



# Beyond Capitalism and Neoliberalism

Edited by  
Vesna Stanković Pejnović

International Thematic Collection of Papers

Book 11



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***Beyond Capitalism and Neoliberalism***  
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## EDITOR'S PREFACE

The international thematic collection of papers *Beyond Capitalism and Neoliberalism* responds to the need to understand the huge changes in global society beyond currently available information. The papers collected in *Beyond Capitalism and Neoliberalism* are by scientists and researchers from different countries, who attempt to ponder the future, with the aim of exchanging knowledge, experience, and information through the medium of written words. This endeavor will be a valuable resource for anyone looking for an alternative to the ongoing systemic crisis of today. This is a defining moment for all of humankind, when our lives are threatened to be devastated by hyper-capitalism.

What kind of bond will hold together a society that protects justice, fairness, and equality as its core principles?

There is life after capitalism. In other words, “another reality” is no utopia, and an “alternative life” is already well within humankind’s reach. At the same time, the power of governments everywhere has massively increased, supposedly to combat the epidemic and prevent disastrous outcomes, but in effect capitalising the opportunity to delegitimise disagreement and fully disempower the marginalised. It is believed that the transition from “our reality” to “another reality” will take place through a process in some imagined future, not as a thing of our dreary present. Are there new “models” that are can be generalized and applied across different countries and contexts?

The papers in this volume are marked by the search for a new perspective on society. The edited volume attempts to offer new understandings of capitalism and neoliberalism. Neoliberalism has been pushing us ever nearer to the abyss; we need hope and we need to think about new, democratic ways of organizing our economic and political life. More than thinking, we need to start building alternatives that can support us in this struggle for transformation.

The idea behind this collection is to present the complex and diverse ways of understanding the notions of capitalism and neoliberalism within different societies and in different historical moments, while adhering to scientific standards. The modern world is undergoing a transformation. The COVID-19 pandemic triggered the biggest and deepest economic contraction in the history of capitalism. The pandemic hit after four decades of neoliberalism had weakened state capacities in the name of the “superior efficiency” of the market, fostered deindustrialization through the “globalization” of production and built fragile financial structures secured by magical thinking and state guarantees, all in the name of short-term profitability.

Ideologically, neoliberal proclamations about the imperative of “fiscal austerity” and the limitations of public policies vanished very fast. Neoliberalism, the set of socioeconomic ideas and policies which have dominated public life over the last 40 years, has failed. Unlike classical liberalism, which views the economic man as an interest-driven cost-benefit maximizer bounded to proper economic spheres of social life, neoliberalism reimagines individuals as pieces of human capital limitless. It needs to be replaced by a more effective understanding of capitalism and new economic policy prescriptions. These failings of neoliberal capitalism are not temporary; they are structural. Neoliberalism spread unevenly across emerging markets, and likewise, many of them have been moving beyond neoliberalism for decades. These diverse experiences offer valuable insights into the strengths and weaknesses of neoliberalism and the future of economic and political policymaking in a post-neoliberal world. But the argument that neoliberalism is everywhere ignores the reality of its absences, ultimately derailing critical theorists’ attempts to search for alternatives beyond neoliberalism.

Social media sites are the “neoliberal technology par excellence.” Through such online platforms, people are prepared to embrace and invest in their entrepreneurial selves. Social media is shaped and enabled by neoliberal rationality, with the perpetual act of self-investment and the desire for value rewarded in the technological infrastructure. While public spheres are susceptible to cooptation and surveillance, it is evident that a social media culture of connectivity is swamped in neoliberal rationality.

Surveillance capitalism is a darkening of the digital dream, which is undergoing a rapid mutation into a voracious and utterly novel commercial project. The means of production are subordinated to an increasingly complex and comprehensive “means of behavioral modification.” Surveillance capitalism feeds for every aspect of every human’s experience.

This edited volume represents a chance to bring together scientists from different states, so they can encourage a more interactive view of the modern world that appears to be falling apart in front of our eyes. This endeavor aims to enable researchers to convey new and important findings from a variety of relevant scientific perspectives to the widest possible audience, by presenting previously unpublished results of scientific research and empirical studies. It aims to be interdisciplinary by encouraging a dialogue between scholars working in liberal arts and humanities, and also to provide researchers from different scientific traditions, working in fields other than liberal arts and humanities, the opportunity to speak and learn from each other. The authors of the papers are eminent experts in the fields of philosophy, sociology, economy, and history. All

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papers have been reviewed by two competent international reviewers, and the edited volume as a whole has been reviewed by four competent international reviewers.

The Editorial Board would like to express their gratitude to all the authors on behalf of the Institute for Political Studies, the engaged reviewers, and its members. Their work obliges the present and future members of the Editorial Board to further improve and increase the quality and influence of academic writing in Serbia, as well as in the international academic community. We are particularly grateful to our collaborators for improving the quality of the editorial work and achieving recognizability of the International thematic collection of papers, as well as to the management of the Institute for Political Studies and our colleagues, whose commitment, engagement and assistance contributed to the progress of the International thematic collection of papers.

As editor, I would like to thank my colleague, Dr. Ivan Matić, for his distinguished technical skills, supervision and valuable contribution that made this publication happen.

**Frank Jacob<sup>1</sup>***Nord University, Bodø, Norway*

## THE FIVE LIES OF CAPITALISM

### Abstract

*The present paper offers a reflection about capitalist exploitation and the lies this exploitation is based upon. It identifies capitalism's narratives to secure its own existence against criticism from different protest movements and, in addition, shows that the named five lies are contested by larger crises, like the COVID-19 pandemic, the anti-racism protests in the US, as well as the menace of climate change, which unite different protest movements not only against racism or the global ecological exploitation but also against capitalism itself, the force that has been identified as the main menace for humanity and its further existence in the 21st century.*

**Keywords:** *Five Lies of Capitalism, Capitalism, Global Exploitation, Capitalist Exploitation, Marxism*

### Introduction

Capitalism is evil, yet still alive. (Amoroso, 2001; Gilpin 2000; Monbiot 2019; Russo 2019) Although many philosophers, political theorists and activists have criticized it for centuries (Walk and Boehme 2002), the 21st century seems to be even more capitalist than before, although the current COVID-19 pandemic is highlighting the different forms of capitalist exploitation in multiple ways. (Haubner 2020) The extensive number of people who have lost their jobs in countries like the United States (Sucheray 2020) and the loss of income for many small- and middle-size companies (von der Brelie, Bešlija, Kiss and Vodénitcharov 2020), while capitalist states are willing to invest billions in taxpayer money to save - without securing jobs or job security - companies whose income in recent years was based on strategies of the global exploitation of labor and the environment alike shows how capitalism works even in times of crisis. (Klay 2020) It seems inevitable that a civil war between the only two classes that will ultimately remain, namely the exploiting and the exploited, will break out this century. (Scheidler 2017) The anger of the latter is already being expressed quite frankly in many different ways, whether it be the protests against race-related violence in the US (Taylor 2020), the Fridays for Future movement across

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the globe (Rucht and Sommer 2019), or the protests against financial exploitation that have occurred again and again, notably represented by the Occupy Wall Street movement (Graeber 2012). However, these protests alone will not be able to end capitalist exploitation or end capitalism itself in the 21st century. We are doomed to fail with regard to this ambition again and again if the masses, who represent the revolutionary potential around the globe, continue to believe in the lies the capitalist system is based upon. The present chapter offers a reflection about the five lies of capitalism that prevent humanity from gaining ultimate freedom and from gaining the power to end the cancer that permeates human society, i.e. capitalism, forever.

## **1. The Five Lies of Capitalism**

### **1.1. Peace**

Francis Fukuyama is a liar in multiple ways, although he has studied the German philosophers quite closely. He was not the first to argue that history ended (Fukuyama 1992), since Georg Wilhelm Friedrich Hegel (1770-1831) did so before him, and he failed with this assumption, just like Hegel did (Cooper 1984; Dale 2014, 11-110). The Cold War was not won by a liberalist system based on free trade, which, according to Immanuel Kant (1724-1804) and later Woodrow Wilson (1856-1924), would lead to world peace (Kant 1796, first addition; Carter 2018). And the end of the Cold War also did not create world peace under American leadership. Peace is an imagination of the West, where people tend to believe that the world order they believe in, i.e. capitalism, will protect them from violence and war (Bacevich 2020). This is a lie, as violence is exported by post-Cold War societies who act as producers of violence in different countries by backing regimes either for regional stability or for capitalist interests, e.g. in Syria and Turkey, or by exporting weapons to regions of the world where they are used in civil wars, the repression of political or ethnic minorities, or genocides (including politicides) (Stohl and Grillot 2009, 117-137). People in the West assume that they live in peace, but this lie is only kept alive by the exporting of violence to other regions of the world, where people are exploited and neglected, until the consequences of the crises that are stimulated by capitalist interference cause a direct confrontation with the people who have suffered so long for peace and for the capitalist rise of the Western world (Dankert 2017, 11-18).

Many scholars and revolutionary thinkers have pointed to this circle of exploitation before, but either they were ignored or the actual violence was simply downplayed due to the distance of the capitalist powerhouses from the exploited environments. Peace is consequently an illusion, especially for those who argue

that they are members of peace-loving societies or responsible for world peace. The hypocrisy of this behavior becomes obvious in the United Nations Security Council, whose five permanent members also rank among the top ten weapon exporting countries in the world. How they intend to secure world peace while simultaneously exporting the tools for war is a riddle that needs to be explained, but it would eventually and most probably just highlight that peace is a lie of capitalist countries to pacify protests against exploitation and war worldwide.

## 1.2. Freedom

Freedom is supposedly one of the fundamental rights of every human being, but, as Hannah Arendt argued, it must naturally also be the aim of every revolution and every revolutionary (Arendt 2018, 38). Considering that most revolutions of the past were corrupted with regard to this tremendously important aspect (Jacob and Altieri 2019; Jacob 2020), one must also highlight that freedom does not exist in capitalist societies. In contrast, people are steadily exploited in multiple and direct as well as indirect ways. Labor is usually one aspect of exploitation because most of those participating in capitalist production processes are exploited with regard to the real value of their labor. While managers receive huge amounts of money that are out of all proportion and stock market dealers use crises to increase income for the exploiting class, the poor suffer particularly extremely in times like the current crisis. However, states tend to tell them that they are protected, but at the same time use taxes paid by the exploited majority to pay for rescue actions while the financial exploiters are protected. States also only tend to intervene in such situations on behalf of the masses, as their non-intervention would damage trust in capitalism per se, the most powerful lie currently existent.

The dependencies created by the assumption that the state is interested in the well-being of its citizens instead of the well-being of the upper class is a simple misrepresentation (Herman 2019). One-time payments are supposed to contain the anger of those who have been underfunded for years (Lex Mundi 2020), especially in health care sectors, which have been opened up more and more to capitalist investors. Healthcare nowadays is a capitalist venture (Chernomas and Hudson 2013; Feiler, Hordern and Papanikitas 2018; Deaton 2020), where workers and patients are exploited at similar rates, albeit through different means. The poor that are exploited in countries that must be considered underdeveloped, in the sense of being underfunded due to the necessity to create profit instead of healthcare coverage for all, die, while the rich exploiters gain not only from their existent privileges in the crisis but also from tax releases that are supposed to help those who suffered from the latter's capitalist policies in re-

cent decades (Pilkington 2020). Freedom is consequently non-existent, as many people are forced to keep their underpaid jobs to secure their own and their families' living. They are consequently never free to choose a different perspective for their lives, an impossibility created by capitalist exploitation channels and further accentuated by the current COVID-19 pandemic.

### 1.3. Equality

Capitalist societies tend to lie to the people who are exploited, claiming that they are equal in every sense of the word (Tridico 2017). However, a truly equal society, i.e. a socialist or communist society, has never existed although communist or socialist utopias have been preached to exist (Koenen 2017). This is partly a failure of human beings to combine enlightenment and altruism for a better future, but utopian and often revolutionary ideas tended to long for such equality, and the rise of grassroots movements in some parts of the world and social experiments with regard to a social order based on pure equality highlight that people have not given up on their dreams related to this fundamental value and their fight against the capitalist rule of the few (Vergara 2020).

Nevertheless, the inequalities we face in the 21st century seem to be as pressing now as they were in the past. We have not been able to reach gender equality or ethnic equality, not to mention social equality. Classism, or class-related discrimination, continues to shape environments that are supposed to represent social elites all around the globe (Kemper and Weinbach 2020). Especially in academia, classism is a problem, as it helps to recreate incestuous elites that first and foremost define themselves as such according to existent financial capacities, i.e. the possibility to participate in exploitative practices represented in every capitalist environment (Hüttner and Altieri 2020).

Of course, cases of inequality, be they related to gender or ethnicity - I will not use the word race, as there is no such thing as race, and I refuse to use a theoretical concept that was only established to secure white supremacy - are regularly happening in many places every day, but fewer people seem to be willing to buy the lie of equality anymore, especially since ethnic suppression is a daily reality in the capitalist nation state of the world, the United States. The recent protests against police violence after the murder of George Floyd not only emphasize that a large portion of the American public does not share the banality of evil (Arendt 1963) in everyday life anymore, but also that they are willing to take a stand against inequality. Such protests at the same time make it visible that equality actually does not exist in capitalist societies, as exploiters and exploited simply cannot be equal, as their same status would prevent exploitation from happening in the first place.

#### 1.4. Access

The fourth lie that capitalist rule and exploitation are based on is access. According to the capitalist myth, everyone can be an equal part of the capitalist world, with all people sharing the same access to the capitalist top of the world. Consider how many millionaires, and probably even more billionaires, inherited their financial wealth (Heller 2019) and represent themselves as a leading financial class on a global scale. Access is consequently not equally granted, but this is not only the case with regard to top wealth, considering that many academics also belong to an ingroup, which is maybe even more obvious within Ivy League institutions, where Harvard-, Yale- and Princeton-grown academics tend to represent the majority. That access is not granted according to talent and merit becomes obvious when one looks at the existence of so-called “legacy students” (Martin and Blumberg 2019) and statistics that highlight that a high percentage of higher education jobs are given to people with degrees from only a couple of institutions in the country (Jaschik 2013; Kendzior 2015). That access to these institutions, aside from some quota-related numbers, is granted according to the legacy and financial wealth of one’s parents, i.e. possible future donors, highlights the exploitative character of such educational institutions (Economic Diversity 2020). On a more global scale, instead of funding foreign governments with aid money that only is abused for corruption and very often does not stimulate true change, it would be better to make education more accessible for the poor, as education is the only “golden ticket” out of a generational line of poverty. Social advance needs intellectual advance. But the latter, of course, might lead to more resistance against capitalist exploitation, just as it has led to resistance against colonial and imperialist exploitation in the past (Dei and Kempf 2006).

If access really did exist for all, the world would look different. We could only judge by individual merit, not by heritage, social identity, class, or any other category that could be used to create inequalities. However, as long as people believe that a university degree from such exploitative and incestuous institutions provides any information about a person’s individual “value,” the capitalist lie remains successful. As long as a society accepts such categories of inequality while maintaining the lie of equal access, the possibility of the true advance of this society as a whole remains limited. Globally, truly equal access has to be denied for some regions of the world, especially for the populations of various countries who need to be exploited as a source for cheap labor to secure the financial wealth for the exploitative upper class in the 21st century. However, problems that get out of control, like a virus or a natural catastrophe, will intensify the awareness of access not being granted in these regions as well, and revolutionary tendencies and a stronger sense of resistance might be the consequence.

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## 1.5. Future

This brings us to the probably most dangerous lie of capitalism, especially with regard to the 21st century, namely that the future is secure and that there is no reason for questioning the (necessary) existence of capitalism as such. Capitalism does not only exploit people, it exploits nature and the planet itself (Barringer 2002; Burkett 2014; Nibert 2013; Pelling, Manuel-Navarrete and Redclift 2012). Those who warn of the danger, like Greta Thunberg, one of the most famous faces of the Fridays for Future movement, are attacked by the capitalist system and its representatives (Levin 2020) as they try to highlight that the narrative of a secure future is a lie. The continuing exploitation of natural resources and the production of carbon dioxide due to processes related to the global capitalist economy threaten humanity's existence. However, just like in the current COVID-19 crisis, the state and the representatives of high finance capital do everything possible to evoke the idea that there is actually nothing to worry about.

The lie is necessary to prevent the protests of the young activists from reaching a critical mass whose representatives are still undecided about their own course. Do they continue to accept the lies of capitalist interest groups, as well as the belief that they gain from these structures themselves? Or will they realize the actual danger for their own and especially their children's future and become supportive of a movement that demands ecological changes from human societies and, more importantly, industrial production processes. Movements that tried to break up the existent system of capitalism by pointing out the sorrows and menaces of all it produces have so far failed to persuade a majority of people to accept this situation and become active for a new world, a world that should not be built on capitalism. The current COVID-19 pandemic is also threatening the existence of capitalism, as it is becoming clear that the future, especially in similar situations, is only safe for the representatives and those who profit from the existence of a capitalist system, not for the majority of the people, i.e. the poor (Lederer 2020).

Poverty has been often accepted as a necessity for the capitalist system, but capitalist elites have used narratives, whether religious (Jacob 2015) in the past or participatory in more recent decades, to secure the existence of capitalism in the future. The idea that even the poor could participate or become a more powerful actor in capitalism, as a consequence of a social advance, has helped to maintain a capitalist order based on exploitation. Like slaves in antiquity who just wanted to replace their own masters, protests against the capitalist system very often did not demand its end and replacement with an alternative; instead,

protesters often simply demanded better access to privileges, which seem to be exclusive for their “capitalist masters.”

## 2. What is to be done?

Almost 120 years have passed since the death of Vladimir I. Lenin (1870-1924), who referred to the title of an even older novel (1863) by Nikolay Chernyshevsky (1828-1899), by asking this question: what is to be done? (Chernyshevsky 1952; Lenin 2018) We do not need an avant-garde party that leads a new anti-capitalist revolution but which might eventually just corrupt the revolutionary process again (Wörle 2009). We need the majority of people around the globe to understand that capitalism is evil and that it is based on the five presented lies: peace, freedom, equality, access, and future. Only if this fact is understood and accepted will a revolutionary enlightenment unleash the potential for a process led by the revolutionary masses. But why is such an enlightenment so hard to achieve? It is almost self-evident that these lies, especially those about access and future, are stressed in times of crisis when states will do everything necessary to protect the economy and the ideas that everyone can participate in capitalism and is protected by Fukuyama’s ideal of Western liberalism, i.e. a capitalist world system.

Bertolt Brecht’s (1898-1956) *Saint Joan of the Stockyards* (written 1929-1931, premiered 1959) described the capitalist system quite well, namely as a seesaw where those who are on top are only there because others are sat on the side below (Brecht 1988, 197). Capitalism can only exist by exploiting the poor, who are not meant to become aware of it. They must be kept quiet, and the named five lies are used to achieve exactly this. If the masses lose their belief that they could actually change their own position within the existent order, they would have no other choice but to destroy it. Consequently, women, men, and children around the world are allowed to participate in the capitalist dream while their exploitation is fueling this very dream’s existence. It is necessary to awaken the masses and show them that the dreams they all share are nothing more than lies. Like Neo in *The Matrix* (1999), we need more Morpheus-like figures that offer us the red pill. Of course, the realization that there is no peace, no true freedom, no equality for all, no access for everyone, and no future for the planet and humanity itself with the continuation of capitalism will hurt, but change needs this suffering, especially since a better and more united world can only be established by and needs to be based on such a *shared* experience of suffering.

It is important that the lies of capitalism are identified as such. It is important to highlight the necessity for change. And it is important to take the different protest movements more seriously. Young activists around the world feel the

menace to be more intense, maybe because it is their future that we are ruining by our lack of revolutionary activity. Of course, there is no guarantee that humanity will be capable of overcoming the ghost that has haunted it for so long. But it must at least be worth a try. Last but not least, there remains an important question: why should we try to achieve something that so many utopian revolutionaries, so many artists, so many wiser women and men dreamt of but did not achieve in the past? The answer is relatively simple. Because with capitalism in existence, there will be no survival!

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## TAGORE AND THE MARXIAN POLITICAL: FROM CRITIQUE TO RECONSTRUCTION TO ASKESIS

### Abstract

*Building upon Marx's late turn to the Russian path and Tagore's turn to Sriniketan, this paper moves the standard imagination of politics from 'critique' to 'transformative-reconstructive praxis' (including the axis of self-transformation à la askesis). It also moves from Tagore's critique of a 'politics of collectivism' (in Right-wing imaginations it takes the form: Nationalism and in Left-wing imaginations it takes the form: Party) to the transformative-reconstructive praxis of cooperation and becoming-common (Tagore calls it samavaya). Tagore had left the word 'politics' untranslated in Bengali; retaining its foreign-ness, its alienness to his world and his concerns. Did his turn instead to The Cooperative Principle (samavaya) and the painstaking process of transformative-reconstructive praxis in the rural engender a post-politics imagination of the political? Did he thus cure us of the paradigmatic cure of modernity: 'politics'?*

**Keywords:** *Transformative Praxis, Rural Reconstruction, Collectivism, Cooperation (samavaya), askesis*

### Introduction

Multiple papers have been written that *are* political. This one is *on* the 'political'; on the *concept* of the political; on the 'discourse of the political'. It is also about what happens to the discourse of the political when one introduces Tagore into it; Tagore, a 'non-western'<sup>2</sup> thinker with his own, at times, non-convention-

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<sup>2</sup> No thinker is non-western or western in a pure sense: "a national culture that does not have the confidence to declare that, like all other national cultures, it too is hybrid, a crossroads, a mixture of elements derived from chance encounters and unforeseen consequences, can only take the path to xenophobia and cultural paranoia" (Subrahmanyam 2015, 7). Tagore, like most thinkers,

al ideas, ideas that do not take *politics* as the constitutive mandate of modern human life-worlds; a thinker who did not complete even ordinary school education, who spoke and wrote in English with difficulty, and who was never a Faculty member at any University. Tagore also left the word 'politics' untranslated in Bengali (usually we translate politics as *rajneeti* in Bengali); thus, retaining its foreign-ness, its alienness to his world and his concerns (Bharucha 2012, 56). Did he thus wish to *cure ourselves of the pragmatic cure of modernity: politics?*

Much of the language of politics functions through the medical metaphor. There are, as if, *dis-eases*; like exploitation, oppression, exclusion, marginalization etc. and 'politics' for the Left are seen as the (magic) *cure* (for the Right it is a well-ordered State that cures individual and social disorders). Tagore was shifting focus perhaps from the enumeration of illness or socio-historical disease (much of academic Marxism is focused on such nosologies of dis-ease) to critical self-reflection on the 'cure', on paradigmatic liberal cures like the 'vote' and paradigmatic radical cures like the 'revolution' (see Seem in Deleuze and Guattari 2000, xvii).

Tagore was however not just questioning *given* cures but also taking the imagination of politics imprisoned in *theoria* (or mere contemplation, cognitivism, thinking, writing, etc.) to real and actual transformative social praxis, including self-transformation. Shantiniketan and Sriniketan remain living testimonials of such transformative social praxis. He was thus moving us from the *politics of mere critique* (which in other words is the politics of 'dis-ease identification') to the *politics of reconstruction* (which in other words is the politics of 'social healing'); politics of reconstruction is for Tagore, in turn, a politics of setting up a *relationship* with the rural poor and working one's way towards *ethical being-in-commons*.

How would have Marx responded to Tagore's critique of politics, and the invocation of *samavaya* (the cooperative principle) in the context of (*palli*) *samaj* (imperfectly translated as [village] community) as ground for an (im)possible *post-politics imagination of the political*?<sup>3</sup> Further, how would have Marx

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was informed by the crisscross of the flows and intensities of multiple cultures. He can hence neither be reduced to what Krishnachandra Bhattacharya calls "clinging [national/local] particularism, nor can he be reduced to "unthinking universalism" (Bhattacharya 1954[1931]). What is *non-western* about Tagore's understanding of the political, then? This paper shall explore such *contingent non-westernness*.

<sup>3</sup> "Tagore, intellectually, was not only outgrowing the discursive liminalities of official nationalism but he also was gradually formulating his own theories of the nation building project [we argue in this paper, how Sriniketan could be seen as his way of nation-building; where building, re-creating, re-constructing the gravel strewn rural everyday emerge as, the ideal kind of national self] ... and the hugely important role education and educational institutions should play in that grand exercise. Hence, his attention, for a longish period, became steadfastly focused on his ... schools, ... one in Santiniketan and the other in Sriniketan ..." (Roy 2010, 679; also see Tagore 1989,

and Tagore (both of whom are the “gravel in the shoe” of the given) imagined alternate collectivities and possible aesthetics of futures as against nationalist collectives and illusory futures, futures that were not subject to the “systematic standardization of human endeavor”<sup>4</sup> (as in *Tasher Desh*)?

This paper sets up an imagined dialogue between two ‘thinkers of the political’, Marx and Tagore. It thus puts to dialogue a western philosopher of the political or a philosopher of the western imagination of the political, Marx, who is also an internal critique of the west and a non-western philosopher of the political (who could also be a philosopher of the non-western imagination of the political), Tagore, who is both an external critic of the west and an internal critic of the east. The Marxian element of the western political paradigm is thus in conversation with the Tagorite element of the non-western political paradigm. The writings of Marx and Tagore, on critiques of capital, which bleed into Tagore’s critique of nationalism and reflections on ‘socialist reconstruction’ (how social is socialist), and which further bleed into reconstructions of the socialist subject (how socialized, how communitarian is the socialist subject), are deployed to set up the exchange. The specter of a thinker who purportedly had nothing to do with the political, Freud, but had lots to do with the ‘non-coercive reorganization of desire’, haunts this exchange: “psychoanalysis offers a method of intervening non-violently between our overbearing conscience and our raging affects, thus forcing our moral and our “animal” natures to enter into respectful reconciliation” (Erikson 1969, 439); such respectful reconciliation is important for the process of socialist *reconstruction* or what we would like to call the politics of reconstruction; as marking *differance* with the politics of opposition/critique. Needless to say, the exchange takes place along the Santiniketan-Sriniketan axis.

This insertion-interruption of Tagore into the discourse of the political is all the more necessary because it was hitherto assumed that the discussion of the ‘political’ would happen between say Hobbes-Mill-Bentham-Marx, between Foucault-Habermas, or between Hardt-Negri-Laclau-Mouffe-Zizek-Butler; we

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1994, 2006). Shantiniketan (‘The Abode of Peace’) as an institution of [elite] pedagogy and Sriniketan (‘The Abode of the Aesthetic’) as an institution of grassroots level *transformative social praxis* – praxis that is patient, long term, sustainable and non-violent, praxis that could lead to non-coercive reorganizations of the graph of desire – involving the life, worlds, and philosophies as also *lokavidyas* (see Basole 2015) of subaltern bricoleurs are two path-breaking imaginations of institution building, imaginations fundamentally different from the models of institutions hitherto given in modernity. Shantiniketan and Sriniketan, would, for Tagore “ultimately bridge the ever-widening gap between the country and the city; a gap, that originated from the unleashing of forces of ‘colonial modernity’ by the imperial rulers” (Roy 2010, 679). Sriniketan was the site for projects for rural reconstruction (*not* rural development), co-operative movements, agricultural banking, new methods in agriculture amongst adivasis. (see Dhar and Chakrabarti, 2017).

<sup>4</sup> Tagore shows the problems of such standardization in *Tasher Desh* (*The Land of Cards*) (1933).

were bystanders in how *they* would frame *for us* the idea and practice of the political; at most we could offer them relevant data about ourselves or be empirical footnotes for their theories; at times, we could also be a cultural analysand to the analyst west, helping them sharpen their political toolkit through our case histories; however, we could never be an analyst to a ‘symptom-afflicted analysand west’. (see Dhar, 2018). We have tried to show in this paper how Tagore’s critique – not just of colonialism (which is the dis-ease) but of the anti-colonial canvas (which is the purported cure) – nationalist, revolutionary, anarchic, traditionalist – offer interesting spins to the western political imagination.

However, is there a problem of comprehension; an epistemological hurdle when it comes to making sense of Tagore’s *ouvré*? Do we *get* Tagore? Does our elite and western education, education in western political philosophies or western philosophies of the human prevent comprehension of Tagore’s (political) philosophemes? Does our elite education prevent comprehension of aboriginal/ab-original political philosophies? Tagore’s ideas are counter-intuitive. They go against the usual grain and texture of the western idea of the political, which is why they offer a cognitive or epistemic hurdle that at times looks insurmountable: one wonders in some exasperation ‘what does he mean’. The incomprehension is also due to the different meanings the same word seems or comes to hold: Skinner’s four-fold rendition of the meanings of liberty is a good example<sup>5</sup>; retrospective reconstruction of meaning, meaning construction within context-of-use, meaning within a particular language-game are also important in the rather difficult act of comprehension; comprehension is always haunted by a sense of incomprehension: have we got him right? Is this what he meant? This is also important because we do not listen; we “tend to hear everything in relation to ourselves ... our usual way of listening is centered to a great degree on ourselves ... our usual way of listening overlooks or rejects the otherness of the other” (Fink 2007, 2).

How could *The Red Oleander* where the King who kills Ranjan the revolutionary (who stands for the exploited laborers and the oppressed multitude) is lead through a long and tortuous route of self-realization by Nandini, a self-realization premised on an understanding of one’s own dehumanization and po-

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<sup>5</sup> Quentin Skinner in the “The Genealogy of Liberty” shows how for Hobbes liberty means non-interference where non-interference implies the absence of physical opposition to one’s actions. But for Locke noninterference implies absence of coercion of both will and action. For Locke liberty is not just about free action; it is about free will-*ing*. For Bentham, it is not just about free action and will; it is freedom from *perceived* threat: “where the mind is without fear and the head is held high, into that heaven of freedom” does Bentham want the modern era to zenith. Mill adds to the non-interference of action-will-thought-consciousness another clause: interference from within, interference by the self on the self (by way of passions, inauthenticity, false consciousness, repression). (see Bilgrami, 2003).

tential human-ness, where in the end the King gives up the crown/scepter, be considered a text of the political? What is the imagination of the political that is at work here (as also in three other Tagorite texts *Home and the World* [*Ghare Baire*], *Gora* and *Four Chapters* [*Char Adhyay*])? In the *Red Oleander* Tagore's propounds a philosophy of the political marked by what could be called *double conversion*: "the hateful person, by containing his egoistic hate and by learning to love the opponent as human, will confront the opponent with an enveloping technique, that will force, or rather permit, him to regain his latent capacity to trust and love. ... the emphasis is not so much ... on the power to be gained as on the *cure of an unbearable inner condition*" (Erikson 1969, 437-438). What is the relevance of such ideas in a discourse of the political?

'Working through' and working out Tagore's (political) philosophy is thus not an easy task. Too much has been written about him, too many claims have been made, and such are the nature of passions provoked in many while making references to him that reaching to the core of Tagore's political philosophy looks difficult. One has to make one's way through the cloud of claims. One has to surmount, subsume especially the priestly cult of Tagore specialists. Such cults often put a leash on thoughts that aspire to reach the poet in ways that are perhaps unconventional. Moves to reread Tagore invite cries of disapproval or even near-religious condemnations: one is branded heretic, revisionist, or renegade.

## 1. From Politics to Transformation

Tagore did not just move from a politics of mere critique/opposition to a politics of transformation. He also problematized the logic of transformation. In the process, he problematized entrenched binaries or hyperseparated two-s: like Left and Right, base and superstructure, economy of goods-services and economy of human needs-demands-desires, politics and ethics-aesthetics. He also worked his way through philosophy to arrive at *philosophy as a way of life* (and not just a 'way of knowing'), and religion to arrive at a *this-worldly-spirituality*.

First, the Left/Right Distinction; for Tagore, "left" means, *at the very least*, that the political, as such, is receptive to what is at stake in the "community"; not a *given* community; but a contingent emergent process of being-in-common; of becoming-a-cooperative-common (not a collective); becoming *samavaya*. On the other hand, "right" means, at least, that the political is merely in charge of order and administration"; as is shown by Tagore in *Tasher Desh* (see Nancy, 1991). Thus, neither Statism, nor a critique of the State was enough to be considered Left. One became Left when one engendered a process of transformation (including self-transformation) and reconstruction of (social) life, in terms of the expansion of registers of sharing, distribution, well-being, happiness (not pleas-

ure) and justice. Efforts at *rural reconstruction* in Sriniketan were thus a living embodiment of Tagore's Left politics,<sup>6</sup> which was summarily left out of the Left tradition in India. The political is thus the place where the question of becoming-a-cooperative-common is brought into play by Tagore. This "common" is however not a substance uniformly shared out among everyone like a particular ingredient (Nancy, 1991). Tagore's community is not about collectivism (i.e. a common collective being); it has nothing to do with communion, with fusion into a body, into a unique and ultimate identity. For Tagore, cooperativism (*samavaya*) means to the contrary, no longer having, in any form, in any empirical or ideal place, such a substantial identity, and sharing instead the (im)possible *praxis of sharing*.

Second, the hyperseparation of political economy and libidinal economy, including the hyperseparation of base and superstructure in classical Marxism; or the reductionism/determinism of rendering base as basic/fundamental and superstructure as the effect of the base and emanating from the base-as-primary-cause. Marx begins *Capital* – the book – with the following entry point: "The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities," its unit being a single commodity. "Our investigation must therefore begin with the analysis of a commodity".

Let us now take a look at the second paragraph of *Capital*: "A commodity is, in the first place, an object outside us, a thing that by its properties satisfies *human wants* of some sort or another. The nature of such wants, whether, for instance, they spring from the stomach or from fancy, makes no difference. Neither are we here concerned to know how the object satisfies these wants, whether directly as means of subsistence, or indirectly as means of production". What if one writes *Capital* with exactly what was kept aside – *purloined* – at the very beginning: *human wants*? What if one turns to footnote 2 of *Capital* Vol I: "Desire

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<sup>6</sup> The MPhil programme in Development Practice ([www.cdp.res.in](http://www.cdp.res.in)) was envisaged in 2012 and the Centre for Development Practice (CDP) was set up in 2013 so as to empathically relate to 'social suffering' (Kleinman, Das and Lock 1997) as also contribute in our little ways to the alleviation, if possible, of such suffering (we called it 'social healing'). Such a "pluriverse" of transformative and reconstructive *praxis* undertaken in, as of now, 112 villages in the remotest parts of central India by the action research scholars in the MPhil programme in Development Practice, and in 7 districts of Odisha, Jharkhand, Bengal, Bihar, Chattisgarh, Himachal Pradesh and Gujarat and in a 'rural' context in Delhi by 8 MPhil alumni, designated *Fellows in Action Research* builds on the *support tree* of developmental thinking and practice to initiate prop root alternatives in the thinking and practice of policy, governance, livelihoods, ecology, health and education. This gives form to what could be metaphorically designated as a *banyan of alternative praxis*. *praxis* (see Dhar, 2021). Are these alternatives put in place by CDP nascent or embryonic enunciations of rethought forms of practical philosophy, forms that bring to dialogue reflections on the "intelligent" and the "good"? Inspired by Tagore's Sriniketan do they in turn redefine the political, as reconstructive and transformative (of both self and social), and not mere critique?

implies want, it is the *appetite of the mind*, and as natural as hunger to the body ... The greatest number (of things) have their value from supplying the wants of the mind”. Tagore inserts the question of the “appetite of the mind” into the economy or the Marxian ‘base’. What happens to the imagination of the political when one inserts the register of the libidinal economy into the register of political economy? Does it then mean an attention to what Marx called “sensuous need”? Can the socialist dream be realized only when one turns attention to such subtexts of the commodity form, subtexts of the human psyche and the socialist self? Tagore’s cooperative principle (*samavaya*) is premised on working through the psychology of unlimited human wants, the ‘me and not-me’ (i.e. the identitarian angle of *manusher dharma*) and the ‘mine and not-mine’ (i.e. the possession angle of *manusher dharma*).

The rewriting of the Left-Right distinction and the insertion of desire (“human wants”) into the Marxian “base” or political economy, as also the insertion of the economic into the libidinal economy creates conditions for the movement from the logic of collectivism to one, human self-transformation and two, reconstruction of cooperative possibilities.

## 2. From Collectivism to Cooperation

In the West also, people have a certain collective idea that obscures their humanity ... The wriggling tentacles of a cold-blooded utilitarianism, with which the West has grasped all the easily yielding succulent portions of the East, are causing pain and indignation throughout the Eastern countries. The West comes to us, not with the imagination and sympathy that create and unite, but with a shock of passion – passion for power and wealth. This passion is a mere force, which has in it the principle of separation, of conflict ... I have realised all the more strongly ... that the dominant collective idea in the Western countries is not creative. It is ready to enslave or kill individuals, to drug a great people with soul-killing poison, darkening their whole future with the black mist of stupefaction, and emasculating entire races of men to the utmost degree of helplessness. It is wholly wanting in spiritual power to blend and harmonize; it lacks the sense of the great personality of man. (Tagore 2004, 44-46)

This section of the paper is on Tagore’s critique of *collectivism*. It is on how collectivism works as a veil, an illusion over more immanent processes like listening to the Other, communicating-relating with the Other, building relationships, finding-founding a culture of togetherness, reaching understanding, sharing and distributing surplus. To engender a critique of collectivism Tagore targeted the paradigmatic collective of the Right: the nationalist collective (in

largely *Gora*) and the paradigmatic collective of the Left: the Party (in largely *Char Adhyaya*). The “order of things” in the Statist imagination was put to critique in *Tasher Desh*.

The ideal of the *social [wo]man* is unselfishness, but the ideal of the Nation, like that of the professional man, is selfishness ... The spirit of national selfishness is that brain disease of a people which shows itself in red eyes and clenched fists, in violence of talk and movements, all the while shattering its natural restorative powers. But the power of *self-sacrifice*, together with the moral faculty of *sympathy* and *cooperation*, is the guiding spirit of social vitality. Its function is to maintain a beneficent relation of harmony with its surroundings. (Tagore 2004, 114)

Tagore doesn't, however, restrict himself to a politics of critique or opposition. He moves from a critique of moral collectivism or collective moralism to the ethic of cooperation (*samavaya*): “our moral ideals do not work with chisels and hammers ... Like trees, they spread their roots in the soil and their branches in the sky, without consulting any architect for their plans” (Tagore 2004, 68-71). He thus moves from a diagnosis of ‘social suffering’ rooted in collectivism to a possible form of ‘social healing’ rooted in the long labor of cooperation (*samavaya*). He moves in the process from a politics of mere critique to *transformative* and *reconstructive social praxis*.

However, “to give concrete shape to the *ideal* of cooperation ... will involve endless toil in experiment and failure before at length it may become an accomplished fact” (Tagore 1963, 50). It will involve a constant reflection on the question of violence; not the violence of *sangharsh* but of *nirmaan*: “Can *inner change* towards collectivity and egalitarianism ever be sustained on the dangerous foundation of violence, coercion and the force of power” (Vahali 2009, xix); can ‘true’ ends be achieved through false means; can right ends be achieved by wrong means?

This reflection on violence was perhaps necessitated by three facts: one, the a priori given-ness of the violence of *sangharsh* (represented metaphorically by the pangs of childbirth/labor pain): “no one engaged in thought about history and politics can remain unaware of the enormous role violence has played in human affairs ... it is ... rather surprising that violence has been singled out so seldom for special consideration ... violence and its arbitrariness were taken for granted and therefore neglected; no one questions or examines what is obvious to all” (Arendt 1970); which is why Tagore feels the need to *denaturalize* violence.

Two, the aggressive inner core: here one will have to address everyday violence (for example, the violence of survival): that is the “atlas of all the aggressive

images that torment mankind” ... “images ... that represent the elective vectors of aggressive intentions ... images of castration, emasculation, mutilation, dismemberment, dislocation, evisceration, devouring, and bursting open of the body” ... “images of the fragmented body” (Lacan 2006, 85), where aggressiveness is a tension correlated with the narcissistic structure in the subject’s becoming. It is, as if, “quantities of energy will always be there to overwhelm the mind’s defenses, whether primitive or sophisticated. Repression is one of the mind’s most primitive and pervasive defenses against the unwanted and the intolerable, but ... it is of limited value as a defense against quantity ... Even a healthy ego – the ego of an Aristotelean virtuous person – is not proof against all possible onslaughts from within and without” (Lear 2000, 108-110). Tagore targeted this register of aggressivity in the politics of critique. He got the target right. One should not assess him by his success. One should assess him by his target.

Tagore’s text on *The Co-operative Principle* (1928) begins with a take on the “real motherland”, the ‘village’: it is here that the Goddess of Plenty, Lakshmi “seeks her throne”. What is the specificity of this move by Tagore? Why does he bring in the village to discuss the cooperative *principle*? The city, in the next paragraph, is seen as *yakshapuri*; and the antagonism is between Lakshmi and “the opulent demi-god” Kuver, who has lured men to the city’s *yakshapuri*. Our usual distinction in Marxian Economics is between plenitude and poverty; opulence and destitution. Tagore does not make that *the* paradigmatic distinction. His distinction is between one kind of plenty and another kind of plenty; interestingly it is not between plenty and poverty; plenty and poverty being the paradigmatic distinction to be invoked in much of progressivist and developmentalist discourse. *Yakshapuri* appears in Tagore’s work in *The Red Oleander* in the context of the extraction and plunder of natural resources and appropriation of surplus. In the context of the cooperative principle, Tagore sets up the problem from the perspective of “health and beauty, knowledge and joy, and ... life itself”; not growth. For Tagore, “the village tanks are dry, the air pestilent, the roads impassable, the granaries empty and social bonds lax. Envy and malice, squabbles and misdeeds hasten the decay of the crumbling society. The end seems near, for in this squalid, uncared-for land the fearful rule of Yama grows more powerful every day”. One would like to ask: is the ‘cooperative principle’ a counter to this ‘desolation’: “Bengal’s villages are now silent, dark” writes another poet, Jibananda Das. This distinction between one kind of plenty (one can also call it the urban kind of plenty) and another kind of plenty (one can call it the rural kind of plenty) marks in turn for Tagore the distinction between a capitalist kind of plenty (Tagore is opposed to such a philosophy of plenty; such an opposition

is marked by the language of anti-capitalism) and a post-capitalist kind of plenty (marked in turn by Tagore's ethic-aesthetic of rural reconstruction).

### 3. The Future of an Illusion

Does collectivism engender an illusion of being-in-common? Is nationalism a form of modern Right-wing collectivism; while the Party is a form of Left-wing collectivism? Do both engender an illusion of being-in-common? It was in 1916 that Lenin wrote *Imperialism, the Highest/Higher Stage of Capitalism* (1999 [1917]), in Zürich, during the January–June period. Thus, while Lenin was producing a critique of the imperialism of the West, Tagore was, in the same year, turning attention to the imperialism of the East (notably Japan). The irony of political history or the history of the political, however, is the almost total amnesia of Tagore's critique. This section of the paper asks: does Tagore's critique of imperialism lend itself to a *dual* reflection: reflection on capitalism (1963, 2006) and the somewhat impractical reflection on, what Tagore saw to be a western ideal of the collective, the nationalist collective (2009 [1916])? Does it also lend itself to a *deeper* reflection: reflection on the reduction of 'anti-colonial nationalism' to Freud's "primary mass" and the consequent delinking of 'means' and 'ends' (as in *Ghare Baire* [*The Home and the World*])? Does it also open itself to a critique of 'politics' and a reflection on the 'political' (as in Char Adhyay [*Four Chapters*], "Tagore's *tour de force* critique of the dehumanising tendencies inherent in a violent struggle for independence" (Roy 2010, 678)?

This section of the paper argues that Tagore's critique of imperialism, unlike Lenin's, was not premised (only) on a critique of capitalism. It was premised on a *dual* reflection – reflection on capitalism *and* the nationalist collective. Tagore saw the nationalist collective as the nurturing ground, or the nursery bed of imperialism; however, Tagore was "not against one nation in particular, but against the general idea of all nations" and of nationalist collectives (2009, 73). In that sense, Tagore was not operating within the usual distinction: good science (i.e. medicine) and bad science (i.e. nuclear bombs), or good national-

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<sup>7</sup> Tagore suggests (2009, 33): "fortunately for [the human] *the easiest path is not his truest path*". Tagore thus connects the (political) path to truth. What however are 'human', 'truth' and the 'political' for Tagore? The concept of the 'human' and the 'human mind', the concept of *Moner Manush* (The Human in my Soul) and *Manusher Mon* (the Soul of the Human) was discussed in "Manusher Dharma" and "Religion of Man", lectures given respectively at Calcutta University (1933) and Manchester University (1930). *Manusher Dharma* marks in a way a break with the ideas earlier propounded by Tagore in the two-volume book titled *Shantiniketan (The Abode of Peace)*, which is a collection of lectures delivered at the Ashram Mandir (1908-18). In fact, *Manusher Dharma* marks a shift from the "world of gods to the world of man" (Ayyub 1995, 114), a shift consonant with the ideas Tagore initiated in 'The Co-operative Principle' (a compilation of essays written between 1918 and 1934 on *samavaya*).

ism (i.e. anti-colonial/freedom struggle) and bad nationalism (i.e. colonizing/appropriative/occupational phantasies); instead, Tagore was a critic of the *spatial limit-principle* called nation and the *identitarian/ideological limit-principle* called nationalist collective (more on limit-principle in the last section of the paper; we shall see how Tagore was not against limits as such; he was against the inauthentic limits of nationalist collectives; limits that could not extend itself to the infinite and hence did not contribute to either *joy* or *creativity*).

