forced subjugation. They are two sides of the same process.

A *third revision* reacts directly to an older and recently revived critique and refers to the *inner-systemic and inner-lifeworld organisation of society*. To be more concrete, it focuses on the interconnectedness of purposive and understanding-oriented *communication* in both analytical domains, the system and the lifeworld. Just recently, criticism has been voiced that Habermas's colonisation thesis suffers from at least one other problem. It has been objected that the separation between lifeworld and system in itself is a 'false picture' to describe societies adequately. It is problematic because the colonisation thesis

suggests that one can simply keep lifeworld and system apart; everyday life and communication-oriented action on the one hand and purposive action and impact orientation on the other. As if economic and administrative practices had nothing to do with the rest of life. On the contrary, according to the objection, it is the case that economic practices are not only embedded in forms of life but are also part of forms of life (Fraser and Jaeggi, 2018, p. 51). Economy is – on the level of social ontology – a practice that, like cultural and political practices, forms the sociological–cultural fabric of society and is closely interconnected with all other parts of society. Only in this way can one see that economy is not just an invasion into the rest of society, as the colonisation thesis seems to claim, but causes defects in economic practice itself (Fraser and Jaeggi, 2018, p. 51; Stahl, 2013).

This then leads further to the scepticism about whether the Habermasian approach actually describes economic relations within the systemic sphere in a sociologically adequate way. According to Timo Jütten, neither economics nor administration are norm-free social spheres (Jütten, 2013). This was shown in the last financial crisis in 2008, when it became clear that the background rules according to which the financial and economic sphere was organised were unfair, since they led to the collapse and thus to the decline of the prosperity of many. Moreover, one sees that not only does the basic structure have a justice problem, but criticisms of simple economic rules, such as excessive income disparities between managerial and ordinary workers, are by no means merely populist, but point to immoral behaviour within the world of work. Obviously, the legitimacy of the economic sphere, including material reproduction, is oriented towards efficiency *and* fairness.

This critique sharpens the view of what constitutes the difference between lifeworld and system and thus what the colonisation thesis means. There is a misunderstanding here – even though a very productive one. The distinctions between lifeworld and system are less to be understood as descriptive categories, but rather as two aspects of social integration that can be *analytically separated* and, moreover, are interrelated (Habermas, 1991, p. 252). The social integrative mechanisms have an internal relationship to daily forms of understanding-oriented action, while the mechanisms of system integration remain external to people's ways of acting. However, this does not at all mean that a functional analysis should be limited to phenomena of material reproduction, and similarly, it is not the case that processes of symbolic reproduction take place only in the lifeworld. Daily life forms of communication that also raise moral issues can – one is tempted to add: of course – be found next to any issues of material reproduction and vice versa. Purposive actions are not alien in any realm in which communicative action is prevalent. Habermas shows that all phenomena can be described under either aspect. And he formulates the analytical intention even more clearly when he writes that in reality the problem of unintended consequences of actions can also be dealt with using communicative action that includes the perspective of others (Habermas, 1991, p. 253). Economic action oriented to purpose and consequences is in fact always embedded in the form of life in modern societies. And conversely, attempts at understanding-oriented action can also be found within social spheres that are shaped by economic and administrative processes. The distinction between lifeworld and system is not a spatial one, but a perspectival one that focuses attention on the nature of communicative understanding.

The functionalist perspective, however, has a 'de-worlding effect' (Habermas, 1991, p. 252) that nevertheless is still perceptible to the subjects. But in a certain way, these effects remain remote from immediate experience. What the subject experiences is that one does not understand connections and relations, and, most importantly maybe, *no longer has a language to describe the injustices and therefore cannot assign responsibility.* This problem is more striking, as Roderick Condon has stressed, under neoliberal conditions such as quantification and rationalisation (Condon, 2021). Language itself is subject to reification. The cultural impoverishment that Habermas claimed as part of 'colonisation' is evident at a very fundamental level in that purposive action, thought, and speech have overtaken our everyday communication. And more than ever before. Neoliberalism's promise of freedom, to be able to do everything oneself and to be responsible for oneself, turns into the lack of freedom to rebel communicatively against standardisation and the compulsion to self-optimisation.

