Political Deliberation vs. Social Media Branding in Crisis-Prone Capitalist Democracies
A Discussion of Habermas’s New Structural Transformation of the Public Sphere

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Abstract
This review essay discusses Jürgen Habermas’s recent reflections on the threats to deliberative politics by a new structural transformation of the public sphere. Renewing his 1962 concept, he analyzes “crisis-prone capitalist democracies” as the necessary condition for transforming the public discourse of self-determined citizens into political branding that seeks to manipulate the citizen as a consumer. Habermas then identifies social media’s blurring of the private and the public realms already in the perception of democratic deliberation as the sufficient condition for today’s commodified discourse in a new political public sphere that has been colonized by the digital marketplace.

Keywords: public sphere, human rights, social media, echo chambers, digital authoritarianism, surveillance capitalism
“I support [California’s] Coastal Act [which defines public access to beaches as a right]. … But property rights are even more important.”
Vinod Khosla, Silicon Valley venture capitalist; Founder, Sun Microsystems; Owner, Martin’s Beach near Half Moon Bay, California, October 2018

“… property rights alone do not spontaneously make a decent society.”
David Brooks, Conservative New York Times columnist, July 2022

“I have made a fortune on the international financial markets, and yet I now fear that the untrammeled intensification of laissez-faire capitalism and the spread of market values into all areas of life is endangering our open and democratic society.”
George Soros, whose Quantum hedge fund in 1992 played a key role in pushing the British pound out of the European currency grid, January 1997

“We are mission driven; we are not brand driven. I always seize up when people say ‘brand.’ I don’t want to be Starbucks.”
Robert Redford, Founder, Sundance Institute, April 2012

Jürgen Habermas’s German-language essay about a new structural transformation of the public sphere was first published in August 2021, as the crowning chapter in a 500-page special issue of the journal *Leviathan*, edited by the social scientists Martin Seeliger and Sebastian Sevignani. It was then included, with minor changes, as the first chapter of the September 2022 Suhrkamp-publication *Ein neuer Strukturwandel der Öffentlichkeit und die deliberative Politik* [A New Structural Transformation of the Public Sphere and the Deliberative Politics]. The other two chapters of Habermas’s 108-page new book contain translations of a thematic interview with him for the *Oxford Handbook of Deliberative Democracy* (2018) and of his preface to *Habermas and the Crisis of Democracy* (2022), a volume of interviews edited by Emilie Prattico.

The unique significance of Habermas’s 2021 essay can now be valorized in the global discourse of Habermas scholars. Ciaran Cronin translated it into today’s *lingua franca*, English (Habermas 2022), and the British journal *Theory, Culture, and Society* grants open access to this most illuminating essay until December 2023. Directly at its beginning, Habermas for the first time confirms in public that his original book on the *Structural Transformation of the Public Sphere* (1962/1989) has remained his most successful in terms of worldwide sales. Significantly, he does not yet acknowledge its success as his work with the most scholarly citations and the greatest impact in nearly all disciplines of the social sciences and humanities. In spite of the fact that his first book received the most attention in the majority of the more than thirty contributions by forty Habermas scholars from around the globe to *Habermas global*
This review and discussion of Habermas's presumably final interpretation of his public sphere concept draws on my research about the complex methodologies underlying his 1962 classic that I published in *Habermas's Public Sphere: A Critique* (2017) and *Reading Habermas: Structural Transformation of the Public Sphere* (2023). Especially with regard to his sociological grounding of the political ideal of the ancient *polis* in Hegel's analysis of civil society's sphere of commodity exchange and social labor, which provided his theoretical framework for researching the modern public sphere. An argument can be made that between 1981 and 2021 Habermas had exchanged this methodology for systems theory (Talcott Parsons, Niklas Luhmann), due to the demise of the Hegelian-Marxist philosophy of history and “the euphoria of the democratic moment after 1989” (Seyla Benhabib).

However, the terminal failure to spread democratic governance in the wake of global free trade, from Tiananmen Square to Afghanistan, Iraq, Syria, Libya, and beyond, while at the same time adding ecological catastrophes in most of these countries through global warming, resulted in major reassessments among G-7 elites. This reckoning is epitomized by recent books like the one by Harvard emeritus professor Gary Gerstle, titled *The Rise and Fall of the Neoliberal Order: America and the World in the Free Market Era* (2022). Arguably, Habermas's own disenchantment with “systems theory's sophisticated brand of dogmatic liberal political economy” (William Forbath) grew while observing the backlash against Globalism under the authoritarian presidency of the elected demagogue Donald J. Trump. It is plausible to assume that his second thoughts about wealth production through globalization might have culminated on January 6, 2021 when he could watch live the storming of the United States Capitol on the global news network CNN. For Habermas might have been reminded that such a development had been predicted already in 1998 by one of his American friends, the late philosopher Richard Rorty, in reaction to the systematic outsourcing of mostly unionized manufacturing jobs located in the American heartland.

**Habermas’s Rediscovery of Capitalist Crises and their Impact on Deliberative Democracy**

As if to honor the bicentennial of the *Philosophy of Right* (1821/1991), Habermas's legacy turn in the third section of his essay from 2021 implicitly foregrounds Hegel's insight which he first quoted in 1962: “... despite an excess of wealth civil society is not rich enough... to check excessive poverty...” (quoted in Habermas 1962/1989: 119). Admittedly, Habermas's wording in 2021 is less explicit. It cautiously refers
to a “capitalist democracy, which tends to reinforce social inequalities” (Habermas 2021: 483, emphasis in the original). In 1962, he still adopted “Hegel’s concept of civil society,” i.e. of the sphere of commodity exchange and social labor, and his “insight into the at once anarchic and antagonistic character of this system of needs” (Habermas 1962/1989: 118, emphasis added).