This difference – both in terms of the dual critique and the deeper critique of collectivism – needs to be marked sharply because in orthodox Marxism, first, the critique of imperialism does not lead to a critique of the nationalist collective<sup>8</sup>. Second, the critique of imperialist nationalism does not necessarily translate into a critical reflection on anti-colonial nationalism. Third, the critique of anti-colonial nationalism does not necessarily generate a critique of identitarianism (for a critique of identitarianism, see *Gora* [1909], where nationalist identity becomes a psychological “defence [and a roadblock] against recognizing the permeable or porous boundaries of one’s self” [Nandy 2013, 5]).

Therefore, one has to turn to Tagore (and not just Lenin) for a pentagonal critique of the violence of imperialism, capitalism, nationalism, anti-colonial nationalism and identitarianism. Tagore raises the problem of the replication of the model of the proposition (i.e. the same oppressive organization of western nationalism) in one’s opposition to it (Tagore did not want anti-colonial nationalism to get reduced to Freud’s “primary mass” [Freud 1991, 69]). One has to turn to Tagore to see the *absent link between ‘means’ and ‘ends’* even in anti-colonial nationalisms, which is also reflective of the absent link between, on the one hand, politics and on the other, truth and ethics in the western nationalist imagination. The “universal sociology of nationalism” is not put to test in much of Marxism. Nor is it dispensed with. One tries to transcend it, at times, through a turn to the ‘commune’. Tagore, on the other hand, puts to question nationalism as the “inevitable universal of our times”. He draws attention to the ‘illegitimacy of nationalism’ that had entered Indian society “riding piggy-back on western ideology” (see Nandy, 2013). He asks: what if the nationalist collective is indeed an anti-thesis to what Marx calls ‘human sociality’ or ‘social humanity’ and what Tagore calls *The Cooperative Principle*? Tagore’s “experiments in a holistic system of education through the establishment and development of *Visva-Bhara-*

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<sup>8</sup> “The anticolonial nationalism of Asia and Africa also shared with the Marxism of the Third International a distinction between the “bad nationalism” of the Western capitalist countries and the “good nationalism” of the anticolonial movements” (Chatterjee 2012, 9).

<sup>9</sup> Primary mass “is a number of individuals who have set one and the same object in the place of their ‘I’ ideal and who have subsequently identified with one another in terms of their ‘I’” (Freud 1991 [1964], 69).

ti, his theories and practice in rural reconstruction [at Sriniketan] and most importantly his continuous attempts to outgrow any form of parochialism, be it nationalist or of other types” (Roy 2010, 678) shows how it was the reconstruction (*punarnirmaan*) of rural society (*palli samaj*) that was Tagore’s focus. Was the *asketic* self-work inaugurated in Shantiniketan-Sriniketan, an antidote to the mechanomorphic, hyper-intellectualized and instrumental relationship with one’s land and fellow human beings that is put in place by the nationalist collective (we have in mind *Ghare Baire*) and (historical materialist) politics (we have in mind *Char Adhyaya*)?

#### 4. The Future of the ‘Political’: the *barefoot walker* and the *tight shoe-space*

Perhaps the time has come to take stock of the costs of the nation-state system and the nationalism that sustains it. Such stock-taking may not alter the past but it may lead towards a redefinition of the concept and functions of the state, at least in this part of the globe. (Nandy 1994, 90) ... a national culture that does not have the confidence to declare that, like all other national cultures, it too is hybrid, a crossroads, a mixture of elements derived from chance encounters unforeseen consequences, can only take the path to xenophobia and cultural paranoia. (Subrahmanyam 2015, 7)

Through a critical examination of what Tagore calls “political civilization”<sup>10</sup> (which he thinks “has sprung up from the soil of Europe and is overrunning the whole world, like some prolific weed”) this section reexamines Tagore’s take on politics. This is important because the ‘slave/savage’ can have a [cultural] perspective that even the ‘critical master’ (i.e. Marx) in the west misses. Both Tagore (and Gandhi) “saw themselves as belonging to a civilization [or more precisely a civilizational angle called ‘social civilization’; both saw “national histories as merely chapters” in the larger canvas or text of what they called the angle of a somewhat ‘social civilization’] that refused to view politics only as a secularized arena of human initiative [or arena of State-centered (i.e. either for or against the State) initiatives]. ... What linked the two was ... their continuing attempts to reaffirm a moral universe within which one’s politics [of anti-colonialism] and social ideology could be located” (Nandy 1994, 81-85; also see Bilgrami 2003, 4160 ) for his discussion of Gandhian ‘satyagrahis’ as not vanguards but *moral exemplars*); also anti-colonialism, anti-imperialism, even patriotism need not

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<sup>10</sup> Tagore was a “trenchant critique of the use of violence in achieving political independence” [Roy 2010, 678]; the question hence is not whether one is political or not-political; the question is whether one is expanding the scope of violence or whether one is contracting the scope of violence; for Tagore one is political when one is contracting the scope of violence, and not when one is expanding the scope of violence, even if the expansion looks ‘legitimate’ (as in *Ghare-Baire*, *Gora* and *Char Adhyaya*) in terms of the ideological position one takes.

be conducted in terms of or in the language of nationalism. What if non-western cultures have had resources to imagine social humanity or human sociality in ways different from the one on offer in western modernity? Faced with this question, the critical master *in* the West (i.e. Marx) and the masters critical *of* the West (i.e. Tagore and Gandhi [2010]) went unruly.

For *late* Marx (1863-83), it was a turn to the ‘Russian commune’ (as also to Asia, Africa and Latin America) and not to British Political Economy, French Socialism, and German Philosophy – *thought to be* the three sources of Marxism – for resources. The Russian commune offered Marx not just an economic resource for transition from feudalism to a post-capitalist future sidestepping capitalism, but a form of ‘human sociality’ (“a grassroots framework for ‘large-scale cooperative labor’” (Shanin 2009, 17), a form that was radically Other to both feudalism-monarchy and capitalism-nationalism; in other words, the (peasant) commune in Russia (Ibid, 11) as a politico-cultural perspective also marked *differance* with respect to nationalism. For Marx commune-ism was a dual critique; it was a critique of both capitalism (in its non-exploitative and distributive dimension of fairness) and nationalism (in its being a ‘being-in-common’ not reducible to *a priori* identitarianisms).

For Tagore, on the other hand, it was a turn to time-tested ‘civilizational resources’<sup>11</sup>; it was not that India did not have sore spurs of ‘exploitation’, ‘oppression’, ‘exclusion’, ‘marginalization’ in its culture; but civilizational span of a few thousand years had given, according to Tagore, the ‘barefoot walker’ an innovative form (of the political) to at times negate and at other times negotiate with a ground strewn with ‘gravel’; the history of the barefoot walker’s negation of and negotiation with gravel offered a particular imagination of the political to Tagore; not the ultimate or the final form of the political; but a necessary *Grundrisse* for setting up the contours of a post-political imagination of the political premised on the painstaking transformation and reconstruction of the relationship between the barefoot walker and the gravel.

The “fetish of [western] nationalism” on the other hand, is, as if, a tight shoe-space, a “closed-up system” that gives the foot no liberty to adjust to even the “tiniest particle of [identity] gravel”; hence the intolerance to the Other, hence the impersonal violence; the ‘tight shoe-space’ and its relationship with the ‘gravel’ offered a rather different imagination of the political. Tagore designated the ‘tight shoe-space’ – ‘gravel’ form of politics ‘western’. In that sense, his move was also ‘anti-colonial’. However, anti-colonial political struggle was not enough.

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<sup>11</sup> Tagore’s turn to ‘civilization resources’ is another critique of the posited past – a past posited to colonies from a Eurocentric present and posited as backward/feudal – hence requiring the triple intervention of capital-nation-state. Tagore was suggesting that India has resources for imagining human sociality in her civilizational/cultural past.

One had to liberate oneself not just from British colonialism. One had to liberate oneself from the (British/western) imagination of the political premised on the tight shoe-space and the gravel; all the more because the colonized had a time-tested imagination of the political premised on the relationship between the barefoot walker and the gravel:

... when we walk barefooted upon ground strewn with gravel, our feet come gradually to adjust themselves to the caprices of the inhospitable earth; while if the tiniest particle of gravel finds its lodgment inside our shoes we can never forget and forgive its intrusion. And these shoes are the government by the Nation – it is tight, it regulates our steps with a closed-up system, within which our feet have only the slightest liberty to make their own adjustments. Therefore, when you produce statistics to compare the number of gravels which our feet had to encounter in the former days with the paucity in the present regime, they hardly touch the real points ... The Nation of the West forges its iron chains of organization which are the most relentless and unbreakable that have ever been manufactured in the whole history of man. (Tagore as quoted and translated by Nandy 1994, 5-6)

The “iron chains of [national-ist] organization which are the most relentless and unbreakable” and which generate inhospitality to even the tiniest gravel was not seen as desirable by Tagore; because the tighter the shoe/identity the sharper the inhospitality to political or cultural Others, or to economic others. Ambivalence over the idea of nationalism in Indian conditions was thus a constitutive feature of the high-noon of anti-colonial struggle.<sup>12</sup>

Nationalism as *drive* or ‘psychical pulsion’ (*Trieb*) (Lacan 1998, 161-173) thus needs a tri-directional critique – the first, directed at nationalism in the abstract, nationalism as an organizing principle of human/social life (as against say, commune-ism which Marx did; as against say, ‘self-mutating civilizations’ which Tagore did; as against *swadesh-chinta*: *swadesh-chinta* is reflections over

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<sup>12</sup> Nandy (1994, v-vii) describes three main currents in Indian nationalism. The first current was “convinced that the absence of a proper nation-state and proper nationalist sentiments were major lacunae in Indian society and indices of its backwardness”; this strand of nationalism wanted ‘India’ to follow Europe’s roadmap, with the Indians instead of foreigners at the helm of affairs. The second – Nandy calls them ‘skeptics’ – associated nationalism with “modern colonialism’s record of violence” and saw nationalism as a “pre-modern concept that had reappeared as a pathological by-product of global capitalism” and that had to be transcended through secular, enlightened universalism free of all ethnic and territorial loyalties. The second current is Leninist: “Our banner,” Lenin proclaimed, “does not carry the slogan ‘national culture’ but *international* culture, which unites all the nations in a higher, socialist unity, and the way to which is being paved by the international amalgamation of capital.” Gandhi and Tagore – representatives of the third current – were “dissenters among the dissenters” who looked for a *third* way – a way beyond ‘identitarian nationalism’ and ‘secular universalism’.

*swa-desh*, the land I belong to, the land I long for; where the land I long for is different from the land I own); the second, directed at imperial nationalisms (which Marx did quite effectively later in his life) and the third directed at the violence of anti-colonial nationalisms (which Tagore and Gandhi inaugurated) – which is also why a *dialogue* among the three is crucial. The dialogue is also needed because the *beyond* of nationalism can come both from the past (as in Tagore’s idea of a ‘social civilization’) and from the future (as in Marx’s idea of commune-ism). Also, there is nothing inevitable about nationalism – just as one can move from feudalism, as both Marx and Tagore argued, to the (im)possible being-in-common of communes or *samavayas*.

### 5. Politics: Civilizational Critiques<sup>13</sup>

We began our critique of imperialism with a critique of nationalism. Let us end with a critique of ‘politics.’ If the critique of nationalism is one turn, a counter-intuitive turn, that Tagore imparts to the standard critique of imperialism, the other turn, a somewhat radical turn, that Tagore offers to the understanding of imperialism is through the concept of ‘political civilization.’ Political civilization is, according to Tagore, also the ground for imperialism; it is “carnivorous and cannibalistic in its tendencies” – as against what he saw as ‘social civilization’; according to him the political civilizational perspective born in Europe “feeds upon the resources of other peoples and tries to swallow their whole future” while “Eastern Asia has been pursuing its own path, evolving its own civilization, which is not political, *but* social” (2009, 14).

Tagore’s critiques what the West saw as the “civilizing mission.” Which civilization; which kind of civilization should be our cherished ideal, he asks, thus problematizing the entrenched binary of ‘civilized West/savage Orient.’ Would we follow the imperatives of “political civilization” – marked by “exclusiveness” and “hungry jaws wide enough to gulp down great continents of the earth”? Or could we follow the imperatives of what he calls a “social civilization” – “whose basis is society and the spiritual ideal of [wo]man”?

Tagore thus takes the critique of imperialism much deeper; he sees imperialism as only one nodal point of a civilizational perspective that is ‘political.’ This is intensely counter-intuitive in a world where politics or the political has been seen as the obvious counter-hegemonic angle/axis to imperialism. Tagore instead sees the western political perspective (marked by the ‘tight shoe-space’)

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<sup>13</sup> The attempt is to move away from the usual distinction ‘political/apolitical’ to ‘politics-political’; where ‘politics’ is that which is circumscribed by the hegemonic and the political is that which is *beyond* the hegemonic. Through his critique of politics and of the ‘west as a political civilization’, is Tagore gesturing towards the beyond?

as the ground *for* imperialism and not as the ground *for opposition to* imperialism.<sup>14</sup>

Somewhat outlandishly, Tagore connects imperialism to ‘politics’. This does not just put imperialism in trouble, but also politics in trouble too. While in much of orthodox Marxism anti-imperialism constitutes the political, in Tagore’s rendition it is “the worship” of the “devil of politics” that leads to the sacrificing of other countries as victims: political civilization feeds upon the dead flesh of vanquished nations and “grows fat upon it”. This is a somewhat different conception of politics itself. This is a conception that does not see politics as the obvious ground for oppositional action. Instead politics seems to reside on the side of the hegemonic and not on the side of the counter-hegemonic. Our usual understanding of politics keeps politics as the somewhat sacrosanct domain of opposition or counter-hegemony. The question that haunts us most is ‘which kind of politics’: *is it Marxist* is the diagnostic question we would tend to ask. Politics or the political as such is not the issue. That one will have to be political is taken for granted. The debate is over the nature or the preferred modality of politics. The debate is between say Left-wing and Right-wing politics. The debate is not over the *concept* or the *discourse* of the political; or over the political-in-itself. The legitimacy of politics as ground for human action remains unquestioned. What is put to question by us is the *nature* of the path, not the path *itself*. In his critique of imperialism, Tagore begins by problematizing one habit of modernity: nationalism. But as he goes deeper he ends up problematizing one other ideal of modernity: politics.

## 6. Dialectic: The Limit and the Infinite

Compulsion is not indeed the final appeal to man, but joy is.

Tagore 2004,158

This section is a reflection on a piece in *Path er Sanchaya*<sup>15</sup> titled “*Sheema O Asheemata*” (perhaps imperfectly translated as “The Limit and the Infinite”).

<sup>14</sup> However, by giving up his claim to (anti-colonial) nationalism Tagore is not giving up his claim to modernism. He marks a sharp distinction between that which is ‘modern’: “freedom of mind, not slavery of taste ... independence of thought and action, not tutelage under European schoolmasters” and that which is ‘European’. He urges us to not accept “the motive force of western nationalism as [our] own”; because nations “sedulously cultivate moral blindness as the cult of patriotism” and that would mean a defeat of “social ideals” at the “hands of politics”. Tagore is “afraid of the rude pressure of the political ideals of the West” upon our own; also, because in “political civilization, the state is an abstraction and the relationship of men utilitarian”.

<sup>15</sup> *Path er sanchaya*: ‘sanchaya’, usually associated with the financial or the economic perspective, meaning ‘savings’ takes on a different turn in Tagore’s juxtaposition of *path* (i.e. path) and *sanchaya* (i.e. savings). Tagore hints not at financial savings but at experiential, affective and moral-ethical gatherings/gleanings from life, or from the value-laden journey/path called

This piece, written in London, begins with a reflection on *dharma*. *Dharma* for Tagore is that which “holds” (Tagore is perhaps being guided by “*dhri*”, the Sanskrit root, which means “to hold together”); or that which “binds”. In that sense, human beings have taken to or accepted *dharma* as a kind of limit-principle (not limiting principle; Tagore calls it *bandhan*). *Dharma* then is a humbling principle; one is humbled by the acceptance of limits; one’s *ascetic* self-work and one’s social-practical pursuit is in making sense of limits. Limits, for Tagore, are not just the condition for imprisonment or closure; limit-thinking is also the condition for creation, for creativity. The experience of limit-thinking renders creativity “true” (*satya*) and “beautiful” (*shundor*) (Tagore sees the true as beautiful and the beautiful as true; in that sense, he moves beyond the cognitive or intellectualized notion of truth to the aesthetic notion of truth). The dance of *ananda* (imperfectly translated as creative joy) renders the experience of limit(s) explicit. Or perhaps it is the experience of limits that renders the dance of the true, the beautiful and of *ananda* an irreducible unison. Tagore sees *dharma* as the condition and inner strength of the efflorescence of the human-ness of the human within its true limits. Tagore’s distinction between true limits (and the relation of such true limits to creative joy) and inauthentic limits is useful in terms of its critique of nationalism; is nation then an inauthentic or an untrue or a narrow limit to the human endeavor or the human-ness of the human? Is *dharma* an authentic moral-ethical limit? Does the ‘tight shoe-space’ discourse of the political engender an inauthentic or an untrue or a narrow limit to the painstaking praxis of the social transformation-reconstruction of the relationship between the barefoot walker and the gravel?

Tagore also sees *dharma* as a search and yearning for the infinite, the limitless. It is through *dharma* that one is humbled by limits; it is through *dharma* that one is extending oneself to the beyond; one is searching for the infinite in the corporeal finite; one is transcending the limit-conditions. Tagore sees the non-dead dialectic of the truth of limit and the infinite in all worldly wholeness; it is the infinite that births the caution of limits and it is the sense of limits that engenders the infinite. The whole or the full is where this dialectic of the limit and the infinite is in perpetual play and has not been circumscribed in ‘tight shoe-spaces’ or lost in the dreary sand of dead habit. Where this dialectic, this two-ness is broken, where one is severed from the other, where deadness has been instituted in this dialectic does Tagore see un-joy, un-good and the un-beautiful (Tagore calls it *amangal*). The infinite that does not render expres-

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‘life’. The invocation of *path* also invokes the metaphor of *travel*; and of travelling through the uncanny tortuousness of life, gathering insights as one goes along. *Path er sanchaya* is also a travelogue. It is a collection of letters and reflections Tagore wrote in 1912 as he travelled to and through England and America.

sive the limit is nothingness; the finite that does not gesture towards the infinite is meaningless. Freedom that does not accept limits is crazy, constraint that denies freedom is violence. Does the idea of 'tight shoe space' become such a constraint (a constraint that has lost touch with the infinite) of the political? Limit-thinking that is alienated from the infinite is for Tagore an illusion (*maya*); hence the question: what is the future of such an illusion. The infinite stripped off the perspective and the moderation of the limit is chaos.

Tagore's metaphor for such a non-dead dialectic of limit and infinite is music. Music that does not know the language of limits is noise. Music that does not manage to touch the infinite is mere notation; is the simple jargon of instruments. Music is Tagore's metaphor for being-human or becoming-human; the umbilical connection between the limit and the infinite is the midwife of *ananda* or *eros*; this is the occult philosopheme of the praxis of *bhakti-tattva*. The 'tight shoe-space' lacks this music. Whenever humans have exiled their experience of the divine to a distant heaven, has the divine become all menacing and omnipotent; in the process less human and more alienating; the divine has become something to be *believed* in; not something to be *lived* – lived in the praxis of *dharma* – *dharma* in the context of the reconstruction of the gravel strewn social by the barefoot walker. And to pacify or domesticate the deadly face of the divine the anxious human has spent much of his or her time in rituals through the unholy mediation of the *purohit*; the middle-man between the human and the divine. Whenever humans have seen the divine as intimate, as one's own, as close to oneself, as someone inside and not as someone distant, one has yearned to reach such a personal god without middle-men and dry ritualism, reach through love for the divine, and not dread. Tagore argues for a *dharma* that is *lived*; and not only *believed* (see Bilgrami, 2003). What then is one's *dharma* to the nation? To the land (land not in its mere territorial form; but as forms of life)? To the fellow human beings who form the context of one's being-in-the-world? Does this take Tagore to the other meaning of *dharma*? *Dharma* as "doing" (doing the "right" thing). What is my *dharma*? What do I do? Does the turn to Sriniketan, the place where a number of experiments in rural living is carried out under Tagore's auspices, inaugurate another relation, an Other relation with the nation? This is a nation one does not own; one does not possess; this is a nation of fellow human beings one lives with (not just lives in) and re-constructs. Tagore sees nation then as a context for praxis; the praxis of *dharma* in the context of the gravel strewn world and life of fellow humans. Ambedkar (2011, 2012, 2014) converts to Buddhism and turns to *Dhamma* as subaltern religiosity, for a this-worldly *moksha*. Tagore turns to Sriniketan and the reconstruction of *palli samaj* as a protracted non-coercive praxis of na-

tion-building, where nation is the lived everyday of a social civilization, even if gravel strewn and *dharma* is the lived poesies of the political. How does Marxian communes or philosophies of contingent-emergent-being-in-common (we call it *post-capitalist praxis* as against *anti-capitalist critique*) and Ambedkar's *Dhamma* as perhaps social religion (we call it post-Brahminical subject-formation as against anti-Brahminical propositions) come to (not) meet in the imagination-praxis of Sriniketan – an imagination-praxis that is perhaps *asketic*?

### **Conclusion: From the Epistemic and the Ascetic to the Asketic**

What is askesis? What is it to be asketic in (Marxian) politics? Did Tagore inaugurate the asketic turn in (Marxian) politics? Two distinctions become crucial in our arrival at the asketic. First, the distinction between philosophy and spirituality; “philosophy” for Tagore is the form of thought that sits in judgement over not just what is true and what is false, but also over what determines truth and falsehood. Philosophy asks what is it that enables the subject to have access to the truth and which attempts to determine the conditions and limits of the subject's access to the truth. For Tagore philosophy was not a mere *way of knowing*; it was a *way of be-ing*; and the way of be-ing was intrinsically tied to the *way of do-ing*. The overdetermination between way of be-ing and way of doing offered Tagore the practical coordinates of a *this-worldly spirituality*; where spirituality is the *practice* through which the subject carries out the necessary transformations on oneself in order to have access to the truth; self-transformation was, as if, the price the subject had to pay for access to the truth. Tagorean spirituality was a sister of philosophy and not of religion; such a rewriting of philosophy as a way of life or of spirituality would postulate that truth is not given to the subject by the simple act of knowledge (*connaissance*); for the subject to have the right of access to the truth he or she must be transformed; in order to have access to the truth one needs to go through a process of self-work. This work of the self on the self, an elaboration of the self by the self, a progressive transformation of the self by the self (which in turn inaugurates *beatitude*) for which one takes responsibility could be called the long labor of *askesis* (Foucault 2005). Asketic exercises in the context of cooperation is, as if, an attention to the thorns of greed-possession stuck in one's flesh; which one must attend to so as to reach true sharing or the truth of sharing. Only self-transformation could perhaps take us to cooperation. Neither the knowledge nor the writing of cooperation will take us to cooperation. Even mere renunciation shall not take us to cooperation; renunciation is individual; cooperation is relational. It is only a deeper understanding of self and Others, it is only a deeper appreciation of the relationship between self and Others is what will take us to cooperation; it is

*work* on our inner demons, our inner greed and our desire to possess that will take us to cooperation; it is work on our limits and limitations that will take us to the infinite called cooperation; because cooperation is never guaranteed; one needs to keep working; one needs to keep waiting so as to arrive at a contingent emergent moment of cooperation. Politics then is about work; about self-work and consequent self-transformation so as to birth the truth of the beatitude of cooperation or the beatitude of the truth of cooperation. In that sense, politics is a movement from the epistemic and the ascetic to the infinite of the asketic to the asketic infinite. It is also about turning away from the 'tight shoe-space' and turning instead to the painstaking 'working through' the relationship between the 'barefoot walker' and the ground strewn with 'gravel' to arrive at a transformed and reconstructed 'social'.

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## HEGEL AND CAPITALISM

### Abstract

*This paper presents certain fundamental notions of Hegel's philosophy, mainly from the work *Philosophy of Right*, specifically the concepts of Corporation and Polizei, looking into Hegel's potential position on capitalism based on them. The objective is to investigate what position is derived from the normative framework of Hegel's philosophy. The article also contrasts the positions of *Philosophy of Right* with historical texts. Finally, it appears that the positions of Hegel and Keynes can be approximated.*

**Keywords:** *Hegel, capitalism, civil society*

### Introduction

This text will present how the notion of “capitalism” can be understood according to Hegel's philosophy. Some interpreters believed that Hegel's acceptance of the basic structures that preside over the market – possession, private property, exchange, with the frequent praise associated with it – mean that Hegel would be a kind of apologist for nascent capitalism, a kind of liberal at the dawn of a new world guided by market relations which the philosophy of liberalism would legitimize. What this perspective tends to disregard is that the normative foundations that preside over the basic structure of Hegel's political thought are full of consequences for the way in which we must understand how the market interacts with higher ethical levels. In addition, the question arises whether “capitalism” can be equated with “market” or whether we should understand capitalism as a more complex social system (Krätke 2007). In other words, the way in which we conceive capitalism will be important for defining Hegel's position on it.

### 1. Basic Concepts

In order to begin the foray into this issue, we will outline Hegel's most important concept: the idea of freedom. For Hegel, freedom is the most decisive and fundamental feature of the spirit: “As the substance of matter is weight, so

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we must say that the substance, the essence of the spirit, is freedom” (Hegel 1989b, 30); or that “freedom is the only truth of the spirit” (Hegel 1989b, 30). It is no exaggeration to say that all of his philosophy is a justification for freedom. One of Hegel’s broadest formulations regarding the concept of freedom is to think of it as to be at home with oneself in one’s other, to be dependent upon oneself, to be the determining factor for oneself. In all my urges I start from something other than myself that is for me something external. Here, then, we speak of dependence. Freedom exists only where there is no other for me that I am not myself. (Hegel 2010, 60).

In quite broad terms, freedom is for Hegel that whose otherness, without being erased is, at the same time, unified with itself. In other words, it is a matter of thinking about a totality that includes the “I” and the “other”. This understanding of freedom does not differ much from that which Hegel first used when ascribing a conceptualization of the absolute: “Das Absolute selbst aber ist darum die Identität der Identität und der Nichtidentität; Entgegensetzen und Einssein ist zugleich in ihm” (Hegel 1986, 96). This claim by Hegel, right at the beginning of the *Logic of the Encyclopedia of Philosophical Sciences*, however, needs to be stitched together with the most concrete processes of recognition. They occur, of course, in what we can call their social theory presented in the *Philosophy of Right*. The point of view adopted in this work considers the right as the inscription of rationality in a wide range of institutions:

Right is then an illustration of the immanent tendency that has the freedom to transcribe its original subjectivity in objectivity; to put it another way, in expressing paradoxically in the register of your other, the need. (Kervégan and Sandkühler 2015, 91).

In this sense, the formal definitions of the *Philosophy of Right* must be presented here. Although very general in the sense that the concreteness of these categories essentially depends on how they are implemented, they already reveal the meaning attributed to the right. According to Hegel, “that a being-there is the being-there of the free will, this is the right” (Hegel 2010, 72). In other words, freedom finds its existence palpable as the right. This objectification (it is worth remembering that we are here in the sphere of the “Objective Spirit”) occurs in different stages. Hegel starts from a more elementary forms of sociability, whose rationality is already present *in nuce*, and shows the more improved ways through which freedom is actually effective. It is not for us here to reconstruct all these stages. We will focus on the one that presents the institutions that express freedom in a higher way: within them, what interests us to is show the relationship between Hegel and capitalism, namely, ethical life (*Sittlichkeit*). Ethical life is the “concept of freedom that has become the present world and the

nature of self-awareness” (Hegel 2014, 167). This means that Hegel is interested in understanding how freedom is realized through institutions and customs. In turn, ethical life is composed of three basic levels: the family, responsible for the individual’s initial socialization and the place where he is nurtured by affective love; bourgeois civil society, a field in which the individual develops his skills, works, and through which he finds recognition, dedicating himself to private interests; and the State, a scope that focuses on universal interests. What interests us here is to underline bourgeois civil society.

However, it is worth mentioning how the will, the privileged object of *Philosophy of Right*, is expressed in institutions that we could consider *prima facie* “capitalists”. For example, Hegel completely legitimizes the notion of property: it is nothing more than the external expression of the person’s freedom (Hegel 2014, 83). This manifestation, in turn, expresses a rationality (Hegel 2014, 88). It is precisely this will that is embodied in the property that establishes the contract. Hence, the contract is the relationship between wills (Hegel 2014, 106). These concepts are the basic elements that become articulated in bourgeois civil society.

The most elementary definition that Hegel offers of bourgeois civil society is that according to which it constitutes itself as a broad field of development of the particular, or, in other words, “It is the system of ethical life lost at its extremes” (Hegel 2014, 189). In this context, “the satisfaction of needs as well as contingent needs is contingent” (Hegel 2014, 190) and there is the presentation of the “show also of excess, misery and physical and ethical corruption” (Hegel 2014, 190). What exactly is Hegel talking about here? He refers to the consequences generated by bourgeois civil society itself, certainly in view of the market (understood in a ciphered way as a “system of needs”). To say that it is contingent upon the satisfaction of needs to occur means to recognize that one is faced with a social structure that, according to itself, is not able to safeguard the material maintenance of individuals: from the fact of looking for a job, one can or cannot find it. There are no guarantees here. This diagnosis, it is important to note, is not trivial: the idea that society is a balanced whole, present in economists like Say and Ricardo, is not accepted in Hegel (Rubin 2014, 409).

The positive historical novelty of bourgeois civil society lies in recognizing men and women as “private persons” (Hegel 2014, 191), that is, as no longer mere accidents subordinated to the substance of the State. Individuals’ desires, intentions and purposes gain their historical and political recognition, a novelty whose reach cannot be underestimated, especially when compared to the model of ancient states (Hegel explicitly cites the counterexamples of Plato, Egypt and India). It is not without meaning that a central stage of rationality is instituted

here. Hegel points out that we are facing a new understanding of abstract right, whose characteristic was to conceive human beings as persons. Civil society, in contrast, perceives them according to the notion of man: “It belongs to culture, when *thinking* as a consciousness of the singular in the form of universality, the fact that I am apprehended as a *universal* person, in which all are identical. *The man is worth it, because he is a man*, not because he is Jewish, Catholic, Protestant, German, Italian, etc.” (Hegel 2014, 203). Equalizing Italian, German and Jewish rights was, at that historic moment, a fairly radical position.

The three basic moments of bourgeois civil society – in a language that is no longer Hegelian, can be described as: a) the market (system of needs), b) the institutions that regulate interactions between private beings (the administration of right); c) the mechanisms of regulation of bourgeois civil society, which are already in mediation and contact with the State (*Polizei* and the corporation).

The part reserved for the market contains Hegel’s theory of estates, the idea of how work acts in the formation of the individual, considerations about heritage and the recognition of the importance of science, still incipient, of political economy, to whose integration in a consistent political theory Hegel was committed (Waszek 2017, 57). In the second part, Hegel deals with laws, courts, and determination of punishments. The point that interests us most, however, is that reserved for *Polizei* and the corporation. The role of both is correlated, although performed in very different ways, in order to guarantee the individual’s well-being. *Polizei* works to guarantee this well-being from an “external order” (Hegel 2014, 218). Its meaning consists in being “the ensuring power of the universal” (Hegel 2014, 218), in several subjects (crimes as such, for example), but much of its attention is turned to economic matters (§§235-236). The corporation, on the other hand, aims to guarantee the internal and ethical cohesion of the second estate. While market forces print a selfish action in the social context, the corporation redefines the particularity, which is essential to work, in the sense of showing how it is linked to the “universal end” (Hegel 2014, 226). In more emphatic terms: “the corporation constitutes the second ethical root of the State” (Hegel 2014, 228). From the point of view of the theme of this text, Hegel’s reflections on *Polizei* allow us to understand the disruptive character according to which he conceives market mechanisms.

The central paragraphs of *Philosophy of Right* in this regard are those ranging from 243 to 248. In these paragraphs Hegel will argue that the universalization of the connection between men, whose objective is the mutual satisfaction of needs – in the end, the mechanism described by Adam Smith (Smith 1983, 49-56) – implies the accumulation of wealth of some and the misery of others (the mechanism of this process is, however, only mentioned by Hegel). The problem

of poverty, however, is not only economic: it also implies the loss of the feeling of ethical integration by the poor, generating a class of its own, the rabble (*Pöbel*), which in turn further disrupts society. Hegel notes some possibilities to correct the problem, but they are all failures at some point (Ruda 2011). Hegel is explicitly dealing with the possibility of widespread market crises, in which societies cannot find buyers for their products and because of this dynamic, they must overcome their own border limitations – hence Hegel adopts solutions that include product exports and colonization (Hegel 2014, 224).<sup>2</sup>

It is not possible to say that Hegel was successful in the way he thought about the internal resolutions of bourgeois civil societies with regard to overcoming crises. Besides Ruda's important book, Shlomo Avineri was another interpreter who understood Hegel's solution as aporetic (Avineri 1972). Adorno's observations on these parts of the *Philosophy of Right* are also striking. Regarding paragraph 243, he noted that it is "the oldest sociological model of a contradiction that necessarily develops in the object" (Adorno 1994, 49). Or again, in the *Drei Studien zu Hegel*, commenting on these passages: "Civil society is an antagonistic totality. It survives only in and through its antagonisms, not being able to resolve them. This is formulated without flourish in the *Philosophy of Right*" (Adorno 2013, 104).

These observations serve to note that Hegel was grappling with the problem of capitalism in all its sharpness. This question could not receive only a theoretical resolution; it is up to the theory, first of all, to preserve the internal tensions of the object. Buchwalter correctly points out that Hegel's philosophy can be seen as crossed by this confrontation with capitalism:

Even if Hegel rarely used the term capitalism itself, his thought – not only his social theory but his political philosophy and his practical philosophy generally – does represent a sustained and distinctive engagement with the prospects and problems of modern market societies. Indeed, given his contention that philosophy itself represents a response to the tensions and 'bifurcations' (*Entzweiungen*) he associated with modern economic life, his general conceptual framework, expressed above all in its notion of dialectics, can itself be construed as a response to the phenomenon of modern capitalism. (Buchwalter 2015, 2).

<sup>2</sup> Hegel distinguishes between two types of colonization: sporadic and systematic. One is conducted with the help and supervision of the metropolis country and the other without. Again, this is another moment in which some commentators not only lose sight of the main but also misunderstand Hegel's position (Harvey 2005, 101; Dri 2006, 234; Weil 2011, 116). These commentators understand Hegel's solution according to the typical colonialist models. This seems to me to be a manifest error and a complete disregard for the addendum to §248 of the *Philosophy of Right* – and even for the whole spirit of Hegel's philosophy.

## 2. Capitalism

In other words, Hegel would be facing the dilemmas of modern market societies in these parts of paragraphs 243 to 248 of the *Philosophy of Right*. He would have taken into account the dimension of this type of society, defended and legitimized its historical relevance and diagnosed its dysfunctionalities. Noting that in the same movement in which they produce wealth and its accumulation in the hands of some, they also produce poverty and misery, Hegel would have made an epoch-making assessment whose significance cannot be overlooked. Furthermore, Hegel showed that dysfunctionality is at the heart of these societies. Unlike other theorists of political economics - Hegel himself only quotes Say, Smith and Ricardo (Hegel 2014, 194), although it is not certain how familiar Hegel was with some of them (Herzog 2015) - the crisis is not the result of an “anomaly”, but rather the normal and general functioning of the market economy. Hegel is warning us that we live in societies marked by permanent instability in matters related to the market. It is difficult not to recognize the importance of this assessment. It is clear, however, that this is not Hegel’s last word on the subject. How do we reconcile Hegel’s assertion of market freedom as an unavoidable modern value with his recognition of the immanent dysfunction of the market? How do we correlate this value to this diagnosis taking into account its concept of freedom? The difficulty consists in weighing this set of institutions working in coordination. Raising a part of the structure of the social fabric as if it were the whole is precisely the error that must be avoided.

The way to conceive of this set of institutions working is to think that the socially corrosive tendencies of one of them end up being counterbalanced by the integrative tendency of others. In other words, if the market consists of the structure that ends up establishing relations of competition and fragmentation, Hegel counterbalances it with corrective institutions. The main one is *Polizei*, of course. However, it operates on a vertical level: it is the external order that, for example, establishes adequate prices for basic necessities. However, there is a type of integration conceived by Hegel that occurs horizontally, namely, the corporation. The estate of industry, whose constitution necessarily leads it to particular interests, acts as the enlightenment and cohesion around the universal ends toward which work activity is ultimately directed. Hegel is aware that human action within market societies loses sight of its purpose, that is, that it absolutizes its character as a means for agents and becomes taken as the ultimate end. It is precisely to counteract this diminished view that presides over the action of agents in market societies for which Hegel sees the corporation as an antidote.

Marx's criticism of corporations is known, then taken as a medieval nostalgic residue (Marx 2005, 129). This is certainly not the most generous interpretation. In addition to its correspondence or even historical viability, it is important to note the role and function that corporations play in the Hegelian institutional design: it is a dyke, a resistance, to the selfish and divisive tendencies promoted by market societies. This is enough for us to consider that Hegel was aware of the destructive trends in the market and that he thought of mechanisms to mitigate them.

The next question that emerges from this problem is: given that Hegel thought of a set of integrative institutions that face the market, would he be an anti-capitalist? Now, if he thinks that market societies are constitutive of the modern world, the answer is obviously no (Ritter 1994). However, some new interpreters have made a decisive distinction: market societies cannot simply be identified with capitalism as such - a theme that has already appeared in Karl Polanyi's studies (Polanyi 2012, 49). The interest in the universal is what would define Hegel's philosophy and making capitalism a legitimate achievement would go against the spirit of that same philosophy. It is possible to trace this idea to Hegel even in his most youthful writings: "(...) [die Staatsgewalt] sie ist die allgemeine Übersicht; - der Einzelne ist nur eins Einzelne vergraben" (Hegel 1987, 224). This interpretation can be attributed to some extent to Michael Thompson:

Hegel was not against markets, or the idea of a market economy. Rather, he was critical of the tendency for the sphere of market social relations colonizing the higher, political and moral purposes of the state and its ability to orient the political community toward universal ends. (Thompson 2013, 45).

In other words, capitalism would be defined as pervading the spheres of social life and contaminating them with its logic of commodification of social relations. Now, if capitalism can be defined in this way, it is possible to say that Hegel is on guard precisely against this type of social trend.

This is most visible in historical terms. In his writing on *Reformbill* (Hegel 2004), Hegel is quite explicit in classifying England as the place par excellence in which the private sphere was hypertrophied, which in turn produced several consequences for political institutions. What gives rise to writing is the reform project that aims to expand electoral participation. Since the Middle Ages the voting map has not been updated, so there was a disproportionate representation of small cities and less representation of large cities (Droz 1974, 138). Hegel is opposed to this project on several levels - this opposition was quite misunderstood by several commentators (Rosenzweig, 2008; Habermas 2011). Hegel's point is that democracy cannot be sustained, insofar as, in his view, it is nothing

more than a mere aggregate of individuals; at the same time, Hegel condemns the English social structure because it falls too short of modern principles, being unable to institute material rights, does not alter the privileges of the lordly class (such as the right to hunt, which allowed arbitrary invasion of peasant lands), nor can it firmly command political transitions (England lacks a strong monarchy). The addiction is such that the positions within the parliament are the object of buying and selling, either through formal payment or bribery (Hegel 2004, 236). This is the extreme degree of colonization of market relations over other ethical spheres. The relationship between this conjunctural diagnosis by Hegel and his view of capitalism is well underlined by Thompson:

Capitalism manifests a path of socialization when its effects on the totality of social institutions are significant enough to disable the capacity of ethical life for be acclimated with the rational reasons of the universal in all forms of social life. Ethical life no longer incorporates universality and no longer communicates it to social members. (...) Hegel points to places where such pathologies, or perhaps deficiencies, exist in his own time. The social and economic development of England which he sees as problematic because civil society developed at the expense of the rational state, the maximum incorporation of the universal in the Hegel system. (Thompson 2004, 124-125).

The problem with this is that situations of extreme inequality end up violating the principles of recognition that govern Hegel's social theory. In other words, we are faced with a configuration in which that concept of freedom that we outlined at the beginning of this text is largely corrupted: in the face of otherness, the minimum standards of identification are not found, but purely and simply strangeness and asymmetry. An additional problem is: if Hegel was aware of these difficulties, as he seemed to be, how could he give his theory a minimally descriptive sense?

The question of Hegel's relationship with capitalism requires understanding the meaning in which Hegel's discourse is elaborated. Hegel's frequent negative mentions of England and France are interspersed with praise for Germany. This is not about Prussianism, a myth removed by classical interpreters (Taylor 2014; Weil 2011). Hegel thinks of Germany as a more secularized and healthy development model, with separation of Church and State, suppression of harmful institutions, in short, changes that were presided over by political and social reforms (Hegel 1989b, 526-527). Therefore, it is a question of marking that the trends of the modern world expressed by French terrorism or by English privatism found good resolution in Germany. In this sense, Hegel is close to a position that needs to be carefully characterized by a particular historical un-

derstanding of the different models of development. It could not be otherwise: to take *Philosophy of Right* into a world or European political macro-theory is to obliterate the way that the spirit develops in different and unequal ways in different peoples, something that is quite evident when confronting Hegel's theoretical texts with those more conjunctural.

This is a question about the correct or most fruitful way of understanding Hegelian discourse. Another question is whether his *Philosophy of Right* presents what we can call a "normative nucleus" that would offer us standards capable of evaluating institutional developments that would not be corrupted by market logic - by capitalism. This normative nucleus seems to me to reside in his theory of social integration present in *Polizei* and in the corporation. In both cases, Hegel is concerned with stopping the disruptive and corrosive movement of market relations. That is, mediation institutions that aim to placate the most destructive dynamics in the market.

In this sense, Geoff Mann traced a powerful relationship between Hegel and Keynes: "Keynes is our Hegel" (Mann 2017, 36). Mann's idea is that both thinkers conceptualized the scope of civil society in a very similar way and made efforts to prevent market relations from pervading other dimensions of social life, while realizing that they are like the fate of our own time. According to Mann:

The fulcrum of the Keynesian critique is what Hegel called civil society - *bürgerliche Gesellschaft* - not a 'community' (*Gemeinschaft*), but an increasingly urban, commercial 'society' (*Gesellschaft*) of modern individuals and firms, bourgeois (*bürgerliche*) by definition. Indeed, Keynes's theory of liberal civil society is essentially hegelian: what he called 'modern communities' are animated by a sphere of self-interested particularity, riven with contradictions eventually bound, without adequate administrative or ideological attention, to render it inoperable. In its very movement it produces the potential seeds of its own destruction. (Mann 2017, 44).

This would be a very similar way of understanding their diagnosis. According to Mann, in addition to a specific economic policy technique, keynesianism must be understood as a general understanding of modern society and its self-destructive tendencies. Hence, he can suggest, in a deliberately anachronistic way, that Hegel was the first keynesian. Furthermore, similarly to Hegel, Keynes even wrote about corporations. According to him, they would be intermediate forms of government (which is certainly in the spirit of Hegel's text) that would be important in England at the time (Keynes 1984, 121).

Thus, I would like to suggest the idea that Hegel anticipates to, a large extent, criticisms of capitalism, which in general was often obliterated by Marx's radical and systematic criticism (Marx 2013). This criticism was a consequence of his

original concept of bourgeois civil society, whose description is itself critical. In a word, this critical orientation follows from dialectics, generally understood as the negative moment of everything that exists. It is worth mentioning, however, that it is not a “overcoming” criticism, which would supplant capitalism, but rather a “corrective” criticism, which would encompass the moment of particularity and frame it in a higher unit (Müller 1996, 84).