And yet, this is also an advantage of Habermas's approach, as the *dialectics of reification* can be seen precisely in the fact that the promise of freedom in our societies breaks down as soon as the discrepancy between the inherent promise and the actual state of affairs becomes too wide. Then a relinguistification from below begins (Condon, 2021, p. 524), in the process of which the language of reification itself is negated. This is clear, for example, in the slogan 'Reclaim the City' or in the wordplay from 'occupy' to 'blockupy'. Or as in our housing example, when jobseekers and families from eastern Europe, often Roma, who rented, on 3-month contracts and at inflated prices otherwise abandoned apartments are not taken seriously if they complain about these housing conditions. They are not taken seriously when articulating their protests. Melissa Fricker speaks of 'testimonial injustice' when a person suffers from an 'identity-prejudicial credibility deficit' (Fricker, 2007, p. 28) and is incapable of making themself heard. Different processes reinforce each other, for example, when the form of articulation is rejected from the outset because it comes from someone whom one does not (want to) perceive anyway and whose concerns one does not take seriously. In turn, these denials of recognition silence people even more, especially when they are dominated in different ways in daily life. Instances include being publicly represented in a manner that does not correspond to one's own self-image – say, being described as poor and therefore unable to handle money (welfare recipients) – when pejorative stereotypes predominate (e.g. a certain social group is associated with theft), or when one does not even get the idea of asserting one's legal rights in the first place (to housing, for instance) because of factors such as race, age, social class and education (Kreide, 2015, pp. 37–64). This loss of credibility atrophies the political self-confidence to resist existing injustices and to deny the conditions, not even to be indignant.

But language, and this is the dialectical move that can be gained from Habermas's theory, has power itself, communicative power (Habermas, 1996, 147; O'Mahony, 2021). In the public sphere, the negation of unjust reality can trigger a *relinguistification* that leads to a transformation in speaking and acting. And these contradictions can be directed precisely, contrary to Jütten's (2013) view, against economisation and neoliberal rationalisations, especially in the fields of economics, finance and administration.

Finally, there is a need, if not for a revision, for a clarification of the *normative sources of a social critique* that should not be an external critique. It was objected early

on that Habermas could not identify the normative presuppositions themselves in the TCA. Herbert Schnädelbach argues that the concept of communicative rationality can contribute nothing to the clarification of normative foundations of a critical social theory as long as it is only a way of describing society (Schnädelbach, 1991). A merely rational reconstruction of what Habermas calls the 'communicative infrastructure of largely rationalised lifeworlds' (Habermas, 1987b, p. 375), he argues, is not sufficient to identify the nature and goal of a critical social theory. Titus Stahl argues similarly, he criticises the colonisation thesis and says that to serve as a theory-immanent normative source, it is dependent on a social ontology, which Habermas does not offer (Stahl, 2013). Habermas counters that Schnädelbach overshoots his target when he adheres to a foundationalist transcendental ultimate justification, because critical unconditionality is not possible without fundamentalism. And he stresses the fallibilism principle, which says that we are convinced of a truth until the opposite has been proven. This is usually countered by the fact that this assumption, too, cannot be applied to itself and is itself in need of justification.

But Habermas makes clear that he understands fallibilism only as a simple grammatical fact. For him, to justify means to know what we have to do to argumentatively redeem, with the help of reason, a universal claim to validity, that is, one that transcends spatiotemporal contexts and is, in this sense, unconditional. And this happens theoretically with every claim to validity that is raised. The next question is, of course, when particular reasoning is good or better than other reasoning. Here Axel Honneth, for instance, has objected that Habermas, again, cannot explain this with the means of TCA (Honneth, 1991, p. 280; Finlayson, 2013). For Honneth, the justification lies outside sociology and in discourse ethics, especially around the morally based principle of universalisation. But at this point, one has to ask whether Habermas is really dependent on an external normative source, as demanded by Schädelbach and Honneth. There is not enough space here to go into this argument in detail, but Habermas's approach is also interesting because it can be interpreted in such a way that an external justification is not necessary, because patterns of justification can very well be worked out with the help of the colonisation thesis. It seems that this external, moral justification is neither inherent in Habermasian theory nor theoretically necessary, since there are indeed normative sources inherent in *reality* that can be reconstructed by theory. To be more precise, the universalisation principle is a rational reconstruction of a real practice of moral discourse, in which participants must or can arrive at validity from other proposed moral claims to a rational agreement. Universalisation is itself a practice found in reality (Habermas, 1993, pp.19-111; Finlayson, 2013). Certainly, one can doubt that this is still the case at present. However, there are still normative institutions that give cause for hope, international organisations such as the UN or human rights regimes and democratic constitutions in at least some countries of the world speak for the fact that we are dealing here with one of the still present principles.

Yet one must ask oneself whether one wants to leave it up to the respective context-specific conditions and whether one classifies an argument as reasonable or unreasonable. The German philosopher Ernst Tugendhat is of the opinion that at the end of the day this is ultimately a voluntaristic matter and is left to the will of the individual (Tugendhat, 1993). This again is not convincing and at the same time too strongly related to any

decision of the individual. The picture is more complex. The normative source unfolds on two levels: First, in the tension between the experienced social reality of the subject and implicit normative claims (in the legal system, in social rules and norms). Under conditions of dominance, a *dissonance emerges* that can be publicly articulated by those involved, for example, when anti-discrimination rules exist, or when discriminatory practices occur that are considered unfair but for which there are no legal rules yet, or when social insecurity and precarious employment violate historical or desired notions of equality and esteem.