Nevertheless, Habermas newly introduces the term “crisis-prone capitalist democracy” not only _en passant_. Instead, already the introductory outline of his 2021 essay classifies the “conditions for the stability” of a “crisis-prone capitalist democracy” as “improbable” (Habermas 2021: 471). Moreover, he not only repeats the term on pages 480, 483, and 498, but also speaks on that next-to-last page of his essay about the “complex preconditions for the sustainability of _systemically_ crisis-prone democracies” (Habermas 2021; 498, emphasis added). Above all, when Habermas introduces on page 480 the central thesis of his 2021 essay (and of his 2022 book), he reveals that in his tacit legacy turn away from _Between Facts and Norms: Contributions to a Discourse Theory of Law and Democracy_ (1992/1996) he now regards “the complexity of the causes for capitalist democracies being susceptible to crises” as more significant for “the impairment of deliberative opinion- and will-formation” in the political public sphere than “specific changes in the media structure,” like the “digitalization of public communication” (Habermas 2021: 480).

Specifically, Habermas locates the causes for the current crises of capitalist democracies in “the neoliberal turn” of economic policies which for 36 years, from the Reagan to the Obama administration, have facilitated “a worldwide deregulation of markets and the globalization of financial markets.” In turn, Wall Street-dominated global finance now “controls the financial policies of the [nation] states” (Habermas 2021: 484, 483). In spite of the fact that by “the time the [2008/9] financial crisis hit, the flaws in modern capitalism were blindingly obvious,” to quote again David Brooks, the self-described former democratic socialist who, toward the end of President Reagan’s tenure, had turned into a _Wall Street Journal_ editorial page writer who would be admired during his early 1990s reporting trips to Moscow as, in his words, “cutting-edge and hip” (Brooks 2022).

In retrospect, Habermas diagnoses a 1990s “coincidence between the emergence of Silicon Valley, i.e. the commercial use of the digital internet” and “the global spread of the neoliberal economic program.” For the “technical structure” of the internet facilitated “free flows of communication” on a global scale – thus “systemically offering the mirror image of an ideal market” that “did not even need to be deregulated” (Habermas 2021: 498). In 1992, thirty years after his conceptual blending of Kant’s ideal of the bourgeois public sphere and Say’s “Law of Markets” in _Structural
Transformation (Hofmann 2017: 1-25, 95-126), this ideal of free market capitalism once again struck a responsive chord with Habermas in his “Further Reflections on the Public Sphere” and in his German original of Between Facts and Norms. When the latter was honored in September 1992 at a high-profile law school conference in New York City, Habermas declared that a “world-historical event like the collapse of the Soviet Union certainly requires us to rethink our political positions” (Habermas 1998: 442).

To comprehend the intellectual and political magnitude of Habermas’s final turn, one has to juxtapose his 2021 dictum that the “self-perpetuating capitalist modernization generates a need for state regulation to tame the centrifugal forces of social disintegration,” and his advocacy for free market principles from 1981 and 1992. Already in his first magnum opus The Theory of Communicative Action (1981/1984, 1987), after a decade of growing influence on his thinking by the systems theories of Parsons and Luhmann, did Habermas consider “state apparatus and economy to be systematically integrated action fields that can no longer be transformed democratically from within ... without damage to their proper systemic logic and therewith their ability to function” (quoted in Hofmann 2017:138). By 1992, his partiality for free market capitalism would be even more explicit: “a modern, market-regulated economic system cannot be switched ... to one involving ... democratic decision making, without threatening its performance capacity” (Habermas 1992: 436, emphasis added; cf. Selk/Jörke 2020). It took almost three decades of globalization before Habermas would return to his insights from 1962 and acknowledge that the “centrifugal forces of social disintegration” could not be contained by market forces alone within a self-regulating economic system. Instead, it takes systemic government intervention to reduce the social inequality among citizens in a democratic welfare state (Habermas 2021: 483).

Already in 1997, when reviewing the 1996 English translation of Between Facts and Norms, Habermas’s second magnum opus, the philosopher Seyla Benhabib, who had witnessed in Starnberg the creation of his first one, commented on his 1992 book’s “statesman-like optimism” that reflected “the euphoria of the democratic moment after 1989” (Benhabib1997: 726). She then added a long list of reasons for “democracy’s discontent” (Michael Sandel) which remained unrecognized in Habermas’s work. Several of these reasons anticipated with a striking similarity the ones that Habermas would give in his tacit 2021 turn. Among them are, in Benhabib’s words, “the dismantling of the welfare state by neoliberal governments,” “the eclipse of popular sovereignty through the rise of new financial, capital, and communication networks,” the “rise of right-wing charismatic leaders such as Perot or Berlusconi who exploit the circus of the electronic media,” and “the tremendous sense of apathy, cynicism, and disillusionment with the political process.” In 1996, all these pathologies were “missing from Habermas’s account of democracy” (Benhabib 1997: 726).
Arguably, it took Trump's United States presidency, culminating in his incitement of “the storming of the Capitol” (Habermas 2021: 479, 474), before Habermas would make explicit and highlight the few rather hidden qualifiers embedded in his 1992/1996 argument in *Between Facts and Norms*. Already in 1998, the constitutional law theorist and historian William Forbath teased out the astounding tension between “Habermas’s embrace of systems theory’s sophisticated brand of dogmatic liberal political economy” (Forbath 1998: 286) and his “eloquent but Delphic remark” (Forbath 1998: 284) in *Between Facts and Norms* that only “in an egalitarian public of citizens that has emerged from the confines of class and thrown off the millennia-old shackles of social stratification and exploitation can the potential of an unleashed cultural pluralism fully develop.” In short, such an egalitarian public sphere must “enjoy the support of a societal basis in which equal rights of citizenship have become socially effective” (Habermas 1992 / 1996: 308).