The rabble is one of the results of capitalism, understood as this maximum participation of particularist criteria in broad spheres of unregulated social fabric. The effort of Hegel’s thought consisted in guaranteeing autonomy, personal and company freedom, new characteristics and, despite its dissolutive character, fundamental to the modern world in its new ethic; however, its merit was, in the same set of formulations, to note that this dimension of unimpeded freedom would lead to chaotic events of all kinds. The essence of his effort is to have realized the destructive character of capitalism while having conceived social structures that aim to calm this process of erosion of the social fabric, with special emphasis on the corporation and *Polizei*. Hegel’s diagnosis remains largely relevant. Wolfgang Streeck in his book *Gekaufte Zeit*, analyzing the transformations that the Welfare State went through, recalls how one of the exponents of hyperliberalism, Alan Greenspan, celebrates that the political decisions of the modern world are entirely in the hands of the market (Streeck 2013, 136). Streeck defines the Welfare State in almost Hegelian language, as the maintainer of balance between different institutions (Streeck 2013, 171-172). This diagnosis is the same as that of Hegel. “Updating” Hegel is a task too pretentious for the limits of this text. However, it is possible to say that the deregulation of the market, the loss of the public spirit of political activities, and the enlargement of the private sphere are themes that can still be considered according to the concepts that Hegel established.

It is unlikely that Hegel would recognize his concept of fully realized freedom in the contemporary world, but his philosophy certainly allows us to think of a critique of capitalism that is not to be confused with adherence to revolutionary experiences, but neither conformed to the capitalist horizon. This productive and difficult tension is where Hegel’s philosophy lies.

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## INDIVIDUALITY AND THE CONTRADICTIONS OF NEOCAPITALISM

### Abstract

*This article takes an approach that the author proposes to call “methodological relationism”, as distinct from methodological individualism such as holism. Such an approach considers social relations as primary realities and individuals and collective institutions as secondary realities, that is, as specific crystallizations of social relations. In the history of sociology, these social relations have been apprehended in a variety of ways. In this article, both ‘individuality’ and ‘capitalism’ are considered to be historical crystallizations of social relations. Capitalism is understood merely as one of the principal tendencies which condition social formations. This article is above all theoretical and programmatic. It addresses the Marxist analysis of capitalism, giving a more important place to the individual, and also focuses on the specificities of neocapitalism. To conclude, the author discusses the social effects on individuality and the means of individuality’s resistance which the contradictions of neocapitalism tend to generate.*

**Keywords:** *social relationships, individuality, capitalism, Karl Marx, methodological relationism*

### Introduction

Capitalism has traditionally been characterized in Marxist theory by the capital/labor contradiction backed by private ownership of the means of production. Marx also, as we will see, pointed to the place of individuality, but it is a dimension that “Marxism”, as a socio-historical construction, compared to the political and intellectual dimensions, has tended to repress. We can even hypothesize that what will be called the capital/individuality contradiction is exacerbated within neocapitalism.

This article will be inscribed within *methodological relationalism*, distinct from methodological individualism as well as holism. Recall that, schematically, methodological individualism analyzes collective forms as an aggregation of individual actions. Conversely, methodological holism starts from the “whole”

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of “society” to account for the behavior of individual units. But these two limit positions express two possibilities in a logical space, but are rarely expressed in a systematic and exclusive way in concrete research. Thus, François Héran was able to show that Emile Durkheim’s holism was somewhat cracked by a logic more open to the social work of individuals and groups (Héran 1984). And one could show that, in a series of works carried out by Raymond Boudon (Boudon 1989; Boudon 1991), social relationships are more at stake than a strict aggregation of individual actions, such as is claimed in its epistemological professions of faith. (Boudon 1986). The most frequent axis of the most stimulating sociological analyzes would therefore be neither completely holistic nor completely individualistic. This is why I propose to speak of *methodological relationalism*. This axis would constitute *social relations* as primary realities, then characterizing individuals and collective institutions as secondary realities, specific crystallizations of social relations. These social relations have been understood in the history of sociology in a variety of ways: “social relations” in Karl Marx, “reciprocal action” in Georg Simmel, dynamics of “imitation” in Gabriel Tarde, “interdependencies” in Norbert Elias, “interactions” in Erving Goffman, “fields” as relations systems in Pierre Bourdieu, etc.

In the context of this text, both “individuality” and “capitalism” will therefore be considered as historical crystallizations of social relations. As far as capitalism is concerned, instead of considering it as “the last instance” of contemporary social formations within the framework of a systemic Marxist view, I will only apprehend it as one of the main *tendencies* working on these social formations.

This article will have an especially theoretical and programmatic tone. There will be three stages: the first will return to the Marxian analysis of capitalism, by upgrading the place of individuality; the second will focus on the specifics of neocapitalism; and the third will be explore the social effects on individuality and the resistance of individuality that tend to generate the contradictions of neocapitalism. My remarks will necessarily be synthetic.

## **1. Social Criticism and Individualist Criticism of Capitalism in Marx**

I will start by showing that an analysis of two major contradictions of capitalism can be identified in Karl Marx: the capital/labor contradiction and the capital/individuality contradiction.

### **1.1. The capital/labor contradiction**

Let us recall schematically: capitalism constitutes for Karl Marx a socio-economic system organized around the capital/labor contradiction. It is guided by a logic of capital accumulation, within the framework of the private ownership

of the means of production, fed by a mechanism of exploitation of the holders of their only labor power (“the proletarians” or the employees) by the owners of the means of production (the capitalists). For Karl Marx it is not a question of the relationship between such a singular capitalist and such a singular employee, but of a general process which concerns the capitalists in general and the employees in general: “it is not a question here of *people*, only as much as they are the *personification of economic categories, the supports of interests and determined class relationships*”. (Marx 1965, 550) Capitalist exploitation is therefore part of a global social relationship, a relationship of domination between classes. What Karl Marx calls “class struggle” consists in the process of politicization of the capital/labor contradiction. It is this critique of capitalism that has been privileged by the Karl Marxist tradition. In *The New Spirit of Capitalism*, Luc Boltanski and Ève Chiapello describe this criticism of Karl Marxian and Karl Marxist of capitalism as “social criticism” because it identifies capitalism as “a source of *misery* among workers and of *inequalities*” (Boltanski and Chiapello 1999, 82-83).

## 1.2. The contradiction between capital and individuality

But this is not the only type of criticism of capitalism that can be seen in Karl Marx. Against the “collectivist” readings of many “Karl Marxists”, one can thus discover a Karl Marx for an “individualist” part. In any case, this has been highlighted in different directions by authors like the phenomenologist philosopher Michel Henry (Henry 1976; Henry 2006), the anthropologist Louis Dumont (Dumont 1977) or the political scientist Jon Elster (Elster 1989). This individualism of Karl Marx drew diagrams from two intellectual traditions for an antagonistic part: 1) the individualistic rationalism of modernity and Enlightenment, on which Louis Dumont (Dumont, 1977) held on, and 2) “romantic exaltation of subjectivity” reacting to modernity, analyzed by Michael Löwy and Robert Sayre (Löwy and Sayre 1992). We can thus identify an individualist-subjectivist thread in Karl Marx (highlighted, in different theoretical frameworks, by Michel Henry, Louis Dumont and Jon Elster), as a holistic thread (often highlighted by the “Karl Marxists”), but I will favor a third thread: *relational individualism* (Corcuff 2003a). In many passages of his work, Karl Marx appears to be attached to a thought of intersubjectivity more than of subjectivity alone, of interindividuality more than of individuality alone. The thread of Karl Marxian intersubjectivity is a subjectivity reinserted and worked in and through social relationships (face-to-face interactions with more general institutions and social structures). This is, for example, the case in the 6<sup>th</sup> *Thesis on Feuerbach*: “the human essence is not an abstract thing, inherent in the isolated individual. It is,

in its reality, the whole of social relations” (Marx 1982, 1032). I will then focus on the individualist critique of capitalism in Karl Marx, in a youth work, *the Manuscripts of 1844* (Marx 1968), and in a later text, Book 1 of *Capital* (Marx 1965a, 550).

I will take a look here at “anthropology” in the philosophical sense of *a priori* conception of the properties of humans and the human condition nourishing models of social analysis. It is in particular in relation to a philosophical anthropology of “the complete man” that Karl Marx criticizes the world as it is “divided”, that is to say from an ideal vision of humanity within which infinite potentials should be able to be developed. In the *Manuscripts of 1844*, against the “fragmentation” of man in the merchant universe, that is to say a world which tends to be dominated by merchandise and money, Karl Marx has in mind the emancipation of individuality. “Each of his human relationships with the world, seeing, hearing, feeling, tasting, touching, thinking, contemplating, wanting, acting, loving, in short all the acts of his individuality”, he writes in the logic of a sensualist anthropology (82-83). The reign of money would then impose the unique measure of the merchandise on the immeasurable singularity of the senses and the creative capacities of each individual being: “In place of all physical and intellectual senses, pure and simple alienation of the senses has appeared, the sense of having,” he adds (83). It should be noted, without being able to develop, that Karl Marx, in the same text, advances a similar criticism of what he calls “vulgar communism”; collectivist and egalitarian vision of communism.

In a convergent way, also nourished by an anthropology of “the complete man”, Karl Marx describes, in book 1 of *Capital*, the individual mistreated by capitalism as “limited” and “incomplete” (890), through the division of labor appropriate for the capitalist factory. Hence the observation that capitalism would be a fantastic machinery for increasing collective means, but at the cost of the regression of individual potentialities: “In manufacturing, the enrichment of the collective worker, and subsequently of capital, in social productive forces conditions the impoverishment of the worker in individual productive forces” (905). The critique of capitalism, from the double angle of human “inauthenticity” and of the “oppression” of the autonomy and creativity of the individuals of which it would be the bearer, is called by Boltanski and Ève Chiapello “artist critique” (Boltanski and Chiapello 1999). I prefer to call it *individualist criticism* by refocusing it, as has been done with social criticism, on its main object: individuality.

Karl Marx was therefore not only an observer of the development of industrial society, of its misery and its inequalities, as manifested in its social criticism of capitalism. He also witnessed the modern process of individualization at work in Western societies, which began in the Renaissance and accelerated in the Age

of Enlightenment. His individualist critique of capitalism bears witness to this. There would therefore be another contradiction of capitalism suggested by Karl Marx, alongside and in relation to the capital/labor contradiction: *the capital/individuality contradiction*. How do we formulate this contradiction? Capitalism would participate with the dynamics of market individualism, in interaction with other social logics (emergence and consolidation of intimacy, the logic of democratic individualism endowing the individual with rights, etc.), in a more pushed individualization, and therefore to desires for personal fulfillment, *but* at the same time it would limit and truncate individuality, by merchandisation as much as by the industrial division of labor. This contradiction of individuality has been little politicized by the left and the workers' movement, oriented by a dominant manner of social criticism and "collectivist" approaches. This was, however, the case with libertarian currents, revolutionary syndicalists or, closer to home, situationists. In Karl Marx, social criticism and individualist criticism of capitalism are more juxtaposed than articulated. But, in dotted lines, his analyses are an invitation for such an articulation.

### **1.3. Towards an articulation between social criticism and individualist criticism of capitalism?**

Today, new theoretical resources are advanced to try to articulate social criticism and individualist criticism of capitalism. This is particularly the case with the efforts of the American Nancy Fraser in political philosophy. Nancy Fraser attempts to articulate a theory of redistribution and a theory of recognition (Fraser 2005). The theories of redistribution are better known, ranging from the "revolutionary" tones of the various Karl Marxisms to the more "reformist" orientations of thinkers like John Rawls or Michael Walzer. They aim at a redistribution of resources in a given society, according to a theory of justice. This redistribution can call for a more or less radical transformation of capitalism (hence its more or less "reformist" or "revolutionary" tones).

Theories of recognition need to be further clarified. Starting from Georg W. F. Hegel, the contemporary German philosopher Axel Honneth has placed the question of "recognition" at the heart of his philosophy (Honneth, 2002). From a Hegelian-inspired perspective, "a subject, insofar as he knows himself recognized by another in some of his abilities and qualities [...] always discovers aspects of his own identity, where he distinguishes himself no doubt about other subjects" (26). Axel Honneth therefore poses "a necessary link between self-awareness and intersubjective recognition" (between subjects) (Honneth 1997, 1273). This is why, "the disappearance of these relationships of recognition leads to experiences of contempt and humiliation which cannot be without

consequences for the formation of the identity of the individual”, he explains (Honneth 2004, 133).

Moving on to Nancy Fraser, she puts forward an articulation between the theory of redistribution and the theory of recognition. However, like Luc Boltanski and Ève Chiapello, it highlights that a tension will persist between these two dimensions, referring to autonomous logics which cannot be integrated into a large harmonious whole. On the side of the critique of capitalism (which will be of particular interest to sociologists), this bringing together the two dimensions in a dual critical theory would point to: a) the unfair distribution of wealth or “economic injustice”; and b) cultural domination, non-recognition and contempt or “cultural or symbolic injustice”. The first point corresponds rather to the social critique of capitalism and the second point to the individualist critique of capitalism, but also poses the question of oppressed collective identities (for example, “Basque identity” in Spain and France, the Arab part – Muslim of cultural referents of citizens from Maghrebian immigration in France or homosexual cultures in our societies, which are still largely heteronormative, etc.). However, in what Nancy Fraser calls “recognition”, the individualist component and the “collective identities” component can prove to be antagonistic, which she does not perceive. Because each collective identity (Basque, Arab-Muslim or homosexual) can be presented as exclusive, by closing the person on a single collective axis claiming to replace the logic of individual singularity (Corcuff, 2005). Furthermore, sociologists will note here a reason for dialogue with political philosophy: this helps us in particular to clarify the implicit presuppositions and ethical intuitions which contribute to fuel our criticisms of inequality and domination.

But to what extent is the analysis of the contradiction of individuality brought to move in terms of the current forms taken by capitalism? This is what I will consider in the second part of this text.

## **2. Neocapitalism**

The hypothesis of the emergence of a connectionist neocapitalism from the 1980s revives in a renewed framework the question of the place of individuality in the contradictions of capitalism.

### **2.1. The contradiction between capital and individuality on a global level**

Two books appear particularly useful regarding the approach to this neocapitalism: *The new spirit of capitalism* by Luc Boltanski and Ève Chiapello (1999) and *Empire* by Michael Hardt and Antonio Negri (2000). Both, in the register

of sociology for the first and political theory for the second, interest us at least in two ways:

- a. They propose a global characterization of the current movements of capitalism, in partly convergent terms (by insisting on the use of networks, mobility, flexibility in deterritorialization, in an increasingly globalized and internationalized neocapitalism.
- b. They point to the promotion of individual autonomy in the ongoing re-organization of production systems, inside the company and outside; the “inside” / “outside” border becoming more blurred.

Let us therefore recall the themes of “personal involvement”, the promotion of “personality” and the “skills” of each around “projects”, the new place of the “manager” as a “facilitator” replacing the former “executives” with a more hierarchical logic, the enchantment of “mobility”, even of “nomadism”. This would be, according to Luc Boltanski and Ève Chiapello, a way for neocapitalism to integrate “artistic criticism” sixty-eight in the perspective of reviving the accumulation of capital. Neocapitalism would therefore accentuate the process of Western individualization.

Here too we must understand in greater detail the notion of neocapitalism as an emerging tendency at work in current capitalism, rather than as the main axis of this capitalism. These precautions are important because, being too focused on the new, our four authors appear insufficiently attentive to the plurality of observable reality, including the various combinations of old and new. In his approach to the transformations of Western modernity into a new “reflexive modernity” analyzed through the paradigm of “the risk society”, the German sociologist Ulrich Beck takes part in the analyzes insisting on the growing place taken by individualization in contemporary capitalism. Thus, for Ulrich Beck, “in all the wealthy industrialized western countries [...] during the modernization process of the welfare state which followed the Second World War, there was a *social push in the individualization* of an unprecedented scale and intensity” (Beck 2001, 158).

At a global level, we could thus formulate the activation of the capital/individuality contradiction in neocapitalism: through both the new productive devices and mass consumption, neocapitalism further excites the desires of individuality (desires of personal autonomy, creativity, uniqueness, recognition, etc.). But he can only respond to it in a limited, truncated manner: 1) by the hegemony of a commercial definition of individuality, which leaves aside aspects of individuality that cannot be achieved in a market; and 2) by maintaining strong social inequalities and a certain hierarchy of social roles – even if it is less fragmented than in Taylor’s work organization. To illustrate this gener-

al contradiction, Ulrich Beck takes the example of television: “Television both individualizes and standardizes” (285). However, we should be more cautious than Ulrich Beck on the degree of standardization involved, because he thus apprehends social processes, in the tradition of the critical theory of “the Frankfurt School”, in a logic that is too homogeneous, underestimating contradictions and possibilities of resistance. The work of sociologists on laboring on Taylorized assembly lines or those of television reception studies highlight the margins of appropriation, personalized or collective, in the most standardized situations on the side of the designers of the devices. From the global capital/individuality contradiction, we can hypothesize that the gap between the desires of individuality valued by neocapitalism and what is effectively accessible presents itself as a structural condition for the possibility of the development of disappointments, frustrations and resentments.

## 2.2. Some specific aspects of the capital/individuality contradiction

The capital/individuality contradiction in neocapitalism, understood for the moment at a global level, may reveal more specific aspects.

*First specific aspect:* Ulrich Beck noted that individualization, which had emancipatory effects compared to “traditional” shackles, revealed a “flip side”. Gradually on the job market, in friendly or romantic relationships, etc. difficulties and failures are referred to as “*individual responsibilities*” and therefore to “personal failures”, which can lead to “*the way of the cross of self-esteem*” (202). We converge here with Alain Ehrenberg’s observations on the pathologies of contemporary individualism and what he calls “the fatigue of being oneself” (Ehrenberg 1998).

*Another specific aspect* of the global capital/individuality contradiction in neocapitalism concerns the tension between the increase in the demand for authenticity and the suspicions of authenticity, analyzed by Luc Boltanski and Ève Chiapello. The neocapitalist individualization pushes the need for authenticity, in the field of production (the quest for more “authentic” professional relationships) and consumption (the search for a more “authentic” tone of the products consumed). However, what Luc Boltanski and Ève Chiapello call “the merchandisation of difference” (533) weighs on market claims to the authenticity of suspicions of inauthenticity, the two sociologists speak of the “return of worry”. In addition, in the reorganized productive systems, there is a tendency, they write, to “the blurring of the distinction between disinterested relationships, hitherto considered to be in the area of personal emotional life, and the professional relationships that could be placed under the sign of interest” (552). Here again, however, there is suspicion as to “the strategic use of relationships”,

or even as to “manipulations”, such as the very wavering between what concerns the self-interested and the selfless for himself. What would be particularly creator of “trouble” (553).

A *third specific aspect* of the global capital/individuality contradiction within neocapitalism was noted by Michael Hardt and Antonio Negri. The peculiarity of *Empire’s* analysis in relation to *the New Spirit of Capitalism*, from the point of view of the evolution of capitalism, consists in emphasizing the central place that “immaterial work” would take in the productive process of our societies; this immaterial work being defined as “work which produces a non-material good such as service, cultural product, knowledge and communication” (355). Here too, we should rather consider the place of “immaterial work” as only *trend* in neocapitalism, in relation to other tendencies, but not as a hegemonic dynamic. In their second book entitled *Multitude*, Michael Hardt and Antonio Negri then note in connection with “immaterial work”: “performativity, communication and collaboration have become fundamental characteristics of postfordism and the paradigm of immaterial production” (Hardt and Negri 2004, 238). In short, one would find at the heart of the production process “the creative faculties of the productive subject” and their collaborative dynamics. This dimension, more and more present in the consciousness of workers, as valued by neocapitalism, would contradict private ownership of the means of production and the private appropriation of the products of common work. The ideal of the creative individuality of Karl Marx would be more and more objectified in the productive universe itself and its development on cooperative bases, against the narrowly private frameworks of capitalism, would be likely to appear in the eyes of the workers as less “Utopian” and more practically achievable. But remember, by moving away from the temptation to hasty generalization active in Michael Hardt and Antonio Negri, that it is only one of the dimensions of contemporary productive universes.

### **2.3. The articulation between social criticism and individualist criticism of neocapitalism**

After having shed light on certain specificities of the contradiction of individuality in neocapitalism, we can begin to consider the ways in which this individualist critique of neocapitalism could be articulated as a social critique.

We can first try to identify interactions between the capital/labor contradiction, and the inequalities it generates, and the capital/individual contradiction, and frustrations like the need for recognition that it activates, within neocapitalism. At this crossroads, we find the theme of “the individualization of social inequality” advanced by Ulrich Beck (2001), and pursued by François Dubet

(2004), Jean-Claude Kaufmann (2004) or Bernard Lahire (2004). That is to say that, on the one hand at an objectified level, in our more differentiated and individualized societies, each individual is the increasingly singular receptacle of a diversity of inequalities of resources; and, on the other hand on a subjective level, these inequalities are experienced more and more in an individualizing way. Jean-Claude Kaufmann puts forward the hypothesis of “social reformulated by identity”. For him then emerges “a new space of inequalities”: “that of the representation of oneself, the images and the emotions that it conveys” (201). This new unequal space appears at the same time fueled by classic social inequalities, carrying “material suffering”, but also acquires an autonomous dynamic, “opening an abyss of psychological suffering”.

The new unequal space, specifies Jean-Claude Kaufmann, “does not erase the manifestations of material misery”, but “it passes them to the filter of the identity process” (202). For Ulrich Beck, individualization, a stakeholder in the “risk paradigm”, would historically replace the class paradigm put forward by Karl Marxist analysis. The available observations do not seem to gain much understanding if one adopts such an evolutionary scheme, characterizing the “evolution” of societies around a main axis. Why not think about the respective autonomy and the interactions between these two main logics? It is rather in this direction that converge, with distinct tools, François Dubet, Jean-Claude Kaufmann or Bernard Lahire.

In the wake of Durkheim, Robert Castel was interested in another bridge between social criticism and individualist criticism. In *Private property, social property, property of oneself*, Robert Castel thus oriented our gaze on “social supports” (state guarantees, legal rules, salary status, social protection, etc.) of modern individuality (Castel 2001). To exist independently, the modern individual would have historically required the strengthening of such “supports”. However, the neoliberal counter-reforms which, since the beginning of the 1980s, have participated in the emergence of globalized neocapitalism are eroding the social supports of individual autonomy, by destabilizing the social state. We can therefore sketch here an articulation between individualist criticism and social criticism of the neoliberal course of capitalism.

Finally, we will find another possible passage between social criticism and individualist criticism of neocapitalism in Luc Boltanski and Ève Chiapello. They renew the social criticism of capitalism by pointing, alongside the capital/labor contradiction, to another emerging exploitation relationship: the connectionist exploitation of the “immobile” by “the mobile” (444-461). From this perspective, “the immobility of some is the condition of the profits that others derive from their ability to move” (448). This hypothesis has the advantage of

reinserting the observations made since the 1980s on “exclusion” in a theory of exploitation. The analysis of this new mode of exploitation is at the crossroads of a social critique and an individualist critique of neocapitalism, because it highlights both a mechanism for producing inequalities of resources *and* possibilities structurally differential from valorization of individual capacities of each.

I will pass, in the third and last step of this article, to the social effects and resistances roused by the capital/individuality contradiction within neocapitalism.

### **3. Relative Frustrations, Resentments, Recognition, Work of the Imagination**

The notion of “contradiction of capitalism” must be considered as drawing a global framework for analysis, pointing out both constraints and conditions of possibility. We understand this notion from the angle of what Anthony Giddens called “the duality of the structural”: “the structural is always both constraining and enabling”, he specifies in his theory of structuring (Giddens 1987, 226). But these constraints and conditions of possibility are activated or neutralized, depending on specific historical conjunctures, the history of socio-political conflicts (and the institutions that take part in them) or even the individual journeys of people. Let us therefore take each contradiction of capitalism as a global framework defining a space of the probable; a space of the probable which, from a constructivist perspective, is the product of a story and is affected by the individual and collective logics of action. It is in relation to this global framework that we will now glimpse at what is happening on the side of individual subjectivities like political struggles. In this dialectic between global framework and activity of the actors, we converge with the model sketched by Karl Marx in *The Eighteenth Brumaire of Louis Napoleon* (1852): “Men make their own history, but they do not willingly, in freely chosen circumstances; on the contrary, they find them ready-made, given, heritage of the past” (Marx 1994, 437).

#### **3.1. Relative frustrations and resentments**

The classical angle of analysis known as *relative frustrations*, from James C. Davies (1978) to Raymond Boudon (1989) and Pierre Bourdieu (1979, in particular 157-176), will be useful for us to apprehend certain social effects of the contradiction of individuality. Karl Marx has one of the intellectual origins of this type of approach. He thus indicates in the brochure *Labor and Capital* (1849): “Our needs and our enjoyments have their source in society; measurement is therefore found in society, and not in the objects of their satisfaction. Being of social origin, our needs are relative by nature” (Marx 1965b, 217). More specifically, the concept of relative frustration targets a state of tension that is

expected to meet satisfaction but is refused; hence dissatisfaction constituting a potential for discontent and collective action. Frustration appears to *relate to* expectations as they are formed within a given socio-historical framework. In *The misery of the world*, Bourdieu is interested in a type of relative frustrations that neoliberal logic would tend to accentuate: what he calls “*position misery*, relative to the point of view of the one who experiences it”, in the experience of a “relative humiliation”, which he distinguishes from “the great misery of condition” (Bourdieu 1993, 11). Neoliberalized society would then see “an unprecedented development of all forms of little misery”, whose book offers a qualitative overview through a series of interviews.

Relative frustration can lead to resentment. It's Nietzsche that allows us to best approach this type of socially constituted feeling. Gilles Deleuze's comments even trace the lines of an ideal type of resentment usable by sociologists: “The man of resentment is by itself a painful being: sclerosis or the hardening of his consciousness, the speed with which all excitement freezes and freezes in him, the weight of the traces which invade him are so many cruel sufferings. [...] The most striking thing in the man of resentment is not his wickedness, but [...] his depreciative capacity. [...] We guess what the creature of resentment wants: it wants others to be mean, it needs others to be mean to be able to feel good. *You are bad, so I am good ...*” (Deleuze 1962, 133-136). In a sociological framework, such an ideal type does not have to be used as a supposed “invariant of human nature”, but as a tool of comparison within precise socio-historical contexts.

This logic of resentment would be particularly activated in our individualized societies, if we believe Jean-Claude Kaufmann, in the dynamics of tensions generated by the new space of symbolic inequalities. The latter writes thus: “in a world ravaged by interindividual competition and the structural deficit of recognition, this is often only obtained by denigrating others [...] *I exist because another is bad*” (Kaufmann 2004, 292). Politically, this can help feed the most regressive forms like the far right. I thus proposed a socio-political framework for constructivist analysis of the conflict of social cleavages in France since the early 1980s, confronting a “cleavage of social justice” (built around inequality of resources), weakened, and a more dynamic “national-racial divide” (focusing on the French/foreign dichotomy in the sense of “ethnic” appearances) (Corcuff 2003b). Part of the food of the political conversion machine constituted by the National Front would be composed of a variety of more or less ethnicized resentments. But the frustration/resentment part would only shed light on one side of the recognition issue.

### 3.2. Recognition and work of the imagination

The problem of recognition, which can serve as a point of support for an individualist critique of capitalism, is not characterized solely by the dissatisfaction of non-recognition. It presupposes the existence of “deeply rooted expectations of recognition”, in the words of Axel Honneth (Honneth 2002, 195). As sociologists, we will once again consider that these expectations are not “invariant data of human nature”, but socio-historical constructs. These expectations, or even these aspirations, have to do with the notion of imagination; in the sense that an ideal state of recognition can be worked in the imaginations of our contemporaries, by serving as a benchmark for the present dissatisfactions.

The notion of imagination has been particularly explored, at the crossroads of philosophy, social sciences and psychoanalysis, by Cornelius Castoriadis (Castoriadis 1975). At the first level of the most common meanings of the word, he tells us, the imaginary refers to “something” invented “– whether it is an” absolute “invention” (“a story imagined from scratch”), or a shift, a displacement of meaning, where symbols already available are invested with other meanings than their “normal” or “canonical” meanings (“what are you going to imagine there” says the woman to the man who recriminates on a smile exchanged by her with a third party)” (190). The imaginary would then be endowed, for Cornelius Castoriadis, with a creative power, and not only with a reproductive function. I will leave aside the properly ontological position of Cornélius Castoriadis – the imaginary conceived as one of the deepest strata of individual psyches – to keep only, in a sociological logic, only the idea of a creativity manifesting a certain symbolic autonomy, but without being immune to the effects of domination. Like Annie Collovald and Erik Neveu, in a recent work on the reception of detective novels, I will see “in the imagination a common experience like any other which contributes to self-formation” (Collovald and Neveu 2004, 269).

We find traces of this imaginary work in our contemporaries in some sociological works. For example, in the study just quoted from Annie Collovald and Erik Neveu, the case of some melancholy readers of crime fiction is particularly interesting. These are readers who were once politically engaged, but disengaged afterward. However, these authors note that “despite their disengagement, these readers save a part of themselves and their youthful ideals”; the work of the imagination enabled by the reading of thrillers appearing as “a means also to reduce the distance between their past utopias and their current life” (Collovald and Neveu 2004, 290). Another example: the Beatles “fans” studied by Christian Le Bart. We thus hear from these “fans” phrases like “*They have sunny consumer society*”, “*They represent the best in an increasingly rotten world*” or “*The world would be much less bearable without the Beatles*” (Le Bart 2000, 159). As far as

my own research work is concerned, the imaginary activity of viewers of the American television series *Ally McBeal* helped to guide a reception survey being processed (Corcuff 2006).

These imaginations can be understood in an ambivalent relation to the neocapitalist norms of individuality that is to say to the logic of production of individuality under the domination of social market norms not chosen by the individual. The recent work of the philosopher Mathieu Potte-Bonneville on Michel Foucault provides us here with useful guides (Potte-Bonneville 2004). He sketches stimulating connections between the critical Foucault of oppressive social norms (from *History of madness* in the classical age of 1961 to *Monitor and punish* of 1975) and the philosopher Foucault of “subjectivation” and an ethics of the self (notably in *The Self-care*, 1984), by giving Foucauldian subjectivity a “character both free and linked” towards binding social norms (228). Michel Foucault himself speaks in *The Self-care* “an original response in the form of a new stylistics of existence” in the face of social norms (Foucault 1984, 97). However, the “answer to” is not the only “determination by”, without abolishing the social constraint. One can thus conceive of the work of the imaginary as “a response to” the norms of market individualism; response that tends to go beyond a strictly commercial definition of individuality. This imagination is certainly fabricated with social constraints (and in particular with social stereotypes), but also opens up a space of symbolic autonomy whose vocabulary of “social determinations” is poorly understood.

We will then make the hypothesis that the imaginations of our contemporaries, stimulated by neocapitalist norms of individualization, work in particular desires from *elsewhere* and *everything else*, which critically nourish dissatisfaction with the market conception of individuality. They would thus be potentially politicizable by an anti-capitalism which would reactivate a renewed figure of the individualist critique of capitalism converging with its social critique. One of the possible locations for this politicization is the alter-globalization galaxy. The inertia of categories of thought marked by the historical hegemony of social criticism, and by the corresponding devaluation of individualist criticism, on many social movements could hinder this politicization.

## Conclusion

I will quickly finish this synthetic and programmatic course by trying to place it theoretically in a larger whole

- 1) The scheme should be made more complex by not only focusing on the capitalist (and neocapitalist) tendency of our social formations, but taking into account a variety of autonomous and interacting modes of domination

(including male domination), not functionally combining into “a system”. This complexification is part of a “post-Karl Marxist” sociology opened by Pierre Bourdieu. (Corcuff 2006)

2) This article is part of the development of a general theory of contemporary individualism establishing connections between different components: sociological theory, empirical sociology, philosophical anthropologies (Corcuff 2005) and political philosophy in particular. (Corcuff, Ion, and Singley 2005)

My journey as an artisan of intellectual work, however, distanced me from the theoretical “systems” buckled up with totalizing pretensions (like “Karl Marxism”) to orient myself more in an exploratory dynamic, testing connections between different fields of interrogation. However, in this lacunar constellation in movement, the result each time provisional does not appear as a “whole” closed in on itself. The *theoretical Gruyère* that I propose as an approach (with a lot of holes) may seem less attractive than the beautiful architecture of large systematic constructions, or, on the contrary, too globalizing compared to the modesty of our verified and verifiable knowledge. It simply has the advantage of not abandoning the concern for the global, without giving up on the uncontrolled charms of the total.

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## THE FIVE OPPORTUNITIES OF THE COVID-19 BIO-ECONOMIC PANDEMIC

### Abstract

*The COVID-19 bio-economic pandemic is a threat to the livelihoods of hundreds of millions of workers around the world. Workers are on the frontlines of the health crisis, risking infecting themselves and their relatives; global mass unemployment is rising and creating a crisis in food sovereignty; and ongoing and future austerity measures put the social security systems which the working classes depend upon in jeopardy. At the same time, the crisis also offers opportunities for a more democratic society of social and climate justice. While the inherent dangers of the pandemic have drawn significant scholarly research, these opportunities are often missed. This paper therefore identifies five opportunities of the COVID-19 bio-economic pandemic and hints at strategic ways in which these opportunities may be realized.*

**Keywords:** *Coronavirus Crisis, Capitalism, Industrial and Labour Relations, Democracy, Strategy*

### Introduction

During the capitalist crisis that began in 2008, left-wing observers never tired of pointing out that, when translated into English, the two Chinese symbols for the word “crisis” meant “danger” but also “opportunity”. It goes back to a quote from former U.S. president John F. Kennedy who used it on the campaign trail in 1959 and 1960. “The Chinese,” the assassinated head of state said, “use two brush strokes to write the word ‘crisis.’ One brush stroke stands for danger; the other for opportunity. In a crisis, be aware of the danger – but recognize the opportunity.” Recently, it has been pointed out that this has been a misperception, since the second symbol rather means “turning point” (Mair 2009). Also, in medical terms, a crisis is precisely that critical moment when it is decided whether the patient will die or survive. Nevertheless, it is a historical truism that the big structural changes in history were the result of deep societal crises which prohibited business-as-usual, such as economic crises and war. Oftentimes the

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opposition against the fallout of the crisis was absorbed and helped modernize and existing social power structure in a process which the Italian theorist Antonio Gramsci has called “trasformismo” (see for example the American case in Solty 2015).

The current COVID-19 pandemic is both an economic and medical crisis (Solty 2020a). To be more precise, it is a stress test of the health systems in the OECD countries – and the economic order to which they are subject. In recent decades, they have reduced hospital bed numbers by half – despite their aging populations. The average number of beds per 1,000 population has fallen from 8.7 in the 1970s to 4.7 in 2015: recent figures are even worse for Italy at 3.18, the United States at 2.77, and the UK at 2.54 (Böhlke et. al. 2009). These are the traces of not just ten years of austerity, but more than four decades of neoliberalism (Solty 2020a).

The 2008 crisis soon became much more danger than opportunity, for the mass of working people at least. There were cuts in pensions and in the health system, public hiring freezes, reductions in minimum wages (Oberndorfer 2015; Kennedy 2018), and the erosion of collective bargaining agreements in Southern Europe (Schulten and Müller 2013). This was all done in the name of restoring competitiveness, as well as reducing public debt – which had only become a problem after the bank bailouts (Solty 2019).

So, what of today’s crisis? The dangers are obvious. In contrast to what some observers have suggested (Herrmann 2020), neoliberalism is not dead simply because balanced budget amendments are temporarily suspended, governments are now expanding massively in fiscal terms, and even nationalizations have been brought into play. Governments already did all of that in 2008. As president George W. Bush announced right at the end of his presidency: “The government intervention is not a government takeover. Its purpose is not to weaken the free market. It is to preserve the free market” (quoted in Healy 2008). Two years later, under Obama, the bill for the corporate and bank bailouts was presented to the masses (Solty 2013, 15-71; Solty 2020b).

Today, the powerful are also openly telling the general public what they’re doing. The Trump administration, which legislated the biggest tax cuts for the wealthy and eliminations of public social programs in his first term (see further Solty 2018), already announced that Trump’s second term is going to revolve around balancing the state budget (Brewster 2020). In fact, austerity is already playing itself out in 2020. In 2008, a hidden austerity measure was in place already at the onset of the crisis, due to balanced budget amendments at the state-level (see further Solty 2013, 15-71); in the same way, states introduced harsh austerity measures as soon as the crisis hit. For instance, the state of New

York alone announced \$1.3 billion in budget cuts in education and social services (Marsh & Calder 2020). In the U.S., the total cutback in public sector jobs amounted to 1.3 million by August 2020 (Walsh 2020).

With the socialization of corporate debt already underway, the risk is that the same will happen as after the 2008 crisis. This will, indeed, be the result if organized labor and the Left do not press, in massive numbers, for the protective shield for companies to be linked to the assertion of public control. This would mean the transfer of company shares to the public sector and state financing through measures such as the reintroduction of wealth taxes. In this sense, from the perspective of the working classes, the crisis is most definitely a turning point, and it does present many dangers – but also definite opportunities. I have focused on the dangers in several pieces (Soltz 2020a and 2020b). It is the opportunities that this essay will focus on.

### **1. The Working Class is too Big to Fail!**

The first such opportunity owes to the fact that the COVID-19 crisis shows whose work is really necessary to keep society running – which groups of workers are “too big to fail.” In 2008, it was the big transnational banks which were deemed “too big to fail.”<sup>2</sup> This time it was, for everyone to see, the working class. Internationally, politicians are suddenly applauding the working class: nurses, supermarket cashiers, warehouse workers, logistics workers, garbage collectors. Furthermore, Eastern European farmworkers were even exempted from lockdowns and closed borders and were being flown in to help with harvesting. In Germany alone, 40,000 agricultural laborers came to work for German food sovereignty (Mohr 2020).

Workers have been on the front lines of this crisis, providing for society and endangering themselves and their relatives with infection and death. The families of the professional managerial class have been experiencing firsthand what it means to care for a horde of children in day care facilities, kindergartens, and elementary schools, now that their children were forced to stay home. On the other hand, nobody is missing the suits who work at the stock exchanges, in consulting firms, or in law firms serving large corporations. Those who were made invisible for years – whose job security was allegedly “too rigid” (and in need of “labor market deregulations”), whose wages were supposedly “too high”

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<sup>2</sup> And indeed, they were “too big to fail” insofar as to let them fail, as right-wing libertarians like Ron Paul suggested (Paul 2010), would have caused a global financial meltdown followed by a disastrous downward spiral in economic activity. In other words, because they were truly “too big to fail”, they must also be considered “too big to be private” and in need of socialization (Soltz 2020c, 63-65).

(and needed “internal devaluation”), whose health care needs were deemed “too expensive”, and whose pension claims were too greedy – are suddenly heroes.

This change in discourse is significant, even compared to the post-2008 crisis. As angry care sector workers have criticized (Mayer 2020), it is true: applause does not pay the rent. It is true that international politics has been putting up protective shields especially for corporations and less for workers (see further Solty 2020a). But there is the potential for a new self-confidence and class consciousness of the wage-dependent masses: those who are too big to fail should be paid better! This means, for instance, across-the-board \$15 minimum wages in the United States and €13 minimum wages in Germany; it also means facilitating unionization through card-check procedures and things like the Employee Free Choice Act in the United States and, in Germany, expanding collective bargaining coverage in de-unionized sectors like retail and logistics. There is also space for deeper guarantees, like ensuring that only companies that fall under collective bargaining are awarded government contracts as caregivers, etc.

This is, indeed, something new. The defensive position of the Western labor movement since the neoliberal turn has seen the disappearance of the self-esteem represented in Georg Büchner’s rallying cry, “Workers, wake up and recognize your power! All wheels stand still when your strong arm wants it!” (Deppe 2012).

On the political left, such an understanding has been largely replaced by pity for the working class – a focus on its vulnerability and the ways it is deprived of agency, rather than its central role to all society. Rarely has the Left returned to the language that it is workers who, alongside nature, create all wealth. The lines of the famous U.S. American labor anthem “Solidarity Forever” telling us that “when the union’s inspiration” has grabbed the working-class majority, “there can be no greater power anywhere beneath the sun” – an understanding missing from much leftist discourse. Yet today, we are seeing a new “workers’ pride” – something extremely important! But the working class’s new self-confidence does not emerge as discourse. Rather, it develops through new labor struggles against the unreasonable demands of company owners, especially in the non-essential sectors of the economy.

In Germany, trade unions have been fighting for the involuntary part-time work allowance to be increased to 90 percent of previous net income (instead of the 60 percent granted by the government). Other countries have seen wildcat strikes aimed at stopping unnecessary production and forcing governments to negotiate with unions over sick pay: in Italy, workers went on strike at Fiat, in the steel industry, shipyards, armaments, and aviation; in Spain at Mercedes,

Iveco, and Volkswagen; in the United States at Fiat Chrysler in Sterling Heights (Michigan), Whole Foods, General Electric, and at Amazon in Chicago, New York, and elsewhere (as in many European countries). Bus drivers in Detroit also successfully struck to ensure that no more tickets need be purchased during the pandemic. In Italy, too, poverty riots forced the implementation of a temporary emergency income (see further Solty 2020a). By now, the list of global labor struggles following from the COVID-19 crisis is endless (Grevatt 2020).

## 2. New Forms of Solidarity and New Social-Spatial Experiences

But if we have spoken of workers recognizing their power, crises also create fear and reinforce deep-seated social anxieties. They deepen learned tendencies in every human being's search for the capacity to act. For some, the crisis shows how we have internalized neoliberalism's undoing of social solidarity. Preppers and others who can afford it were hoarding seemingly or actually scarce goods such as toilet paper, respirators, and disinfectants. Individuals such as twenty-four-year-old Timo Klingler from Sandhausen,<sup>3</sup> Germany and thirty-six-year-old Matt Colvin from Chattanooga, Tennessee tried to become millionaires by systematically buying up medical supplies (Nicas 2020). All over the world, people literally have been fighting over toilet paper in supermarkets, and in the German town of Würselen, someone even broke into a car to steal two measly packages of ass-wipes (Keller 2020). Ruthless behavior – what the critical psychologist Klaus Holzkamp called the restrictive capacity to act (Holzkamp 1985, 457-473) – intensifies in subjects who particularly conform to neoliberal values.

Yet even in this context, new forms of solidarity and socialization are also emerging. In Berlin, people in solidarity have opened food collection points for the homeless in public squares; in Montreal, Canada, neighborhoods arranged to sing Leonard Cohen songs together from their balconies and windows (Moore 2020). In the southern German town of Bamberg, they sing the communist partisan song “Bella Ciao” together on the roofs, in solidarity with Italy.<sup>4</sup> And all over the world, socialists also have offered to go shopping or walk pets for their more vulnerable housemates, the elderly, and those with preexisting conditions. Suddenly, we all know our neighbors, and beyond what Nicos Pou-

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<sup>3</sup> See further the anonymously published piece in the German weekly journal Focus: “24-Jähriger aus Sandhausen verdient angeblich Millionen mit Atemschutzmasken,” in: Focus, 14 April 2020, Link: [https://www.focus.de/finanzen/news/pandemie-angst-weltweit-deutscher-verdient-angeblich-millionen-mit-atemschutzmasken\\_id\\_11742658.html](https://www.focus.de/finanzen/news/pandemie-angst-weltweit-deutscher-verdient-angeblich-millionen-mit-atemschutzmasken_id_11742658.html) (last access: 2. September 2020).

<sup>4</sup> “Germans sing Bella Ciao from Rooftops in solidarity with Italy,” In: *The Guardian*, 21 March 2020, [https://www.theguardian.com/world/video/2020/mar/21/germans-sing-from-rooftops-coronavirus-italy-video?CMP=fb\\_gu&utm\\_medium=Social&utm\\_source=Facebook#Echo-box=1584812766](https://www.theguardian.com/world/video/2020/mar/21/germans-sing-from-rooftops-coronavirus-italy-video?CMP=fb_gu&utm_medium=Social&utm_source=Facebook#Echo-box=1584812766) (last access: 14. September 2020)

lantzas (2000: 97) has called the “individualization effect” of permanent worker competition – they experience solidarity in a tangible way.

All these new experiences are not only going to (re-)shape subjectivities, but they also represent an enormous potential for future community organizing and right-to-the-city politics (Brenner, Marcuse & Mayer 2011; Harvey 2012), and the social movement - oriented left should reap these fruits. In part, it is already doing so today. In Germany’s Lower Saxony area, members of the German left Party DIE LINKE have been replacing the public soup kitchens and support systems for the unemployed and other people, half of which shut down when the crisis began (Preker 2020), through structures of their own, thus ensuring food security and filling the vacuum left by the state.

In doing so, they also remind all of us that the revolutions around Europe following World War I were the fruit of workers’ councils that took form to deal with the problem of collapsed public infrastructure and social provisioning. And if the socialist Left does not do it, the neo-Nazis will: in Bamberg, Bavaria, neo-Nazis from the so-called Third Way have called for “neighborhood support” under the moniker of “solidarity with Germans”.<sup>5</sup>

### 3. The Potential End of Austerity and a Public Economy that Works For All

This crisis doesn’t only offer opportunities for transformative community organizing at the grassroots level. It also poses the question of changing major structures of capitalism’s economic and social order. This is something the ruling class already worries about. As Britain’s *Economist* (2020) recently stated, “It will become harder to make the argument that the ‘magic money tree’ does not exist ... If central banks promised to fund the government during the coronavirus pandemic, they might ask, then why shouldn’t they also fund it to launch an expensive war against a foreign enemy or to invest in a Green New Deal?” This bible of liberalism added, “The world is in the early stages of a revolution in economic policymaking ... The state is likely to play a very different role in the economy — not just during the crisis, but long after.”