Second, the experience of dissonance can lead in a dialectical movement to recalling the norms that have coagulated in institutions, be they historical Kantian 'signs of history' or contemporary normative anchors, and in turn rebelling against the negation of the world itself. The description of processes of 'colonisation' through money, administrative power and cultural discrimination reveals relations of dominance from which, in their negation, *political demands* for a transformation can emerge against all odds. Understood in this way, the colonisation thesis is *possibly more dialectical* than it is taken to be by most people and perhaps even by Habermas himself. In, for example, an economised and financialised housing market with its expropriations, personal lawsuits, overpriced housing, extortionate rents and rising interest rates on loans, the reference to the human right to housing and alternative forms of housing can be a normative anchor that motivates people to hold on to arguments against the existing conditions or to create those arguments in the first place.[9] Domination thus turns into its opposite and becomes resistance against domination. This may not be permanent and can immediately tip over into new injustice. But colonisation is not a one-way street, it holds normative sources of critique. But these have to be 'lifted' politically. The social critique arises equally from domination and its potential of overcoming the situation. Now hopefully it also becomes clearer what was said at the beginning, namely that critical theory sees itself as a two-part critique: it is a *critique of science* and a *critique of society.* One cannot take place without the other.

Conclusion

In the future, critical theory will have to assert itself more than ever against scientistic and idealistic theories. For the description, explanation and understanding of the present, globalised world, it offers empirical, normative and emancipatory tools that not only take a critical look at the injustices of our world and contribute to an analysis that is saturated with negative experience and is at the same time structurally sensitive but that also promote practice; a practice whose analysis inherently reveals the possibilities for social transformation. The Habermasian colonisation thesis allows the identification of the violations that those who have to assert themselves on the housing market without economic, social and cultural capital (Bourdieu) are exposed to; which linguistic blockades they have to overcome and how the systematic negation of the existing conditions can contribute to a change of those conditions. Social science, if it has this emancipative gesture in mind, can contribute to this social transformation. This could also be called 'reclaiming social theory'.

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Notes

1. One can distinguish different approaches to governance which I have no space here to discuss in detail. Early approaches focused on rational choice and economic transaction theory, as represented for instance by Olivier Williamson. He describes governance in terms of the existence of rules and how these rules generate validity in economic processes. In these early approaches to the problem of steering or regulation, the democratic state was the object and the citizens were the subject. Later governance theories dealt with the peculiarities of transnational (European and global) governance – with fatal consequences for the subject–object relationship. For early rational choice approaches, see Williamson (1979). The political scientists Ouchi, Schmitter, Powell and Hollingworth transferred this concept to institutions and the regulation of cliques, associations and networks, all of which could likewise be found in the economy as well. See, for example, Ouchi (1980) and Powell (1990). For a good overview from a critical point of view, see Bevir (2010). For a further critical perspective on European governance, see Streeck (2012).
2. See, for example, Rosenau (2006).
3. Despite all the differences between them, the theories, for example, of Simon Caney (2005) and Darrel Moellendorf (2002) can subsumed under the umbrella of idealistic theories.
4. Among others, see Streeck (2012).
5. Milstein (2015); for the 25th anniversary, see Robin Celikates and Arnd Pollmann, (2006). And see also a special section in *Constellations*: The Communicative Action after Three Decades, guest edited by Maeve Cook (2006), as well as Verovšek (2021) and Condon (2021).
6. One example of this can be found in London: Here 80 per cent of the apartments bought by corporations are empty. Whole streets and quarters deserted. Many of these homes are owned by Blackstone, a globally active company, the largest landlord in the world. 20,000 former social housing units have just been purchased by Blackstone in Copenhagen. But let's just look at the numbers of today: There are more than 150,000 homeless people in London. And at least 14,000 empty luxury flats that turn London in some neighbourhoods into a ghost city. A drop in

the ocean. But it shows the scale of the capitalisation of the housing market 150 years after Engels.

7. Kai Bussmann of the Economy and Crime Research Centre at Halle-Wittenberg has spoken of German (and the European Union) complicity in money laundering, since the federal government and the EU have opposed changes to European law that would set up a central property registry.
8. In a referendum held for the city-state of Berlin on 26 September 2021, more than one million Berliners supported the cause. Over 59.1 percent of the valid votes were in favour of expropriating large private housing companies. So far, however, this recommendation has not been implemented.
9. Please see the UN-Habitat commentary of 2009/2014: *The Right to Adequate Housing*. 2009. UN-Habitat. https://ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf. For a very good commentary on the scope and effectiveness of the human right to housing, see Krennerich 2020, unfortunately in German only. A human right to housing is already enshrined in the 1948 Universal Declaration of Human Rights and the 1966 International Covenant on Economic, Social and Cultural Rights (UN Social Covenant), which entered into force in 1976 and says clearly that housing is a necessary condition for leading a decent life and must be available in sufficient quality and quantity for everyone in society. There is a perception, at least in European societies, that housing is a public good that should not be left to the market alone.

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