Accordingly, Habermas posits a causal relationship between the “furious response of the citizens who stormed the Capitol on January 6, 2021” and the empirical evidence that “the political elites had … for decades disappointed the legitimate, constitutionally guaranteed expectations of a significant portion of their citizens” (Habermas 2021: 474). Implicitly validating Benhabib’s 1997 observation of “the tremendous sense of apathy, cynicism, and disillusionment with the political process,” Habermas now emphasizes that “equal rights of citizenship” can only “become socially effective,” if “democratic elections actually correct substantial and structurally entrenched social inequalities” (Habermas 2021: 482). Otherwise a rising percentage of voters “among the lower status segments of the population” will no longer participate in the democratic process – thus triggering a vicious circle in which the political party that traditionally represented them stops doing so because it can no longer count on their votes (Habermas 2021: 482). Exactly that happened after the self-styled American “New Democrats,” spearheaded by Bill Clinton, Al Gore, and Hillary Clinton, had abandoned FDR’s New Deal coalition of voters to push through the U.S. Congress vast free trade agreements and financial deregulation on a global scale.

**Habermas’s Return to “Historically Focused” Scholarship and “Straightforward Analysis”**

In his review of James Marsh’s book *Unjust Legality: A Critique of Habermas’s Philosophy of Law* (2001), the philosopher Thomas McCarthy who in the 1970s and 1980s was instrumental in introducing Habermas’s work to an English-speaking global audience, with the notable exception of *Structural Transformation* (McCarthy 1978, Hofmann 2021), would concede that Habermas’s theory constructions had reached a unique level of abstraction. In McCarthy’s words, “[Between Facts and Norms] is not
a work aimed directly at a critical theory of contemporary democracy.” Instead, “it is a work in Rechtstheorie intended to articulate and justify the normative standpoints from which such a critical theory might set out” (McCarthy 2003: 763-64).

Already in 1989, at the Chapel Hill conference that introduced and discussed the English translation of Structural Transformation, Habermas had acknowledged “the need to have a more contextually and historically specific analysis of social movements.” While insisting on “the institutional differentiation between the science system … and political action,” he nevertheless accepted the critique that he was engaged in abstract theory “without entertaining a historically focused, straightforward analysis” (quoted in Hofmann 2023: 4). After decades of increasingly deadly wars, global warming, human rights violations, migration flows, health crises, and authoritarian governance in more and more countries, Habermas now reaffirms the Kantian definitions of the rational morality [Vernunftmoral] and rational law [Vernunftrecht] inherent in the European Enlightenment (Habermas 2021: 472), which permeated his original public sphere concept from 1962. For the “Declaration of Human and Civil Rights” in the French Revolution facilitated the migration of “the substance of rational morality,” i.e. Kant’s universal moral laws, into “the medium of binding constitutional law.” Accordingly, these “historically unprecedented acts of founding democratic constitutional orders” allow social movements to this day to validate the legitimacy of their democratic demands on behalf of the common good by confronting the civilized barbarism of Realpolitik with the unrealized constitutional rights which nevertheless enjoy the “validity of positive law” (Habermas 2021: 472-73, emphasis in the original).

Habermas’s historical excursus on pages 471 to 474 of his 2021 essay delineates how constitutional revolutions spawned this “normative gradient” between maintaining the “status quo” of power politics and realizing universal human rights. Gradually, it “moved into the consciousness of citizens and thus into social reality” (Habermas 2021: 472, emphasis in the original). This development can explain why voters who feel betrayed due to broken promises and continuous neglect of their interests might want to oppose or even obstruct the democratic process that seemingly does not work for them (Habermas 2021: 472). Voting for a demagogue then becomes an act of revenge aimed at the ruling elites: “Trump drives those people crazy” (David Brooks).

Habermas’s straightforward analysis when dissecting crisis-prone capitalist democracies identifies the necessary condition for the new structural transformation of the public sphere and provides the background criteria for future empirical research, especially with regard to the role of the political public sphere in the 2024
Presidential Election of the United States. Accurately measuring voter perceptions of the gradient between constitutional normativity and facticity will be decisive in “Rust Belt” battleground states like Michigan and Pennsylvania where Globalism has creatively destructed the societal basis in which equal rights of citizenship had a chance of becoming socially effective (Lux 2021/22). In all likelihood, the winning margin in the Electoral College will again be razor-thin.

In 2016, it was barely 0.07 percent of the 134 million votes cast nationwide. In 2020, incumbent President Trump lost by less than 0.03 percent of the 160 million votes cast by the American electorate. In spite of his scandal-ridden tenure, which on Election Day already included the first of two impeachments by the U.S. House of Representatives, Trump received about seven million additional votes compared to 2016 (Hofmann 2023: xvii).

In the meantime, opinion polling and focus group research in preparation for the 2024 political campaigns have confirmed Habermas’s 2021 analysis of the steep gradient between expectations grounded in constitutional norms and real-world disappointments among the majority of American citizens. Namely, the sixty percent of the electorate without a four-year college degree. Especially among “swing voters” in “Rust Belt” states who decided the 2016 and 2020 elections, “populist messages” with “red-blooded” critiques find a responsive chord: “Americans who work for a living are being betrayed by superrich elites” and “Americans need to come together and elect leaders who will fight for us all.” (quoted in Leonhard 2023: A15).

Habermas’s essay was also correct when stating that the ruling elites had disappointed many citizens for decades. Already in 1993, Edward N. Luttwak diagnosed in his book *The Endangered American Dream* that 1950s expectations of owning your single-family home with a two-car garage on one income and sending your children to college had “become too blatantly unrealistic for most Americans.” Accordingly, once “better hopes are worn away by bitter disappointment,” there will be a political opening “for the strong false remedies of demagogues” (Luttwak 1993:127).