But the revolution does not come by itself. The socialist Left must seize this historic opportunity before the crisis strikes back at us in the guise of new austerity measures. Indeed, we have seen this happen before. As recently as 2008-9 the *Economist* (which Lenin pithily termed the “journal for British millionaires”) had issued the slogan: “No penny-pinching during the crisis, but afterwards a balanced national budget” (see further Solty 2013, 15-71).

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<sup>5</sup> “Corona-Krise: Neonazis inszenieren sich in Bamberg als Helfer,” in: Bayrischer Rundfunk 24, 23 March 2020, [https://www.br.de/nachrichten/bayern/corona-krise-neonazis-inszenieren-sich-in-bamberg-als-helfer,Ru46HLU?fbclid=IwAR33b7FH9m3DkJZxxFou2i0iwGPvPf\\_abXmw1SS-0BHIMidd3P4gZ3Sih1U](https://www.br.de/nachrichten/bayern/corona-krise-neonazis-inszenieren-sich-in-bamberg-als-helfer,Ru46HLU?fbclid=IwAR33b7FH9m3DkJZxxFou2i0iwGPvPf_abXmw1SS-0BHIMidd3P4gZ3Sih1U) (last access: 14. September 2020)

The Left's task is to propose something more ambitious. We need trillion-dollar investments for the kind of socio-ecological system change that the election programs of Jeremy Corbyn's Labour Party,<sup>6</sup> Bernie Sanders (Friedman 2019), and Die Linke in Germany (see further Riexinger 2020) have and had long been calling for. Indeed, the demand for more and heavy state interventionism is underpinned by the crisis. The fact that private companies are pushing the capitalist profit-maximization principle to its extreme – with the price of protective clothing in Germany rising nineteen times, US pharmaceutical companies doubling the price of coronavirus medication, and privatized hospitals sending some medical staff into involuntary short-term labor in order to receive government funding (see further Solty 2020a) – makes obvious what the Left has always said, following Karl Marx or Karl Polanyi. Namely, the market under capitalism is not an efficient distribution mechanism, but a means of enriching private corporations at the expense of society and its environment (Polanyi 2001).

The crisis shows the helplessness of the neoliberal state. When the European Commission feels compelled to ask individuals with 3D printers at home to contribute medical supplies, the internal decay of the system is revealed (Gennburg 2020). The COVID-19 crisis is therefore forcing states to take unusual measures in their crisis management, such as the nationalization of hospitals by the center-left government in Spain (Payne 2020). Obviously, a thoroughly neoliberalized health care system, with privatized hospitals and the closing and streamlining of public ones, did not serve public health, but only the maximization of profits on behalf of shareholders, or the cutting of public expenditures and resources, which then flowed into tax cuts for corporations and the rich.

The need to renationalize hospitals and finance them to guarantee public health is clearly demonstrated in this crisis. And since, among other things, the crisis in the housing market has already shown that the stock-exchange real estate corporations belong in the public sector, because they do not serve the public's need of affordable housing, the Left should now campaign nationwide and internationally for a program that wants to free the elementary areas of healthcare, education, housing, mobility, and communication from the profit principle immediately. The time has come for progressive nationalization and socialization. This includes the financial sector, because only if we gain control over the financing of socially necessary areas of production will it be possible to ensure that we as a society can plan our future and the future of our finite planet democratically and thus avert the impending climate catastrophe (see further

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<sup>6</sup> See further the Labour Party Manifesto 2019 under <https://labour.org.uk/manifesto-2019/> (last access: 14. September 2020).

Soltz 2020c, 63-65). Overcoming today's multidimensional crisis - a crisis of civilization and humanity - will be socialist or not at all (see further Soltz 2019).

#### **4. Reorienting Production: Conversion of Industry**

Especially important to surmounting this historic crisis is a turn to an ecologically sustainable and democratically planned economy. This includes the re-localization of production, selective deglobalization, and delinking of peripheral and dependent economies (see Amin 1990). Here, too, the crisis offers opportunities. Aggravated by the vulnerabilities of just-in-time production, China's COVID-19 crisis and international border closures have suddenly made essential goods scarce. The crisis shows how the system of private, profit-oriented production endangers public health systems when medical goods have to be imported from China and other parts of the world for cost reasons.

The COVID-19 crisis is now suddenly forcing the nation-state to order strategically important productions in a new form of war-time economy. In Germany, the automotive industry corporation Volkswagen is now making medical supplies like respirators, as are car industry suppliers Zettl and Sandler, the Thuringian mattress manufacturer Breckle, and the textile companies Trigema, Mey, Eterna, and Kunath. Jägermeister and Diageo and the Beck's brewery are now producing disinfectants. In America, faced with the glaring shortage of ventilators, the Trump administration has now resorted to the Defense Production Act from the Korean War of the 1950s and is forcing General Motors to produce ventilators (Wayland & Wilkie 2020).

The same thing is happening in Britain, where Conservative Prime Minister Boris Johnson has now had to call on British industry to switch its assembly lines from cars, aircraft engines, dialysis machines, and excavation equipment to ventilators. The only company in Britain that was still producing them, Breas, is based in Shakespeare's birthplace Stratford-upon-Avon – material for a tragedy on neoliberalism (Gompertz & Carr 2020). Yet workers themselves are also demanding that they be put to more useful work. Particularly interesting was the case of General Electric, where workers walked off the job with the specific demand of converting to ventilator production – helping the fight against COVID-19 while also averting layoffs (Graziosi 2020).

This crisis therefore now offers the opportunity for a long-term relocalization of production – something also necessary for reducing environmental damage. The task for the Left is to seize the opportunity – and show the craziness of a capitalist rationale where it makes sense to catch fish in the North Sea, process them in South-East Asia, and then sell them in European supermarkets.

## 5. Production for Need

The new state interventionism and “war economy” - style production conversion thus tells us how it is possible to transform industry in a socio-ecological direction - if only states wanted to do this, rather than return to “normality” and the untenable status quo ante. They show what an eco-socialist government in power and democratic control over out-of-control private corporations could do. They show what would be socially possible if we planned our societies in the long term, instead of leaving their development to the very short-term profit interests of corporations who enrich their shareholders by destroying our planet and our societies. The current planning allows the glimpse of a future economic and social order, in which the focus is no longer on profit maximization and the production of commodities on the back of humankind and nature, but on production for our social and planetary needs.

The crisis is therefore a historic opening. But the wind is in the sails of public, planned solutions; success is anything but automatic. Fiscal expansion, economic planning, and industrial conversion will not be sustained, will not be made permanent – will not transform into an economy serving the interests of the social majority and the planet – unless the Left pushes for it. As the Marxist critic Walter Benjamin wrote in his *Arcades Project*: “Being a dialectician means having the wind of history in one’s sails. The sails are the concepts. It is not enough, however, to have sails at one’s disposal. What is decisive is knowing the art of setting them” (Benjamin 1991: 592).

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**Emanuel Copilaș**<sup>1</sup>*Political Science Department,  
West University of Timișoara, Romania***ROMANIAN CAPITALISM: OLIGARCHIC, TECHNOCRATIC  
AND DIGITAL TRENDS**<sup>2</sup>**Abstract**

*This essay stresses the transformations of Romanian capitalism after 1989, their continuities and discontinuities along several historical and (geo) political lines. I argue that oligarchic, technocratic and digital capitalism are best understood in relation to both the internal and the externally induced transformations Romania underwent in the last three decades. In the foreseeable future, it is probable that digital capitalism will take the lead, thus further shifting apart capitalism from the more and more vulnerable democratic regime that is ruling the country today.*

**Keywords:** *democracy, ideology, anticommunism, anticorruption, anti-statism*

**Introduction**

This essay briefly explores the most prominent tendencies of Romanian capitalism after the collapse of the national-communist regime that ruled the country until 1989. It starts with its oligarchic dimension, identifiable especially as a means used by the internal capital to consolidate its monopolistic position within the Romanian market during the post-communist transition. Next, it advances towards the technocratic dimension of Romanian capitalism, which, after Romania's integration in the European Union (EU), can be understood as a growing dependence of internal capital with reference to European capital, especially the German one. This capitalistic shift led to the appearance of a new type of (rather minor) local capitalists that extract their profits and generate surplus-value through development projects implemented by local, regional and national authorities with EU's financial aid (structural, cohesion and solidarity funds).

Although reluctantly, oligarchic capitalists of the first post-communist generation have also adapted to the transformations entailed by the subordination

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of the Romanian market to the European one. The emulation between the (still) privileged oligarchic capitalists and the rising technocratic capitalists represents the main contradiction of Romanian capitalism today and it can be interpreted in Marxist terms as a conflict between the post-communist relations of production and the technocratic forces of production that strive to make way for a new, let's call it European mode of production which basically actualizes Immanuel Wallerstein's classical dependence theory. However, the Marxist paradigm is faced with certain limitations here, since the emergent mode of production does not transcend capitalism but signals the growing dominance of European capital over internal capital. Far from being a qualitative shift, this process is actually a dynamization of previous quantitative in the parameters of a new hegemonic perspective.

Finally, the digital dimension of Romanian capitalism cannot be outlined as clearly as the previous two, but the pandemic we are experiencing at the time I am writing this contributes nevertheless to its affirmation. On one hand, digital capitalism enforces the precariousness of vulnerable employees such as entry level corporate employees, call center operators, food delivery agents, and part-time employees and so on. This type of jobs become more flexible as the cost of the workforce decreases due to economic uncertainty in general and to the gradual abandonment of business centers buildings by multinational corporations (MNC) that find it way cheaper to convene with their employees to work from home. On the other hand, digital capitalism exerts more and more pressures on public sectors such as health, education and transport (railways especially) by constraining the authorities to resort to interconnected digital platforms that stock huge amounts of data that can eventually serve all kind of purposes, and not necessarily democratic ones. Cost reduction is the perpetual mantra of oligarchic, technocratic and digital capitalism. What better argument for the digitalization and the successive privatization of the public sector? Romanian health sector underwent attempts like this in 2012 and in 2019 and 2020. Until now, they have failed. However, attempts like these are becoming more and more assertive.

The main research hypothesis brought forward here is that we simply do not know how this metamorphoses of capitalism will impact the Romanian society as a whole but, based on previous experiences, it is expected that social polarization, migration (due to both push and pull factors), the deepening of the divide between urban and rural areas – will increase, thus amplifying a general sentiment of resentment. Even if Romania's Gross Domestic Product (GDP) and the purchase power have increased considerably during the last years, the country still has a tremendous migration rate and, with growing inequalities

new frustrations emerge along the old ones, although Romania is probably going through one of the most favorable economic periods in its modern history. This has little importance, since the considerable difficulties of the past cannot be used to rhetorically legitimize present day difficulties; they may be less harsh than the previous ones, but they are the only ones posing challenges for the present society: the past is gone and the future is, according to the French philosopher Gerard Granel, faceless.

### **1. Oligarchic Capitalism and Anticommunism**

Post-communist Romanian capitalism underwent not only structural, but also ideological transformations. However, there is a stronger continuity between the ideological variations of capitalism than between its structural metamorphoses. Of course, one cannot fully distinguish between ideology and structure, as Antonio Gramsci argued over a century ago: there is no structure that predates ideology. There are only hegemonic continuums, approachable in different ways (Forgacs et. al. 2000). Simpler said, the super-structural aspects of Romanian capitalism are more intertwined than the structural ones.

Oligarchic capitalism emerged after the implosion of the former state socialist regime in 1989. But contained capitalist tendencies were nevertheless present within the previous socialist developmentalist regime. Their main nurseries were the foreign commercial activities of communist Romania, but also the cultural sphere, where, due to the economic crises of the 1970s, the ascendance of neoliberal capitalism in the next decade and, last but not least, the inherent difficulties of a strongly centralized economic system – self-financing became the main tenet of cultural activities like concerts, theater spectacles, movie watching, videotheques and so on. This boosted the speculative abilities and the individualism of the top members of the Communist Youth Union, preparing them to become the resourceful and ruthless capitalists of the 1990s (Copilaş 2019; Ban 2014; Stoica 2018; Pârvulescu, Copilaş 2013; Poenaru 2017, 41-43).

Basically, the young communist technocrats of the 1970s and 1980s became the new capitalists. Making fully use of the central concepts of post-communist capitalism such as “free-market”, “privatization”, “freedom” or “initiative”, they bought large parts of the huge industrial state sector for ridiculous prices. In many cases, reforms were risky and not profitable enough: dismembering and selling the actives of the former socialist enterprises was easier and more lucrative. Consequently, unemployment skyrocketed. Other methods used to diminish the public sector resided in the creation of mixt companies, financed through both private and public capital; and the end of the fiscal year, all profits were reported on the private sector and all losses on the public sector. A new type

of companies appeared, with the sole purpose of privatizing public resources and discrediting the state for being a weak, unskillful and corrupt administrator of public assets. As a result, the country's GDP shrunk so much that it attained the level it had in 1989 only fifteen years later, in 2004 (Zamfir 2004; Pasti 2006).

Anticomunist ideology served the purposes of the primitive accumulation brought forward by oligarchic capitalism, but only up to a point. Capitalists that favored the newly formed social-democratic party cautiously relied on it to legitimize their commercial successes and rapidly growing fortunes; however, beyond this mercantile tactic, they risked lacking credibility since most of them were rising stars of the former communist nomenklatura. Nationalism, xenophobia and slogans like "we do not sell our country" seem to work better for these representatives of oligarchic capitalism.

The other ones, who favored the liberal party and the national-peasant party, both dismantled by communists in 1947 and then reestablished in 1990, in a radically different political and historical context – fully used anticommunism. Along with the right-wing intellectuals that are dominating the Romanian cultural landscape ever since, they even tried to question the electoral results of May 1990, when the Front of National Salvation, the precursor of the future social-democratic party, won almost 80% of the parliamentary and presidential votes – by appealing to the West and arguing that the young Romanian democracy is under threat (Zamfir 2004). In the second half of the 1990s, anticommunism was boosted by the 1996 electoral success of the Democratic Convention, a right-wing political alliance that implemented radical deregulation measures (which they presented as unavoidable economic reforms) responsible for a powerful wave of austerity that brought back in power the social-democratic party in the 2000 parliamentary elections. By now, oligarchic capitalism gradually renounced anticommunism in favor of different types of nationalist discourses that better fitted its aspirations, while recognizing and preparing for the challenge brought about by the foreign capital, aiming to secure a larger slice of the steady growing Romanian market.

Anticomunist ideology maintained its grip on the cultural sphere, while being appropriated by a breed of technocratic capitalism in the making. This encounter led to the birth of a new capitalist ideology: anticorruption (for the relation between anticommunism and anticorruption see Poenaru 2017, 141-157).

## **2. Technocratic Capitalism and Anticorruption**

According to the sociologist Cătălin Zamfir, the postcommunist transition ended in 2004, when Romania's GDP reached the level it had back in 1989 (Zamfir 2004). From now on, a new type of transition emerges, the European

one. Placed in the European semi-periphery, Romania's dependent development gains a new momentum. This is not to say that oligarchic, internal capitalism, with its nationalist stances and distrustfulness towards foreign capital, was more sensitive towards social issues (Pasti 2006). However, local resources are easier reclaimable from the internal capital than from the foreign one.

The economic growth that followed Romania's integration within the EU is not doubled by a similar growth of social awareness. Not from the part of authorities, and not even from the part of large segments of society. This is due partly to the way the EU itself functions as a hegemonic capitalist project. Although the EU is nevertheless preoccupied to a certain extent with lowering the structural disparities between regions and state, it proceeds so not with the intent to create a substantially economic and social integrated union, but to prevent some of the existing polarization to become politically destabilizing and to affect, in the least instance, the profits of the German capital.

As a somewhat regulated capitalist project, the EU works by managing economic crises, not by preventing or solving them. The wave of austerity implemented immediately after the 2008 global economic crisis is only one example in this regard. However, as a successful hegemonic order, the EU tends to transform political issues into administrative tasks and therefore decrease the access to its own genealogy, to make use of one of Michel Foucault's core concepts. This management approach of the political is not at all new. It is nevertheless successful at the EU level and especially in Romania.

European technocratic capitalism has reverberated in Romania through the creation of a local variety of capitalism that is different than and rather hostile to oligarchic capitalism. Although peripheral and semi-peripheral types of capitalism are generated by the state, from above, unlike the Western type of capitalism that was generated by social contradictions rather than by political decisions *per se* (Pasti 2006), Romanian technocratic capitalism departs from this paradigm in four important ways. First, unlike oligarchic capitalism that was generated by the reconfiguration of the post-communist state, even if turned almost immediately against it, technocratic capitalism is a product of Romania's EU membership. Second, Romanian technocratic capitalism represents the consolidation of the lower and middle class, while oligarchic capitalism is put in practice by the upper middle class, high state officials and important parts of the organized crime. Third, technocratic capitalism is localized almost exclusively in urban areas, while oligarchic capitalism was from the start both urban and rural but gained a more prominent rural profile in the last two decades. Fourth, technocratic capitalism maintains a dependency relation with reference to foreign cap-

ital, while oligarchic capitalism is hostile to the growing presence of the foreign capital on the Romanian market.

However, Romanian technocratic capitalism remains semi-peripheral in one crucial aspect: it is a type of commercial capitalism, based on providing all sorts of service rather than producing commodities. Oligarchic capitalism is industrial and makes its presence felt in the productive sector of economy, while technocratic capitalism works within the tertiary sector of economy. It follows that technocratic capitalism is more vulnerable than oligarchic capitalism to the fluctuations of the global market. Its relations to the public sector are poor underdeveloped, due to the privileged relation that oligarchic capitalism still maintains with the state. Drawing on the still thriving anticommunist ideology that oligarchic capitalism was never fully able to embrace due to the reasons mentioned above, technocratic capitalism advances the derived ideology of anticorruption. Anticorruption is anticommunism actualized to the internal and external changes Romania has undergone since it became a member of the European Union. Its main components are the never-ending plea for a minimal state, deregulations, smaller budget expenditures for social protection, meritocracy, competitiveness, flexicurity, larger military budgets and, in general, austerity and low incomes for the lower classes in order to make them more attractive on the European workforce market (Poenaru 2017; Poenaru, Rogozanu 2014; Zamfir 2018; Copilaş 2017a; Copilaş 2017b). Interestingly enough, the anticorruption discourse is often doubled by a neoliberal theology that admonishes the poor for being lazy, the public sector employees for being unproductive and unwilling to tackle risks in their career and life plans, and the retired people for entertaining all sorts of communist nostalgias (Racu 2017).

Technocratic capitalism was consolidated under the presidency of Traian Băsescu (2004-2014) and under the successive governments of the democratic-liberal party, later absorbed by the liberal party. An expression of the profound social and international changes experienced by Romania in the last two decades, technocratic capitalism succeeded, with the help of foreign capital, in securing its place inside a rapidly expanding market and in placing oligarchic capital into not necessarily a subordinate, but nevertheless a more precarious position it enjoyed during the post-communist transition. Obsolete, nationalist and retaining a firm anti-globalization position, oligarchic capitalism has retreated towards the rural and the small urban areas (while never fully abandoning large urban concentrations), but continues to occupy an important position within the present mode of production.

### 3. Digital Capitalism and Anti-Statism

From oligarchic to digital capitalism, one can observe a growing ideological opacity. If the former national-communist regime was openly ideological, the oligarchic capitalism that followed strived to be less so, aiming to guide the country in its transition from the ideological “lie” of communism to the narrow, individualistic definition of freedom that neoliberalism was eager to use as a discursive magic formula in order to increase its access to the virgin markets of the former socialist East European countries.

However, through its ardent anticommunism, oligarchic capitalism could not entirely disguise its ideological propensities. Technocratic capitalism, legitimated through its “Europeanness”, succeeded better in this regard: the old political problems are history; by entering the EU, Romania has reached a realm of plenty; what matters most now is how we administer resources, not some irrelevant political and ideological quarrels about the growing asymmetries between the states and regions of the EU, the structural pressures entailed by the Euro currency, which prolonged and amplified the austerity measures implemented after the 2008 global economic crisis, or the gradual subordination of East European markets to the German capital. In the new European administrative discourse, this amounts to a growth of political coherence and institutional integration, opposed however by a growing process of structural divergence, although economic coherence also occurs, but in smaller and almost insignificant terms (Leonardi 2005).

Even if recently experienced by Romania, this is a process that the Western world experienced since the 1930s (the United States of America), or the 1950s-1960s (Western Europe). The growing “scientification” of social sciences contributed a lot to this tendency: the premises and results of economic “science” are essential and irreproachable; no notable alternatives can be put in its place, with the risible exception of communist utopias, conspiracy theories, or Russian/Chinese propaganda. If economic “science” leaves no room for negotiation and thus eventually no room for democratic debates and decisions, political economy is a whole different matter. How can anticorruption be an ideology, technocratic capitalists claim, since everyone disavows corruption except corrupt people themselves? Since every ideology aspires to become more and more universalistic and to camouflage its social particularity within a set of discursive practices that everyone can take for granted (Laclau and Mouffe 2001) – it follows that anticorruption is less openly ideological than anticommunism and, for that reason, more successful.

Besides managing to present itself as “non-ideologic”, technocratic and now digital capitalism are also bringing forward the illusion of a less “material” form

of capitalism. Production is gradually pushed aside from the visual centers of society, which are becoming more depoliticized and more idyllic, so to speak. Comfort, relaxation, meditation, the art of getting in touch with your inner child, all these “techniques of the self”, as Foucault referred to them, absorb our emancipatory energies and channel them towards reinforcing the present order. With digital capitalism, Romania has finally become a full-time member of what Guy Debord theorized as being the “society of the spectacle”.

But what is digital capitalism? The concept is at least two decades old (Schiller 1999; McChesney 2013) and it covers the rapidly expanding presence of capitalism on the internet and in the social media, thus pushing the digital environment further and further away from its democratic potential. I would venture to argue that the media capitalism of the 1990s, analyzed convincingly by Petrovski and Țichindeleanu (2009, 27-53) paved the way in many respects for the contemporary digital capitalism. Making use of the restrictions brought about by the Covid 19 pandemic, technocratic capitalism is rapidly converting itself into digital capitalism, while accusing the state that is incapable of providing fast and sustainable solutions to the challenges posed by the new context, which is highly dynamic, unpredictable and threatening. The state responds by digitalizing education, more and more administrative services and by even attempting to privatize the health sector in order to make it more efficient and more adaptable to the needs of the citizens, perceived mostly as customers.

Furthermore, the state is also accused for not being able to ensure the security measures needed in times of crises. The state responds by tightening the security measures until the resilience of the population itself is being tested to its limits. Since 2020 is an electoral year, the liberal government does not see fit to expose itself to unnecessary risks and partially lessens the restrictions. Still, the craving of digital capitalism for surveillance capitalism and, even better (and cheaper), for state led surveillance, is becoming more and more obvious.

Since customers are not citizens and have to simply choose between the alternatives presented to them without putting them into question, demanding more alternatives or even new types of political regimes – digital capitalism understands society as a huge company where profit is the measure of every virtue there is. And since many members of a society are not yet or no longer profitable (children, unemployed people, students, retired people), they can only be second class citizens. Just like the French Revolution distinguished between first- and second-class citizens, the first being actively involved in the reproduction of the new *status-quo* while the last simply enjoying their rights in a passive manner (Wallerstein 2011, 145), digital capitalism distinguishes between top, regular and modest customers. Just like two centuries and more ago, private

property is at the basis of these types of hierarchization, even if they are more “political”, as in the first case, or more “economic”, as in the second case.

As anticommunism metamorphosed in anticorruption, so does anticorruption metamorphose in anti-statism, an all-encompassing ideology that paradoxically urges the state to protect it and in the same time accuses the state of being authoritarian, invasive and threatening for the negative liberty of the new individualistic, narcissistic, isolated and depressed subjects of digital capitalism. As Wallerstein rightfully asks, how can individual rights be guaranteed by minimal states better than by socially consolidate welfare states is a contradiction that still hunts the political philosophy of capitalism, namely liberalism, to this day (Wallerstein 2011).

#### **4. Provisional Conclusions: Capitalism and Beyond**

Tracing the avatars of Romanian capitalism in the last three decades, this essay argued that social tensions are not necessarily eased but are, at most, occasionally alleviated by the capitalist transformations that occurred after the fall of Romania’s national-communist regime. Migration contributed a lot to this result, along with the changing class structure and the growing dependence of the country upon foreign capital. I am not trying to give credit to the idea that social tensions were not troublesome before 1989: they certainly were, but they never become as antagonizing as they are nowadays. Even if both in the 1980s and today, Romania was and still is one of the European countries that has one of the smallest budget allocated for social protection (Zamfir 2004). To put it in simpler terms, it matters more how the (social) cake is divided between the ones who contributed to its making than how big and/or tasteful the cake is. The capitalist cake is way bigger and more tasteful than the communist cake, but it is not sliced in fair pieces and, no matter how much the cake keeps on growing, this unbalanced and eventually unrighteous situation will keep producing negative effects, eroding the fragile procedural democracy that coexists along with (thanks to?) the oligarchic, technocratic and digital trends of capitalism Romania has, continues and will continue to experience in the foreseeable future.

If capitalism is the only political horizon available for now, things seem pretty bleak. But if digital capitalism is only one step towards the substantial mechanization of the workforce and the gradual replacement of workers by robots, capitalism itself is being put into question. Without proletarians, capitalists cannot exist; this is the old Hegelian master-servant dialectic in which one part exists only through the existence of the other and no part can be free without recognizing the freedom of the other. However, robots and machines can exist without both capitalists and proletarians, since they are no part of a greater

historical dialectic, but just a residual product of it, a quantity that accumulates itself without fostering new qualitative openings, but slowly closing the fragile ones that still struggle to exist. What Marx named in his *Capital* the “organic composition of capitalism” (Marx 2010) is permanently shifting. Today, however, it is shifting against capitalism itself, not within the capitalist order, as it did until now. No one knows what the future brings but, in a pessimistic scenario, it is highly possible that capitalism is one of the last *political* orders that ultimately recognizes alternatives, although it ridicules or portray them in exaggerate terms. In capitalism, political decisions are still possible, although confined within the limits of this mode of production and only seldom and reluctant gazing beyond them. Tomorrow, the political itself may very well be a thing of the past.

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## SPENGLERIAN CAPITALISM AND THE IMPERIUM OF CITIES

### Abstract

*This essay is both a Spenglerian and Marxist approach to the crisis of Western societies, especially European ones. The crisis began with the appearance of the mass man, inhabitant of the big cities, and the consequent “commodification” of his being. The human being becomes more and more a commodity and is degraded. The evolution of the forces of the left and of Marxist thought, unfortunately, has led to a reinforcement of this objectified vision of the person as well as to a reinforcement of the capitalist system of exploitation that they are supposed to denounce.*

**Keywords:** *capitalism, commodification, mass man, big cities, decay, alienation*

### 1. Big Cities and Decay

The official understanding of social phenomena is usually done under the optic of a fatalism that should be, at least, suspicious to us. Things just happen, perhaps under the remote impulse of certain economic determinations or quasi-natural laws. In the same way that a cataclysm occurs, such as glaciations, earthquakes and droughts, a “catastrophe”, a scourge, comes upon the mass society. This mass society will be, already naturalized in the way described, the very protagonist and cause of the evils that come to it. We are already highlighting the contradiction: the masses “do” and the masses “suffer”. I believe that we have to dig into the hypocrisy of our social science in order to get out of this apparent contradiction and use a fine scalpel to find, in another way, the real contradiction in which our society lives (Ortega 2012).

Our European society is living in a process of unstoppable urbanisation. The great masses of peasants began to emigrate from their villages and homelands, ancestral depositories of all Celtic and Christian culture. The city, until the 16th century balanced with the countryside, began its definitive power, its imperialism on the agriculture, its absolute colonization of the countryside. The city became a sink and melting pot for all the human forces scattered in the surround-

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ing nature. The old agricultural and livestock culture, its entire mature system of use values, succumbed to these urban nodes that, at first, were markets, mere points of concurrence but, at another moment, became centres of exploitative production. The colonization of the countryside by the city meant the conversion of large masses of villagers into proletarian masses (Childe 2002). The city as a market became the city as an *ergastile*: an immense centre of production and accumulation of surplus value. It was necessary to concentrate the labour force - the human goods - and to detach it from the land to produce surplus value, almost exclusively and mainly surplus value: the rest of "services" or creations of the urban civilization were endowments for the bourgeoisie and for the bourgeois class to accommodate and exploit the factory masses. Even today, when a region of the world is experiencing this developmental phase, the cities that are growing monstrously look exactly like that: immense sinks of labour force, minimum endowment of services (banks, brothels, taverns), miserable neighbourhoods separated from the luxurious residential area, disorder "under control", maximum levels of delinquency but compatible with the crudest economic exploitation, absolute degeneration of the human animal.

We must remember that when we speak of Europe as a culture we must speak of the great cultures with their roots in the villages that made cities, states, works of art and science flourish, and all kinds of creations before the city, as a capitalist monstrosity, plunged the surrounding countryside into the mire of exploitation, before reducing the countryside to a mere source of raw materials, food, labour. From then on, European Culture became a Civilization, with all the Spenglerian attributes that correspond to the word: senility, exhaustion of creativity, fossilization of institutions and structures, rigidity of forms and habits (Spengler 1972).

We Europeans come from these two layers, overlapping in a complex way. At first, we come from a rural stratum. This is one which has its oldest roots in Celt-Germanic paganism and in the classical world. A substratum that was Christianized and that kept the treasure of the village and warrior wisdom: an essentially unique substratum for all the peoples of Europe, although covered with great differences of forms (Ortega 2012).

The second stratum stood on the ruins of feudalism, on the process of decomposition of the original peasant community inscribed or not in the feudal hierarchical fabric, following the Industrial Revolution and the rise of capitalism. The peasant masses, once removed from their homelands, flocked to the city and, although they took with them part of their heritage, of their culture, in such an exodus they also lost the sense of land and blood. The villager transmuted into a worker loses his ties, one and very fundamental is the link with the

land and property. The ownership of land is very different from the ownership of commodities, and in the pre-capitalist order one can in no way speak of land as a commodity (Spengler 1972).

The great market-city and the great factory city are enormous *ergastulis*. They have given way to the great cosmopolitan city, to the world-city. The tendency that we see today in a great number of cosmopolite people, consists of making each city a kind of monad that assumes the representativeness of the whole planet. In the monad city all cultures, all races, the innumerable religions, the complete range of human ways of life and thought must be represented. All abstraction is put into practice: every culture must shed its roots and send a few emigrants and ambassadors to the world-city where it will lead an artificial, “mestizo”, degraded existence because it is the asphalt that lies at its feet, and under an artificial pseudo-culture building there are no roots. The African feet dance to the rhythms of the jungle in New York or Paris, but it is no longer the native soul of the black man in his natural environment, it is a syncretised soul, which wants to retain roots but cannot. Prayers oriented to Mecca, far from the desert sand, are today very close with the miniskirt and the equality of the sexes, but that same coexistence is a time bomb, which the city-world and its anti-dialectic ideology pretends to promote. By promoting these bizarre landscapes, the world-city promotes conflict. Syncretism, irenics and unlimited crossbreeding can and do lead to all kinds of confrontations. Under the same municipal ordinances and the same Constitution, tribes and hordes, clans and lineages of the most diverse origin coexist. The natives start to feel like a minority, to flee to residential areas - when their possibilities allow it - or they get involved in the cosmopolitan dough properly kneaded by the media and the official ideologists, becoming part of it, in an undifferentiated way (Blanco 2016).

The 21st century is going to be more of an identity struggle than a class struggle. This does not mean that capitalist exploitation will disappear, but rather that it will intensify and that planet of world-cities with its multicultural mash will allow it, indeed it will be a precondition for ultra-exploitation. The defence of a certain level of wages and decent working conditions has been carried out in Europe by properly organised national working classes with a high sense of discipline. The quasi-military discipline of a trade union or workers’ party is guaranteed by exemplary cadres and leaders, by a kind of “Prussianism” transferred to the cause of the working class, sufficiently homogeneous to respond as one unique man to the threats of Capital. But the latter, learning the lessons of the 19th and 20th centuries, has reacted cunningly, undermining the foundations of that iron and disciplined unity: encouraging, on the one hand, the emigration

of people alien to the host culture and, on the other, the relocation of companies (Fusaro 2019).

The easiest way to break the level of wages that an organized working class has defended after decades of struggle is to import contingents of migrants. These workers come from another culture and need at least a generation or two to integrate with the rest of the native workers and make common cause with them. Meanwhile, they accept much lower wages and serve to break the unity of the working class, accepting conditions that for the natives would be unacceptable. The importation of immigrants puts into practice the ideal of Capitalism, even if it is repeated as a Marxist slogan: “the Proletarian has no Fatherland”. In fact, the Proletarian is a product of capitalism (an aberration of the human induced by the capitalist mode of exploitation) and the system is not interested in any kind of identity that reinforces the bonds of union among the workers. Sex, race or religion must be abstracted in order to achieve a mass of individual atoms that can only be related through the production of commodities. Capitalism is an immense gear that, in tendency, only allows the relationship of individuals as consumers and producers of goods, to the point that that individual without a natural sex role, without race and without national or religious identity, will tend to be a commodity and only a commodity (Preve 2019).

However, capitalism does not develop without contradictions. By proclaiming the “equality” of sexes, races, cultures, it wants to deny what is impossible to erase completely in a few generations. The androgynous or sexless angel to which feminist ideology tends has not yet been manufactured. The absolute religious syncretism and the universal crossbreeding have not yet been realized. History is Process and is Mediation. In order to make available this highly exploitable product (exploitable and converted in an absolute way into merchandise) capitalism generates local conflicts when trying to give an answer and a universal solution. The man resists being, in effect, a generic or abstract “Humanity”. There are still men (males) and women (females), there are still heterosexuals, there are still Christians, Muslims, Buddhists, atheists, etc. Diversity or pluralities by themselves do not have to occupy a high place in axiology, as do their opposites, homogeneity, uniformity... These are relative positions in a process of change, of perpetual transformation. Both Marx and Spengler, as diverse as they seem to us in their approaches, coincide in everything with Hegel and Heraclitus: life is history, history is becoming, everything passes and nothing is completely forgotten (Lukàcs 1969).

Capitalism, by wanting to suppress human diversity in the face of the Empire of Merchandise, only succeeds in creating conflict. The radicalism with which the Trinitarian ideological message (Liberty, Equality, and Fraternity)

has been spread is a true world nightmare, a root of conflicts, because these bourgeois proclamations, de-contextualized, already far from the age of the Enlightenment, far from Rousseau or the French Revolution, bring about the destruction of the very values of Civilization. For example, the religious tolerance that began to be demanded in Locke's century, in the 17th, exclusively concerned the coexistence of Christian sects under the same king. For example, bourgeois equality referred to the equality of all citizens under the rule of the same law (legal equality) and therefore abolished servitude and slavery. Equality between men and women also concerns legal equality, the same rights and duties, without any renunciation of the status of women or of masculinity. And so on. But in the city-world the radicalization of this Trinity implies its aberration. The terms proclaimed by our enlightened ancestors lose all their meaning and root when we want to give them new meanings: by extending their denotation, their connotation is pulverized or rots. How could this situation have occurred? When the mass man is created, that product of the decadent, tired and perverse Civilization, some of the values that one day forged its subsoil are exacerbated and driven mad. Tolerance becomes relativism. And soon we will see Western defenders of clitoral ablation or corporal punishment of women, out of "tolerance" for other creeds and "respect" for a growing faith. Soon we will see (we are already seeing) a mockery of virility and of the once respectable warrior values (discipline, loyalty, strength, courage). Every day the masses like more the prototype of the effeminate man, as well as the ideal of the manly woman. Civilization (which is old, tired culture), abominates Natural Law. The mass man of the big cities only understands by "reality" an immense network of constructed realities, of technical procedures and habits, of ingenuity and artifices. He considers himself already a machine, a constructed thing and merchandise. Social relations, as he has lived them, are reduced to technical and mercantile procedures. It is not surprising that the mass man wants to legalize and even exalt prostitution. Economists, as well as the mass media, have taught him that everything is bought and everything is sold in this world. This was the first lesson of the market-city (everything that matters in this world "is money"). Later, the factory city taught him that humanity itself is a kind of orange from which you can squeeze the juice. Man is a thing and a self-moving machine, a machine that provides services and performance. The failure of Humanity coincided with the very origin of the Merchandise, and of the industrial production of the same.

The European continent, very probably, and if it does not revive a kind of earthquake in its values, is today a continent condemned to slavery. The relocation of large companies, the stupid plan of wanting to make Europe a mere funnel of capital gains, will lead to much death and pain, and we will all soon be

slaves. The new powers are emerging right where the transnational companies have emigrated (their capital has emigrated). The very enterprises of global and globalizing capitalism have no homeland and no identity when they evade taxes. Looking for cheap labour overseas, and seeking not to pay taxes in the homeland, these companies disappear into the credit of every European country. It is a nomadic, floating capital that knows no borders and does not even want to spend a penny to protect borders that no longer really interest it. The average citizen, the one who wears the shackles and the skin marked by a payroll, is going to be required to make more and more patriotic efforts, in other words, fiscal efforts. And they will be reminded that we must all contribute to the preservation of our society on the terms on which we were brought up: in freedom, equality and fraternity. While Capital supports that message, it evades it. And then, a mass of wage-earners who support the States with all their sweat and sacrifice will see salaries go down, jobs become scarce, and so salaries will fall again, and they will also see that more and more foreigners queuing up will want your job for half the salary, or perhaps for less. Capitalism knows that in Europe the fall in the rate of profit cannot be contained, that this rate can be recovered in countries that have been “peripheral” until now, where it will not matter at all if their regimes are despotic, aberrant, and dangerous for Civilization itself. These extra-European despotisms will support with their weapons and technicians a “cosmopolitan” multinational, looking for among us, the repugnant white men, formerly Christians and plunderers, a new mass of slaves. For our Europe will be little more than an unproductive plot of land and an old people’s home with no memory, in the midst of the undifferentiated mass of inhabitants of the world-city.

## 2. Alienation

We read Marx of the *Manuscripts* [1848] treating the process of production of needs in terms of a sexual metaphor, of a carnal relationship intrinsically prostituted. The creation of needs requires a cut of those that seemed primary, more elementary, like food or the open air. The worker returns to the cave, no longer even knowing what a pestilential-free air is. The Irishman in the Marxian days barely earns enough for potatoes. The *Manuscripts* show this shocking display of the back room, impudent to the bourgeois, who “satisfies his needs” first, seeing them in the window and then paying for them, without going into details about the misery incorporated into the goods. The Ricardian theory of the product as “accumulated labour” had to be completed with the revolutionary theory that sees the product and service as “accumulated misery and death”. This view is scandalous today even to the worker sweetened by propaganda and consum-

erist satisfaction. Capitalism contained within itself the seed for consumption to undergo expansion and tree-planting in the field of “workers’ consumption”, which is so widespread in the First World. The wise men of history have brought the proletariat some wage increases that, in reality, allow the expenditure necessarily able to be introduced into the system so that the market works, so that the cycles are renewed. The wise men of the West have left many, many gifts. Gadgets created by other producers like this one, any one of them, turned into consumers, thus making it easier for him and other similar ones to continue to go round and round a wheel of consumption-production, creating gadgets whose only objective utility is to trap these enormous masses of people in a job that has no meaning except to condemn themselves and their offspring.

No abstract theory of the superstructure works in the context of these destructive wheels of humanity, which have replaced the production of commodities. This superstructure is nothing but a configuration of social forces, of groups constituted at very different levels. The structure also changes over time, and that unadjusted change is historical materialism: the study of an “evolution” of societies, taking as a firm grip the study of structural changes. But, in this sense, what about the state? The government and the apparatus that depends on it is the main agent producing ideological merchandise since the beginning of the 20th century. In the past, for the liberals, the state could be considered the night watchman (rather imaginatively, since it was always more than this). Today, the State exercises positive functions, not only the merely negative ones of the style of police and military repression, the courts, etc. We understand the positive functions not in a moral sense but, let’s say, in the sense of ‘creative activity’, and they are, by day, the most relevant ones. The State creates, produces its fashions, promotes beliefs, directs the masses, even agitates them to get out of their slumber (what are election campaigns except institutional agitation?). For Gramsci, the school fulfilled that main “positive” function within the life of the state. In a special sense, the modern state creates the classes of men - including the inequalities between them - that are needed at every historical moment. Today, when pedagogues as a civil service class demand - metaphysically - that the whole of social life be an exchange of educational processes at multiple levels - associations, unions, clubs, town halls, etc. - they are expressing in their own way a desire that goes beyond mere guild interest: they are asking for more help from the state in order to be able to undertake these tasks more effectively, with greater totalizing effort - which represents going outside the walls of the school. That is the task that the state body entrusts to its officials: to exercise hegemony. Hegemony, in the Gramscian sense, has always existed. The bourgeois tried to absorb the other social classes, including here the progressive sense of “raising

the standard of living” of all or most of them. Their horizon was to make every-one bourgeois.

However, “standard of living” is the most relative concept ever invented, which allows us to seriously discuss whether it is actually a concept. Faced with this relativism of joys and needs, we have false biologism. It is admirable that European workers have cars, that they spend a large part of their salary on consumer goods, that they flood the department stores with their presence; it is wonderful that they can ask for credit for a flat with electricity, running water; a miracle that they receive a subsidy when the boss throws them out. If so, we must believe in progress, at least in a handful of countries taken as more or less arbitrary reference. But is the fattening worker who gets caught up in the credit for the house and the car less exploited than the boss or the shareholders who buy his labour power, that is, that they usurp that part of his person? This remains the essential question, the “respect for”, that is, the relative or relational question, that concerns capitalists and workers as classes between which there are asymmetrical links in each concrete historical phase of capitalism. But, apart from the relative question (which in true dialectics entails the absolute question), there is the essential question: Is it still rational, and therefore legitimate in its most radical sense, that this time of work, that these forces of labour should live usurped by capital? How to bury Marxism, when the problem that has engendered it has not yet prescribed? The problem of social life, of history as a whole, remains the exploitation of these masses of men devoted to work, be it manual or “white-collar” work, whether or not it is regulated by conventions. Therapies cannot be abandoned when the most serious illness persists, and is fed back into each new phase through unsuspected channels, unpredictable - to a good extent - in the preceding phases.

On the other hand, it is worth noting the separation between the world of production, on the one hand, and the opaque world - especially for economists - of huge masses of young people and other marginalized people, on the other hand. Such a separation makes the category “proletariat” appear too narrow in today’s analyses. This proletariat can be exploited to such and such a degree, depending on the price of its commodity, the work, in this or that branch of production, given certain technical qualifications. In this sense, “workers’ aristocracies” have proliferated. Many workers have become notably bourgeois in terms of their ideological conformation and in terms of their attitude refractory to any kind of revolution. But on the other hand, the category of “proletariat” is enormously wide, and it expands in quantity and in different genres of people it covers, since the number of those exploited (in different degrees) along with those excluded from exploitation is immense.

At the beginning of the first volume of *Capital*, in the chapter devoted to “The Commodity”, Karl Marx makes a brief but juicy comparison between the feudal mode of production and the capitalist mode of production. Then, the new comparison established by Marx is between this mature system of capitalist production of commodities, on the one hand, and the family and self-sufficient mode of production that rules in a peasant economy.

That both comparisons are so close in the Marxian text, I believe, has its reason to be. In the internal thread, both belong to the famous section “The fetishism of the merchandise, and its secret” (I, 4). In it - as it is known - is exposed the way in which capitalism camouflages social relations, relations between people, as if they were objective relations, links between material objects. The goods, presented as material objects susceptible of change, hide in their respective mutual equivalences in the market the different qualitatively different works invested in the production of each one of them. In a sufficiently developed commodity-producing society, the different quality of each work (the work of a weaver, which in itself is very different from the work of a tailor, for example) has been absolutely reduced to abstract work. This diagnosis is included in the Marxian critique of capitalism: the system already operates with this reduction. It is an example of the practical character of all abstraction. When a certain commodity is presented as having value, it can be exchanged for other commodities because society has previously accepted as a logical and natural thing that the works invested in its production are also commodities and are capable of being measured and compared in their (exchange) value, over and above the qualitative diversity of works: this is the core of this system of exploitation.

In this sense, the first comparison, established between the feudal mode of production and the developed mode of production of goods - which is already capitalism - is meridian in Marx's text. As they already knew well in the 19th century, and even apologetically defended by some romantics and historians, feudalism consisted of a “personalist” system. In it, social relations - of domination, of subordination - were completely transparent. It was not necessary to resort to the disguise of relations between material objects to hide the “social gear” understood as a set of services and benefits. It is the concrete work of the vassal that serves to express that subordination or subjugation. Also in feudalism, work is measured in time, but these are different times for different jobs. In this sense, feudalism is a “personalist” system in the face of capitalist reification. The work of man is attached to the profession or status of that man, who is subordinated in the social scale to others. Marx closely links the diversity of professions or works of feudalism with the transparency of that mode of production. Curiously, the advent of the bourgeois ideology (Rousseau, Freedom, Equality,

Fraternity, the “modern ideas” in terms of Nietzsche) supposes the masking of the forms of domination. In reality, it is about bourgeois freedom to buy and the freedom of the worker to “sell” his labour power by not having any other goods to sell. In reality it is about the formal equality of every citizen, as if every member of society were a bourgeois with power, money, knowledge or legal assistance to defend him and assert his rights. In reality - also - Fraternity consists of the privilege of one party to exploit the majority, in the name of a formal equality of rights that hides a crude material exploitation.

The second point of comparison established by Marx is that of the peasant family system. Marx also presents the peasant family system in his subchapter on “The Fetishism of the Merchandise” and on the subject of the qualitative diversity of work and the measurement of time. In a village family, in an elementary way, there is a division of labour: by sex and age there can be a division of roles, although it is frequent that everyone can and knows how to do everything that is necessary, since this is useful in cases of absence of one of the members, illness, death, over-occupation, etc. Marx affirms that individual forces have been distributed, there is a social division of labour, but each individual force is like an organ of the same collective labour force, which is the whole family.

It is entirely understandable that the political economists of the bourgeoisie have insulted as much as possible these two modes of production which are alien to the developed production of commodities, modes alien to capitalism. For Marx the situation is comparable to that of the Church Fathers who considered all pre-Christian religions, as well as contemporary rival religions, as false and demonic. But the subjective projection of such theologians could not hide from the neutral historian the effective rivalry between the dominant (“one true”) religion and the others, subjugated, on the fringe or in the hands of enemy powers. Well, modern theologians of Capitalism incur in a similar projection. The cracks in feudalism or in the primitive and familiar peasant community are condemned to marginality; they are a base to be overcome. They incapacitate themselves - the economic theologians - in the use of the comparative method, since in the comparison between a system of production oriented to the Market- supreme, only true - and the others, these modes always come out losing (as historical phases overcome, as anomalous margins that will not take long to be dissolved by the constant progress of capitalism).

Curiously, the positivism of political economy is a radical idiographic approach: the material determination (the mode of production) determines the other superstructural elements only in bourgeois society. Marx replied to these early criticisms by warning that the classical Athenians did not “make a living” from politics, nor did the feudalists of the Latin Middle Ages “make a living”

from Catholicism. If each mode of production is specific, and endowed with its own laws, there is nevertheless a common - and unavoidable - pattern to all human society, which is to produce to satisfy its social needs. One does not live from politics, one does not live from religion, and one does not live from art.

Every social formation has an anatomical skeleton and a physiology that serve the purposes of satisfying human needs. Bio-social needs must be solved, and the way in which social classes are divided to solve the problem of Production, as well as the relationship between them, is a general problem of human life in society. The fact that a man must live out of necessity within a given social formation is a conditioning factor in adequately understanding that anatomy and physiology of society. The vulgar economists only came to see the links on the surface, while the classical economists came to outline more solid relationships between scientific categories (prices, goods, values). But what was missing was the immersion of this network of categories into a background, the real background and core of capitalism: the value of labour power. It is only through a practical abstraction, which includes the corresponding legal fictions and universal acceptance in society, that bourgeois society lost its "transparency" (as compared to feudal society, its precedent) and equated the diversity of trades and professions, the multitude of human tasks in the social process of production, only through egalitarian fantasy. The power invested in the various jobs had to be measured in time to be considered a commodity.

Marx saw how Aristotle, having lived in a slave-owning society, and therefore transparently "not egalitarian" could not decipher by himself the form of value. Since Rousseau and since revolutionary modernity, equality between men has taken the form of a "popular prejudice". The popular masses were seduced by this flattering illusion: at least legally we are all going to be equal, making abstraction of wealth, talent, morals, strength and intelligence. But, from the point of view of the developed Production of goods this equality is not recognized in a natural and direct way, it is not recognized at all. It had been necessary to combat legal slavery in order to bless the new form of economic slavery. That is, to make capitalism a system of cloaking reality. The reality is that the various jobs in the labour force are materially unequal, but they are treated as commodities whose value fluctuates in the market and are equated precisely insofar as they acquire an exchange value. This value is relative: it refers to various other jobs in the workforce, which in a commodity-producing society are already highly diversified and specialized. And that value is also equivalent: it is measured by comparison with other uses of the labour force and the homologation for equivalences is based on time measurements. Thus, so many hours of a weaver's labour force use are equivalent to so many hours of a tailor's labour force use. In

a more transparent society, such as the slave-owning or feudal society, the irreducible character of each human contribution to society is assumed. The value of a domestic slave, whether young, highly educated or very beautiful, could be greater than the value of a rough, old slave in the mines or in the fields. But that comparison was really a comparison between two goods, two objects, and going into the details, these are two qualitatively different objects that can serve as means of production. The same will be said of feudal transparency, in which the contribution in services and performances of a humble peasant to his master is different, in quality and in quantity, from the contribution of a rich farmer but equally vassal: it depends on the “quality” of the person.

The superficiality of some approaches that call themselves “anti-capitalist” lies, many times, in not having meditated in depth on the concept (germinal, according to Marx) of Merchandise. The mere fact that capitalism is a system of domination is something that should not surprise anyone. Not even the apologists of this criminal system can hide such a reality, although it is usual that they resort to the naturalness and inexorability of such a fact: leaving aside, perhaps, the peasant communal forms, or a nebulous “primitive communism”, every complex society is a system of domination. But domination does not necessarily mean economic exploitation. In ancient times, a slave owner of hundreds or thousands of slaves was a bearer of great wealth even if these slaves were kept inactive, simply as a hoard of an available commodity (susceptible to sale or exploitation). It is the virtual character of that wealth that allows us to understand that man, livestock and many other mobile, transportable, accounting goods have exercised monetary functions. It is the virtual character of being able, with relative ease, to change these stored units for other equivalent use values. There is also an extra-economic domination, when castes or higher classes, under coercion, threat, violence, exercise their power over weaker classes or castes. Instead of exploitation -economically organized - we find here blackmail, theft, kidnapping, looting, booty, etc.

The transition from systematic theft and looting to tax domination is a matter for historians to address empirically. It is frequent in the domination of barbarian peoples, militarily strong but with a lower cultural level than the subdued population. These “barbarian” times are fundamental in the process of the so-called Primitive Accumulation. The laws of capital, which in a very elementary way can be understood as the Empire of Merchandise, the mode of domination in which all production and exchange is of merchandise and to “read” as merchandise, comes to be something like a large and complex building that can only be erected once the land on which it is to be built has been flattened: the rubble and ruins of old buildings must be cleared, and any weeds cleared, all obstacles

- natural or man-made - removed by force. The Empire of the economic (from a strictly economic domination) originally comes from an extra-economic domination: theft, pillage, robbery.

The “modern ideas” against which Nietzsche began his crusade (with not a few followers, considered antithetical to Marxism, such as O. Spengler) were in fact - as a whole - the ideological apparatus necessary for the implantation of capitalism that involves the illusions of equality, freedom and fraternity to diverse fields of social life (Blanco, 2016). However, it also runs leaving untouched the truly decisive questions of Production. This is how the left-wing forces - once castrated in its revolutionary potential - becomes the most ardent defender of bourgeois ideals. All the minuscule wars over “gender” exacerbate the elementary demand for legal equality between men and women, transposing it into the most absurd terrain: getting boys used to playing with dolls, mutilating fairy tales so that the ingredients we today call sexist disappear, making up (under a new feminist Puritanism) all signs of a marked female identity, imposing equal quotas, etc. In other words, once legal equality between the sexes has been achieved, the aim is to reduce the differences between them, since capitalism needs the abstract human being, both as a consumer and as a producer. And that abstract human being seems to be a sexless human being according to the left that thinks of angels instead of people. The same can be said of the other struggles of the claudicating left, all of them to the greater glory of Capital. Democracy, which, as Ortega said, is strictly a form of political law, is being transplanted to areas where the concept itself is degenerating: the captain putting his military manoeuvre to the vote, the teacher consulting his pupils on their exam marks, the citizens as “users of public services” supervising the professional work of specialised civil servants... All of this is, of course, a ridiculous democracy, but the Western societies of late capitalism have reached that ridiculous point. By not democratising what is really fundamental, namely the economy, both the left-wing forces and degenerate Marxism have proceeded to take “democracy” out of its pots and lose its way.

The bourgeois message emerging from the big cities, often alien to the genuine project of Marxism - that of the restoration of the Community-in official, in single thought. Socialism and liberalism, among other main tendencies, have assumed it, extrapolating concepts that are only viable in the legal sense (those present in the Universal Declaration of Human Rights, fundamentally) and presenting them as an end in themselves. At the same time, the core concept of Capitalism, the Commodity, remains locked up in the *sancta sanctorum*. Everything, absolutely everything, is considered merchandise in this system of production. The Earth, Work, all types of service and human relations. Nobody, apparently,

wants to realize what Marx already let us glimpses in his chapter on the Merchandise. That the concept of Equality (of all men) covers the material inequality of the species in all aspects, very mainly in the possession of the production means. The somewhat complex human societies already possess hierarchical distinctions, and for example among the ancient Indo-European there is a trimember partition of functions that, with the due transformations arrive almost until today. Today, there is an extraordinary division of labour, an incessant dialectic between specialization of trades (driven by scientific-technical development) and a disqualification of trades. Because it must be said: capitalism can no longer take steps forward except through this more and more proletarian evolution. We live in a left-wing that has become the alibi for exploitation and the empire of commodity production for the appropriation of surplus value. Egalitarian and democratic ideas are being radicalised and taken out of the genuine locus, in order to ensure the empire of capitalism.

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## THE ECOLOGICAL LIMIT OF CAPITALISM: VALUE-FORM AND THE ACCELERATED DESTRUCTION OF NATURE IN LIGHT OF THE THEORIES OF KARL MARX AND MOISHE POSTONE

### Abstract

*Drawing on the theories of Karl Marx and Moishe Postone, I will seek to demonstrate that: 1) A fetishistic inversion between concreteness and abstractness lies at the heart of the modern macro-social synthesis. Both human labor-power and the sensible, material and natural world are reduced to the status of inputs that must be productively consumed, digested and expelled to feed the ongoing process of valorization; 2) This subsumption of the concrete in the dynamic of capital accumulation ( $M-C-M'$ ) has devastating implications for the environment. The compulsion associated to the normative standard of socially necessary labor time and to the extraction of relative surplus-value imposes through competition, ever rising levels of productivity, output and, thus, of raw-materials consumption to all companies in order to achieve smaller and smaller increments in the aggregate mass of profit. Therefore, as capital accumulation becomes harder, economic crisis aggravates the ecological crisis. In sum, the capitalist mode of (re)production is based on an abstract social form of wealth – (surplus-)value – which is inherently autotelic, boundless and, as such, entails a form of runaway economic growth deleterious to the biosphere.*

**Keywords:** *Use-value, (Surplus-)Value, Ecology, Marx, Postone.*

### Introduction

A specter is haunting the contemporary world – the specter of climate change. Everyone seems to be aware of the impending ecological catastrophe: scientists and Hollywood celebrities, Greenpeace and the European Commission, Greta Thunberg and the Queen of England, Pope Francis and Bill Gates. Yet, few people are able to grasp and theoretically substantiate the real causes behind this alarming course of events. In this chapter, I will argue that Karl Marx's theory of value and, in particular, its reinterpretation by Moishe Postone

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can help us make sense of the accelerated destruction of nature in modernity by grounding it in the fetishistic social dynamic of capital accumulation.

The interplay between the two poles of commodity production – use-value and value – is the main reason behind this regrettable ecological outcome. The contradictory effect on material, concrete wealth and abstract wealth of the continuous development of the forces of production, promoted and imposed on the many by capitalist competition, explains the runaway growth pattern that characterizes modernity. Increases in material productivity are matched by proportional increases in material wealth. However, as it will be explained below, the dynamic associated to the extraction of relative surplus-value – typical of mature capitalism – is such that *ever-growing* levels of productivity and *output* are needed to obtain *ever smaller* increases in the social mass of surplus-value (equal to the mass of profit).

Well, in the bourgeois mode of (re)production, use-value is only a vehicle for the valorization process. The ultimate goal of capital is monetary gain, that is, profit, which is created exclusively by the expenditure of abstract human labor, regardless of the general state of science and technology. Therefore, this endless tautological process – to make 2 dollars out of 1, etc. – entails the augmented consumption of raw materials, a colossal degree of waste and dangerous levels of pollution.

In section 1 the contrary effects of rising material productivity on use-value and value are discussed. Short-term temporary increases in the value generated per hour of social labor induce innovation, but, in the long run, once technical progress is disseminated throughout a given branch, the amount of value created in an hour of socially necessary labor recedes to its base level. Moishe Postone calls this the *treadmill dynamic*: to obtain the same economic gain per hour, one is compelled to produce use-values at an accelerating rate.

Section 2 presents the Marxian categories of absolute and relative surplus-value. Absolute surplus-value consists of the increase in the surplus-labor extracted from the workers by lengthening the working day. However, it has insurmountable biological and moral barriers. Thus, the so-called relative surplus-value is predominant in full-grown capitalism. It is obtained via increased productivity in those branches that produce the means of subsistence purchased by the workers with their wages, that is, by reducing the value of labor-power. Surplus-labor is augmented thanks to the reduction of necessary labor.

Nonetheless, as section 3 will show, relative surplus-value does not grow at the same pace as productivity and, therefore, entails an exponential rise in material output. This process is not driven by the demand to meet specific human needs, but by the need to fulfill the fetishistic goal of capital's enlarged reproduc-

tion. Capitalist production is directly responsible for the depletion of natural resources and for the destruction of the environment. Only the abolition of value could introduce a qualitatively and quantitatively new form of growth based on material wealth as the social form of wealth.

### 1. Treadmill Dynamic as the Contradictory Interplay Between Use-Value and Value

According to Moishe Postone, the commodity is the basic “form” (Postone 2003, 44) or “structuring principle” of capitalist modernity (Postone 2003, 154). It is the “nonidentical unity” of a material dimension (use-value) and a historically specific social dimension (value), which coexist in a contradictory manner (Postone 2003, 139). On the one hand, material wealth “is a function of the products” created, of their concrete “quantity and quality” (Postone 2003, 154). The production of use-values *is not* necessarily dependent of “the expenditure of direct labor”; in the course of the development of capitalism, it becomes ever more “determined by the social organization of production, the level of the development and application of science, and the acquired skills of the working population” (Postone 2004, 67). In short, *material* productivity is increasingly an “expression” of the general level of “social knowledge” and the wide range of the “productive abilities of humanity” acquired throughout history (Postone 2004, 67), such as machinery, computerization and automation.

In turn, value is *exclusively* constituted by *abstract* labor as a peculiar and equally abstract form of wealth and as a structured form of social mediation.<sup>2</sup> Its magnitude “is not a direct function of the amount of goods produced” (Postone 2003, 188); it is measured by “*socially average, or necessary, labor-time*” expenditure (Postone 1998, 61, emphasis added). The “reference point” in determining the magnitude of value is not the isolated producer, but “society as a whole” (Postone 2003, 191). The reciprocal action of the multitude of producers constitutes, behind their backs, “a *general* external norm that acts reflexively on each individual” (Postone 2003, 191, emphasis added).

For the purposes of the argument presented in this chapter, the fundamental aspect to be retained is that “*the production of value (...) is necessarily bound to the expenditure of direct human labor*” (Postone 2003, 195, emphasis in original) and that, consequently, increased *mechanized* material productivity cannot in

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<sup>2</sup> It is important to keep in mind that abstract labor *is not* a mere “conceptual abstraction” (Postone and Reinicke 1975, 143), but “a *real* social process of abstraction” (Poston, 2003, 152, emphasis added) that encompasses two interconnected moments: “the abstraction from all concrete forms and useful proprieties” of the multiple human activities (Postone and Reinicke 1975, 145) and the consequent *practical* “*reduction* to their common denominator as” *undifferentiated* “human labor” (Postone 2003, 189, emphasis added).

and for itself affect permanently the quantum of value generated per hour of social labor. Let us consider the following illustrative example: the average level of productivity in the clothing industry is such that in 1 hour 5 shirts are produced with the total value of 25 euros (and a corresponding unit value of 5 euros). An innovating capital, which is able to manufacture 10 shirts in 1 hour, thereby decreasing its *individual* value to 2.5 euros, will earn a temporary surplus profit because it will sell each shirt for 5 euros – the *market value* determined by socially necessary labor time.

However, as soon as technical progress is disseminated by competition and a new average level of productivity is enforced, the only *permanent* result will be the increased quantity of *use-values* produced in 1 hour of socially necessary labor time – 10 shirts instead of 5- and the reduction of its *unit* value from 5 to 2.5 euros. The mass of value created will be exactly the same as before: 25 euros (10 shirts x 2.5 euros). The incentive to subsequent technical progress capable of rewarding innovating capitalists with a new temporary surplus profit is reinstated.

Therefore, in capitalism the social form of value fosters the continuous increase in productivity and in the number of use-values manufactured. Competition rewards innovating capitalists with an extra surplus-value or *temporary* surplus profit, which results from the difference between their individual production costs and the average sectorial production costs. In the *short-term*, avant-garde capitalists are able to generate *ephemerally* a supplementary magnitude of value per unit of (abstract) time comprised in the working day.

Nevertheless, as soon as the innovating processes and the corresponding superior level of productivity becomes widespread among the rest of competing capitals, “the magnitude of value falls to its” original “base level” (Postone 2004, 59). Thus, “the *total* value yielded in a social labor hour remains *constant*” in the *long-term* (Postone 2003, 288, emphasis added), that is, in an hour of socially average or necessary labor time it is always produced the *same* mass of value. The reason for this is the expenditure of the *same* quantum of labor, the immanent measure of abstract wealth. The only *lasting* results of increased productivity are the accrued quantity of use-values produced and the reduced *unitary* value of commodities (Postone 2003, 288).

The capitalist mode of (re)production possesses, then, an unprecedented dynamism, since it promotes “ever-increasing levels of” *material* “productivity based on (...) technological developments (...) and the increased application of science to production” (Postone 2003, 197). These ongoing techno-scientific advances, namely in the form of machinery and automation, “*increase* greatly the amount of material wealth produced” (Postone 2003, 197, emphasis added).

However, they “create no new value” (Postone 2003, 196).<sup>3</sup> Moishe Postone calls this dynamic the “*treadmill effect*” (Postone 2003, 289, emphasis in original). The “treadmill metaphor” refers to the fact that one “must run ever faster simply to remain in place” (Sewell Jr. 2018, 162). Indeed, the successive redetermination of the normative social hour of labor forces capitals to produce *ever more* use-values in order to yield the very *same* magnitude of value during that period.

Socially necessary labor time is a form of temporal “compulsion” (Postone and Brick 1982, 635) because it is an imperative, mandatory and inexorable norm: all must comply with this rule or else they will be defeated by their competitors (Postone 1998, 61). This quasi-objective regulative framework is an “abstract” form of social “domination” (Postone 2003, 191) that subjects human beings to “impersonal (...) constraints” (Postone 2003, 4).

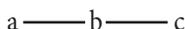
The “basic contradiction” of capitalism (Postone 2003, 196), alluded before, can be enunciated in the following way: on the one hand, “value becomes less and less adequate as a measure of wealth” (Postone 1978, 748), that is, turns out to be progressively “anachronistic in terms of the” gigantic “*material wealth*-producing potential of the productive forces to which it gives rise” and which – this is the decisive aspect – “no longer stands in *any* meaningful relationship” to the expenditure of labor (Postone 2003, 197, emphasis added). On the other hand, capitalism is a “system of production grounded in value” (Postone 2003, 197) and, as such, abstract and socially necessary labor represents its lifeblood. Thus, “*regardless of the degree*” to which the forces of production are “*developed*”, capital cannot do without absorbing human labor (Postone and Brick 1982, 636, emphasis in original). Socially necessary labor time is consecutively redefined in such a way that it entails *the infinite growth of production and, therefore, of the consumption of raw materials*.

This is an important preliminary conclusion. However, modern society is more complex, since the goal of capitalist (re)production is not value per se, but *surplus-value*. In the preceding paragraphs I have only hinted at the *temporary extra surplus-value* obtained by innovating capitals, but did not actually explain how surplus-value arises. Thus, it is time to thoroughly examine the definition of that category in the writings of Marx. In the following section I will concentrate on the distinction between absolute and relative surplus-value.

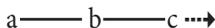
<sup>3</sup> Directly, because, as I will show in section 2, a general increase in productivity can lead *indirectly* to an increase in *relative surplus-value* as it reaches those branches of Department II which produce the means of subsistence. By reducing the value of the goods acquired by the workers with their wages, technical progress decreases the value of labor-power and, therefore, increases the share of surplus-value appropriated by capital.

## 2. Absolute and Relative Surplus-Value

As is well-known, Marx splits the working day in two sections, which are designated as necessary labor time (line segment  $a-b$ ) and surplus labor time (line segment  $b-c$ ):



During the first period, the workers produce that magnitude of value which is necessary to reproduce their labor-power and which equals their wages. The second period encompasses the supplementary labor time during which the workers produce an excess value – surplus-value – appropriated by the capitalist. If necessary labor time is taken as given, the surplus-value created depends entirely on the duration of the working day: the longer the working day, the greater will be surplus labor time. Marx calls *absolute* surplus-value the gain obtained by lengthening the working hours, i.e., through the extension of  $b-c$ :

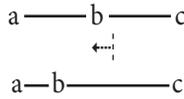


The maximum limit of the working day is physically and morally determined. Marx tells us that this upper boundary of the working day is doubly “conditioned” (Marx 1982, 341). On the one hand, “by the physical limits to labor-power” (Marx 1982, 341), in the sense that, during the daily 24 hours, an individual is capable of expending only “a certain quantity of his vital force” (Marx 1982, 341). Human beings also need time to restore their energy, to sleep, to eat, etc. In addition to this biological limit, the working day faces socially established “moral obstacles” (Marx 1982, 341). According to Marx, “the worker needs time in which to satisfy his intellectual and social requirements, and the extent and the number of these requirements is conditioned by the general level of civilization” (Marx 1982, 341).

Thus, one must keep in mind that the absolute length of the working day possesses insurmountable “limits” (Marx 1982, 419) and that, in a given society, it is a more or less stable magnitude culturally and socially constituted. Of course, capital will actively seek to overcome those obstacles, especially when valorization faces greater difficulties, but ultimately the biological limitations of human beings represent an insuperable barrier that will impose itself sooner or later. To sum up, the extraction of absolute surplus-value becomes progressively and literally *impossible*.

However, the production of surplus-value can also be incremented without any change in the duration of the working day. In the extraction of the so-called relative surplus-value, typical of full-grown capitalism, surplus labor time is in-

creased *thanks to the decrease of necessary labor time*. Segment *b-c* is augmented due to the shortening of segment *a-b*:



In other words, this implies a decrease in the value of labor-power achieved by way of a *reduction* in the value of the means of subsistence. Thus, the key to relative surplus-value extraction is the increased material productivity in those branches which supply the basket of goods acquired by the workers with their wages. The augmented material productivity *indirectly* allows the growth of the relative surplus-value extracted from the workers precisely through the *decreased* unitary value of the products they purchase with their income. It should be noted, also, that the increase of relative surplus-value is not incompatible with the raise of *real* wages and that, moreover, the raise of real wages and the rise of relative surplus-value can even be combined with the contraction of the working day, as the recent history of western capitalist countries shows.

Since the production of relative surplus-value does not depend on the rise of productivity in isolated companies, it is impossible for the individual capitalist to reduce the value of the labor-power he directly employs. What drives technical progress at the level of individual capitalists is another factor mentioned earlier when I discussed the concept of value, according to Moishe Postone, in section 1: the temporary appropriation of an extra mass of surplus-value when the production costs of a given company are inferior to the average production costs in its business branch. Intra-branch competition rewards innovating capitals. Consequently, the reduced value of labor-power is the *inadvertent* result of the general process of innovation that characterizes capitalism – underlying the pursuit of an extra surplus-value – every time it reaches those branches that produce means of subsistence.

Nevertheless, the more advanced the capitalist mode of production, the bigger will be the difficulties faced by the extraction of relative surplus-value. This happens because surplus-value “does not increase” at the same rate “as does the multiplier of the productive force” (Marx 1973, 339). The smaller the share of necessary labor *before* the increase of productivity, the smaller the rise in the share of surplus-labor will be, as Marx explains in the *Grundrisse*:

“The larger the surplus value of capital *before the increase of productive force*, the larger the amount of presupposed surplus labor (...); or, the smaller the fractional part of the working day which forms the equivalent of the worker, which

expresses necessary labor [i.e., wages, NM], the smaller is the increase in surplus value which capital obtains from the increase of productive force. Its surplus value rises, but in an ever-smaller relation to the development of the productive force. Thus the more developed capital already is, the more surplus labor it has created, the more terribly must it develop the productive force in order to realize itself in only smaller proportion, i.e. to add surplus value – because its barrier always remains the relation between the fractional part of the day which expresses *necessary labor*, and the entire working day. It can move only within these boundaries. The smaller already the fractional part falling to *necessary labor*, the greater the *surplus labor*, the less can any increase in productive force perceptibly diminish necessary labor (...). The self-realization of capital becomes more difficult to the extent that it has already been realized (...) because wages have (...) *already* fallen so low, regarded in its relation to the product of labor or to the living work day.” (Marx 1973, 340-341, emphasis in original)

For example, if necessary labor already represents only 2 parts out of 100 of the working day (and surplus-labor, therefore, accounts for 98 parts out of 100), then the doubling of material productivity – in those branches that create means of subsistence – will bring about a decrease in necessary labor to 1% of the working day, while the share of surplus-labor will increase to 99% of the working day. Thus, surplus-labor will rise only 1%, even though productivity will have risen 100%! There is, in fact, empirical data that corroborates the brutal compression of necessary labor throughout the 20<sup>th</sup> century (cf. Basso 2003).

It is possible to conclude that ever more gargantuan increases in material productivity are required to achieve homeopathic rises in the surplus-value produced. By the same token, ever-growing levels of concrete output are needed to embody a successful process of valorization. In other words, the production and realization of the abstract and autotelic social form of wealth characteristic of capitalist modernity, rendered by the general formula  $M - C - M'$ , has very harmful implications for the environment as I shall elaborate next.

### 3. Relative Surplus-Value and the Accelerated Destruction of Nature

As was demonstrated in section 1, the intimate “relation” established in mature capitalism between the standard of material “productivity”, on the one hand, and the surplus profit obtained through innovation, on the other, means that capital contains an “immanent drive” towards the continuous development of the productive forces and towards the ongoing increase in the level of *output* (Postone 2003, 310).

This *necessary* growth is aggravated by another factor: as I have mentioned in the previous section, relative surplus-value does not increase at the same rate

as productivity. The smaller the share of necessary labor already is, the bigger the further increases in productivity will have to be in order to achieve minor rises in surplus-value. Thus, it comes as no surprise that Moishe Postone extends his analysis by drawing on the Marxian category of relative surplus-value to illustrate the ecological problems associated to the capitalist mode of (re) production. Postone sums up the question in the following manner:

“[T]he *rate* of increase of the mass of surplus value per determinate portion of capital *falls* as the level of surplus labor time rises. (...) [T]he more closely the amount of surplus value yielded approaches the limit of the total value produced [by a given working day, NM] (...), the more difficult it becomes to further decrease necessary labor time by means of increased [material, NM] productivity and, thereby, to increase [relative, NM] surplus value. This (...) means that the higher the general level of surplus labor time and, relatedly, of productivity, *the more* productivity must be further increased”. (Postone 2003, 310-311, emphasis added).

The squandering of natural resources stems from “this particular dynamic (...) which yields increases in material wealth greater than those in surplus value” in a historical context in which it is the *latter* that constitutes the *social* form of wealth (Postone 2003, 311). The preservation of the fetishistic value-form means that material output must be multiplied out of all proportion to generate a homeopathic, but *imperative*, rise in the mass of surplus-value. Thus, “capital accumulation entails *ever-increasing* levels of productivity, *ever-increasing* masses of products produced and, hence, *ever-increasing* masses of raw materials consumed” (Postone and Brick 1982, 637, emphasis added). Sensible wealth cannot be generated in *reasonable* quantities, strictly sufficient to meet the *concrete* needs of people, consciously determined, because in modernity material wealth is degraded to the status of being a simple vehicle of (surplus-)value (Postone 2003, 312). The latter is *unquenchable* and, even worse, its growth rate is an ever-smaller *fraction* of the rise in material productivity (Postone and Brick 1982, 637).

Therefore, “the growing destruction of nature should not (...) be seen (...) as a consequence of increasing human control and domination of nature” in itself (Postone 2003, 312), nor should it be attributed to technology *tout court* (Postone 2003, 313). Ecological devastation results from the historically specific *capitalist* domination of nature and from a technical-material process of (re)production subsumed under the *valorization* process. The sensible world is attached to the supra-sensible social machinery of capital which consumes it, digests it and expels it in an insatiable manner:

“Capital (...) consumes material nature (...) as a means of fueling its own self-expansion – that is, as a means of effecting the extraction and absorption of as much surplus labor time from the working population as possible. Ever-increasing amounts of raw materials must be consumed even though the result is *not* a corresponding [or proportional, NM] increase in (...) [relative, NM] surplus value (...). The relation of humans and nature mediated by labor (...) acquires the form of an *accelerating* transformation of qualitatively particular raw materials into “matter”, into qualitatively homogeneous bearers of objectified [labor, NM] time” (Postone 2003, 312, emphasis added).

In sum, it is the “temporal determination” of surplus-value (Postone 2003, 313), as a fetishistic form of wealth and of social mediation constituted by the expenditure of abstract labor, which explains the peculiar “sort of growth” or “economic” expansion inherent to bourgeois modernity and that reveals itself inimical of the biosphere (Postone 2003, 312-313). This dynamic raises a “tension between ecological considerations and the imperatives of value” that is simply *unsolvable* in the “framework” of capitalism (Postone 2003, 313). Despite the atrocious ecological “consequences” (Postone 2003, 313) - namely, the depletion of natural resources, the destruction of the Earth’s physical environment, the extinction of numerous plant and animal species as a result of pollution<sup>4</sup> and climate change due to greenhouse gas emissions – both the individual livelihood of “wage laborers” and the reproduction of society as a whole are tied to the socially synthetic function of abstract “labor” and, therefore, to the enlarged reproduction of capital (Postone 2003, 313).

Only the “abolition of value” and the simultaneous establishment of “a society based on material wealth, in which increased productivity would result in a *corresponding* increase in social wealth”, would allow setting up a *sensible* “form of growth very different from capitalist growth” (Postone 2003, 314, emphasis added). Production for specific uses and consumptions, consciously determined, would replace the social tautology of production for the sake of production.

## Conclusion

Relying on the theories of Karl Marx and Moishe Postone, this chapter has shown that a fetishistic inversion between concreteness and abstractness lies at the heart of the modern macro-social reproduction. Both human labor-power and the sensible, material and natural world are reduced to the status of inputs that must be productively consumed in order to feed the ongoing process of

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<sup>4</sup> Which leads to irreparable losses in biodiversity.

capital expansion. This subsumption of the concrete in the abstract social form of value has devastating implications for the environment.

The functioning of competition promotes the continual increase of material productivity and *production*, since innovating capitals are rewarded with a *temporary* surplus profit, which results from the difference between their individual production costs and the average sectorial production costs. However, as soon as technical progress becomes widespread, the only lasting outcome is a new normative standard of productivity and the corresponding rise of the number of commodities created in an hour of social labor to generate the *same* magnitude of value. Socially necessary labor time is continuously redefined in such a way that it entails the infinite growth of production and, therefore, of the consumption of raw materials.

The side effect of this increased material productivity, when it reaches those branches that produce the basket of goods acquired by the workers with their wages, is the decreased value of labor-power. This is the secret behind the extraction of the relative surplus-value typical of late capitalism. Yet the increase in relative surplus-value is not proportional to the growth of material productivity. The larger the compression of necessary labor (wages), the higher will have to be the further increases in productivity and production to achieve an ever-smaller rise in the mass of surplus-value.

Thus, capital accumulation, progressively harder in the economic plane, demands the accelerated destruction of nature. In sum, sensible wealth cannot be produced in *reasonable* amounts, strictly *sufficient* to meet the *concrete* needs of people collectively decided, because in modernity material wealth is a mere carrier of abstract wealth.<sup>5</sup> The latter is by definition *boundless* and, to make things worse, its growth rate is ever more *fractional* in relation to the rise of material productivity.

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<sup>5</sup> This conceptualization is indebted to Serge Latouche and André Gorz. Latouche (cf. 2001) distinguishes the reasonable (*raisonnable*) from the rational (*rationnel*), that is, from the formal rationality which characterizes the modern market economy (substantively *irrational*). Gorz opposes the pre-capitalist principle of sufficiency to the capitalist principle of (abstract) maximization (cf. Gorz 1989).

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## INTEGRAL ACCUMULATION AND THE DYNAMICS OF CONTEMPORARY CAPITALISM

### Abstract

*Capital dominates modern society and takes various forms. The historical mutation of capital takes the form of the accumulation regimes. Our objective is precisely to analyze the contemporary form assumed by the capital, understood as a social relation, in its entirety, that is, as contemporary capitalism. Thus, the theme approached here is the integral accumulation regime, the current phase of capitalism, and its historical dynamics. Our interest was centered on the historical dynamics of integral accumulation and related issues. We briefly address the theoretical assumptions necessary for understanding the analytical process, and we carry out an analysis of the characteristics of the integral accumulation regime and its cultural effects, as well as its historical dynamics of formation, development and crisis trend. The conclusion is that the integral accumulation regime, like all other accumulation regimes, tends to collapse and be replaced by something new, which may be in the positive sense, human emancipation, or in the negative sense, the return of barbarism.*

**Keywords:** *Integral accumulation regime, capitalism, subjectivism, neoliberalism, destabilization, crisis*

### Introduction

Capitalism can be understood as a mode of production or as a society. In the first case, it is the capitalist mode of production and, in the second, it is the capitalist society. Capitalist society encompasses not only the capitalist mode of production, but also the derived social forms, which Marx termed, metaphorically, as “superstructure”, as well as subordinate modes of production. Thus, capitalist society is a broader term that brings within it a set of social relations, including the capitalist mode of production, the social forms and the subordinated modes of production. Our goal here is to analyze in contemporary. Capital is understood as a “social relation” (Marx 1988), although this term has other meanings, both in the Marxist conception and in other approaches (economic and sociological, among others). Capital is not any social relation but a specific

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social relation, which are the capitalist relations of production. Therefore, our focus of analysis is the capitalist mode of production, consisting of capitalist relations of production and productive forces.

However, it is not possible to understand the capitalist mode of production in isolation, since it not only generates fundamental social forms for its reproduction, such as the state apparatus, legal forms, institutions, cultural production and reproduction, as it is also determined by them. Undoubtedly, the capitalist mode of production is the fundamental determination of society, but social forms are part of reality and also act upon it. This is a complex process, in which one conceives the real as something concrete, “synthesis of multiple determinations” (Marx 1983), and, therefore, is a whole in which the parts relate and determine each other, although there is a determination that is fundamental (Viana 2007), which is precisely the capitalist mode of production. Thus, our focus is on the capitalist mode of production, but we will briefly address other aspects of capitalist society that are important for understanding it.

Our analysis of the capitalist mode of production, however, does not seek to reconstitute its constituent elements, but rather its historicity and, above all, its contemporary manifestation. The purpose of the analysis is to understand the capitalist mode of production today. That is why our path will be to analyze the formal mutations of the capitalist mode of production and, because of this objective, we will address the accumulation regimes, which express their historicity. In a second moment, we will analyze the integral accumulation regime, the current form of the capitalist mode of production, and its historical development. An element which goes beyond the integral accumulation regime but which is important to understand it, it is the hegemonic renewal that occurs from its establishment, which will be addressed briefly. Finally, we will deal with your recent process of destabilization and its tendencies.

## **1. Accumulation Regimes and Capitalist Development**

The capitalist mode of production is not static, it is historical, like everything else that exists. The category of historicity is fundamental to the understanding of reality. Historicity can be marked by permanence or rupture. Historicity, when it manifests a permanence, can be in the form of stagnation or evolution. When it is marked by rupture, it means transformation, revolution. The capitalist mode of production has a historicity marked by permanence and the tendency for transformation due to its internal contradictions and external challenges. However, the constitutive and fundamental elements of the capitalist mode of production continue to exist and reproduce themselves. The essence of the capitalist mode of production is found in the capitalist relations of production.

These are characterized by the production of surplus-value, generating capital and capital accumulation. The production of surplus-value, in turn, continues to exist, just as the classes constituted in that relation, the bourgeoisie and the proletariat, as well as the distribution relations, the so-called “market”, among other elements. In this way, the capitalist mode of production seems static, without change. However, it changes. It is need have to understand that so long as it remains, it changes. To understand this, it is necessary to overcome the antinomies of bourgeois thought (Viana 2019), in the sense of not being limited to the antinomy between “continuity” and “discontinuity”, because both, in concrete reality, can coexist, as well as succeed each other or manifest in isolation.

To understand this process, Hegel’s philosophical categories of essence, existence and appearance, assimilated and developed by Marx, are fundamental. In the case of the capitalist mode of production, what remains is its essence, its constituent elements are what characterize it, and what changes is its form, its existence, concrete historical and particular manifestation (the national differences, for example). This means that it is a formal mutation that coexists with the conservation of its content. The capitalist mode of production alters its form, its existential manifestation, and reproduces its essence. On the plane of immediate consciousness, without reflection (or dominated by ideological conceptions), this is not noticeable, since it’s common not to go beyond the “realm of appearances”, that makes one think of constant changes or essences that do not exist. That is why it is essential to understand the mutations of the capitalist mode of production that mark the history of capitalism. Capitalist development is marked by the formal mutations of the capitalist mode of production.

It is in this context that the concept of accumulation regime gains importance, because it allows the understanding of the historicity of capitalism. The concept of the accumulation regime was originally created by a group of thinkers. The so-called “Regulation School” (Lipietz 1988) was the first to develop this idea more systematically, and some researchers began to work with this term, with or without changes, to analyze the historical development of capitalism (Harvey 1992; Benakouche 1980). However, it is not our goal to carry out an archaeology of this concept, but only to assimilate it formally by assigning it a new meaning (Viana 2009; Viana 2015; Viana 2016).

The most appropriate concept of accumulation regime is one that understands it from the idea of class struggle. The essence of the capitalist mode of production is the production of surplus-value. The process of producing surplus-value is a class relationship, founded on exploitation. The proletariat produces a surplus beyond what is necessary to secure the equivalent of its wage and transfer the value of the means of production. This surplus, once produced,

is appropriated by the capitalist class. This process of exploitation results in the accumulation of capital. The reason for this, as explained by Marx (1988), is that the capitalist, in obtaining profit, uses it partly as income (his personal consumption) and partly as capital, which is reinvested, generating the expanded reproduction of capital.<sup>2</sup> The dynamics of the expanded reproduction of capital, in turn, generates the process in which growing centralization and concentration of capital occurs, generating oligopolies. These elements show the universalizing and expansionist character of the capitalist mode of production. Capital can only subsist if it expands constantly and indefinitely. Therefore, it invades the whole of social relations, commodifying everything, as well as expanding spatially (it emerged in Europe and spread throughout the world). And this does not occur without contradictions, without complementary processes, among other things. Two of these elements that will be important for the continuity of our reflection are worth highlighting here: the declining trend of rate of profit and the meaning of the capitalist state in this process of reproduction of capital.

The downward trend of the rate of profit is derived from the organic composition of capital and also brings countertrends (Marx 1988). The organic composition of capital expresses the quantum of labor force (living labor) plus fixed capital, that is, means of production (dead labor), which enter the production process. The more capitalism and technology develop, the greater the proportion of capital (dead labor) to the detriment of the use of labor force (living labor). Given that the generator of surplus-value is the labor force, the rate of profit tends to fall, since fixed capital does not generate new value, it merely passes on its value to commodities.

In this context, the capitalist State has a fundamental task of ensuring the reproduction of capital, which is always has to be expanded. That capital only survives by the expansion and maintenance of capitalism means the maintenance of its expanded reproduction. The called “Derivationist school” contributed by analyzing the relationship between the capitalist mode of production and the State, placing it as derived therefrom (Salama; Mathias 1981; Hirsch 1990). The state apparatus is fundamental to capitalist accumulation, because it allows investment where private capital does not consider profitable, provides

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<sup>2</sup> Obviously, this is an extremely brief synthesis focusing only on the essential aspects of the capitalist mode of production, which involves several other elements that we will not be able to address here, such as commodity, use value, exchange value, wage labor, productive work, unproductive work, relative surplus-value, absolute surplus-value, among dozens of other concepts that express the reality of this mode of production. The classical analysis of the capitalist mode of production is the work of Marx (1988) and it is sufficient to have recourse to it to have a deeper understanding of this phenomenon. Here, in one passage or the other, we will have to use some concepts that we do not synthesize above, but that can be consulted in the work of the author of *The Capital*.

infrastructure, coordinates the economy in general (financial policy, industrial policy, etc.) as well as being the main agent in combating the declining profit rate trend (Viana 2015).

The universalizing character of the capitalist mode of production is explained by another need for its reproduction: the invasion of all social relations (universalization) through commodification and everything that accompanies it. The commodification of social relations generates a process of transformation of everything into commodity or merchandise<sup>3</sup>. The capitalist mode of production, in its initial stage, turned mainly to the production of clothes, means of production, among other material goods, and, over time, took over the production of residential furniture, household appliances (Granou 1974) and, later, started to include technological products (radio, tv, automobile) until arriving contemporaneously with modern computers, mobile phones, etc. Food production, in turn, becomes more and more capitalist, generating a drastic quantitative reduction of the peasantry and small property. However, the commodification of social relations generates a process of creation of merchandise, which means the transformation of cultural and collective goods not produced in the context of capitalist relations of production into bearers of the exchange values process<sup>4</sup>.

The expansion of the capitalist mode of production brings the question of the constitution of world capitalism. The primitive accumulation of capital was leveraged by colonialism, as well as neocolonialism and the forms of imperialism which it succeeded were key to the continuation of capitalist accumulation, as it not only allowed for the expanded reproduction with the expansion of the consumer market and sources of raw materials, but also enabled a further esca-

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<sup>3</sup> A discussion on the concept of merchandise can be seen in Viana (2018). We can summarize this concept here through the distinction between commodity, material goods produced in the context of capitalist relations of production, and merchandise, collective and cultural goods consummated in the context of relations of distribution and social forms (“superstructure”) even when they are material goods (a Picasso painting, for example, is a material good, but is not subject to capitalist relations of production and therefore its value is not determined by the average social working time to produce it). In Portuguese, *mercadoria* (commodity), *mercancia* (merchandise) and *bens* (goods) are used. Commodity (*mercadoria*) is the term used by Marx to refer to the capitalist production process. Merchandise (*mercancia*) is the term that we use to explain the existence of products that are exchange values, but are not produced in the relations of capitalist production. Goods (*bens*) is a generic term used for any product, both bearers of exchange value and simply use values.

<sup>4</sup> Undoubtedly, there is an intertwining between commodity production and consumption of merchandise. For example, a song can be a merchandise, through copyrights, but when materialized in a technological support (from vinyl disc to Cd’s and other more contemporary) it becomes part of a commodity, which is a material good produced within the framework of capitalist relations of production. In this case, the production of a CD, for example, requires capitalist and proletarian labor relations to produce them, while music without material support does not.

lation of exploitation, the international, which proved, in the end, an increase in the exploitation of the proletariat in the countries of subordinate capitalism. The transfer of surplus-value from the subordinated capitalist countries to the imperialist capitalist countries has become one of the main supports of capitalist accumulation.

After this brief discussion about capitalist accumulation, we can resume the question of the accumulation regime. The process of capital accumulation has as fundamental elements the production of surplus-value, which is the relationship between the working class and the capitalist class in the process of producing material goods, the state action that allows the reproduction of this relationship and the conditions for capitalist accumulation and, finally, international relations. In this sense, a certain stage of capitalist accumulation, which takes on a specific form of exploitation of the proletariat, means a mutation in labor relations (fundamentally in the process of valorization), in the state apparatus (which not only creates the internal conditions of a nation for accumulation, but is also responsible for the legal regularization of changes in the work process and in international relations) and in international exploitation. What is visible, in this case, is that in all these elements the process of exploitation is revealed. The capitalist class imposes reformulation in the process of exploitation via state apparatus and international relations, generating an increase in the extraction of surplus-value. This means that the accumulation regime is characterized by a certain correlation of forces between social classes (especially the fundamental classes, bourgeoisie and proletariat) which stabilizes at a certain moment of capitalist development.