“Trump used our own words to speak … to the real suffering, fears and anxieties that so many felt.” That’s how United Steelworkers president Leo Gerard acknowledged in a letter to the union’s 600,000 members Trump’s success in exploiting labor’s opposition to the Trans-Pacific Partnership (quoted in Hofmann 2018:11). Praised by Hillary Clinton as the “gold standard” of free trade agreements, the Obama administration had planned to push this legislation through Congress in the lame duck session after Election Day, with the votes of Democrats who were ending their political careers and no longer needed union support for reelection.
Following up on Luttwak’s book, Rorty precisely anticipated the election of a demagogue as the commander in chief of the global power with the largest military budget by far. Of course, his prediction could be more detailed, because he had been able to observe the impact of the North American Free Trade Agreement (NAFTA) regarding the Democratic Party’s eroding support among unionized blue-collar workers. Nevertheless, Rorty’s words seemingly were too controversial to be included as a reminder in the political news and commentary in the A section of the *New York Times*. Given the newspaper’s preferred advocacy for Free Trade, only a book critic could reference Rorty’s prediction in the C section: “Members of labor unions, and unorganized, unskilled workers, will sooner or later realize that their government is not even trying to prevent wages from sinking or to prevent jobs from being exported. ... At that point, [they] will start looking around for a strongman to vote for” (Rorty 1998: 89-90).

These illuminating quotes can advance the discussion of Habermas’s 2021 essay, because they reconnect to his original analysis of the structural transformation of the public sphere when he still included the criteria of classical political economy from Quesnay to Smith and Say as well as their critique by Marx (Hofmann 2023: 76-103). As Habermas now acknowledges in section 3, only from the perspective of political economy can one comprehend “the systematic interconnection of political system and society” – especially the “precarious relationship between the democratic state and the capitalist economy” (Habermas 2021:483).

In comparison, the criteria of political economy are mostly absent from *Between Facts and Norms*. This omission was intentional. For his intellectual biography of Habermas from 2010, the legal historian Matthew G. Specter asked him whether his monumental work, begun in 1985, signified a “legal” turn of his political theory in the 1980s. Habermas not only denied this by pointing out that his “interest in legal theory stems from the 1950s…”. He also emphasized the magnitude of this interest underlying his scholarly work: “… as I came to know the literature, [I] regretted not having studied law”. In response to Specter’s interview question, Habermas then volunteered the following observation: “But my interest in political economy, in which I had never felt at home, declined” (quoted in Specter 2010: 209).

Habermas’s reassessment of the entwinement between the legal theory of the bourgeois constitutional state and its political economy finds a timely confirmation in the results of the comprehensive research project by Forbath and his fellow constitutional law theorist Joseph Fishkin, titled *The Anti-Oligarchy Constitution: Reconstructing the Economic Foundations of American Democracy* (2022). Its detailed analysis of the current challenges to our republican form of government, due to the rise of American
oligarchs and their increasing stranglehold on economic and political power, offers
the specifics underpinning Francis Fukuyama’s reversal in his book *Liberalism and Its
Discontent* (2022). Addressing the glaring failures of globalization, he now concedes
that neoliberalism became “something of a religion” and resulted in “grotesque
inequalities.”

Fishkin and Forbath begin their analysis of the constitutional arguments about polit-
cical economy with the framing of Virginia’s state constitution and Noah Webster’s
dictum that “equality of property” is “the very *soul of a republic*” (quoted in Fishkin/
Forbath, February 2022:5). They then highlight the efforts of the Jackson adminis-
tration in the 1830s to avoid an “unconstitutional concentration of special privileges
and power” in the hands of a “moneyed aristocracy” before addressing the commit-
ments to economic equality as the hallmark of Populist and Progressive Democracy
from the 1890s to World War I. Perhaps the strongest reaffirmation of Webster’s
dictum came from President Franklin D. Roosevelt when he maintained in no uncer-
tain terms that political equality is “meaningless in the face of economic inequality”
(quoted in Fishkin/Forbath, February 2022:8).

Although Habermas does not make the link explicit in his 2021 essay, its section 1 can
be connected to lectures he gave in 2010 about the “Universal Declaration of Human
Rights,” approved by the General Assembly of the United Nations on December 10,
1948. Specifically, its Articles 21 to 26 address the social and institutional precondi-
tions for the economic autonomy of citizens. Since Eleanor Roosevelt headed the
United Nations Human Rights Commission at the time, her husband’s New Deal
legislation served as a blueprint for these articles. With its emphasis on “human
dignity,” Article 23 (3) signifies that the “American Dream” always meant more than
the proverbial “Freedom from Want:” “Everyone who works has a right to just and
favorable remuneration ensuring for himself and his family an existence worthy of
human dignity, and supplemented, if necessary, by other means of social protection”
(quoted in Hunt 2007: 227).

In 2004, Habermas launched his famous dictum that the state of a democracy can be
measured by the heartbeat of its political public sphere (Habermas 2005). In 2021,
he would emphasize that the structural changes in and of the public sphere began
more than a decade before the introduction of the digital internet and social media.
Once Globalism’s mantra of downsizing and outsourcing acquired hegemony, more
and more citizens could no longer achieve the level of disposable income and educa-
tion that enabled and motivated them to participate in political deliberation. Then
even the “democracies of the West entered into a phase of increasing inner destabi-
лизation” (Habermas 2021: 484).
The Political Public Sphere from the “Age of Machinery” (Carlyle) to the Digital Age

By analyzing the “crisis-prone” character of capitalist democracies as the necessary condition for the impairment of deliberative opinion- and will-formation” in the political public sphere in the wake of its new structural transformation, Habermas returned to his Hegelian insight from 1962 that the claim about an “allegedly universal interest of property-owning private people engaged in political debate” is “discredited” by “the inability” of the bourgeoisie “to resolve rationally the competition of interests” stemming from the antagonisms in the sphere of commodity exchange and social labor (Habermas 1962/1989: 119, 135). In other words, Article 2 of the Declaration of Human and Civil Rights from 1789 reaffirmed the status of property only as a universal right in the seventeenth century natural law tradition of John Locke (quoted in Hunt 2007: 221). It thus took Say's political economy from the 1820s (Say 1821/1834), which turned Smith's magic wand of the “invisible hand” (Smith 1776/1994) into the liberal dogma from John Stuart Mill in 1848 (Sowell 2006) all the way to Milton Friedman in the 1970s (Friedman 1970) and beyond, to assert that unregulated uses of property in a capitalist economy serve the public good and are in the universal interest of all citizens.

To create this capitalist dogma, Say had to ignore that Smith’s The Wealth of Nations was published in 1776, several years before the Industrial Revolution began to exponentially increase the productivity of the division of labor on the factory floor by introducing machinery powered by steam-engines. When Thomas Carlyle coined the phrase “age of machinery” in 1829 (Carlyle 1829/1971), he had witnessed more than a decade of intensifying cyclical overproduction and unemployment crises. They triggered the “general glut controversy” in political economy that pitted Say and Ricardo against the underconsumption theories of Sismondi and Malthus (Sowell 2006, Sismondi 1815/1966, Hofmann 2017: 122).

Arguably, the creation of a lasting “alternative reality” by dogmatic liberalism began at that time. While Say conceded in his famous open letter to Malthus (Say 1821/1967) that there was not enough space for all the unsold commodities in the warehouses and on the docks of the ports, he still maintained the validity of his “Law of Markets” which postulated that “supply creates its own demand” (Sowell 1972). To assert that he had discovered a natural law akin to those in the natural sciences, he compared himself to Copernicus and Galileo who “also had to contend with …the evidence of the senses” when they corrected the “universal prejudice” about the planetary movements of the sun and the earth (quoted in Hofmann 2017: 123). Needless to say, “supply-side economics” were resurrected in the Reagan era and would become a Silicon Valley article of faith.
Implicitly adopting the suggestion of the German literature scholar Peter U. Hohendahl from 1978 (Hohendahl 1978/79, cf. Hohendahl 1974), Habermas in 1992 moved up the onset of the structural transformation of the public sphere from the development of the first global capitalist crisis and depression after 1871 to the bourgeois revolutions of 1848/49 (Hohendahl 1978/79; Habermas 1992). Nevertheless, there is sufficient empirical evidence to assume that Hegel, who had studied England’s political economy, finalized his above conclusions in 1819 after the Peterloo Massacre and the Six Acts (Read 1958). That was the year when Manchester’s bourgeois militia on horseback and the liberal Tory government elevated property rights above “one of the most precious” human rights. Namely, that of the “free communication of thoughts and opinions,” to reference Article 11 from 1789 (quoted in Hunt 2007: 222).

This privileging of the “self-seeking” bourgeois “interest in freedom of trade and commerce” over the Enlightenment principle of free communication is emblematic of what Hegel called the “disorganization of civil society” (quoted in Habermas 1962/1989: 119). In 1962, Habermas concluded that Hegel’s insight into this disorganization “decisively destroyed the liberal pretenses upon which the self-interpretation of public opinion as nothing but plain reason rested” (Habermas 1962/1989: 118). In other words, once the role of the bourgeois is allowed to trump the one of the citizen, market forces structurally transform the public sphere. The political culture of “rational-critical debate” will then have “a tendency to be replaced by consumption” of political stereotypes (Habermas 1962/1989: 161).

In 1997, Soros thus only recycled an early nineteenth century insight when he publicly announced his fear that an unleashed “laissez-faire capitalism and the spread of market values into all areas of life is endangering our open and democratic society” (quoted in Ibsen 1997: 1). Nevertheless, his words provide additional empirical evidence for the accuracy of Habermas’s analysis from 1962. They also illustrate just how structurally similar the precarious relationship between a crisis-prone capitalism and the public sphere of the bourgeois constitutional state has been as the necessary condition for its old as well as for its new structural transformation.

In 1829, Carlyle was prescient when he described in his essay a systemically alienated lifeworld in which “the internal and spiritual” are “managed by machinery” and human beings have “grown mechanical in head and in heart, as well as in hand” (Carlyle 1829/1971: 64, 65). For he anticipated the changes in the creation and distribution of the “idols of the marketplace” (Francis Bacon), facilitated by the late nineteenth century printing technology of the stereotype plate. Combined with the machinery of the rotary press, it allowed for the high-speed printing of mass-circulation newspapers that were hawked in crowded city streets. Cast out of hot metal,
these stereotype molds permanently coined the currency of emotionally charged commonplaces which served as the building blocks for seemingly mechanized thought processes (Hofmann 2019: 51).

By the time the political philosopher and public intellectual Walter Lippmann adopted the term “stereotype” in his classic study *Public Opinion* (1922), it had entered everyday language as a short-hand expression for memorable phrases that instantly struck a responsive chord with a mass audience and thus were suitable for sensationalized headlines designed to grab the attention of commuters rushing by the shouts of news vendors and the glaring displays of news-stands. By integrating this term with reflections by John Dewey and William James about “the acquisition of meaning” in the process of human cognition, Lippmann defined the “perfect stereotype” as the one that “precedes the use of reason” and “govern(s) deeply the whole process of perception.” In short, Lippmann was the first to analyze the mechanics needed for manipulating democratic will-formation (Lippmann 1922/1965: 59, 65).