Thus, contrary to economic conceptions, the accumulation regime can only be understood as a certain stage of class struggle. In broad lines, we can point to the history of capitalism as the succession of accumulation regimes (Viana 2009; Orio 2020). These accumulation regimes were the extensive (period of the industrial revolution), the intensive (from the mid-19th century until 1945), the conjugate (from 1945 until about 1980) and the integral, which is the current and emerged in the 1980s in some countries and spread throughout the world subsequently (Viana 2009; Viana 2015). In addition to these two accumulation regimes, two others emerged, the war accumulation regime during Nazi-fascism in Germany and Italy, short-lived, state accumulation regime, in the former USSR and in the so-called “socialist bloc” countries, which are, in fact, state capitalism (Viana 2019). Thus, the succession of forms assumed by the organization of labor, state apparatus and international relations point to this succession of accumulation regimes<sup>5</sup>.

<sup>5</sup> It will not be possible, due to space, to develop these elements, but we can summarize as follows: extensive accumulation regime: liberal state, extensiveness as a form of work organization, neo-

## 2. The Integral Accumulation Regime

Our focus here is the current accumulation regime, for it is what allows us to understand contemporary capitalism. Its genesis dates back to the crisis of the conjugated accumulation regime and its process of constitution. We will not be able to develop a broader analysis of this process, but only to point out the general lines of its development. The combined accumulation regime emerged from the rubble of World War II and the division of the world into two major powers, the US and the former USSR. In this context, the new accumulation regime is able to consolidate and maintain its stability until the mid-1960s. But at the end of this decade, the crisis sets in. It has two elements. The rapid process of capital accumulation generated a fast-technological development that in the late 1960s generates a decline in the rate of profit (Harvey 1992; Beaud 1987). This situation fosters social processes that were marginalized, but gain new space, as does the challenging culture that strengthens and, toward the end of the decade, erupts with force in student and workers' struggles, as well as the radicalization of some social movements. The most radical moment that expressed the deepest crisis of the conjugated accumulation regime was during May 1968 in France, in which the student struggle, which called for self-management, was accompanied by the largest strike in the history of France, with more than ten million workers ceasing striking and proletarian actions, including the creation of factory councils.

These struggles were defeated, despite the existence of other radical actions (the strike in LIP, in France, in later years, the Portuguese Revolution, in 1974, etc.) The 1970s were marked by the transition from the conjugated accumulation regime to the integral accumulation regime. The cultural changes are expressed through a renewal of Leninism in Europe, as well as the emergence of self-managed Marxism, accompanied by the generation of the subjectivist paradigm and corresponding ideologies such as post-structuralism<sup>6</sup>. Thus, the search for alternatives in the field of labor relations is consolidated with the so-called productive restructuring that advances in the 1980s, with the adoption of toyotism

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colonialism; intensive accumulation regime: liberal-democratic state, Taylorism, financial imperialism; conjugated accumulation regime: integrationist state, better known as "Welfare State", Fordism, transnational oligopolistic imperialism; integral accumulation regime: neoliberal state, toyotism, hyperimperialism. Of course, each of these elements deserves a long reflection, which we will not be able to do. It would be necessary both historical analyses and conceptual clarifications, as well as alerting of the complexity of this process, such as the coexistence of these elements and the hegemony of one of them and not simply non-existence, as in the case of neo-colonialism or Fordism, which did not cease to exist but rather to be hegemonic, whose duration of subsistence varies. These aspects were developed in other works (Viana 2009; Viana 2015; Almeida 2020; Braga 2018; Viana 2019).

<sup>6</sup> In this period began a preventive cultural counter-revolution (Viana 2009) which culminated with the emergence and hegemony of the subjectivist paradigm (Viana 2019).

and other processes of mutations in the field of production, accompanied by state mutation with the emergence of neoliberalism as a hegemonic form of state organization. Neoliberalism emerges with the governments of Margaret Thatcher and Ronald Reagan and spread throughout the world afterwards. The hyperimperialism that accompanies this process points to the intensification of international exploitation, involving processes like free trade agreements, such as the Alfa, intensification of worker exploitation in subordinated capitalism (generator of a larger quantum transfer of surplus-value to the imperialist capitalist countries), among other processes.

Therefore, the integral accumulation regime marks the new phase of world capitalism. The mutation in labor relations means a search for an increase in the exploitation rate through the combination of extraction of relative value and absolute value, increased productivity in the form of toyotism, outsourcing, precarization and corrosion of labor rights. Technology is used in this process widely, and control of the work process gains it as a powerful ally. The light system, kan-ban, just-in-time, video surveillance, allied with an alleged “participation” of workers, such as Quality Control Circles, multi-specialization among others aspects, are all parts of this process. Thus, the strategy of capital is to increase the extraction of surplus-value, be it relative surplus-value through the increase of productivity, be it absolute surplus-value, with the outsourcing process and corrosion of labor rights, allowing an increase in work hours and other similar processes.

The neoliberal State is fundamental in this process, because it regulates these new labor relations and still follows a financial policy that seeks to control inflation, public debt, among other processes, allied to a policy of containment of state spending (especially with reduced spending on social assistance policies) and a more intense policy of repression. These processes may be seen in institutional and legal changes, as well as in the new financial policy, dominated by monetarism. The excessive concern with currency, inflation, control of the interest rate, among other processes, aim to ensure financial stability, cuts in state spending, which means a re-articulation that redirects the distribution of state income. In this context, the neoliberal state dismantles the guidelines of the integrationist state, especially state interventionism in the economy and the policies of the “social welfare state”.

The coexistence of increasing the rate of exploitation, precariousness of work, and related processes, with decrease of social policies, means an increase of poverty, criminality and violence. This process generates the need for a more repressive state apparatus, or, as some ideologues say, “minimalist” (in social policies) and “strong” (in repression) (Bobbio 1988). At that moment, another

face of neoliberalism emerges: a “strong”, highly repressive state, or, according to the sociologist LÖic Wacquant, a “penal state”. The zero-tolerance policy emerges in this context in New York and spreads around the world (Wacquant 2001).<sup>7</sup> The neoliberal state in subordinate capitalism followed the “free market” guideline, while that of the imperialist countries pointed to protectionism. The crisis of the accumulation regime created new needs for capital and capital reacted to create the conditions for the recovery of capitalist accumulation. Hyperimperialism, which henceforth has the United States as the great helmsman without a rival to the height, with the crisis of state capitalism in the USSR, intensifies international over-exploitation, as occurred in Mexico with NAFTA<sup>8</sup> (it’s not without reason that social struggles in Chiapas and, later, the Commune of Oaxaca emerged), as well as the military invasions and other processes.

In short, the integral accumulation regime succeeded in ensuring the return of capitalist stability, threatened in the late 1960s and made difficult in the 1970s. The 1980s were marked by a drastic increase in exploitation and conflict, and only in the following decade was a new stability has been established. This new phase of capitalism was not well understood and only over time some analyses began to produce a broader perception of it. This, however, was somewhat marginal. And the reason for this was due to another obstacle that emerged: a new hegemonic paradigm – the subjectivist one hindered – and still hinders – the perception of the reality of contemporary capitalism.

### **3. Integral Accumulation Regime and Hegemonic Renewal**

The integral accumulation regime generates a profound cultural mutation in capitalism. The germs of this mutation refer to the defeat of May 1968. A year after this defeat the first symptoms begin to emerge. It is in France, where the struggle was most radicalized, that they emerge more broadly and immediately. In 1969, Jacques Le Goff took over the leadership of the School of the Annales, an influential trend in world historiography. At that moment, historiography becomes dominated by what was called “history in crumbs” (Dosse 2003). Michel Foucault, a former structuralist, briefly approaches leftist Maoism (which had

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<sup>7</sup> Social changes are accompanied by cultural changes. It is precisely from this time that the growth of interest in the theme of violence in academic circles emerges, as well as, in the case of the United States, in artistic production in general. Comic books become increasingly violent. This can be seen in the American Flag series [American Flag], in the Batman stories, such as *The Mortal Joke*, among several others. And, in the cinema, the “action films”, filled with violence, with their movie stars: Sylvester Stallone, Jean-Claude Van Damme, Arnold Schwarzenegger, among others. In intellectual production, violence is naturalized by some, it transforms into “moral responsibility” etc. In essence, violence is culturally trivialized so that its real trivialization is accepted.

<sup>8</sup> North American Free Trade Agreement.

some relevance during May 1968 and went beyond moderate Maoism due to the so-called “Chinese Cultural Revolution” and the French political climate) and then adheres to post-structuralism (Mandosio 2011). The old structuralists, in crisis after the return of history represented by May 1968, become, for the most part, “post-structuralists”.

This process can be better understood if we understand capitalist development and its relation to cultural changes. The capitalist mode of production changes form, but retains its content. Likewise, the bourgeois episteme maintains its content and changes its forms (Viana 2018). The bourgeois episteme has some essential characteristics that assume specific configurations, emphasizing aspects previously neglected, generating a centrality in what was peripheral, etc. To each an accumulation regime, the bourgeois episteme assumes a specific form that we call a paradigm<sup>9</sup>. Paradigms are underlying mental processes that rearticulate the elements of bourgeois episteme constituting a way of thinking generally not perceived by the producers and breeders themselves. They become perceptible through certain ideologies. Hegemonic paradigms have an intimate connection with the accumulation regime in every epoch of capitalism. Thus, in the extensive accumulation regime there were the Enlightenment (before the bourgeois revolutions) and Romanticism (post-revolutionary), as well as in the intensive accumulation regime the positivism and, in the conjugated accumulation regime, the reproductive.<sup>10</sup>

What interests us here, however, is the hegemonic paradigm in the integral accumulation regime. This accumulation regime generates a return to “liberalism” in a context of intense and extensive oligopolization of world capitalism. It does not express a free-competitive capitalism, which is a thing of the past, but a world oligopolistic capitalism. Neoliberalism has as its ideological

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<sup>9</sup> Edgar Morin (2001) and Thomas Kuhn (1991) present a conception that has similar points, but there are also differences, because we inserted the concept of paradigm in a broader reflection on bourgeois episteme, as well as pointing out its process of social constitution and link with accumulation regimes. The similarity is more in definition and formal aspects.

<sup>10</sup> This bond is established by the needs of capital and the economic and political tasks of the bourgeoisie (and therefore of the state apparatus) in the sense of reproducing capitalist accumulation. The necessity of the bourgeoisie, at a given moment, points to statization, as occurred in the conjugated accumulation regime and, at another time, to a liberal version, as it existed before and after this accumulation of regime. Hegemonic ideologies are linked to such needs and holism is linked to statist political conceptions (integrationist, fascist, Nazi, etc.) and individualism is linked to liberal conceptions (neoliberalism, for example). And this is revealed in other plans of bourgeois antinomies, such as objectivism/subjectivism; enlightenment/romanticism, etc., although there may be mergers and adaptations. Paradigms are underlying mental processes, though usually non-conscious, but may assume a greater degree of consciousness, depending on the paradigm in question. This is the case, for example, of the organicist paradigm, which, being more pragmatic and less developed intellectually, was more explicitly linked to Nazi-fascism (Viana 2019).

foundation the “free market” and individual freedom, justifications for the new state policies. The accountability of civil society and individuals in the context of withdrawal of social assistance policies, generates a legitimization and varied initiatives of replacement of state action by civil action. Individualism takes on importance in this context, as well as the idea of “entrepreneurship”, “empowerment”, among other ways of holding individuals accountable while justifying the restriction of state action. This generates the neoliberal participation in place of the integrationist.<sup>11</sup>

Thus, the idea of subject, as well as “subjectivity” gain space and complement this process. The emphasis on the subject becomes fundamental, both at the “cognitive” level and at the political. The subject can be the individual, as in neoliberalism and the new individualism that emerges and is strengthened (with its consequences: hedonism, exacerbated narcissism, etc.), a collective subject (as expressed in identity politics) or, still, “multiple subjects”. This is what is observed in various ideologies and representations corresponding to the new paradigm, such as neoliberalism, post-structuralism, multiculturalism, identity politics, etc. This subject can be interpreted as one who makes “rational choices” or, more commonly, a “desiring machine” (Guattari 1986). Elements of romanticism are recovered and Nietzsche becomes a strong influence. Reason is criticized, and the idea of subjectivity appears in its place<sup>12</sup>.

In this context, there is a cultural mutation of great proportions. The question of objectivity, of totality, among others, are abandoned and replaced by the centrality of the subject and subjectivity. This process becomes powerful, it spreads through society, dominating the academic and intellectual media and reaching the social movements and other civil society organizations. Undoubtedly, this does not occur without a cultural policy that can be seen through the strength of international organizations, especially UNESCO, but also IMF, World Bank, International Foundations (Ford, Rockefeller, etc.), institutes and the state apparatus (VIANA, 2019). The rejection of totality is a fundamental feature of the new paradigm. The strength of the hegemonic paradigm makes it omnipresent, dominating the opposition sectors of society (Leninism, anarchism, etc.) Few escape its overwhelming strength. And, thus, the integral accumulation regime generates a new paradigm and this legitimizes and justifies it (with its ideologies and representations), as well as reinforcing it.

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<sup>11</sup> Jock Young (2002) notes some aspects of this process. What is interesting is the change of perspective in relation to the marginalized by capitalist society. The integrationist State aimed to integrate individuals and marginal groups into capitalist society, through their adaptation, and the neoliberal state aims to include them marginally through the recognition of differences.

<sup>12</sup> A more developed and detailed analysis of this process, with its complexity, can be seen in Viana (2019).

Undoubtedly, other conceptions and even paradigms continue to exist and with greater or lesser force, depending on the country and the moment. The positivist paradigm still exists, although marginalized, as well as the reproductive one. Some oppositional tendencies resist, but either through an eclecticism that incorporates and therefore reproduces, the hegemonic subjectivist paradigm (sectors of anarchism, Leninism, etc.) or cling dogmatically to their conceptions, without succeeding in a broader and more radical critique of subjectivism. On the other hand, Marxism – in the updated version of self-managed Marxism – persists and develops, generating criticism from both the hegemonic paradigm of today and of others<sup>13</sup>.

#### **4. The Dynamics of the Integral Accumulation Regime**

Every accumulation regime has a historicity. The idea of historicity is fundamental to Marxism and is one of the main categories of dialectics. We have already highlighted it when dealing with the historicity of the capitalist mode of production. However, accumulation regimes also have a historicity. Just as there has been a succession of societies in the history of humanity (whose fundamental determination were the modes of production, which likewise followed each other in the historical process), there is also, in the history of capitalism, a succession of accumulation regimes. However, it must be understood that with each accumulation regime, the reproduction of capitalism becomes more difficult. Moreover, it is also necessary to understand that an accumulation regime is not static. It arises, develops and disappears. It was so with all accumulation regimes prior to the integral and so it will be so with this one.

The historicity of accumulation regimes is marked by cycles: cycle of constitution, cycle of consolidation, cycle of dissolution (Viana 2016). Every accumulation regime has a cycle of constitution, marked by formation, ascension and expansion. It forms within the previous accumulation regime, manages to become predominant and expands worldwide. This process is accompanied, at its end, by the cycle of consolidation, when there is its strengthening and stabilization. At that moment, he reigns absolute and without great opposition (Viana 2016). It achieves stability, which is temporary, but ideologues will present the idea of its “eternalization” and this will seem true, both for its real strength in society and for its cultural hegemony (paradigm, ideologies, representations, etc.)

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<sup>13</sup> In this regard it is possible to consult the works of Yvon Bourdet (Bourdet 1978; Viana 2020a; Guillem; Bourdet 1976), Alain Guillem (Guillem; Bourdet 1976), Mauricio Tragtenberg (Peixoto; Viana 2020; Tragtenberg 1989), Nildo Viana (Silva 2020; Marques; Maia 2018; Viana 2008) and others (Viana 2020b), as well as a whole critical current that emerged from 1968, although, outside of self-managed Marxism and with ambiguities, as in the case of the various autonomist tendencies.

However, this cycle also ends and that of dissolution emerges. This is marked by weakening, destabilization, crisis, which can generate partial reconfiguration and processes of destabilization and crisis, until reaching its final crisis (Viana 2016). Each cycle is complex and there is no linearity, with contradictions and multiple determinations.

The integral accumulation regime develops such cycles and as much as ideologues want to eternalize it, it is historical and goes to its end. Thus, if the conjugated accumulation regime had its W. W. Rostow, the integral accumulation regime had its Francis Fukuyama<sup>14</sup>. These ideologues are successful in one season and forgotten in another. They, however, should be remembered in the sense of showing that the ideologies that deny history are inevitably refuted by it, and this occurs in a real way and not through fallacious speeches.

The cycle of formation of the integral accumulation regime points to the aforementioned crisis of the late 1960s and some experiences of the 1970s that would be rearticulated to constitute the necessary change for capital. Thus, the crisis of the conjugated accumulation regime generated the need to think alternatives, but ideologues and rulers have difficulties to think outside the hegemonic paradigm and the political and economic guidelines in vogue. But, in a context of crisis, the hegemonic paradigm weakens, as well as begins to outline new economic and political guidelines. In this context, the Trilateral Commission pointed to the attempt to resolve the crisis of the combined accumulation regime by strengthening its trends, but at the same time announcing some elements that would be present in the future accumulation regime. This is the case of his indications on increased international exploitation and greater state repression (Asman 1979). Another element is the privatizing experience in Chile during the military regime, inspired by neoliberal economists. Toyotism, emerging in Japan, in turn, begins to attract attention and in the 1980s becomes a component of the new regime of accumulation, in the field of labor relations<sup>15</sup>.

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<sup>14</sup> W. W. Rostow (1974) was the author of “The Stages of Economic Development”, whose subtitle was “A Non-communist Manifesto” and which was based on apologetic evolutionism, according to which industrialization generated a consumer society and would reach a society of abundance (and subordinate capitalism was in a previous evolutionary phase and would soon reach the consumer society and then the abundance phase). Undoubtedly, history has shown Rostow’s misunderstanding. Fukuyama (1992), for his part, was the author of “The End of History and the Last Man”, in which he stated that (neo)liberal democracy was the last stage in history, and was far more successful than Rostow. And, again, history defeats those who deny it.

<sup>15</sup> Many insist on saying that Chile expressed the first neoliberal experience, and the fact that economists from the “Chicago School”, such as Milton Friedman, were consultants to Augusto Pinochet seems to confirm this idea. However, it was not a neoliberal state, because it occurred in a dictatorial regime (which is quite contrary to the neoliberal guidelines and their ideological foundations) and did not fully manifest, because only the privatizing character stood out and materialized in this experience, and the other aspects either did not exist or were developed in a very rudimentary way. On the other hand, the real basis of neoliberalism, the changes in labor

Thus, the 1980s were the introduction of the integral accumulation regime and its generalization, initially in Europe (beyond the USA) and then in the rest of the world. In Latin America, for example, it begins to emerge in the late 1980s and early 1990s. The crisis of state capitalism of the former USSR and of the component countries of the same bloc, favored this process and allowed the almost absolute hegemony of neoliberalism, what Ignacio Ramonet (2020) called “single thought”. Neoliberal policies, new labor relations and the intensification of international exploitation, elements which characterize the integral accumulation regime, have led to an increase in the operating process and thus a resumption of the pace of capital accumulation. Financial stability and other processes allowed a period of tranquility for the capitalist class.

However, underground there was an impoverishment of the population in the imperialist capitalist countries, which generated the ideology of “social exclusion”, emerging in France, as well as a process of expansion of lumpen-proletariat at the world level (Braga 2013; Viana 2009). Alongside this, favelization (Davis 2006) and other processes are effective. Therefore, the discontent also increases subterraneously. In certain places radicalized social struggles explode, as in Chiapas (Mexico) and Argentina, as well as the reemergence of a contested culture and actions such as the so-called “anti-globalization movement”. The integral accumulation regime faces new problems and radicalized social struggles begin to re-emerge. This can be considered a moderate and relative destabilization, or a weakening, which makes room for its deepening and already generates a political hardening of neoliberalism.

After this, sporadic struggles emerge in various places, including protests in imperialist capitalism, something that had practically disappeared, as occurred in France in 2005. So stability starts to crumble from the 2000s, but there’s a re-articulation in this neoliberal decade, in which the universal policies of the integrationist State are replaced by the segmental policies of the neoliberal State and the economic stability allowed an advance of the welfare neoliberalism via these initiatives and others to the most impoverished sectors<sup>16</sup>. Left parties began to win elections and submitted to neoliberal guidelines, abandoning any social democratic project in favor of palliative, welfare and segmental policies,

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relations had not yet begun and the process of regularization by the Chilean dictatorial state, obviously, could not occur. The Neoliberal State emerges, in fact, in England and the United States, in the 1980s, and only in analyses that leave aside the totality (extracting and isolating elements of the set of social relations) is that it could attribute to a country of subordinate capitalism of dictatorial regime the original creation of neoliberalism, being at most an experiment of one, or some aspects of it, that was not even its essential element.

<sup>16</sup> This is the case with the initiatives promoted by the World Bank to combat poverty. In Brazil, this managed some government programs, such as the “bolsa escola” program and, later, the “bolsa família” program.

as well as broadening the accountability of civil society. In this context, there is a convergence between the supporters of democratic liberalism, metamorphosed now as progressive neoliberalism<sup>17</sup>, and the left, realizing a kind of fusion between the most democratic sectors of the dominant bloc and the more moderate sectors of the progressive bloc<sup>18</sup>. Simultaneously there is a hardening in the repressive aspect with a growth of bureaucratic and state control, including with the counterinsurgency policy (Viana 2020c)<sup>19</sup>.

However, capitalist accumulation is cyclical and after a period of accelerated capital accumulation, it again shows signs of deceleration. This was reinforced by the financial crisis of 2008. This financial crisis that arose involved the cyclical character of capitalist accumulation. However, it was generated by the process of US government action with its financial policy of containing inflation and other processes, which generated what became known as the “bubble” (that of the real estate market). Government policy, the next moment, with the increase of the rate of profit, exploded, generating a financial crisis in the United States that

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<sup>17</sup> We will not be able to discuss here the various trends of liberalism. What is important to emphasize is that liberalism has different tendencies within it and has undergone historical changes. For example, it is possible to distinguish between national liberalism, democratic liberalism and other forms. Democratic liberalism is a sector of liberal thought that unites the idea of individual freedom and representative democracy, as well as free market with relative state interference. The evolution from democratic liberalism to progressive neoliberalism is what happened in the United States. In this country, democratic liberalism adopted the segmental policies and other emerging conceptions in the major institutions (international organizations, private foundations, etc.) and thus began to conceive representative democracy in a segmented form. Nancy Fraser (2017), despite her analytical confusion, called this process “progressive neoliberalism”. Basically, it is a bourgeois progressivism, which is close to the progressivism of the left, although it is absent in the case of the United States, unless it is extremely marginalized. However, the left, both in the United States and in much of the world, became even more moderate and accommodated to neoliberalism. The governments of left-wing parties have become appendages of progressive neoliberalism.

<sup>18</sup> It will not be possible to deepen such discussion, but only to make a brief conceptual clarification. The social blocs are the most organized, conscious and active sectors that express the interests of the social classes, usually of the fundamental classes (bourgeoisie and proletariat) and of the third class with the largest political initiative, the bureaucracy. Thus, we have the dominant bloc, conservative, expression of the interests of the ruling class and aggregates around itself other upper classes (sectors of bureaucracy, intelligentsia, landlords – depending on the epoch, etc.); the progressive bloc, expression of the interests of the most autonomized section of the bureaucracy which also brings together sectors of the intelligentsia and other classes as well as social groups as a part of the youth; the revolutionary bloc, expression of the class interests of the proletariat, that binds together other sectors of society and other lower classes around itself. However, the relationship between social blocs and social classes is complex and not always the class that has its interests expressed by a bloc supports it, as in the classic case of the proletariat, which has sectors that support the ruling bloc and others that ally themselves with the progressive bloc. The part that gathers around the revolutionary bloc, a situation that only changes in revolutionary times, is insignificant.

<sup>19</sup> Thus, it is possible to affirm that the neoliberal state goes from “penal” (Wacquant 2001) to counterinsurgent (Zibechi 2008), especially in subordinate capitalism (Viana 2020c).

spread throughout the world. The financial crisis, in turn, has had a negative impact on the pace of capital accumulation. Thus, with this crisis, we have the beginning of the cycle of dissolution of the integral accumulation regime.

In this context, economic instability brings back political instability. Some countries have undergone a new phase of neoliberalism, the discretionary<sup>20</sup>. Discretionary neoliberalism is the temporary form assumed by the neoliberal State at a time of destabilization of the integral accumulation regime and so it can, with a new relative stabilization, disappear and return again. It is possible that, in some cases, destabilization may generate hybrid state forms, such as liberal-conservatorism (as in the Brazilian case)<sup>21</sup> or other provisional state forms. In times of crisis of the integral accumulation regime, these tendencies are strengthened and, in this case, fascism (in the imperialist capitalist countries) or dictatorial regimes (in subordinate capitalism) may emerge, appearing as new possibilities in the context of existing destabilization<sup>22</sup>.

In this context, the trend of the integral accumulation regime was to move towards a crisis, perhaps with a brief resumption of the pace of accumulation. However, the year 2020 brought an extraordinary event that tends to generate a crisis of the integral accumulation regime, with few possibilities of over-

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<sup>20</sup> It is characterized by intensifying the characteristics of neoliberalism aiming at the resumption of stability, especially the counterinsurgent repression and the so-called “austerity policies” (which may lead to an intensification of exploitation, already excessive, and an even greater reduction in state spending). In certain cases, it can intensify only repression, in others only its economic policies, austerity, or even, in certain cases, the combination of both. The combination of both is more common, at least temporarily, especially when austerity policies emerge, as this tends to increase popular reaction, protests, demonstrations, strikes, etc. (Viana 2020c, 79).

<sup>21</sup> The Brazilian political instability that emerged from 2013 generated the crisis of neo-populist neoliberalism established by the government of the political party called “Partido dos Trabalhadores”, which, with the impeachment of President Dilma Rousseff (2016) was replaced by a discretionary neoliberalism implemented by the vice-president of the party “Movimento Democrático Brasileiro”, Michel Temer and, after the 2018 electoral process, the liberal-conservative government of Jair Bolsonaro emerges as a hybrid mixture of neoliberalism (represented by the minister of economy) and conservatism (represented by the president of the Republic, who carried out such an alliance to gain electoral support from sectors of the bourgeoisie). That is, in a few years, three forms of neoliberalism have succeeded in Brazilian society. We warn that in Portuguese, there are the expressions “conservadorismo” (in English conservatism) and “conservantismo” (translated as “conservatorism”, which in this language is a neologism). The first expresses all conservative, that is, pro-bourgeois positions, including liberalism, fascism, Nazism, republicanism, among other political positions. The second expression expresses only one sector of conservatism, which is what became known as “conservative thinking”, which emerges with the names of Edmund Burke, Louis de Bonald and Joseph de Maistre and which is reproduced until today.

<sup>22</sup> In imperialist capitalist countries, fascism is a possibility due to the nationalist and imperialist character of this doctrine, as well as its warlike tendency. This is impossible in the case of subordinate capitalist countries, with their subordinate bourgeoisie being unable to generate authentic nationalism.

coming. This is the coronavirus pandemic. Capitalism deepened the process of internationalization from the regime of integral accumulation and the flow of commodity, services, among other processes, generating a greater possibility of pandemic emergence than in previous times. That is a quantitative distinction. However, the transition from an interventionist state to a neoliberal state meant a lower capacity for state reaction to pandemics and other processes. Alongside this, neoliberalism reduced social spending on education and health, and the latter, even in the imperialist countries, found itself in a situation of precariousness. The pandemic created the need for greater state intervention (in general, both in the economy and elsewhere) and this, in turn, means not only going against neoliberal guidelines but also increasing state spending and public debt. This, in turn, has an effect on the future.

On the other hand, containment policies, in view of the inability of health services (state and private) to meet the demand generated by a virus with a high degree of transmissibility and dissemination, characterized fundamentally by domestic reclusion (the so-called “social isolation”), have a negative impact on the economy, because it diminishes the consumer market, reaches self-employed workers, small owners, and large capitalist companies, among others. Thus, there is a drop in production (small, because, no matter how much one speaks about “immaterial work” as a generator of wealth, it is the productive work of the proletarians that generates material goods for the survival of humanity and for capitalist accumulation, which means that they are not easily exempted from their work activities), in consumption, and in the services sector, among others. This tends to generate localized crises, unemployment, bankruptcies, shrinkage of the consumer market, among other elements that, added up, tend to generate a strong economic crisis.

If we remember that the integral accumulation regime was already at a time of destabilization, it is clear that, from now on, the transition from destabilization to crisis becomes almost unavoidable. And, with the crisis of the regime of integral accumulation, autocratic solutions become even more likely, as well as the radicalization of the workers’ movement and social struggles in general. Finally, when we were invited to write this article, the end would be without any reference to the coronavirus and the conclusion would be that the destabilization of integral accumulation regime should lead to its crisis. Now, at the end of April 2020, this trend becomes almost inevitable and, along with it, a crisis of capitalism. Capital today is one step away from the abyss.

## Conclusion

Our objective in this article was to analyze the actuality of the capitalist mode of production, the integral accumulation regime, as well as its dynamics and trends. The analysis pointed to the perception of the emergence, consolidation and destabilization of the integral accumulation regime. The perspective pointed to the transition from destabilization to a crisis and it strengthened dramatically with the emergence of the coronavirus pandemic in 2020.

It would be necessary to discuss more specific trends, as well as the possibilities of collective action within this context, which, however, would make the present work very extensive. We believe that we have fulfilled our objective and presented a general framework of contemporary capitalism, which may have consequences in other analyses, deepening aspects outlined here and developing reflections on complementary issues.

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## REPUBLICANISM AND DOMINATION BY CAPITAL<sup>2</sup>

### Abstract

*This article is a review of the contemporary 'leftist' republican project. The project stands on two legs, and we examine them both in turn. The first leg is a novel reading of history. This reading suggests, on the one hand that, contrary to some popular assumptions, republicanism does have a leftist, even a radical stream. But on the other hand, it also suggests that several authors and movements that did not self-identify as republicans actually did, in fact, employ a characteristically republican thinking. The second leg of the project is a normative one. It is essentially an attempt by political philosophers to demonstrate that there is something in republican theory from which all these leftist, even radical streams spring forth. Primarily, it is suggested that it is republicanism's sensitivity to the freedom-restricting role of great inequalities of power that provides the normative resource for the development of a characteristically republican critique of capital and capitalism. We briefly review the main arguments in favor of these claims, and also, as a conclusion, raise a few challenges that the 'leftist' republican project potentially faces.*

**Keywords:** *republicanism, domination, socialism, Marx, trade unions*

### Introduction

Republicanism is a rich and rather diverse tradition. Its links to elitist, even aristocratic politics are fairly well known – you might think of Cicero and the

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patrician republicans of Rome, some of the early modern English revolutionaries, but also the American *Founding Fathers*. Less well known however is that republicanism has a “leftist” tradition, also – into which, arguably, you might include the Roman plebeians, as well as Machiavelli, Rousseau, perhaps Marx, certain trade unions from 19<sup>th</sup> century America and others. And in fact (in modern times at least), many on this “leftist” side have employed the language of republicanism to no less a political aim, but the radical critique of capitalism, the transformation of labor and the like. For if freedom is to be attained then perhaps “there is to be a people in industry, as in government” (Lloyd 1963, 183). But how is this possible? How can a tradition so famously linked to elitism also be used as a weapon against capital? What is there in republican theory that may explain this phenomenon? In the past years, considerable effort has been put into answering these questions by a number of authors such as Alex Gourevitch, Bruno Leipold, James Muldoon, Karma Nabulsi, Tom O’Shea, Michael J. Thompson, Nicholas Vrousalis, and Stuart White. In this review we provide a short sketch of their overall project. First, drawing on mainstream contemporary historiography, we set the outlines of what is usually counted as ‘republicanism’ in the first place, and what may interest leftists from that. Second and third, we briefly introduce two better known candidates for ‘anti-capitalist republicanism’, namely the already mentioned trade unions on the one hand, and Karl Marx on the other. Fourth, we turn to the normative level of the issue, and discuss possible republican concerns about capitalism. The essence of these concerns is that capitalism is a system characterized by relations of dominating power – and since republicans are opposed to domination *in general*, they should be opposed to capitalism too. Fifth and finally, we place the project in its wider *discursive* framework, and ask whether the contemporary left has anything new to gain from the republican revival, and also whether this revival really has, as some suggest, a polemic edge against so-called mainstream liberalism.

### 1. What is Republicanism?

So, what *is* it? Contemporary republicanism is a movement of *revival*, namely the revival of a tradition that spans thousands of years, but one that has experienced an eclipse at a certain point in the 19<sup>th</sup> century, giving way to liberalism, conservatism, and socialism. Indeed, this eclipse has for some time determined the points of reference for historical research too – republicanism, simply put, was often seen as a form of proto-liberalism rather than a tradition *sui generis*. But this assertion has been seriously questioned ever since the 1970s and 80s, essentially by historians linked to the so-called *Cambridge School*: J. G. A. Pocock (Pocock 1975), but also his students, most notably Quentin Skinner.

According to them, a distinct republican tradition *does* exist, with figures arguably included figures such as Aristotle, Cicero, the brothers Gracchus, Livy, Polybius, Machiavelli from renaissance Italy, English and American revolutionaries, or supporters of the revolutions such as Harrington, Sidney, Milton, the *Founding Fathers*, all the way to Montesquieu, Rousseau, and Hannah Arendt. But the list keeps getting longer and longer still. Followers (and indeed, critics) of Skinner have stipulated that several others may also be counted republican: the levellers, the diggers, Locke, Spinoza, Hegel, Marx, even Hayek (Irving 2020; Leipold 2020; Bohman 2010; Prokhovnik 2004; Herold 2013). What do they all have in common that may arguably tie them into a tradition? According to Skinner, Pettit, and others, at least, the main common characteristic is the belief that hierarchy, great inequality of power, or as is commonly put, *domination*, is an offence against liberty itself. This is certainly something that liberals for their part would never accept: their assertion is that liberty requires immunity not from domination, but rather immunity from *interference* only. In the liberal mind, the characteristic barrier to freedom is the law (which interferes, permits, forbids, or sanctions). Not so in the republican mind. The latter claims that interference (say, the law) *per se* is not necessarily a barrier to freedom, but only if it also dominates – for instance, if the law-making process is dominated by an elite, and if everyone doesn't have equal power, or an equal say in it. However, if everybody *does* have an equal say, then regardless of its interfering nature, the law is in fact *not* a barrier to freedom, but rather an expression of the autonomous will of the political community.

This sensitivity to the freedom-restricting role of hierarchies is also primarily what makes republicanism interesting to the left. Another element that does so is its purportedly solid *democratic* potential (see: Leipold–Nabulsi–White, 2020). Contemporary republicans, not much unlike communitarians 20 or 30 years ago, tend to suggest that liberals partially have themselves to blame for the crisis of civic virtue, community, and the democratic ethos. In a nutshell, liberal freedom will not do as a basis for any of these things, at the end of the day because of its insensitivity to domination. Logically speaking at least, non-interference does not require democracy – in theory, it may be provided by a benevolent autocrat too. So, what then do you need virtue and community for? Non-domination is different, however. The specific sort of power relation that it implies simply cannot be attained without everybody having an equal say. It is, therefore, *logically* linked to democracy, and thus to a somewhat perfectionist stance towards issues of virtue-cultivation as well. Aside from the domination-element, contemporary leftist republicans commonly draw on this assumption too. They argue, in effect, that republicanism is a useful tool for the

justification of traditionally leftist policies such as, say, workplace democracy. But this is something we will not get into in detail here. Our focus is on the domination element.

## **2. Radicalizing the Heritage: 19<sup>th</sup> Century Labor Republicanism**

What of the historical record, then? To be sure, in order to elaborate the contours of a new, ‘labor’ republicanism, or any kind of opposition to capital for that matter, modern republicans needed to get rid of some of the historical residua. Republicanism had a strong elitist and aristocratic stream ever since Graeco-roman antiquity. According to this, only those were to be considered fully *sui juris* (their own masters) who did not have to deal with (coerced) labor, neither as “slaves by nature”, nor as “slaves by habit”. However, the independence of “leisured gentlemen” (Leo Strauss), including their free engagement in public life, presupposed the mass dependence upon slaves. This was seen as natural by many republican thinkers and politicians since Sallust and Cicero all the way to the 19<sup>th</sup> century. ‘Leisure’ required wealth – that is to say, the possibility *not* to have to work. Wealth was commonly perceived as wealth in land. But land needs to be worked – and if not by the gentlemen themselves, then who else, but the slaves? Again, reasoning such as this were widely considered natural.

Of course, the elitist stream was never the only one, and even *within* the elitist stream certain alternatives existed. In a way, all the modern revolutions that were opposed to absolute monarchy or to colonial government, had a republican and even “leftist” nuance, at least comparatively speaking. Rosa Luxemburg even went as far as to state that “every socialist is naturally a republican” (as cited by Muldoon 2019, 4). It is also true that pre-capitalist forms of (namely, usurers’ and merchants) capital were sometimes subjected to republican critique, albeit in a mediated way, through the critique of corruption and especially luxury. Virtue and commerce were commonly understood by republicans to be at odds with one another *in potentia*. But much more interesting to us are those republican ideas and practices that were somehow opposed to capital itself, either in the spirit of *Arbeiterbewegung*, or as a critique of its abstract aspects within mature capitalism.

On a more theoretical level, labor republicans such as the *Knights of Labor* attempted to do what many in modernity (say, pro-market republicans also) had already attempted before them: the universalization of republican freedom. This was certainly not an easy thing to do. If freedom really *did* require a degree of wealth, not to mention leisure time, then some practical solution needed to be devised that would provide for everyone what slavery had provided for the few (Gourevitch 2015). Their solution was the ‘republicanizing’ of labor. Practically speaking, this meant pretty much the same thing that any old socialist

would have meant by ‘socializing’ at the time: worker ownership over the means of production, the equalizing of property etc. But nevertheless, the republican argument *justifying* these practices had a characteristic twist to it. It stated that what was wrong with wage labor was precisely its *freedom*-restricting nature: wage-laborers and capital owners’ stand in an unequal relation of power, with the latter dominating the former. Therefore, wage labor was merely a new, albeit voluntary form of slavery – an instrument of economic subjection and servitude. Arguably, workers were *forced* to make a contract with their employers, as economic need compelled them to sell their labor. As George McNeil put it, workers “assent but they do not consent, they submit but do not agree” (as cited by Gourevitch 2020). They are, therefore, free only in a *formal* sense. And the end result of the whole process is, of course, unequal control over productive activity (employees have to obey), exploitation and the like. All the results of a domination-issue.

Now, labor republicans did not necessarily criticize the essential profit-maximizing logic of capital. Perhaps they only hoped that in the cooperative commonwealth “laborer and capitalist will be one” and expropriators will be expropriated, without getting rid of the abstract self-valorization of capital itself. They put the accent on dependent and enslaved classes, and not on abstract social mechanisms. To put it differently, they often understood domination as a mere *Klassenbeziehung*-issue, that is to say, as the personal or group domination of selfish – and sometimes even cruel – capitalists (to which they opposed their “higher morality” and work ethic), but ignored some of the more structural forms of power.

### 3. Was Marx a Republican?

As we mentioned, though, the ongoing reinterpretation of the republican tradition by historians does not only include efforts to uncover its ‘leftist’ side, but also efforts to point to certain closet republicans too, so to speak – republicans who do not or did not know what they actually were. Possible candidates are many: Locke, Spinoza, Hegel, but certainly, the most important figure for the left in this case, as usual, is Karl Marx. Quentin Skinner himself suggests that Marx employed a neo-Roman (or republican) vocabulary when he spoke of wage-slavery, alienation, or the dictatorship of the proletariat (Marshall-Skinner 2020). But Skinner is far from being alone with his contention. It is now widely speculated that Marx not only made use of neo-Roman rhetorical tropes, but was also inspired by certain 18<sup>th</sup> and 19<sup>th</sup> century American, English and French labor republicans – for example, he relied on the work of Thomas Hamilton, a former colonel, and thus, in a mediated way, on the work Thomas

Skidmore, and Owenism also (Gourevitch 2020; Hunt 1974; Isaac 1990). Further, as Norman Arthur Fisher highlights, Marx also drew on Lewis Henry Morgan's research on Roman and Greek republicanism, as well as on his research on simpler versions of tribal and clan democracy (Fischer 2015, 30–32). One might wonder whether we can characterize Marx's theory as 'radical republican' (or perhaps as "German communitarian") in nature, at least in some of its phases. It is sometimes highlighted that Marx relied on some of the (purported) classics of republicanism too, such as Machiavelli, the advocate of civic virtue, Rousseau the supporter of the non-representative self-legislation of the people, and of course Hegel, who affirmed the public ethics of *Sittlichkeit* (Thompson 2015, 1–21). Detailed interpretations are few, however. Perhaps two of the most important are the works of William Clare Roberts on the one hand, and Bruno Leipold on the other. Roberts essentially draws attention to how Marx criticized dominating, freedom-restricting power in capitalism (Roberts 2017). Indeed, it *may* be pointed out that by emphasizing the importance of extractive power and surplus benefits within capitalism, Marx *explicitly* described the relations implied by wage-labor as a type of enslavement. "The Roman slave was held by chains; the wage-laborer is bound to his owner by invisible threads. The appearance of independence is maintained by a constant change in the person of the individual employer, and by the legal fiction of a contract" (Marx 1977, 719). But Roberts touches upon something else too. He claims that in fact, Marx's critique of the more abstract forces of domination *also* has a republican twist to it – that is to say, the critique of the profit-maximizing logic which dominates capitalist and wage-laborer alike. Arguably, even the analysis of fetishism is an account of impersonal domination (in the republican sense) and reification in which the abstract aspects of value are falsely represented as the intrinsic value of things (Roberts 2017, 52–85.).

Leipold on the other hand focuses primarily on the vocabulary and the democratic credentials of Marx's theory (Leipold 2020). True, Marx was very critical of modern (bourgeois) republics for their neglect of social emancipation. It is pointed out by authors other than Leipold as well (for instance, by Isaac 1990) that Marx was certainly critical of the anachronistic and farcical resuscitation of "Roman costumes" and the empty appraisal of old public virtues (or the 'republican' critique of corruption too) as being incapable of dealing with the challenges of modern market society, class struggles, and forms of "emancipated slavery". He also emphasized that in a merely *political* republic (as advocated by classical republicans) the material well-being of the remaining subsystems (economy, legality, etc.) is not ensured and this kind of government is simply unable to face the abstract forces and structural determinations of the

capitalist society. To put it simply, Marx criticized the ideology of political republicanism and patriotism (for instance, that of the *Young Hegelians*) as being full of illusions, and he did this from the perspective of a more general human emancipation, accentuating that in a bourgeois republic, there still is a dominating class, and a bureaucracy too, for that matter).

But perhaps Marx was, at the same time, offering a characteristically republican critique of these republics too – so argues Leipold. It is one thing that as a young political publicist he refused all kinds of monarchy and established privilege and supported political ideas such as popular sovereignty and universal suffrage instead. But Leipold suggests that Marx's later *positive* theory also bears the marks of some form of republicanism – and arguing in favor of this thesis he presents, primarily, the famous pamphlet on the *Paris Commune*. In it, Marx explicitly advocates a 'real republic', a 'social republic', one where public officials have short-termed and imperative mandates, where they are easy to recall, where the legislative branch has primacy, where administrative and repressive functions (such as the army and the police) are controlled by the people and so on. To repeat then, Leipold argues that it is the *democratic element* which makes Marx's positive theory republican in a way.

What conclusions are to be drawn from all this is, of course, up for debate? We briefly return to this in the concluding section of our review. But, of course, the question is rather complicated. For instance, *pace* Arendt, was Marx trying not to end Western political thought after all, but on the contrary, was he trying to criticize capitalism with his own purported republican insights in the background? Was he really attempting to formulate a 'red' or 'social republicanism' in opposition to other forms of republicanism? (Isaac) Or was his engagement with republicanism, and indeed, with democracy, merely of a *tactical* character instead? (Mager 1984; Honneth 2017, 45, 129–130, 135–136, 170–171).