In 1839, Carlyle would expand on these essentials of the “Age of Machinery” to fully identify the *sufficient* condition for the original structural transformation of the political public sphere. His findings directly connect to Habermas’s 2021 analysis of its new transformation. To this day, Carlyle’s observation that “Cash Payments” had “grown to be the universal sole nexus of man to man” can trigger major irritation (Carlyle 1839/1971: 193, emphasis in the original). In 2001, the British philosopher Alan Ryan conflated in the *New York Review of Books* Carlyle’s italicized phrase “Cash Payments” and Marx’s addition of the adjective “callous” to it when using it in *The Communist Manifesto* – without identifying Carlyle as his source. Due to this conflation, Ryan could claim that Adam Smith has been demonized “as the theorist of the society held together by nothing stronger than the callous cash nexus of Marxian folklore, an alienated world where human relationships are reduced to self-interested bargaining and the worth of every man is the price at which his services can be bought” (Ryan 2001: 42, emphasis added).

Admittedly, Ryan offered his spirited critique of what was actually Carlyle’s original thought *before* the introduction of Facebook when social media began to supercharge “the spread of market values into all areas of life” (George Soros). By 2021, Habermas could thus analyze the terminal commodification of the political public sphere as the *sufficient* condition for its new structural transformation in the digital age. Based on the premise that the personal is not only the political but also the marketable, this ultimate hegemony of self-branding is achieved in transactional “selfies” as the digital medium for monetizing one’s identity and skill sets. Accordingly, these video clips have to be most elaborately produced in the race for the necessary “likes” that bestow the
required celebrity status. Emblematic for this fierce competition was the too-close-to-call race between President Trump and the social media influencer Kim Kardashian when both boasted about their respective 88 million followers in the Twittersphere.

Habermas's seminal essay captures the essence of this digital transformation in crisis-prone capitalist democracies. While Carlyle reflected on the mechanization of thought processes as the threat to political self-determination, Habermas can now identify the existential dimension of this development. Initially, the European Enlightenment grounded the existence of human beings in their ability to think rationally and critically in public deliberations, culminating in Kant's dictum about the public use of reason by citizens. However, once the pathologies of modernity go digital, the proof of existence is already fulfilled as soon as one's selfie goes viral as a new consumer brand.

Habermas's essay focuses on this “semi-public, fragmented, and self-fixated mode of communication” that is seemingly practiced “by exclusive users of social media,” because it “distorts their perception of the political public sphere as such” (Habermas 2021: 471, emphasis in the original). Democratic self-governance requires that citizens make their political decisions “in the tension-filled field between their self-interest and their orientation toward the common good” (Habermas 2021: 495). Due to the seemingly neutral platform technology they provide free from any interference by biased “gatekeepers” in the flow of communication, social media companies like to claim that they are uniquely situated to provide an ideal medium for working through these tensions and to facilitate a balancing of the private and the public good. However, since they are in the business of unlimited data harvesting for instant sale so that the highest bidder can place targeted ads with pin-point precision, their algorithmic steering mechanisms have to maximize user attention and engagement by functioning as “echo chambers” for user self-interest and by incentivizing self-branding as a narcissistic exercise (Habermas 2021: 485, 498, 488, 489, 494).

This secret digital manipulation through undisclosed algorithms has cynically betrayed social media’s original promise to equally empower all citizens by giving them “their own, publicly recognizable voice, which even would be endowed with the power to mobilize.” Once again, “the egalitarian-universalistic claim of the bourgeois public sphere to include all citizens with equal rights” remains unfulfilled (Habermas 2021: 488, Hofmann 2022). Small wonder that Habermas reacted to these betrayals with uncommonly harsh language that would have made the new media moguls blush, if “old European human dignity” (Habermas 1973/1975: 143) still counted: “But the lava of this simultaneously anti-authoritarian and egalitarian potential, which was still discernible in the Californian founding spirit of the early years, soon petrified
in Silicon Valley into the libertarian grimace of digital corporations that dominate the globe” (Habermas 2021: 488).

The Remote Steering of Political Will-Formation in the Era of “Surveillance Capitalism”

Habermas’s reflections on the new structural transformation of the public sphere in the digital age reference the economist Soshana Zuboff who coined the term “surveillance capitalism” to analyze social media’s business of unlimited 24/7 data mining in all spheres of the lifeworld, even the most intimate ones (Habermas 2021: 492; Zuboff 2019). Based on this wealth of highly personal data, Facebook’s artificial intelligence capability can generate “six million behavioral predictions each second.” Once they are “weaponized as targeting algorithms,” it becomes possible “to reinforce or disrupt the behavior of billions of people.” In 2021, Zuboff identified the dire consequences for democratic will-formation and self-governance: The “abdication of our information and communication spaces to surveillance capitalism has become the meta-crisis of every republic, because it obstructs solutions to all other crises” (Zuboff 2021: SR 8).

This abdication of the “semi-private, semi-public communication spaces” created by social media occurs, because “the digitalization of public communication blurs the perception of this boundary between the private and the public sphere of the lifeworld.” In comparison, in Habermas’s original public sphere concept this boundary was still “recognizable” (Habermas 2021: 480). In 1962, he illustrated this physical separation of private and public spheres by pointing out that readers of the moral weekly The Spectator threw their letters to the editor through the jaws of a lion’s head “on the west side of Button’s Coffee House.” Those that were printed would then enter into the public sphere constituted by the weekly journal and by their public discussion in the coffee house (Habermas 1962/1989: 42). In comparison, today’s selfies can be created in one’s bedroom and instantly go public in cyberspace while being commodified as marketable consumer brands in the process.