#### **4. Forms of Capitalist Domination: Concrete and Abstract**

Leaving aside debates on history, however, contemporary 'leftist' republicanism is a *normative* project also. We now return to this aspect of it. To recall, proponents of the project argue, albeit in somewhat various ways, that the primary reason republicans ought to be worried about capitalism is that it is characterized by dominating power relations. So, if republicans are to be true to their word and wish to curb *all* sorts of domination, then they certainly ought to be critical not merely of the public (thus, state-related) forms of domination, but of its private or economic forms also. But what does this mean specifically? We suggest that republican concerns may be divided into two categories: concerns about *concrete* domination on the one hand and concerns about more *abstract*

sorts of domination on the other. We examine these in turn and also present some of the possible antidotes that republicans tend to offer against them. What, then, of the various forms of domination? First, 'leftist' republicans speak of concrete relations within the workplace itself. These relations are obviously dominating, say, if relative power between employer and employee is so uneven that the latter may lose his/her job because of a Facebook comment, but also, if workers are denied suitable protection from harm or even bathroom breaks. But such things are perhaps merely consequences. The underlying issue is this: in private companies, power exercised within the organizational structure of the workplace always has a more or less asymmetric relation, with wage-laborers being potentially at the mercy of their bosses. The means of production are not the property of workers. The work process itself is supervised and regulated by those who belong to a higher level in the hierarchy of the factory. The product produced by the laborer appears as an "alien essence". Finally, the benefits of work are *extracted* – there is, thus, unilateral exploitation, extractive domination, unequal and unreciprocated exchange. Imperatives and servitude within this field of "private government" are emphatically embodied in personal commandments and personal dependence (Wood 2016; Arneson 2016; Roemer 1982; Reiman 1987, 3-41). Most contemporary 'leftist' republicans would solve issues of domination within the workplace either by *workplace democracy*, or *workplace constitutionalism*, or perhaps some combination of the two. Thus, they argue in favor of employees having a say in company matters and/or for laws protecting worker interests (Dagger 2006; Gourevitch 2016; Gonzalez-Ricoy; McIvor 2009; Petit 2006; Petit 2007; Hsieh 2005; Anderson 2005). A second kind of concrete domination, nevermind relation within the workplace itself, is when the distribution of resources is radically unequal *in the market*. Given such conditions, the labor contract may never be considered fair: employers and capitalists have a far better bargaining position than those looking for work. This regularity has as a consequence low wages, uncompensated dangers in the workplace for and the like (Thompson 2013, 287; Vrousalis 2016). What's more, certain republicans go even so far as to suggest that inequalities of resource in the market may be detrimental to freedom even if there is no prospect of a labor contract. As Vrousalis argues, if these inequalities are so severe that some actors may arbitrarily control the conditions of transactions, say, between independent entrepreneurs too, then we have enough reason to assume that relations are somewhat dominated (Vrousalis 2020). Neither workplace democracy, nor constitutionalism solve related issues in any way. Thus, 'leftist' republicans offers several further solutions: state intervention, redistribution, basic income, or more radically, the abolition of private property.

Third, many republicans suggest that domination may manifest itself in an abstract form as well. Most notably, in capitalism all actors are affected, rich and poor, worker and capitalist alike, by the abstract logic of profit maximization. This logic orients the lives of nearly all. As Marx suggests, “[t]he capitalist is just as enslaved by the capitalist relationship as is his opposite pole” (Marx 1977, 990) (this is why some thinkers, such as Roberts (Roberts 2017, 103), argue that the wage-laborer is the “slave of a slave”). Regardless of the behavior of concrete agents, their structural agential dispositions and opportunity sets (Lovett 2010; Rahman 2017, 47-49; Schuppert 2015, 440-455), can *a priori* be described as dependency and servitude – as something that serves the abstract self-valorization and reproduction of value and capital as an end-in-itself. As Moishe Postone formulates it by relying upon Marx’s analysis, “the form of social domination that characterizes capitalism is not ultimately a function of private property, of the ownership by the capitalists of the surplus product and the means of production; rather, it is grounded in the value form of wealth itself, a form of social wealth that confronts living labor (the workers) as a structurally alien and dominant power” (Postone 1993, 30). Similarly, Robert Kurz in his *Domination without a Subject* tells us that “even the rulers are ruled; in actuality, they never rule for their own needs or wellbeing, but for something that is simply transcendent. In this they always harm themselves and achieve something alien and obviously superficial. Their alleged appropriation of wealth is transformed into self-mutilation” (Kurz 2020).

According to his theoretical framework, the structural objectivity of domination surpasses the existing subjects, and this is especially true in the case of mature capitalism when the domination of man by man becomes less and less important. Kurz carefully makes a distinction between the outdated bourgeois-enlightened concept of domination and the abstract concept of domination that fits the 21<sup>st</sup> century better, where capitalist relations are more and more subjectless and automated.

The profit-maximizing logic is not being manufactured by some ‘ruling class’, however. On the contrary, capital, as Robert Kurz put it, is an ‘automated subject’ (Kurz 2020; cf. Thompson 2015, 287). Here again, moderate ‘leftist’ republicans wish to deal with problems related to this through state intervention, redistribution, or perhaps the introduction of a basic income scheme (Birnbbaum, Casassas 2008). All of these measures are intended to provide the opportunity not to have to work, that is, and to be exempt from the need to maximize profit. The radical take a step further and claim that as long as there is private property in the economy, domination is here to stay (Vrousalis 2019, 5-11). Some say that true republican freedom may only be attained in socialism (O’Shea 2019, 8-9).

What these radicals suggest is that the social system preferable to capitalism is certainly not one in which the laborer becomes the capitalist. Rather, it is one that breaks up with capital altogether (for otherwise, subsumption to abstract value still remains). For as Vrousalis puts it, “capitalist domination can conceivably survive the removal of capitalists” (Vrousalis 2013, 157).

Fourth and finally, ‘leftists’ regularly suggest that domination may have an *ideological* variant also. This is something that has been widely debated in Marxist theory (Eagleton 1991; cf. Žižek 1994). For our purposes it is important that it is even debated whether this sort of domination is to be counted concrete or abstract. Is there a ruling class that indoctrinates? Or is ideology something that is being reproduced in some other way? Whatever the case may be, the essential point is this: in capitalist societies, through a string of systematized and routinized actions, human beings internalize a set of views supporting the hierarchical order (Thompson 2015, 284-6; cf. Muldoon 2019, 2020). This process has its advantages and its disadvantages too. The main advantage is that it molds human beings into functional members of society. The disadvantage is that it potentially legitimizes exploitation and hierarchy and presents capitalism as a *natural* rather than a *historic* phenomenon. There are two ways in which ideological domination may be conceived as a domination proper. On the one hand, human beings do not have full control, in fact, many have very little control, over the process in which dominant views are formed and rehearsed, and on the other, the consequence of the whole process is precisely the strengthening of hierarchies, and the weakening of the prospects of opposition to them.

To sum up, normatively speaking, republican critics of capitalism, contemporary or otherwise, tend to suggest two sorts of things. On the one hand, they suggest that there is concrete domination in the workplace, in the market, and perhaps on an ideological sphere too. On the other hand, some of them suggest that there is an abstract form of domination as well. To be sure, such things may be expressed independently of one another; indeed, they frequently are and were, and not just by republicans either. As Gourevitch shows, many labor republicans, for example, condemned capitalist relations only because of servitude within the workplace (Gourevitch 2015). They merely wanted to replace domination by capitalists or bosses with collective ownership. They criticized concrete manifestations of arbitrary will only and did not pay much attention to structural determinations. On the other hand, criticism of abstract domination can function very well without criticism of concrete forms. One might easily suppose that the logic of the self-valorization of capital may remain existent despite the introduction of worker cooperatives, and one might also come to the conclusion (and this is merely the other side of the same coin) that cap-

italist workplaces could serve their purpose without arbitrary interference of any sort. Of course, these two perspectives do not *have to be* separated, on the contrary, they may be combined in a carefully mediated way. For instance, it may be suggested that the asymmetry at the workplace is itself determined by structural power-dispositions. Or, more generally, it might also be concluded that “the structural dependence of the wage-laborer was translated, through the labor contract, to a more personal form of servitude to the employer” (Gourevitch 2020).

### **5. What Use for the Left? What Polemic Edge Against Liberalism?**

But what use does all of this have for the left today? For let us not forget that the whole project we sketch above fits into a wider discourse also. This is the discourse of a left trying to find its way, experimenting with various theoretical tools from Hegelian dialectics all the way to forms of immanent critique and the like. The project of anti-capitalist republicanism is but a new episode of this long-standing debate. So, what use does it have? The precise answer remains to be seen, of course. But still, we raise a few arguments in its favor, as well as possible objections to it. Of course, historical findings themselves may, sometimes, have a subversive nature. Words used in common parlance may be attributed new meaning, or more precisely, their original ambiguity may be reattributed to them again. The uncovering of the ‘republican Marx’, or that of ‘labor republicanism’ in general could be useful for the left insofar as it potentially weakens the narrative according to which such a great tradition as that of republicanism belongs to the mainstream only (that is to say, capitalism), but not to its enemies.

Arguably however, the link between republicanism and the (socialist) left is defensible not merely historically, but on a normative level also. The two are not at odd is principle, in fact as Muldoon shows, they are quite compatible. As we have seen, the primary reason for this has to do with the anti-hierarchy, anti-domination content of republicanism, which may indeed be radicalized, and turned into a weapon against the capitalist mode of production, the bourgeois state and so much more. Muldoon’s article is also a good example to suggest that republicanism helps out on a *normative* level. This is something that the left has famously struggled with: what to do *instead*? What ought to take the place of ‘capitalist democracy’? Republicanism provides at least one possible answer: any post-capitalist society ought to have a state, albeit a socialist state, one that is democratically controlled, dismantles the army, and provides its citizens with opportunities for participation in the various self-governing bodies, real ownership over their lives, and immunity from ideological indoctrination and so on.

All of these things are, however, considered fairly commonplace on the (radical) left. This is not to say that they are acceptable to everybody therein. It is merely to say that they are well known, and also fairly *widely* accepted. Where republicans seem to offer an alternative, therefore, is not so much with regards to practical suggestions, but more with regards to their justification. They show, in effect, that what is primarily wrong with capitalism is its freedom-restricting character. Also, the reason why some of the mentioned socialist practices are to be preferred is precisely their ability to enhance freedom itself. So what? Is this really all that original? Perhaps on a rather abstract level it is. But practically speaking, not particularly. The obvious objection by some leftists could be that if republican normativity merely explains why some of the already widely accepted practices might be considered right and justified, then it does not, in effect, take us all that far.

Even more serious problems might arise as well, however. Just how close *is* the link between republicanism and the left, the left being understood in a rather general way? Is it really the case, as Stuart White seems to suggest, that 'leftist' republicans differ from those on the 'right' merely insofar as they actually *do* draw the correct conclusions from their principles, and do not stop halfway? (White 2011, 561-579). Is the difference really that they extend the demands of the non-domination ideal on the private as well as the public sphere, unlike the moderates, who criticize merely public (state) domination? This is actually far from obvious. For one, there are good reasons to suggest that market relations should not be interpreted as dominating at all (Pettit 2006, 131-149). So, it is perhaps not so much that outright pro-market republicans (one of whom is Hayek, purportedly) are necessarily inconsistent, but rather that they do not believe that the left's solutions really serve their ideals better (see Irving 2020). In other words, what they *do* believe is not necessarily that certain forms of domination are acceptable while others are not, but rather that pro-market policies reduce overall domination far better than state intervention does, not to mention the abolishing of private property. They may yet be wrong about this. But if they are then their position is not inconsistent as republican but merely flawed as a description of reality. If they really *are* wrong, then *all* pro-market advocates are wrong, liberals and conservatives included. But of course, it is far from evident that this should be the case. The empirical evidence is famously ambiguous – and this is precisely the reason why we still have debates on economic policy. Therefore, it is also far from evident that a consistent republican ought to be on the left.

One has also to keep in mind that the 'leftist' republican project fits into yet another discourse too, namely the *republican revival* itself, which emerged

essentially as a critique of liberalism. So, what the 'leftists' need to show is not merely that their position attains socialist goals, but also that it attains the goals *any* sort of republicanism ought to. What we have in mind of course is providing an alternative to so-called mainstream liberalism. Now, this goal might not be all that easy to attain, however. Even on a historical level, it is far from obvious that the republican tradition is somehow closer to the left than liberalism is. Ever since the beginning of the 20<sup>th</sup> century, liberalism has had a powerful stream advocating public ownership, strong workers' rights, redistribution, and the like (Ryan 2015, 59-84).

But putting history aside, the problem is also present on a normative level. For it is in fact far from obvious that liberal theory is, as is suggested, totally insensitive to the freedom-restricting effect of hierarchies. To be fair, liberals do, indeed, maintain that freedom *itself* does not require the absence of such hierarchies. However, they do *not*, or probably incredibly rarely do believe that the *enjoyment* of freedom also does not require the absence of severe inequalities. Rawls, for one, makes this pretty clear. This is, anyway, the whole point behind liberals incorporating an equality-principle into their theories of justice, next to the freedom-principle. True, certain (distributive) conceptions of equality *are*, or seem to be insensitive to the domination problem. But perhaps not all of them are. *Relational* conceptions (say, those of Samuel Scheffler, Elizabeth Anderson, or others) are not for instance. And this might apparently be bad news for 'leftist' republicans. It might suggest that *polemically* speaking their project is ineffective, for the anti-hierarchy content they believe to be the main advantage of republicanism *in general*, is in fact not an 'advantage' after all. It might be, actually, something they could easily agree upon with many contemporary liberals. It also might follow that if it is essentially his critique of hierarchies that makes Marx a republican, then by the same token, he might also be called a liberal too. This would seem to be a rather odd conclusion. Therefore, if they are to maintain the polemic edge of their conception (instead of going for mere normative attractiveness), then what socialist republicans need to show is that there is something about liberalism that makes it utterly incompatible with the critique of hierarchies. Something, in other words, that makes the 'relational' conception of equality in fact *non-liberal*. We are not familiar with any real attempt to show this. Thus, for now, the onus of proof remains with (socialist) republicans.

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## PRODUCTION OF THE COMPETITIVE SUBJECT: FOUCAULT AND NEOLIBERALISM

### Abstract

*Due to the economic policies based on the market principle, such as privatization of the public sector and deregulation, neoliberalism is often considered as a return to classical liberalism (laissez-faire in the sense of Adam Smith) or its modern application. However, in his lectures at Collège de France titled *The Birth of Biopolitics (Naissance de la biopolitique, 1978-79)*, Michel Foucault analyzes the idea of neoliberalism formed since the 1930s in Germany and the United States in a radically different manner. Paradoxically, he clarifies the significant role of “state interventionism” in neoliberalism: in order to make the logic of the market penetrate into the whole society, the state constructs an institutional framework by means of legislative intervention. In this article, we would like to clarify the particularity of neoliberal governmentality and subjectivity by following Foucault’s analysis about neoliberalism.*

**Keywords:** Michel Foucault, Neoliberalism, Post-Fordism, Governmentality, Competitive subject, Neoliberal subjectivity

### Introduction

Since the 1980s, the world has been overwhelmed by neoliberal governmentality. In the government of Thatcher in the United Kingdom and the government of Reagan in the United States, neoliberalism totally conducted their economic policies. In Japan, neoliberalism was introduced by the government of Nakasone in the 1980s, and intensively developed by the government of Koizumi in the 2000s.

By reason of the economic policies based on the market principle, such as privatization of the public sector and deregulation, neoliberalism is often considered as a return to classical liberalism (*laissez-faire* in the sense of Adam Smith) or its modern application (Greenwald 1973, 397). However, in his lectures at *Collège de France* titled *The Birth of Biopolitics (Naissance de la biopolitique, 1978-79)*, Michel Foucault analyzes in the radically different manner the

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idea of neoliberalism formed since the 1930s in Germany and the United States. Paradoxically, he clarifies the significant role of “state interventionism” in neoliberalism: in order to make the logic of the market penetrate into the whole society, a state constructs the institutional frame by means of legislative intervention. To criticize neoliberal governmentality overwhelming all over the world, and to seek the means of resistance to this governmentality, we must exactly understand the idea and the actuality of neoliberalism. In this article, we would like to clarify the particularity of neoliberal governmentality and subjectivity by following Foucault’s analysis about neoliberalism.

### **1. Postfordist Governmentality**

Why did Foucault discuss neoliberalism in his lectures in 1978-1979? In *Discipline and punish* (1975), he proposes the notion of disciplinary power through the analysis of micropower. Disciplinary power normalizes subjects by mobilizing power apparatuses (such as school, prison, and hospital) in society. It is a power that normalizes subjects. By contrast, in the first volume of *The History of Sexuality* (1976), Foucault presents the notion of biopolitics whose object is the life of a population. Biopolitics analyzes the life of a population and integrates it into “an entire series of interventions and regulatory controls” (Foucault 1976/1978, 183/139). It is a power that aims at the entire human life and all mechanisms of life. Foucault considers modern governmentality as biopower, which is a combination of disciplinary power and biopolitics. From the first volume of *The History of Sexuality* to the early 1980s, his research focused on the study of biopolitics and its governmental techniques. What must we understand in this theoretical shift? According to our hypothesis, this theoretical shift shows that governmental technique was transforming itself from disciplinary governmentality to neoliberal one in the late 1970s. The many developed countries that adopted the politics of the welfare state, the two oil crises in the 1970s deteriorated the national economy and provoked financial deficits that encroached economic foundation for public services. This degradation of economy and the financial difficulty of welfare states prepared a shift into neoliberal governmentality that insisted on a drastic reduction of public sector (Harvey 2005, 12). What interests us here is that Foucault’s lectures about neoliberalism ended just before the victory of English Conservative Party, whereupon Margaret Thatcher became Britain’s prime minister (in May 1979) (Cf. Gordon 1991, 6). Thus, in 1978, the governmentality of welfare state was already in crisis, and another governmentality was being formed. Foucault was undoubtedly conscious of this transformation in governmentality. It is this diagnosis on contemporaneity that brought him to analyze biopolitics at the end of the 1970s.

If the governmentality of welfare state was in crisis in the second half of the 1970s, and if the shift into neoliberal governmentality began at the end of the 1970s, what is the concrete difference between these two types of governmentality? On this point, let us refer to the article of Nancy Fraser entitled “From Discipline to Flexibilization?” Interpreting Foucauldian notion of disciplinary power as “the Fordist mode of social regulation” (Fraser 2003, 160), Fraser examines the transformation in disciplinary Fordist governmentality as society has been more intensely globalized since 1989, the year of the fall of socialism. She identifies 1989 as a shifting point from the disciplinary governmentality to neoliberal one, while we assume that the second half of the 1970s was a shifting moment. But her hypothesis does not contradict ours, if we understand that her formulation identifies a breaking point as 1989 in order to describe the post-Fordist system under globalization, and symptoms of this break had already been accumulated since the period of the crisis of the welfare state in the 1970s.

Fordism signifies an economic system based on massive production, high salary, and massive consumption. It functioned with Taylorism (a system of scientific control of labor) and the Keynesian welfare state (a governmental system that creates social stability by means of the redistribution of income such as redistributive taxation and Social Security) that were both established in the 1930s and 1940s. Superimposing Fordist governmentality upon disciplinary governmentality in Foucauldian sense, Fraser defines three characters of this governmentality as follows:

- 1) Fordist discipline was totalizing, aimed at rationalizing all major aspects of social life, including many never before subject to deliberate organization. It sought to rationalize not only factory production but also the family and community life of their workers.
- 2) If Fordist discipline was totalizing, it was nevertheless socially concentrated within a national frame. Various previously discrete disciplines converged upon a new societal space within the nation-state. Called “the social” by Hannah Arendt and Jacques Donzelot, this was a dense nexus of overlapping apparatuses where institutions of social control became interconnected.
- 3) This Fordist mode of social ordering worked largely through individual self-regulation. As Foucault emphasized, advocates of social control sought to foster self-activating subjects capable of self-governance. Wagering that such subjects would be more rational, cooperative, and productive than those directly subordinated to external authority, Fordist reformers devised new organizational forms and management practices.

The overall thrust was to “subjectify” individuals and thereby to augment their capacities for self-policing (Fraser 2003, 163-164).

Fraser defines characteristics of disciplinary Fordist power apparatuses as the totalization of social life, social concentration within nation-state, and self-control. What, then, are the characteristics of post-Fordist power apparatuses that replace the disciplinary Fordist power apparatuses? Let us refer again to Fraser’s article.

- 1) In the post-’89 era or post-Fordist globalization, social interactions increasingly transcend the borders of states. As a result, the ordering of social relations is undergoing at major shift in scale, equivalent to denationalization and transnationalization. In the case of public health, policing, banking regulation, labor standards, environmental regulation, and counter-terrorism, country-based agencies are increasingly expected to harmonize their policies with those at the transnational and international levels. Although national ordering is not disappearing, it is being decentered as its regulatory mechanisms become articulated with those at other levels. What is emerging, therefore, is a new type of regulatory structure, a multi-layered system of globalized governmentality whose full contours have yet to be determined.
- 2) At the same time, regulation is also undergoing a process of desocialization. In today’s hegemonic neoliberal variant of globalization, massive, unfettered, transnational flows of capital are derailing the Keynesian project of national economic steering. The tendency is to transform the Fordist welfare state into a post-Fordist “competitive state.” Politics such as deregulation and privatization of social services de-structures the zone of “the (national) social,” formerly the heartland of Fordist discipline.
- 3) As Fordist discipline wanes in the face of globalization, its orientation to self-regulation tends to dissipate too. In addition, the enfeeblement of Keynesian state steering means more unemployment and less downward redistribution, hence increased inequality and social instability. The resulting vacuum is more likely to be filled by outright repression than by efforts to promote individual autonomy (Fraser 2003, 165-166).

Fraser characterizes the particularity of post-Fordist governmentality as globalized multi-layered system, destruction of “the (national) social,” enfeeblement of self-control, and the return of violent repression. From this perspective, we must read Foucault’s lectures about neoliberalism as an attempt to analyze post-Fordist governmentality.

## 2. Neoliberal Governmentality

In *The Birth of Biopolitics*, Foucault analyzes two sorts of neoliberalism: one is German neoliberalism practiced in the politics of West Germany between 1948 and 1962, and the other is the neoliberal theory developed by the second generation of the Chicago School in the 1960s and 1970s. In the German neoliberal politics in the post-war period, Foucault finds “a new art of government” or “a renewal of the liberal art of government” (Foucault 2004/2008, 181-182/176). What is this “new art of government”? Foucault explains:

In fact, in contemporary Germany, the economy, economic development and economic growth, produces sovereignty; it's political sovereignty through the institution and institutional game that, precisely, makes this economy work. The economy produces legitimacy for the state that is its guarantor. In other words, the economy creates public law, and this is an absolutely important phenomenon, which is not entirely unique in history to be sure, but is nonetheless a quite singular phenomenon in our time (Foucault 2004/2008, 85-86/84).

Foucault affirms that the economy produces political sovereignty in neoliberal governmentality. In other words, it is the economy or the economic development that gives political legitimacy to the state. The political instance then loses its autonomy and is encroached by the economic. Let us compare this neoliberal situation with that of the Keynesian welfare state. According to Jacques Donzelot in *L'invention du social*, the Keynesian welfare state created “the social” through interventionist policies, such as social security and redistribution of income, in order to reduce the opposition between capital and labor. In other words, by constantly intervening on the economic, the state as the autonomous political instance generated society by articulating the economic to the social (Donzelot 1994, 174). For Keynesianism, the market always includes irrationality (“market failure”), and contradictions that this irrationality produces must be modified by political intervention that produces the social. On the other hand, in neoliberal governmentality, the autonomy of political instance does not exist because the political is subjected to the economy and encroached by it. The social produced by the welfare state is reduced or erased. The disappearance of the autonomy of political instance, reduction of the social, in other words, governance by the economic is a dominant tendency in the world after 1989.

Now, we would like to examine the theory of German neoliberalism and relate it to the neoliberal actuality. Between 1948 and 1962, an economic theory called “ordoliberalism” determined economic policy in West Germany<sup>2</sup>. Ordo-

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<sup>2</sup> In his lectures about neoliberalism, Foucault consults Bilger (1964) in order to analyze the theory of German ordoliberalism.

liberalism was established by Walter Eucken and Franz Böhm, who taught in the University of Freiburg in the 1930s and founded the journal *Ordo* in 1948. And their ordoliberalism was strongly influenced by the theory of Wilhelm Röpke, Alexander Rüstow and Friedrich Hayek, who were exiled from Germany or Austria after the rise of Nazism.

How does their theory differ from classical liberalism? To answer this question, we must first define classical liberalism. Referring to the theory of physiocrats and Adam Smith, Foucault summarizes it as follows.

In the first place, the market obeys “natural” mechanisms. By virtue of its mechanism of price control, it gives a “natural” and “normal” price to the exchanged object. In this sense, it functions as “a site of veridiction” that forms “natural” prices (Foucault 2004/2008, 33-34/31-32).

In the second place, government does not intervene on the market (principle of *laissez-faire*). If it intervenes, that is only insofar as the intervention produces interests. In other words, government does not deal with “the things in themselves of governmentality” such as individuals, things, wealth, and land (Foucault 2004/2008, 47/45).

On these premises, Foucault clarifies the difference between classical liberalism and ordoliberalism. In classical liberalism, the market signifies free exchanges that generate an exchange value between two products. These exchanges create “natural” price in the market. In short, classical liberalism assumes that market mechanism consists of the exchanges that create “natural” price. What does the market signify for German neoliberalism? It signifies “competition.” Nevertheless, for the ordoliberals, competition is not a “natural” given found in the market. Foucault says:

This is where the ordoliberals break with the tradition of eighteenth and nineteenth century liberalism. They say: *Laissez-faire* cannot and must not be the conclusion drawn from the principle of competition as the organizing form of the market. Why not? Because, they say, when you deduce the principle of *laissez-faire* from the market economy, basically you are still in the grip of what could be called a “naïve naturalism,” that is to say, whether you define the market by exchange or by competition you are thinking of it as a sort of given of nature, something produced spontaneously which the state must respect precisely inasmuch as it is a natural datum. But, the ordoliberals say - and here it is easy to spot the influence of Husserl - this is naive naturalism. For what in fact is competition? It is absolutely not a given of nature. The game, mechanisms, and effects of competition which we identify and enhance are not at all natural phenomena; competition is not the result of a natural interplay of appetites, instincts, behavior, and so on. In reality,

the effects of competition are due only to the essence that characterizes and constitutes it. The beneficial effects of competition are not due to a pre-existing nature, to a natural given that it brings with it. They are due to a formal privilege. Competition is an essence. Competition is an *eidos*. Competition is a principle of formalization. Competition has an internal logic; it has its own structure. Its effects are only produced if this logic is respected (Foucault 2004/2008, 123-124/119-120).

Foucault refers here to a theory of Eucken. Eucken met Husserl and knew phenomenology when he taught at University of Freiburg. So, in his theory, we can find the influences of Husserl (Eucken 1954, 20). Following his phenomenological method, Husserl forbade having a “natural attitude” (that perceives the world as given) and tried to construct the phenomenal world through internal perception. In the same manner, for neoliberalism, “competition” cannot be a “natural” given or a spontaneous phenomenon that *a priori* exists in the market. In classical liberalism, the market signifies free exchanges, through which “natural” values or equilibrium prices are generated. On the other hand, to ordoliberals, the market signifies competition. Competition does not spontaneously exist, but it must be “produced” in the manner of respecting the “internal logic,” that is to say, by regulating activities of individuals and organizing a society. In other words, competition must be produced as a result of constructive efforts of government: it is a *principle of government of society*:

Basically, [neoliberal government] has to intervene on society so that competitive mechanisms can play a regulatory role at every moment and every point in society and by intervening in this way its objective will become possible, that is to say, a general regulation of society by the market. So this will not be the kind of economic government imagined by the physiocrats, that is to say, a government which only has to recognize and observe economic laws; it is not an economic government, it is a government of society (Foucault 2004/2008, 151/145-146).

Neoliberal government constructs competitive mechanisms into every domain of society in order to govern it. If neoliberalism tries to organize competition that does not spontaneously exist in the market, it is not the government of “laissez-faire,” but the one that intervenes on the market in order to construct competition. Regarding this neoliberal principle, Hayek writes:

It is important not to confuse opposition against this kind of planning with a dogmatic laissez-faire attitude. The liberal argument is in favor of making the best possible use of the forces of competition as a means of co-ordinating human efforts, not an argument for leaving things just as they are. It is

based on the conviction that where effective competition can be created, it is a better way of guiding individual efforts than any other (Hayek 1972, 36).

According to Hayek, the neoliberal principle never resides in “laissez-faire” as classical liberalism insisted (“the liberal argument is [...] not an argument for leaving things just as they are”). Neoliberalism creates “effective competition”, that is to say, the competition “by which our activities can be adjusted to each other” and which organizes society (Hayek 1972, 36). In this sense, unlike classical liberalism of laissez-faire, neoliberalism signifies “positive liberalism” or “intervening liberalism” that intentionally constructs competition in the market (Foucault 2004/2008, 138/133).

But, if neoliberalism emphasizes the market principal, Keynesian intervention (for example, public investment, social security, redistribution of income, etc.) that distorts the market mechanism must be rigorously excluded. Ordoliberalism intensely criticized Keynesian planning as well as that of socialism and Nazism<sup>3</sup> for their destruction of the market mechanism. What kind of “intervention” is proposed in ordoliberalism? Foucault clarifies the point as follows:

As a good Kantian, Eucken says: How should government intervene? It should intervene in the form of regulatory actions, that is to say, it must intervene in fact on economic processes when intervention is imperative for conjunctural reasons. “The economic process always leads to temporary frictions, to modifications which risk giving rise to exceptional situations with difficulties of adaptation and more or less serious repercussions on some groups.” It is necessary then, he says, not to intervene on the mechanisms of the market economy, but on the conditions of the market (Foucault 2004/2008, 143-144/138).

Neoliberal government does not intervene directly in the market mechanism. In other words, it does not intervene in the Keynesian manner, such as public investment and social security, but it intervenes on the “conditions” or “framework” of the market by establishing rules and institutions in order to regulate economic processes (Foucault 2004/2008, 145/140).

In this respect, let us refer to the theory of Hayek. For Hayek, an intervention on the “conditions of the market” designates the production of “rules of the game,” that is to say, the production of a legal and institutional framework in order to create “effective” competition. Hayek writes:

The functioning of competition not only requires adequate organization of certain institutions like money, markets, and channels of information - some

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<sup>3</sup> It's important to note that, despite considerable state involvement, Nazism never actually destroyed the market mechanism or capitalist property rights (Buchheim and Scherner 2006).

of which can never be adequately provided by private enterprise - but it depends above all on the existence of an appropriate legal system, a legal system designed both to preserve competition and to make it operate as beneficially as possible (Hayek 1972, 38).

For Hayek, intervention on the “conditions of the market” consists in producing an “appropriate legal system” in order to make market-based competition work “as beneficially as possible”. Neoliberalism is thus a governmental technique that produces effective competition in the market by intervening on the juridical and institutional systems. In this sense, neoliberalism as “intervening liberalism” is a governmental technique that creates “effective” competition by intervening on juridical and institutional systems in order to govern a society under the principle of competition.

We would like to pick up here three actual problems caused by this governmental technique of neoliberalism. The first problem is related to competition. Presupposing that competition does not spontaneously exist in the market, neoliberal government intervenes in the market in order to produce competition. For example, the end of lifetime employment and the introduction of a performance-related salary system produce competition that did not formerly exist in the labor market. With these institutional changes, individual objectives, evaluation, performance-related salary system permanently control employee, and the labor environment is structurally destabilized. The “positive liberalism” or “intervening liberalism” thus produces competition and thereby creates the mechanisms of permanent control.

The second problem is that of unemployment and “flexibility” (precarization) of labor. Neoliberal government does not adopt full employment as an objective to be achieved. An unemployed person is then interpreted as “a worker in transit between an unprofitable activity and a more profitable activity” (Foucault 2004/2008, 145/139). The problem is that neoliberal government accepts a certain rate of unemployment in order to produce “flexibility” of labor (i.e. the professional mobility). In other words, neoliberalism intentionally produces flexibility or precarity by creating precarious employment such as temporary work and fixed-term contract labor, in order to produce cheap labor forces and regulate employment. This situation intensifies a social division and increases social instability. The social void that originated in this situation could be filled by the direct repression, or by racist and populist politics (exclusion of foreign workers and foreigners).

The third problem concerns social policy. One of the objectives of the Keynesian welfare state was the redistribution of income through taxation and social security. However, neoliberal government refuses this objective. The idea

of relative equalization of individuals in the welfare state is replaced by that of guarantee of minimum income<sup>4</sup>. The result of this policy is the privatization of the social. For example, in the welfare state, social insurance protects individuals from risks such as disease, accidents, or unemployment. Donzelot calls this policy “the socialization the risk” (Donzelot 1994, 138-139). But neoliberal government refuses to socialize the risks of individuals. Instead of social insurance, private as well as mutual insurances are recommended (recall the expression of Thatcher criticizing “dependence” on the social security: “There is no such thing as society”). It is “an individualization of social policy” (Foucault 2004/2008, 149/144). The social that covered social space in welfare state is thus reduced to the minimum. A wave of reduction of the social is extended not only to social security, but to the other social services (including the privatization of public enterprises, public hospitals, public cultural facilities, national education, and university). At the same time, privatization of the social introduces the principle of competition in every domain of society, and obliges the market principle even to the sectors where the pursuit of profit is not a priority. All these matters demonstrate the neoliberal governmental technique that fills up every domain of society with or the principle of competition and the precarity.

### 3. Neoliberal Subjectivity

In conclusion, we would like to examine the structure of neoliberal subjectivity by referring to the Foucauldian interpretation of the theory of Chicago School. In his lectures about neoliberalism, Foucault deals with the second generation of Chicago School, in particular, the theory of “human capital” by Gary Becker and Theodore Schultz. Their theory can be directly connected to the ordoliberal ideal that tries to fill society completely with the economic.

The theory of human capital is founded on economic analysis about labor that had not been explored by classical economics. If classical economics pays special attention to capital, investment, and production, the theory of human capital chooses labor as an object of economic analysis. In this theory, economic analysis does not concern production process, but “human behavior.” For example, Becker defines economics by citing Lionel Robbins: “Economics is the science of human behavior as a relationship between ends and scarce means which have mutually exclusive uses.”<sup>5</sup> It is thus the analysis of an individual’s strategy of rational behavior: it determines how an economic agent or a worker chooses among scarce options to achieve their ends.

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<sup>4</sup> Cf. for example, Hayek (1972), ch. 9 “Security and Freedom.”

<sup>5</sup> Cf. Robbins (1932, 16), and Becker (1976, 4, n. 30). Cited in Foucault (2004/2008, 228/222).

To analyze the strategy of an individual's behavior in labor, the theory of human capital distinguishes capital and income. Capital means the capacity or competence of worker as a source of income. Income means wage attributed to this capital. For example, Schultz defines human capital as follows: "The distinctive mark of human capital is that it is a part of man. It is *human* because it is embodied in man, and *capital* because it is a source of future satisfactions or of future earnings, or of both."<sup>6</sup> Foucault analyzes this definition of labor as follows:

We should therefore view the whole as a machine / flow complex [labor machine as a worker who has aptitude or competence, and wage flow], say the neo-economists [...], it is therefore a machine-flow ensemble, and you can see that we are at the opposite extreme of a conception of labor power sold at the market price to a capital invested in an enterprise. This is not a conception of labor power; it is a conception of capital-ability which, according to diverse variables, receives a certain income that is a wage, an income-wage, so that the worker himself appears as a sort of enterprise for himself (Foucault 2004/2008, 231/225).

Work in the theory of human capital does not indicate the labor power sold to a capitalist for the production in a company, but rather a "capital-ability" as a capacity or competence of worker. The income indicates the wage paid for this "capital-ability." A worker is then considered as an agent who has his own "capital-ability" and who invests it in his work in order to receive a wage. Defined as such, the worker is a kind of "enterprise for himself."

The human capital as "capital-ability" consists of innate and acquired elements. The former is hereditary, and the latter is conferred through education. The formation of human capital is especially related to the latter, that is, education or educational investments. What, then, constitutes this investment? Foucault explains:

Experimentally, on the basis of observations, we know it is constituted by, for example, the time parents devote to their children outside of simple educational activities strictly speaking. We know that the number of hours a mother spends with her child, even when it is still in the cradle, will be very important for the formation of an abilities-machine, or for the formation of a human capital, and that the child will be much more adaptive if in fact its parents or its mother spend more rather than less time with him or her. This means that it must be possible to analyze the simple time parents spend feeding their children, or giving them affection as investment which can form human capital. Time spent, care given, as well as the parents' education

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<sup>6</sup> Schultz (1971, 48). Cited in Foucault (2004/2008, 243/236, n. 33).

- because we know quite precisely that for an equal time spent with their children, more educated parents will form a higher human capital than parents with less education - in short, the set of cultural stimuli received by the child, will all contribute to the formation to those elements that can make up a human capital (Foucault 2004/2008, 235-236/229).

Educational “investments” are not purely economic: even *non-economic* acts such as feeding and giving parental affection to children are interpreted as “investments.” This interpretation is based on the idea of substitutable choices between rare resources. For example, these “investments” distribute limited time and energy of parents (rare resources) to the education of their children. The theory of human capital thus applies economic analysis to non-economic acts. It is, so to speak, a theory that considers all human acts as object of economic analysis.

The theory of human capital gives importance to the mobility as a constituent of human capital. There are nevertheless many negative factors in mobility. For example, migration from a company to another, or from a profession to another brings about physical and psychological costs. In spite of these negative factors, why does the theory of human capital give importance to the mobility? What, then, is the function of these costs? Foucault analyzes this point as follows:

In the elements making up human capital we should also include mobility, that is to say, an individual’s ability to move around, and migration in particular. Because migration obviously represents a material cost, since the individual will not be earning while he is moving, but there will also be a psychology cost for the individual establishing himself in his new milieu. There will also be at least a loss of earnings due to the fact that the period of adaptation will certainly prevent the individual from receiving his previous remunerations, or those he will have when he is settled. All these negative elements show that migration has a cost. What is the function of this cost? It is to obtain an improvement of status, of remuneration, and so on, that is to say, it is an investment. Migration is an investment; the migrant is an investor. He is an entrepreneur of himself who incurs expenses by investing to obtain some kind of improvement (Foucault 2004/2008, 236/230).

In the theory of human capital, every individual is considered as “entrepreneur of himself” who invests in oneself and controls the cost to ameliorate his social status and attain high remuneration. Referring to Fraser’s argument, we said previously that the disciplinary type of self-control weakens in neoliberal post-Fordist governmentality. However, following this Foucauldian analysis, we

can say that the disciplinary subject who controls himself through interiorization of social norms is now replaced by the “entrepreneur of himself,” that is to say, the subject of self-management who regards oneself as an object of investments. In other words, it is an economic subject who controls himself by interiorizing the market principle or the principle of competition. Relating this economic subject to the economic concept of *homo œconomicus*, Foucault asserts: “neoliberalism appears under these conditions as a return to *homo œconomicus*” (Foucault 2004/2008, 231/225). In economics, *homo œconomicus* designates a model of rational man who organizes his acts in the most reasonable way to gain the largest profit. In neoliberal governmentality, *homo œconomicus* appears as “entrepreneur of himself, being for himself his own capital, being for himself his own producer, being for himself the source of his earnings” (Foucault 2004/2008, 232/226). *Homo œconomicus* in this sense corresponds to an economic agent who transforms himself according to changes in the environment (or in the market). In other words, by filling up society totally with the market principle or the principle of competition, neoliberal governmentality produces a easily “manageable” and “governable” subject (Foucault 2004/2008, 274/270); that is to say, the subject of the auto-management interiorizing the principle of competition.

We would like to relate this style of auto-management, which is deduced by the theory of human capital, to the actual neoliberal governmentality. Under this governmentality, we are asked to interiorize the principle of competition and to manage ourselves following the principle of “entrepreneur of himself.” We can call “competitive subject” this type of neoliberal subjectivity.

The structural precarization of labor and the reduction of the social promote this type of competitive subject or subject of self-management who internalizes the market principle, manages his career, and increases his human capital in order to ameliorate his social status. In neoliberal governmentality, those who can adapt to the imposed values of the market climb up the social ladder, and those who cannot are dismissed from society. From this point of view, we can reformulate a Foucauldian definition of modern biopolitics proposed in the first volume of *The History of Sexuality*<sup>7</sup>: Neoliberal government “makes live” those who can adapt to the values of the market, and “rejects” those who cannot. It thus introduces a *break line* between those who can live in society and those who must live precarious life..<sup>8</sup>

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<sup>7</sup> Cf. Foucault (1976, 181): “*On pourrait dire qu’au vieux droit de faire mourir ou de laisser vivre s’est substitué un pouvoir de faire vivre ou de rejeter dans la mort.*”

<sup>8</sup> For example, Bernard Harcourt critiques a latent tendency of the theory of human capital to divide a population between those who deserve to be invested and those who do not. Cf. Becker, Ewald, and Harcourt (2012).

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## FROM LIBERALISM TO NEOLIBERALISM, THE WAY OF RATIONALIZING GOVERNANCE<sup>2</sup>

### Abstract

*Liberalism sees freedom and individualism as fundamental principles for evaluation of individuals, society and social institutions, especially the state, whose sole function is the protection of individuals and their property. For the benefit of all individuals, liberalism promotes democracy as the best state order.*

*Neoliberalism i.e. libertarianism, which has generally prevailed as the authoritative philosophical matrix and policy framework in contemporary globalization, does not have much in common with the philosophy of social and political liberalism, which creates the ideal of liberal democracy of well-ordered society. Many opponents of neoliberalism operate through the so-called dualism prism – confronting knowledge and power, state and economy, subject and power. Important criticism of neoliberalism lies in “bridging” these dualisms, through efforts aimed at analysing them on a “plane of immanence”, according to the concept of governmentality. A return to Foucault can help to clarify some overtly ideological uses of “neoliberalism” in today’s social sciences. Liberalism and neoliberalism are seen as practices, reflexive modes of action, and special ways of rationalizing governance.*

**Keywords:** *globalization, globalism, liberalism, libertarianism, neoliberalism, democracy*

### Introduction

Liberalism is commonly criticized today on the grounds that it is inherently a part of the Enlightenment. As an Enlightenment doctrine liberalism is irremediably based on faith in the moral and political progress. The main current of contemporary liberal political theory seeks to develop a post-Enlightenment account of politics.

Since the beginning of the 1990s liberalism was presented as a desirable and positive political orientation whose fundamental ideas freedom, human rights,

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ideological and political pluralism represented, to a greater or lesser extent, all political options. Today, the notion of liberalism is considerably changed, especially in the public perception. The general enthusiasm of the global historical collapse of communism in the early 1990s prompted the American theoretician Francis Fukuyama to proclaim the end of the history of mankind, a history that was completed with the ultimate defeat of the communist dictatorship, or the emergence of the earthly paradise of liberal democracy and general prosperity and freedom (Fukuyama 1992). Diametrically opposed to Fukuyama's liberal utopia of the happy end of history, a new history of the era of globalization has begun, in which its liberal or neoliberal principle is the basis for all evil that globalization carries with it: weaker social and health security, loss of jobs or more labor with lower earnings, the endangerment of the environment, the sovereignty of the state and the cultural identity of the nation. Positive ideas of liberalism in the current conditions of globalization are increasingly losing sight, and in the first place, under the name of neoliberal globalism the negative consequences of globalization are highlighted.

The new epoch is the age of transpolitics and boundlessly simulation. Citizens are no longer subjects in the modern sense, without awareness of their slave freedom. We are "fatalistic laziness" (Gramsci) captive, passively accepting the present and without capability, strength or power to fight for an alternative. (Stanković Pejnović 2020, 6-10)

Neoliberalism is directly complementary to classical and economic liberalism, based on the belief that the only essential form of freedom is freedom from oppression and total constraints. Neoliberalism favours laissez-faire economic policy, rejecting any kind of state intervention in the manufacturing-economic sphere as a form of coercion that limits the economic freedom of individuals. In this sense neoliberalism is close to the philosophical, political and economic theory known as libertarianism. Libertarianism is a one-sided and extreme form of liberalism: the ultimate individualistic philosophical, political and economic doctrine, which has its roots in the writings of Robert Nozick, David Friedman and Murray N. Rothbard.

## **1. Liberalism**

The liberal tradition in politics is about individual liberty (Cranston 1967, 459). Although its bases go far back in the history of political thought. Liberalism emerged as a distinct political theory as a call for freedom of speech and thought. Milton and Mill advanced classical statements of a basic liberal theme: freedom of thought, speech and inquiry, our common human reason leads us toward increasing agreement on truths and rejection of falsehoods. Sometimes

this is put in terms of the “free marketplace of ideas”: in a free competition of ideas, the truth will eventually win out and more truths will be uncovered (Mill 1991, 26; Mises, 1985, 7). According to Ludwig von Mises, a great twentieth-century liberal, the essence of liberalism is to put reason in the sphere of social policy without dispute in all other spheres of human action. On the other hand, problems of social technology, and their solution must be sought in the same ways and by the same means that are at our disposal in the solution of other technical problems: by rational reflection (Mises 1985, 5-7). Even regarding personal lifestyles convergence of opinion may be expected. Mill is famous for endorsing the pursuit of individuality, and the freedom of each to choose a life that suits her, so long as she does not harm others. Liberals influenced by this view of reason believed that the free exercise of human reason produces convergence of moral and political views. Morality, many liberals have believed, can be derived from rationality.