The private property rights of social media proprietors who own the technology platforms needed for broadcasting one’s selfies reinforce this blurring between private and public. As the headline of a New York Times editorial put it already in 2014: “Facebook is Not the Public Square,” even though the U.S. Supreme Court would call social media “the modern public square” in 2017. Social media businesses do not constitute “the digital equivalent of the public square where opinions can be freely shared.” Instead, these companies resemble privately owned shopping malls where “the management always reserves the right to throw you out if you don’t abide by its rules” regarding the contents of your public statements (Kaminski/Klonick 2017).
Of course, Mark Zuckerberg does not need a security guard to escort one out. Moreover, Facebook’s highly sophisticated algorithms can not only curtail one’s freedom of expression but also remotely steer one’s political will-formation. As early as March 2011, a TED conference offered a talk titled “Beware Online ‘Filter Bubbles.’” It analyzed how Facebook’s algorithmic filters reinforced user preferences even if their “friend list included a balance of liberals and conservatives.” If one clicked more often on liberal links, the filter algorithms would “prioritize such content, eventually crowding out conservatives entirely” (McNamee 2019: 67,66).

Accordingly, Habermas can point to the paradox that while communication flows “spread centrifugally” on global social media networks, thus seemingly advancing a new dimension of outward-looking inclusivity, they actually tend to condense into inward-looking “communication circuits that dogmatically seal themselves off from each other” (Habermas 2021: 489, emphasis in the original). Such self-immunization against outside views and inconvenient truths mutes any fact-checking messages. Especially if the property rights of stockholders are involved. When Fox News reporter Jaqui Heinrich fact-checked on Twitter after the 2020 election President Trump’s claims about rigged Dominion voting machines, Tucker Carlson texted his fellow Fox News host Sean Hannity: “It needs to stop immediately, like tonight. It’s measurably hurting the company. The stock price is down. No joke.” In spite of the fact that Carlson had already dismissed these conspiracy theories by Trump’s lawyer in a text to fellow Fox News host Laura Ingraham: “Sydney Powell is lying by the way. Caught her. It’s insane.” To which Ingraham responded that Powell was “a complete nut” (quoted in Goldberg 2023: 19). Finally, when Fox chairman Rupert Murdoch was asked in his deposition for the Dominion libel lawsuit why he did not want to further “antagonize” President Trump after the 2020 election, as he had written in an email to Fox News chief executive Suzanne Scott, his response was simple and direct: “He had a very large following. They were probably mostly viewers of Fox, so it would have been stupid” (quoted in Rutenberg 2023: 36, 37).

Murdoch’s deliberate replacement of the citizen with the consumer, and of the public with the market, in the coverage of political news, reflects his subsumption of First Amendment rights and responsibilities under the property rights of Fox stockholders. Since the Trump brand was so powerful, he had to align the Fox brand with it. No matter, if the Fox viewers were wrong regarding the facts, thus violating the basic tenets of responsible citizenship, as consumers they were always right. In short, he personally saw to it in his email exchange with Scott that their fact-checking reporter was not only reprimanded but also sidelined regarding future White House coverage.
In stark contrast to Murdoch, the early Facebook investor and former Zuckerberg advisor Roger McNamee had been seriously concerned about the distortion of political deliberation on social media platforms even before President Trump started tweeting his violence-inciting lie about his allegedly stolen election in November 2020. In April 2019, McNamee declared in the Columbia Journalism Review that “Face- book is the biggest problem we have for democracy” and pointed to the evidence his just published book presented to prove his claim. Just two weeks later, Facebook co-founder Chris Hughes announced in a long opinion article in the New York Times that “It’s Time to Break Up Facebook,” because the social network had become “a threat to our economy and democracy” (Hughes 2019: SR 1).

McNamee’s and Hughes’s urgent warnings that Facebook algorithms can be exploited to undermine the democratic process dovetail with Habermas’s analysis that under “the imperatives of the attention economy” social media platforms strive to attract “the attention of consumers” by employing the century-old techniques of the tabloid press like “the affective charging” of “the issues with which the polit- ical public sphere is increasingly concerned” (Habermas 2021: 494, emphasis in the original). As McNamee explains, Facebook’s algorithms are designed “to nudge user attention” in a specific direction, because “the goal is behavior modification that makes advertising more valuable” (McNamee 2019: 9). In comparison, when citizens consciously remain dispassionate in order to solve complex issues in rational-critical discourse, they are of “relatively little value to Facebook.” Its algorithms thus have to “choose posts calculated to press emotional buttons.” While videos of cute puppies and babies generate joy and thus can serve as powerful emotional buttons, “fear and anger produce a more uniform reaction and are more viral in a mass audience.” As the winning votes for Brexit & Trump in 2016 demonstrated, “Facebook may confer advantages to campaign messages based on fear and anger over those based on neutral or positive emotions” (McNamee 2019: 8, 9).

Say, Pryme, Friedman, and Silicon Valley’s Services for “Digital Authoritarianism”
In his letter to Say from April 22, 1815, the Physiocrat Dupont de Nemours chas- tised him for having narrowed political economy from “the science of constitutions” to a mere “science of wealth.” He thus “begged Say ‘to leave the counting house’ and return to the French language of liberty” (quoted in Whatmore 2000: 37, 38). Eight years later, George Pryme, “the first professor of political economy at the University of Cambridge,” confidently dismissed all criticism when reducing a science, that in the seventeenth and eighteenth century undergirded republican constitutions, to economics. Moreover, he announced that while his redefined discipline “may seem
less interesting than Political Philosophy its utility is more extensive, since *it is applicable alike to a despotism and a democracy*” (quoted in Rothschild 2001: 3, emphasis added).

In 1962, Habermas introduced his seminal distinction between the purely political *polis* of antiquity, which excludes the private economy from the *res publica*, and the modern public sphere with its rational-critical discourse about commodity exchange and social labor in the *political* economy. In the same year, Friedman reaffirmed Pryme’s insight that from a capitalist point of view, political freedom and democracy are disposable: “History suggests only that capitalism is a necessary condition for political freedom. Clearly, it is not a sufficient one. Fascist Italy and Fascist Spain, Germany at various times in the last seventy years, Japan before World Wars I and II, tsarist Russia in the decades before World War I – are all societies that cannot conceivably be described as politically free. Yet, in each, private enterprise was the dominant form of economic organization. It is therefore clearly possible to have economic arrangements that are fundamentally capitalist and political arrangements that are not free” (Friedman 1962: 10).

In December 2021, President Biden’s “Summit for Democracy” called for safeguarding democracy and human rights by rallying the world’s democracies against Russia and China’s authoritarianism as “the defining challenge of our time.” Specifically, his administration seeks to fight “digital authoritarianism” by strictly controlling the export of information technologies that are needed by “surveillance states” (Crowley and Kanno-Youngs 2021: 6). On August 25, 2022, the *New York Times* gave its leading opinion article by an exiled Indian journalist the headline “Modi’s India Is Where Global Democracy Dies,” because the “battle between liberalism and tyranny is being lost” when, for example, state-supported Hindu extremists engage in vigilante violence and “now openly threaten the genocide and rape of Muslims, while the government arrests journalists who call out acts of hate” (Chowdhury 2022: 19). In this context, an Indian history professor at Harvard reminded *Times* readers in June 2023 that of “the 180 nations surveyed in the 2023 World Press Freedom Index, India sits at 161, a scant three places above Russia” (Jasanoff 2023: 20).

In the run-up to the Modi state dinner in June 2023, the Biden advisor and India chair at the Center for Strategic and International Studies reassured a *New York Times* reporter that only “a dramatic step to worsen the livelihoods of Muslims in the country” might interfere with the event. Afterwards, he was granted the last quote in the article: “But right now, I think the small stuff that we read about, we can kind of work around” (quoted in Shear 2023: 11).
On the first day of Prime Minister Modi’s state visit, the *Times* informed its readers that “India has just surpassed China as the most populous nation,” is “the planet’s fifth-largest economy, … has a young work force, a strong technology industry, a growing consumer market and barely scratched potential as a manufacturing hub.” It also expects “6 percent growth or better” this year. In short, “American companies and political leaders eye India as a country fit to shoulder some of the immense weight that China carries in the world’s economy.” In light of these facts, the *Times* quoted a professor of global affairs at the Johns Hopkins University School of Advanced International Studies who concluded: “The reality, of course, is that every U.S. president – including the ones most devoted to democracy and human rights – realized that there were some relationships that were just *too strategically important to hold hostage to concerns about democratic values*” (quoted in Baker/Mashal 2023: 11, emphasis added).

Since Prime Minister Modi has a reported 300 million followers across various social media platforms (Mashal 2023: 10), serving his digital authoritarianism with the blessing of the White House will not only offer Silicon Valley corporations a lucrative business opportunity but also a welcome alternative to their previous role in providing China’s video surveillance and facial recognition start-ups with the necessary capital, technologies, and know-how to facilitate the development of a highly sophisticated Orwellian police state. As Josh Chin and Liza Lin document in their book *Surveillance State: Inside China’s Quest to Launch a New Era of Social Control* (2022), only after cybersecurity researchers in Europe and the United States had exposed the image recognition algorithms targeted at Uyghur Muslims and the databases containing even DNA information on more than 2.5 million residents of the Xinjiang region, did Silicon Valley companies sell their shares in such start-ups whose valuations had risen as high as $ 7.5 billion by 2019. Nevertheless, they continued to sell advanced computer chips worth billions of dollars per year to China’s surveillance industry (Chin and Lin 2022: 155-164; 167-170).

It is no coincidence that the Silicon Valley venture capitalist and founder of Sun Microsystems, Vinod Khosla, quoted at the very beginning of this review essay, spent millions of dollars in a long-lasting lawsuit trying to assert his private property right against the California law that guarantees public access to his personal beach near Half Moon Bay. When Habermas emphasizes that the “anti-authoritarian and egalitarian potential” of California’s computer and Internet start-ups was soon eclipsed by the “libertarian grimace” of Silicon Valley’s “digital corporations that dominate the globe” (Habermas 2021: 488), he points to this libertarian worshipping of property rights that was successfully launched by Milton Friedman in September 1970 and would accompany the growth of Silicon Valley. Titled “The Social Responsibility
of Business Is to Increase Its Profits," Friedman's manifesto was catapulted into the public debate at the time by New York Times Magazine. It received an enormous amount of public attention, because it was published by the liberal Establishment platform that advocated for corporate responsibility on its editorial page. Fifty years later, the Times itself had changed so profoundly that the paper would publish a commemorative issue of its magazine section and congratulate itself on having provided a megaphone for Friedman's “call to arms for free market capitalism that influenced a generation of executives and political leaders, most notably Ronald Reagan and Margaret Thatcher” (quoted in Hofmann 2023: 221-2).

According to Friedman's libertarian logic, it is the fiduciary duty of Silicon Valley executives to generate shareholder value by maximizing profits, even if this means doing business with the Ministry of Public Security for a Stalinist dictatorship that is in charge of stifling all free speech, tracking down all dissenters, and suppressing all minorities. Among the many trailblazing insights in Habermas's analysis of the new structural transformation of the public sphere, the one about Silicon Valley’s “libertarian grimace” stands out. If Facebook co-founder Hughes and Zuckerberg's former advisor McNamee explain in great detail why this social media company is a threat to democracy, and if Zuboff can conclude that Silicon Valley’s surveillance capitalism has become the “meta-crisis of the republic,” because it fundamentally obstructs a rational-critical discourse in the public sphere without which none of the existential crises like global warming can be solved, then Habermas's declaration that it is a “constitutional mandate” to safeguard a media structure that facilitates “the deliberative character” of the public sphere (Habermas 2021: 499), should be regarded as a call to arms more beneficial to humankind than Friedman’s from 1970 was. For Habermas's new book clearly demonstrates that the future of human rights and of democracy is at stake.

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As the sole author of this original article, this corresponding author states that there is no conflict of interest.

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