Immanuel Kant made the most famous attempt to derive universal morality from reason. For Kant, it is

“a necessary law for all rational beings that they should always judge their actions by such maxims as they themselves could will to serve as universal laws” (Kant 1959, 44).

This principle of morality arises from “pure reason” and tells us that morality is inherently universal. John Gray has insisted that the traditional liberal project presupposed the Enlightenment View of reason; it supposed that the application of reason would lead to a set of principles with universal, rational, authority. Because of this Enlightenment project is defeated and traditional liberalism “has reached a dead end in which its intellectual credentials are negligible and its political relevance is nothing” (Gray 1995, 66). The great classical liberals such as Locke, Kant and Mill sought to demonstrate that on some issues the free exercise of human reason leads to divergent results; they never seriously doubted that on many other issues the use of reason led to common recognition of the truth. William A. Galston, a leading contemporary liberal theorist, explicitly upholds a liberalism based on a conception of rational inquiry as transcending mere local opinion to arrive at the truth (Galston 2002). Opposite to Gray, Berlin suggests that with the recognition of the ultimate plurality of values we confront incompatible truths, and this leads us to liberalism. In at least one interpretation of his political thought, Berlin does not seek a public reasoning that overcomes or limits the plurality of reasoning because pluralism itself endorses liberalism. According to Berlin, liberals do not have to search for a shared public reasoning to overcome or limit the fragmentation of reason. We are urged to look upon life as affording a plurality of values, equally genuine, equally ultimate, above all

equally objective; incapable, therefore of being ordered in a timeless hierarchy, or judged in terms of someone absolute standard (Berlin 2013, 11-12; Williams 1981, 71-82).

Gray states that the truth of pluralism leads to a new appreciation of that part of the liberal tradition inspired by Thomas Hobbes: Liberalism has always had two faces. On the one hand, toleration is the pursuit of an ideal form of life, and on the other, it is the search for terms of peace among different ways of life. In the former view, liberal institutions are seen as applications of universal principles. In the latter, they are a means of peaceful coexistence (Gray 2000, 2).

For Habermas, liberals who begin with the legal institutionalization of equal liberties, conceiving these as rights held by individualized subjects. In their view, human rights enjoy normative priority over democracy and the constitutional separation of powers has priority over the will of the democratic legislature (Habermas 1997, 44; Habermas 1996, 463-490). Habermas points out that this is an important aspect of law. Following Kant, he regards laws as “laws of freedom”. Self-imposed rules can be understood as being freely accepted by everyone (Habermas 1996, 31). Habermas’s own view of law, as something between facts and norms, is complex, but the basic idea is that the rule of law as a system of individual rights and constitutional provisions such as the separation of powers provides the necessary context for the formation of “rational political will”. According to Habermas rational political will includes rational democratic discourse and decisions in political institutions and the society. “There is a conceptual or internal relation, and not simply a historically contingent association, between the rule of law and democracy” (Ibid., 449).

As with Mill’s liberalism, Rawls believes that justice as fairness, as presented in *A Theory of Justice*, presupposed the possibility of agreement on a liberal conception of value and goodness (Rawls 1971, 490-491). Given reasonable pluralism, Rawls insists, any attempt to unite society on a shared comprehensive doctrine requires the oppressive use of state power to suppress competing, reasonable, comprehensive doctrines. The aim of his political liberalism is to defend such a liberal political conception; a post-Enlightenment liberalism that takes the problem of reasonable pluralism seriously, and which all reasonable citizens can affirm regardless of what reasonable comprehensive doctrine they hold. Rawls believes that the political is focused on the justice of the basic structure.

According to Rawls,  
the “spheres of the political and the public... fallout from the content and application of the conception of justice and its principles” (Rawls 1996, 36).

## 2. Neoliberalism

Neoliberalism can be understood as a variant of liberalism because neoliberalism reinforces many of the central axioms of classical liberalism. It strengthens relations between the individual and society, the conception of freedom, the view of the self as a rational utility maximiser, separation between public and private spheres, and the rejection of any conception of a public good over and above individuals (Olssen 2000, 482). Neoliberalism did not arrive unannounced from nowhere. It is tempting to think that neoliberalism as a political and class project might implode because of its own internal contradictions. Nominally, neoliberalism offering “freedom” instead of control, commodifying all in its wake, but is covertly always eager to legitimize itself as an ideology that has something to offer to everyone. Hobsbawm compared neoliberalism, as a variant of liberalism, with ‘ethical’ or inserted liberalism which formed the foundation of an exceptional phase in history; the golden years of the welfare state (Hobsbawm 1994, 258). Post-war capitalism was unquestionably “a system reformed out of all recognition...an union between economic liberalism and social democracy” (Ibid., 270). With implanted liberalism flourishing, little ground was given to the proponents of liberalism.

However, by the 1960s things had begun to change. The balanced compromise between defense of welfare and a liberal international economic order that had sustained three decades of growth and progress was now destabilised (Cox and Schechter 2002). The years of progress were finished. Two important processes were in crisis and broke together. Their centres united forces to produce the conditions for great change in two directions; the post-war accumulation strategy (Harvey 1989; 2005; 2006; Hobsbawm 1994) and the project of modernity with its conception of progress and enlightenment (Santos 2004).

Generally speaking, the period from 1965 to 1973 was one in which the inability of Fordism and Keynesianism to contain the inherent contradictions of capitalism became more and more apparent (Harvey 1989, 141-2). In this period, new struggles between social forces began, between neo-liberals and (ethical liberal) Keynesians. “A minority of ultra-liberal economic theologians” (Hobsbawm 1994, 409) had stroked the domination of Keynesian prospective, promoting instead the unrestricted free market as the model of economic development. The attack was also directed at what was regarded as increasingly unruly labour, protected by the entrenched interests of unions. By 1974, neo-liberals were on the offensive (Marchak 1991, 93), though they did not come to dominate government policy until the 1980s.

In *The Road to Serfdom*, published in 1944, Hayek argued that government planning, by crushing individualism, would lead inexorably to totalitarian

control. In 1947, Hayek founded the first organisation that would spread the doctrine of neoliberalism, the Mont Pelerin Society. Since 1947 Hayek and Milton Friedman were critiquing welfare-based democracies. After that “a kind of neoliberal international” was organized: a transatlantic network of academics, businessmen, journalists and activists. The movement’s rich backers funded a series of think tanks which would refine and promote the ideology (American Enterprise Institute, the Heritage Foundation, the Cato Institute, the Institute of Economic Affairs, the Centre for Policy Studies and the Adam Smith Institute). After Margaret Thatcher and Ronald Reagan took power, the rest of the package followed: massive tax cuts for the rich, the crushing of trade unions, deregulation, privatization, outsourcing and competition in public services. Through the IMF, the World Bank, the Maastricht treaty and the World Trade Organisation, neoliberal policies were imposed – often without democratic consent throughout the world. It may seem strange that a doctrine promising choice and freedom should have been promoted with the slogan “there is no alternative”. The freedom that neoliberalism offers, which sounds so beguiling when expressed in general terms, turns out to mean freedom for the “very few”, not for the “ordinary people”.

Chile was the first testing ground for this new model of economic coordination, following the ousting of Salvadore Allende’s socialist government and their explicit nationalizing agenda in a bloody coup in 1973. In this country pure neoliberal experiment was introduced; privatization of all publicly-owned resources (aside from copper), the liberalisation of finance and openness to Foreign Direct Investment, freer conditions for trade, and state withdrawal from many social policy programmes. This “new approach” ended in crisis in 1982, being replaced by a more pragmatic measure to neoliberal theory and its implementation. From the 1980s there was a purge of all forms of Keynesian policy by the international organizations and lending agencies and national governments termed ‘roll back’ neoliberalism (Tickell and Peck 2005, 174). Neoliberalism’s roll-back phase was a success because “markets and institutions were transformed as the politically legitimate revoke of state intervention was redrawn” (Ibid., 179). Throughout the 1980s neoliberal policies (under the structural adjustment programmes of the IMF and World Bank) were imposed on developing countries in Latin America and sub-Saharan Africa. Similarly in the developed world, neoliberal policies were embraced by political parties of the right and the left (New Zealand and Australia) when they were faced with mounting external debts and rapid inflation following application of Keynesian economic policies. Three central principles key ideas feature in most models of restructuring: deregulation, competitiveness and privatization (Cox 1996, 31).

Deregulation refers to the removal of the state from a substantive role in the economy, except as a guarantor of the free movement of capital and profits. Competitiveness is the justification for the dismantling of procedural state bureaucracies and range of welfare provision that were built up in the post-war period. Privatization describes the sale of government businesses, agencies or services to private owners, where accountability for efficiency is to profit-oriented shareholders. These principles, implemented with the slogan, “there is no alternative” imposed a necessary painful measure for future gains (Kelsey 1993, 10).

A profound epistemological shift and new ethic of social and political life emerged unbound by this epochal change, under the name of “Washington Consensus” (Williamson 1993, 1329-1336); an idea frequently connected to globalization. More conventional views tend to comprehend globalization as indicating from one side “... the expanding scale, growing magnitude, speeding up and deepening impact of transcontinental flows and patterns of social interaction” (Held and McGrew 2002, 1) and on the other the shifting away of power from nation states as the primary focus on which power is organised and exercised (Held and McGrew 2002, 8). Digital technologies are deeply implicated in these changes. They empower the rapid movement of ideas, images, finance, goods and services across the globe (Appadurai 1996). Digital technologies are also important in neo-liberal regimes because of their ability to swiftly provide information in the market place. For markets to work effectively, individuals need to be able to consent to price, quality, availability, flexibility. It is not surprising that the pre-eminent position of knowledge and the idea of a “knowledge economy” and “information age” coincided with the neoliberal political project.

Neoliberalism has gained a strong foothold in the idea of individual freedom, but also the ability to reconcile and unite a wide range of interests, discourses and agendas within civil society whose identities and projects had been previously denied by the largely white male class project (Apple 2001; 2006). We are facing now with “surveillance capitalism” as a new form of capitalism, a behavioural futures marketplace. The term surveillance capitalism, indicates to the connection between digital tools, collecting, and monitoring of data from large mass of the population, and the promotion of consumer-oriented behaviour that further the interests of neoliberal capitalism (Zuboff, 2018).

The discourse of “rights” was also summoned as a means of recognizing freedom through opening up previously state-dominated spheres to other actors, offering the very real possibility of organizing new institutional structures using a market-based principle (Ford 2005). Neoliberal policies also resonated

amongst the ruling classes. The post-war redistribution policies infringed on the ruling classes, growth within the economy in the post war period, and the spectre of socialism as a possible alternative, conducted to support the post-war settlement. The 1970s crisis of accumulation, however, affected everyone, including the ruling classes. When growth collapsed, the upper classes moved decisively to protect their interests, politically and economically (Harvey 2005). Neoliberalism was the perfect economic engine and political symbol to impel this project.

While state intervention remained focused on areas of “market failure”, the expansion of these areas was notable. In 1980s, the dominant focus was on markets, and the early 1990s markets and states, but the late 1990s can be seen as a return to the social but always with a focus on the primacy of markets. Williamson’s aim was to codify that part of the neoliberal analysis and policy proposals which have become commonly accepted within Development Theory and particularly in the circles of the big developmental institutions (primarily the IMF and the World Bank) seated in Washington. In Williamson’s (2000, 254) own words his effort “was an attempt to distill which of the policy initiatives that have emanated from Washington during the years of conservative ideology had won inclusion in the intellectual mainstream rather than being cast aside once Ronald Reagan was no longer on the political scene”.

In order to understand neoliberalism it is necessary to have closer look on the Washington Consensus. It refers to the influential circles and institutions based in Washington and “Consensus“ indicates to the part of neoliberal policy prescriptions that had been widely accepted during the years of conservative ideology won inclusion in the intellectual mainstream rather than being cast aside once Ronald Reagan was no longer on the political scene (Williamson 2000). The Washington Consensus has a definite ideological and political background: that of the neo-conservative policies of the last quarter of the 20th century. Furthermore, the Washington Consensus cannot be delegated to a simple sum of policy proposals. It has definitely a spinal column on the basis of which the whole edifice has been constructed. The imperatives of the Washington Consensus’ policies were usually implemented in a technocratic manner, disregarding social and political complexities. For Stiglitz, the Washington Consensus was too narrow in focus. The Washington consensus advocated the use of a small set of instruments (including macroeconomic stability, liberalized trade, and privatization) to achieve a relatively narrow goal (economic growth). The post-Washington consensus recognizes both that a broader set of instruments is necessary, but its social goals are much broader. They include increases in living standards (including improved health and education), not just increases

in measured GDP; sustainable development, which includes preserving natural resources and maintaining a healthy environment; equitable development, which ensures that all groups in society, not just those at the top, enjoy the fruits of development, and democratic development, in which citizens participate in a variety of ways in making the decisions that affect their lives (Stiglitz 1998a, 30). For Stiglitz the Washington Consensus fails because the simple liberalization of markets does not suffice for their normal operation, particularly in the developing countries (Stiglitz 1998a, 30; 1998b). Most of the critics point out that during the last twenty years of the 20th century after the implementation of the Washington Consensus policies and structural changes there was a marked increase of poverty and inequality (Chossudovsky 1997). Fine criticises the Washington Consensus for consciously neglecting crucial aspects of the developmental process in order to push the neoliberal reforms that promote the interests of dominant capitalist bargaining power (Fine 2002). According to Fine, a key policy initiative during the later 1990s is centred on the concept of social capital (Fine 2001). This concept merits explanation as a central idea in the policies and politics of the Post-Washington Consensus. According to the World Bank, social capital refers to the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded. Social capital is the glue that holds societies together and without which there can be no economic growth or human well-being. Without social capital, society at large will collapse, and today's world represents some very sad examples of this (Fine 2001, 158).

### **3. Neoliberal critique**

There are three main lines of analysis that can be called neoliberal critique even if their political and theoretical perspectives are different. First, neoliberalism is treated as a manipulative “wrong knowledge” of society and economy, which has to be replaced by right or emancipatory knowledge. Criticism often focuses on neoliberalism as an ideology, based on “inherent contradictions” or the “faulty theory”. Because of this categories neoliberalism could not promote the “true” laws of society and the “real” mechanisms of politics. Many critics see in neoliberalism the extension of economy into the domain of politics, the triumph of capitalism over the state, the globalization that escapes the political regulations of the nation-state. This “hungry” capitalism has gone beyond control, but neoliberalism is a political-economic reality. The third line of criticism is levelled against the destructive effects of neoliberalism on individuals. Neoliberalism can be seen as “practical anti-humanism” because it promotes the devaluation of traditional values, the process of individualization endangering

collective solidarity, the imperatives of flexibility, mobility and risk-taking that threaten family values and personal affiliations.

Karl Polanyi's thinking is very useful for understanding why market liberalism is as utterly flawed as a way of organizing economies and societies. Polanyi critiques the work of market liberals like Hayek. *The Great Transformation* provides the most powerful critique yet produced of market liberalism; the belief that both national societies and the global economy can and should be organized through self-regulating markets (Block 2001, xvii). In reflecting on why a period of relative stability was followed by fascism in the 20th century, Polanyi argues that the emergence of market liberalism; the idea that markets are self-regulating emerged as a means of managing the problems of industrialization (first transformation). This directly led to the Depression, fascism, and second great transformation. Market liberalism is based on the view that markets are self-regulating and that they operate separate from and above or outside society. Rapid transformation destroys old coping mechanisms, old safety nets, while it creates a new set of demands, before new coping mechanisms are developed (Stiglic 2001, xii). However, Polanyi argues that markets have always been embedded and the goal of a fully self-regulating market that is disembedded, is a utopian project. This theory is a pure mathematical fiction, because it has been founded on a formidable abstraction. In the name of a narrow and strict conception of rationality as individual rationality, it brackets the economic and social conditions of rational orientations and the economic and social structures that are the condition of their application (Bourdieu 1986, 251). Polanyi's extreme scepticism about disembedding the economy gives rise to his idea of the "double movement"; the laissez faire movement to expand the scope of the market, on the one hand, and the protective counter-movement which tries to manage and minimize this on the other. In other words, the movement toward markets requires an alternative movement to stabilize its (the state and civil society through concepts like social capital). Both authors undertake a critique of neoliberalism by relying on the very concepts they intend to criticize. They operate by confronting knowledge and power, state and economy, subject and power, and we may well ask what role these dualisms play in constituting and stabilizing liberal-capitalist societies. The critical contribution of the concept of governmentality for the study of neo-liberal governmentality lies exactly in "bridging" these dualisms, trying to analyse them on a "plane of immanence" (Deleuze and Guattari 1972, xxx). Noys turns to Foucault's account of the rise of neoliberalism to highlight that neoliberalism does not function, does not direct its purposiveness, toward the commodity itself. Neoliberalism's power is exerted

at the structural level of the laws and constraints that are the conditions for any markets functioning. As Noys writes,

“accelerationism, and the critical and theoretical resources it draws upon, fundamentally misunderstands neoliberalism, as a particular form of capitalist governmentality, and capitalism itself, as a social form, and so *reproduces* hem (or their own idealized image).“ (Noys 2013)

By coupling forms of knowledge, strategies of power and technologies of self it allows for a more comprehensive account of the current political and social transformation. In a provocative series of formulations of neoliberalism Foucault points out that „statephobia“ prevailing in modern though language, connected with the critique of society of spectacle (Debord) and “one-dimensionality”(Marcuze) with Werner Sombart’s proto-Nazi critiques of capitalism (Foucault 2008,113-4). Where neoliberal policies cannot be imposed domestically, they are imposed internationally, through trade treaties incorporating settlement. Neoliberalism was not conceived as a self-serving racket, but it rapidly became one.

Another paradox of neoliberalism is that universal competition relies upon universal quantification and comparison. The result is that workers and public services are subject to a stifling regime of assessment and monitoring, designed to glorify the winners and punish the losers. The doctrine that Von Mises proposed would free us from the bureaucratic nightmare of central planning has instead created one. The privatization or marketization of public services has enabled corporations to set up tollbooths in front of essential assets and charge rent, either to citizens or to the government, for their use. Governments use neoliberal crises as excuses and opportunities to cut taxes, privatize remaining public services, rip holes in the social safety net, deregulate corporations and re-regulate citizens. As Naomi Klein points out neoliberal theorists advocated the use of crises to impose unpopular policies while people were distracted (Klein 2007).Perhaps the most dangerous impact of neoliberalism is not the economic crises it has caused, but the political crisis. As the domain of the state is reduced, our ability to change lives through voting is also put in questioning. Instead, neoliberal theory proclaims, people can exercise choice through spending. But some have more to spend than others: in the great consumer or shareholder democracy, votes are not equally distributed. The result is a disempowerment of the poor and middle class. As parties of the right and former left adopt similar neoliberal policies, disempowerment turns to depravity. Tony Judt explained that when the thick mesh of interactions between people and the state has been reduced to nothing but authority and obedience, the only remaining

force that binds us is state power (Judt 2008). Is it possible to see seeds of totalitarianism in neoliberalism?

Arendt's understanding of the origins of totalitarianism begins with her insight that mass movements are founded upon "atomized, isolated individuals." According to Arendt, the lonely people whom Arendt sees as the supporters of movements are not necessarily the poor or the lower classes. They are the "neutral, politically indifferent people who never join a party and hardly ever go to the polls." They are not unintelligent and are rarely motivated by self-interest.

But totalitarianism, as an expansive movement was closely related to the global aspirations of imperialism. Totalitarianism begins and ends with the insight that

"total power can be achieved and safeguarded only in a world of conditioned reflexes, of marionettes without the slightest trace of spontaneity." (Arendt, 1951, 457)

The aim is not simply to rule men, but rule them from inside out, as "organized loneliness," or "total domination" of the human population.

#### **4. Neoliberalism and Governmentality**

Replacing "globalization", neoliberalism has become one of the most meaninglessness phrases in public and academic discourses on the "form of the world-as-a-whole" (Robertson 1990). It is used to forge new academic alliances and to identify new political, moral and epistemological enemies. Many times, neoliberalism was used as an umbrella concept or a badge that helps to create some kind of vague and simplistic political alignment: anti-neoliberalism on the left and pro-neoliberalism on the right.

The 1980s were the period when Theda Skocpol, Juan Linz, Dietrich Rueschemeyer or Alfred Stepan (Evans, Rueschemeyer, Skocpol 1985) were urging social scientists to "bring the State back in". In this period, critique of welfarism and everything state-centred finds a way to public and social policies and brings the field of "governance" to the forefront of investigation. Political power was not seen as a hegemonic, state dwelling power anymore. Governance emerged as another umbrella concept referring to "strategy, tactic, process, procedure or programme for controlling, regulating, shaping, mastering or exercising authority over other." (Rose 1999, 15). From this perspective governance could be applied to a huge area of expertise.

Governing is

"the totality of interactions, in which public as well as private actors participate, aimed at solving societal problems or creating societal opportunities; at-

tending to the institutions as contexts for these governing interactions; and establishing a normative foundation for all those activities” (Kooiman 2003, 4).

Governing is a new ways of describing the paths political power is developing outside the state, without ignoring the importance of the state and the doctrines and legitimacies connected with it. It is important to analyse how neoliberalism creates a new form of governmentality in which the state has a different function: permeating society to subject it to the economy. The first important aspect of the concept of governmentality is that it does not juxtapose politics and knowledge but articulates a “political knowledge”. Foucault does not pose the question of the relation between practices and rationalities, their correspondence or non-correspondence in the sense of a deviation or shortening of reason. His “main problem” is not to investigate if practices conform to rationalities, “but to discover which kind of rationality they are using” (Foucault 1981, 22).

Political rationality is not pure, neutral knowledge which simply “represents” the governed reality, but an element of government itself which helps to create a discursive field in which the exercise of power is “rational”. The concept of governmentality suggests that it is not only important to see if neoliberal rationality is an adequate representation of society, but also how it functions as a “politics of truth”, producing new forms of knowledge, inventing new notions and concepts that contribute to the “government” of new domains of regulation and intervention. Foucault argues that the “art of government” is not limited to the field of politics as separate from the economy. He sees the government as the constitution of a conceptually and practically distinguished space, governed by autonomous laws and a actual rationality of “economic” government (Foucault 1991, 92).

When Foucault considers the perspective of “governmentalization of the state” (Ibid. 103), he does not present government as technique that could be applied or used by state authorities or apparatuses. Instead he comprehends the state itself as a tactics of government, a dynamic form and historic balance of societal power relations. Governmentality is

“at once internal and external to the state, since it is the tactics of government which make possible the continual definition and redefinition of what is within the competence of the state and what is not, the public versus the private” (Ibid.,103).

Foucault’s discussion of neoliberal governmentality indicates that the “retreat of the state” is in reality a prolongation of government. Neoliberalism is a transformation of politics that restructures power relations in society. What we are observing today is not a diminishing or a reduction of state sovereignty

and planning capacities but a displacement from formal to informal techniques of government and the appearance of new actors on the scene of government (NGOs), that indicate fundamental transformations in the state and a new relation between the state and civil society actors. This encircles from one side, the displacement of forms of practices that were formerly defined in terms of nation-state to supranational levels, and on the other side the development of forms of sub-politics “beneath” politics in its traditional meaning. Differentiation between state and society, politics and economy is an element and an effect of specific neoliberal technologies of government. Neoliberal governmentality is very active and interventionist even when it is a “minimal” one. The interventions are going on, and power seeps through the social body: heterogeneous networks of actors and technologies, new fields of knowledge like the social sciences, economics, management or the sociology of governance. In this way old micro-fields of power are being connected in new ways.

For Foucault governmentality is the “*conduct of conducts*” (Foucault 2008). This definition is not simple because the analysis of governmentality has its root in governance – a special stratum of discourses and practices of knowledge and power (Rose 1999, 19), discovering the emergence of specific “regimes of truth”. It is just that the state reason was articulated on a new truth regime: the political economy. Government was being confronted, for the first time, from the inside, with a place of its truth. The market became a natural mechanism through which the practice of governing could be designed. During the regime of cameralist *Raison d'État*, the market functioned as a place of jurisdiction, a place of justice, of regulations, equity and correct distribution of goods. In liberal and neoliberal times, market become a space of verification, of enouncing the truth and of verifying the government.

A new art of governing is being made by the transformation of liberal governmentality. Neoliberalism opposes one of the main doctrines of liberalism. The problem does not consist in the absolute autonomy of the economy anymore, but in deciding how political and social powers will express themselves in order to form the market economy (Foucault 2008, 120). Foucault states that power is not the possession of the state, but the method through which humans interact on every level. The power problem is central to Foucault thinking regarding the relations between society, individuals, groups and institutions. Discourse transmits and produces power, but at the same time discourse itself is the result and the effect of the power (Stanković Pejnović 2019, 98). Michel Foucault used the notions of governing with two meanings: on the one hand, or refers to a large area of human existence and experience, made up of ways of thinking and acting that have the transformation of human behaviours their objective.

The second, narrower meaning, refers to the ways in which the political elites try to order “the multitudinous affairs of a territory and its population in order to assure its prosperity, and at the same time establishes divisions between the suitable spheres of action of different types of authority” (Rose 1996, 42).

Neoliberalism does not support a society totally misled by exchange values. It supports the soulless and ruthless commercial society, based on social bonds created by the pure exteriority of exchange value. At the core of this neoliberal society is not the *laissez faire* commercial exchange but a (very often unfair) competition. This process is not trying to create an exclusive area where the state cannot go, a kind of reciprocal tolerance or ignorance between the state and markets. This is, according to Foucault, the origin of “neoliberal policies” – regulatory and ordering actions on the conditions of existence of this coherent but fragile structure of unanimity. The more the governmental intervention in the market area is despised, the more it is required on the technical, juridical, demographic and social levels (Foucault 2008, 140). From a neoliberal point of view, the only sound social policies are economic growth, access to private property and individual insurance.

Neoliberal government,

“which has become the program of most governments in capitalist countries, absolutely does not seek the constitution of that type of society. On the contrary, it involves obtaining a society that is not orientated towards the commodity and the uniformity of the commodity, but towards the multiplicity and differentiation of enterprises” (Foucault 2008, 149).

The transformation brought by the replacement of exchange with competition, of liberalism with neoliberalism, had important effects: while exchange was seen as a natural human characteristic, competition was seen as an artificial structure that must be actively protected. The economic and social concurren- tial mechanism assumes a constant intervention from the state, not on the market, but on the conditions of the possibility of the market (Foucault 2007, 139; Read 2009, 28).

## Conclusion

The reaffirmation of authentic liberalism, with the departure from neoliberal economic and social policy, puts emphasis on social liberalism that promotes the affirmation of individual, social, cultural and national rights and freedoms of citizens, the social economy with a balance of interests of capital and labor, and a legal state of liberal democracy in which all citizens have equal rights. Social liberalism is a theoretical and political concept that opposes neoliberal globalism, and as such is the most promising theoretical basis for the humani-

zation of globalization. Neoliberalism differs from liberalism in one important way; its commitment to neo-classical economics; recognition that some state intervention is necessary to ensure that Adam Smith's invisible hand of the market can function. This means that freedom of the market, the right to free trade, the right to choose and protection of private property is assured by the state. Neoliberalism as a governing art emerges as early as 1948, through a series of ruptures and displacements from classical liberalism. The series of European governmentalities start with l'État de Police, followed by classical liberalism and, finally, German ordo-liberalism and American anarho-liberalism. The classical liberalism tried to restrict the state's interference, freeing the space for markets, under laissez-faire principles. Neoliberalism is eager to reorganize the state itself to be superimposed by the market. "A state under the supervision of the market rather than a market supervised by the state." (Foucault 2008, 116)

Capitalism has changed public space because global liberal capitalism bringing market decentralisation, privatization and deregulation as cause of institutional changes focusing on business individualisation than collectivism aimed by logic of market globalisation. Structural crisis capitalism system, matrix capitalism has shown dehumanise virtual world without borders between real and imagine world. (Stanković Pejnović 2013, 125) Changed modern capitalism has been based in public services, opposite to productive activities on which was based old kind of capitalism. Trough influence of globalisation and new capitalism national state is not only one area for collective problems solutions and with process of modernisation power of state has been declined (Ibid, 126).

The anthropologies and ethnographies of governmentality and neoliberalism can have an important role in understanding neoliberalism at work, and in deconstructing false dichotomies like state – civil society – market. The capital and control of the media, combined with "shock doctrine" is excellent weapons in the implementation of "the art of politics" (Stanković Pejnović, 2016, 28). We are facing with new totalitarianism, in which the emphasis is not placed in the way of political rule "the people", rather than a radical change of the system of power over life of individual and mass. An important role in shaping of the media is based on the logic of universal transmedial irrational rationality. Neoliberal capitalism has no center and visible entities. Economic powers are invisible in complete transparency as a real illusion of new media and new reshaped world with a rapid loss of freedom (Stanković Pejnović 2018, 63). The "autonomous individual" is a consumer of freedom in a number of freedoms that actually exist: freedom of the market, freedom to buy and sell, the free exercise of property rights, freedom of discussion, freedom of expression. The new governmental reason needs freedom, or the new art of government consumes freedom. If so-

ciety has a desire to consume freedom, this means it must produce or organize it. The new art of government therefore appears as the management of freedom, not in the sense of the imperative: “be free,” with the immediate contradiction that this imperative may contain. The formula of liberalism is not “be free.” Liberalism formulates simply the following: to produce what you need to be free. If this liberalism is not the imperative of freedom as the management and organization of the conditions in which one can be free, it is clear that at the base of this liberal practice is an always different and mobile problematic relationship between the productions of freedom and that which in the production of freedom risks limiting and destroying it. Liberalism entails at its heart a productive/destructive relationship with freedom. Liberalism must produce freedom, but this very act entails the establishment of limitations, controls, forms of coercion, and obligations relying on threats (Foucault 2008, 63-4).

Neoliberalism has become so common that we seldom even recognise it as an ideology, accepting the proposition that this utopian faith describes a neutral force. But the philosophy arose as a conscious attempt to reshape human life and shift the locus of power. Neoliberalism sees competition as the defining characteristic of human relations. It redefines citizens as consumers, whose democratic choices are best exercised by buying and selling, a process that rewards merit and punishes inefficiency. It maintains that “the market” delivers benefits that could never be achieved by planning. Nikolas Rose’s detailed work on “advanced liberal democracies” (Rose 1996) develops Foucault’s analysis of neoliberalism as governmentality, unveiling the features characterizing what has become, since the 1990s, a truly global way of governing the world.

The perspective of neoliberalism understood as „governmentality“ tries to identify historical areas, and moments of emergence of political rationalities, that are intermixed with systems of thought, strategies, programmes and tactics. There are two dimensions of governmentality: political rationalities and governing technologies (Rose, 1999). Governmentalities, as political rationalities, are like devices that create a programmable reality by introducing regularities into reality: moral forms, epistemological structures and specific languages. Governmentality works through discursive fields characterized by a shared vocabulary within which disputes can be organized, by mutually intelligible explanatory logics, commonly accepted facts and significant agreement on key political problems. The theoretical concept of governmentality comprises that it interprets neoliberalism not just as ideological rhetoric, as a political-economic reality or as a practical anti-humanism, but above all, as a political project that aspires to create a social reality, although it already exists. The analysis of governmentality reminds us that political economy relies on a political anatomo-

my of the body. Liberalism and neoliberalism are seen as practices, reflexive modes of action, and special ways of rationalizing governance.

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## EMERGING FROM NEOLIBERALISM? WHITE SUPREMACY, CULTURALISM, AND CLASS IN THE U.S.

*This essay traces a history of the expressions and modifications of what I call the culturalist ideological formation (CIF) and maps its alignment with political and economic changes within the U.S. in the post-World War II period through the present. In tracing the relations of culturalist discourses with political-economic developments, transitional moments and spaces in the U.S. social formation become discernible. This elucidation allows a richer comprehension of the current political crisis wherein racist authoritarian, liberal/neoliberal, and social democratic and socialist blocs of voters are, as I write and revise this essay, contending for control of state institutions. My analysis enables a clearer understanding of how white racism and capitalist hegemony are contested and continuously built and rebuilt.*

**Keywords:** *culturalism, marxism, capitalism, neoliberalism, racism*

### Introduction

Contemplation of capitalist reality strictly through a culturalist lens has become a norm in modern U.S. critical studies (Dean 2019; Burden-Stelly 2016; San Juan Jr. 2002). Some proponents are anxious about class reductionism; others prefer to maintain the capitalist system. In so doing, they follow the ideological pendulum fully into the relative intellectual and political safety of falsely separating their analysis from class processes of exploitation as part of the totality of social relations of production. Instead, critics foreground culturalist explanations for class inequality, exploitation and oppression, and structural processes that mirror orthodox capitalist ideology. This essay traces a history of the expressions and modifications of this culturalist ideological formation (CIF) and maps its alignment with political and economic changes within the U.S. in the post-World War II period through the present.<sup>2</sup> Greater clarity should guide a sustainable

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<sup>2</sup> Anderson defines ideology as “a prevailing set of ideas, but also the conditions and events that generated them, and which they both reflect and distort” (Anderson 2013, 2-3). He adds that competing ideologies can combine or intersect to constitute a broader “mental framework,” which may seem to reduce ideology to a thought process. Ideology, however, operates as “a social practice, not a transcribed ‘false consciousness’” (San Juan Jr. 1995, 54). Ideological formation, then, is a set of social practices within a totality of capitalist social relations of production wherein a struggle for hegemony exists among capitals as well as among classes (San Juan, Jr. 2007, 94-95).

and dynamic working-class project of collective resistance to white racism and capitalist hegemony tenable and the opportunity to imagine future trajectories through which the neoliberal stage of capitalism can be transformed.

The CIF in the U.S. portrays the experiences of working-class people in strictly cultural terms: unpredictable deleterious experiences constitute working-class or poverty cultures within otherwise fundamentally ethical and structurally neutral social relations. Those cultures, then, determine cyclical patterns of social difficulties: poverty, deprived educational access, meager healthcare resources, low pay or routine unemployment, etc. Typically, such cultures appear in isolation from the historical development of capitalist production relations and the logic and imperatives of capital accumulation, as if this system does not continuously impact condition cultures. In this rough 70 years of its existence, the CIF would embolden the political forces that ended New Deal social democracy and shepherded the neoliberal stage of capitalism. It served as the ideological basis for what Aijaz Ahmed called the “assimilation of social democracy to the neoliberal project” by the end of the 20<sup>th</sup> century and the beginning of the 21<sup>st</sup> century (Ahmed 2012, 50). As the third decade of the 21<sup>st</sup> century opens, the COVID-19 pandemic on the heels of the Great Recession have shaken the foundations of the neoliberal project. By exposing systemic crisis as a frequent norm, events have threatened to demystify the CIF. What remains in doubt, however, is what will replace it.

## 1. Evolutions of a Class and Racial Strategy

As World War II ended, the emergence of the socialist bloc and the anti-colonialist national liberation movements led to searing criticisms of U.S. racism and capitalist exploitation. The volatility of this new political terrain provoked a strategic shift in U.S. ruling-class policy in order to forestall global and domestic realignments in favor of its new Soviet foe.<sup>3</sup> The logic and demands of capitalist surplus-value extraction, however, required an ideological strategy of the sublimation of political economy in charting this strategic discourse shift. U.S. rulers sought to manage an intimate ideological alignment of discourses on capitalism, class, and race that explicitly avoided criticisms of the extraction of surplus value and class inequalities, suppressing Marxist categories of class, imperialism,

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<sup>3</sup> W.E.B. Du Bois observed the relation between socialist trends in the U.S. and the shift in Washington’s policies on racial segregation. His arrest for anti-colonial activities and for sympathy with the USSR reflected this shift in policy (Du Bois 2007, 123). My argument contrasts significantly with Fraser, who describes the emergence of neoliberalism from the minds of Hayek and Friedman out of its Cold War context, as if the socialist bloc and the anti-colonial movements had no influence over the development of capitalism and the urgency of re-shaping U.S. capitalist class strategies for rule (Fraser 2019).

and the general explanatory power of the material relations of production for social phenomena (such as racism or colonialism).

This ideological move leveraged an alignment with and mystification of class processes through culturalist identities, specifically class “status” and ethnicized and racialized identities.<sup>4</sup> Identities thus conceived denied the reality of systemic oppression or exploitation in favor of essentialized cultural or racial characteristics transmitted to the individual via culture or biology.<sup>5</sup> Thus, U.S. elites, dominant social institutions, state apparatuses, and academic thought produced an ideological formation of theories and policies related to social class, ethnicity and race, and culture - the CIF. It was founded on four (sometimes competing, sometimes linked) strategic ruling-class discourses designed and implemented to justify its hegemony: 1) cultures of poverty, 2) welfare culture, 3) multiculturalism, and 4) white nationalism.<sup>6</sup> These discourses would see liberals and social democrats favor and modify cultures of poverty to a discourse of multiculturalism (more recently under the generic, often empty expression “diversity” or the moniker “intercultural competence” [Piller 2017, 23-28]); conservatives and ultra-rightist came to prefer the concepts of welfare culture, ultimately aligning with white nationalism. These two streams of thought within the CIF have competed for dominance between the end of World War II and the present moment, a competition which has come to be known as “the culture wars” (see Figure 1).

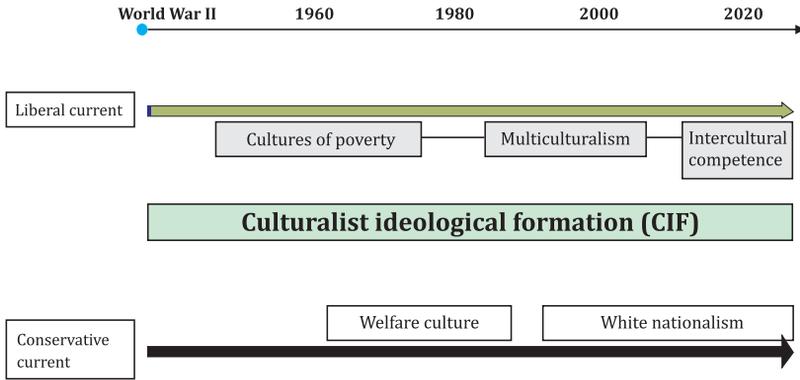
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<sup>4</sup> The association of class with race/ethnicity and other culturally-linked identity categories has a long history in the U.S., specifically in the pseudo-field of scientific racism. Painter documents how the “discovery of degenerate families” by “race science,” explained the phenomenon of poor whites as a degenerate mutation (Painter 2010, 256-277).

<sup>5</sup> Dean argues that individuated identities function within capitalism ideological practices, and work as “the other” of collectivist leftist politics signified by the “comrade” (Dean 2019, 77-80).

<sup>6</sup> Kurashige identifies discourses 1 and 2 above and describes how each competed for space in the dominant political order as procedures for solving social conflicts, but also to implement a neoliberalist strategic policy (Kurashige 2017, 36).

Figure 1. Culturalist ideological formation (CIF)



### 1.1. Culturalism

The more extensive ideological formation that defines the period under study corresponds with what scholar Charisse Burden-Stelly designates as “culturalism.” She argues that at the close of World War II, obsessively compelled with countering the momentum of the communist discourse of class and revolution, the U.S. state and its ideological apparatuses adopted a strategic policy of addressing the adverse effects of capitalist exploitation and its social relations in exclusively culturalist terms in order to preclude more radical analysis and systemically-rooted problem-solving (Burden-Stelly 2016, 36-42; Burden-Stelly 2017). To achieve this goal, “state technologies” and intellectuals with “a particular allegiance to the state” managed and manipulated a discourse of social relations and social problems as “abstracted from material, political economic, and structural conditions of dispossession” (Burden-Stelly 2016, 23). Part of this marginalization of radical politics included the “elision of political economy” in exchange for a culturalist discourse of rights within the framework of the capitalist (and neo-colonialist) nation-state (Burden-Stelly, 42-43).

Culturalist ideologies have both radical and conservative roots. Of the former source is the cultural pluralism of philosophers such as Horace Kallen and Alain Locke, who, before World War II, molded the concept within a socialist political framework (Wendland-Liu [forthcoming]; Meyer 2008). One example of the conservative origins of the CIF can be found in the Carnegie Corporation of New York’s 1930s study of “poor whites” in South Africa, which, called for “affirmative action” for white Afrikaners, a white supremacist “social engineering”

that led to the imposition of apartheid in 1948 (Horne 2019, 97-104, 184-185). That study offered a mix of biological racism, anti-Semitism, and culturalism to diagnose the causes of white poverty, ultimately blaming the supposed low intelligence of the poor, unfair competition with African workers who allegedly are more racially inclined to appreciate manual labor, and Jewish business owners.

The utility of *An American Dilemma* (1944), by Swedish sociologist Gunnar Myrdal, in U.S. institutional circles signaled the dominant ideological transition to culturalism, shorn of its radical origins. According to Black Marxian sociologist Oliver Cromwell Cox, Myrdal steeped his work in culturalist approaches. Cox criticized the study for its dematerialization of white supremacy and racism, and for ignoring the necessarily radical social changes required to alter those relations in favor of social equality. Cox characterized the book as premised on “avoiding a political-class interpretation” in favor of “an acceptable moral and ethical interpretation.” Cox concluded that Myrdal’s moralism led to the search for an ethical resolution to racism, “which the ruling political class has constantly sought to produce,” and, because it ignored capitalist social relations of production, offered “no solution” (Cox 2000 [1948], 207).

As anti-communist hysteria dominated the late 1940s and early 1950s, U.S. institutions adopted Myrdal’s individualist and psychological themes deemed more appropriate for capitalist and white supremacist logics. *An American Dilemma* was cited in Supreme Court rulings on school desegregation. Its ideological orientation helped the Court develop exclusively culturalist reasoning for its desegregation rulings in the *Brown* cases. The Court held that racially-motivated segregation triggered psychological injury and inferiority complexes in Black individuals, which coalesced into the social problems afflicting Black communities (Higginbotham 119-121). The court’s logic held that if the state alters the conditions that promote mental harm, individuals will be able to access race-neutral social opportunity accumulating collective positive changes. Thus, ruling institutions and state apparatuses proposed limited reforms, sought to stymie the political struggles for more fundamental changes, and normalized ruling-class hegemony through culturalist ideas. This logic served as a discursive basis for the CIF, including its liberal branch from which flowed notions of the cultures of poverty and multiculturalism, as well as its conservative tributary with an overtly racist conception of welfare culture and affirmations of white supremacy.

## 1.2. Culture of poverty

Within the liberal culturalist current, the “culture of poverty” was invented as an academic concept in the late 1950s. It was deployed with particular vigor

in the ruling-class response to Black insurrection that begun to sweep the country by 1968. The concept is most closely associated with sociologist Oscar Lewis, who argued that impoverished social conditions produced new subcultures that reproduced themselves over time. Lewis's work heavily influenced the widely-circulated government-backed study presented to Congress and the public in the mid-1960s by Assistant Labor Secretary and sociologist Daniel Patrick Moynihan. The Moynihan report shaped culturalist discourse in government circles by characterizing the experiences of Black people as the result of a "tangle of pathology" that emerged from precisely Black cultural conditions. By the late 1960s, official responses to the surging wave of Black rebellions claimed that historically severe structural problems like racism and poverty had harmed racialized minorities by producing now permanently backward and degraded cultures that perpetuated those harmful structures.<sup>7</sup> The culture of poverty thesis promoted a political agenda that focused on "remediating individual-level cultural values deficiencies, easing the mounting pressure on the state to address poverty systematically (Branch and Scherer 2013, 348)." Thus, it marginalized calls for a revolutionary process of eliminating systemic capitalist exploitation.

Reformers, who still held strong ties to the New Deal coalition, linked limited social democratic programs to language that emphasized the bad morals and problematic personal behaviors of the working class and racialized minorities.<sup>8</sup> The emphasis on morals and personal behaviors permitted reformers to advocate enhanced police surveillance of Black and racialized communities. The sympathetic note toward alleviating the worst features of racism and poverty combined with a demand for pacification and law and order opened the door to the construction of militarized police forces. This opening instigated a nationwide movement, a "punitive counterrevolution," to repress Black and Latinx political insurgency against white racism, capitalist super-exploitation, and U.S. imperialism (Hinton 2016, 133). Thus, the ruling-class initiated a "prison-industrial complex," an intricate web of privatized, for-profit incarceration facilities, security services, surveillance systems, and militarized policing equipment production, along with onerous laws limiting the freedoms of post-incarcera-

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<sup>7</sup> I reference here the Kerner Commission report published in 1968, whose authors included elected officials, business leaders, labor union leaders, and intellectuals. Between 1964 and 1972, 300 cities saw Black-led uprisings (Kelley 2016, 23-24).

<sup>8</sup> As one revolutionary contemporary observer noted, Moynihan's investigation was authorized by President Johnson as part of a "program of 'pacification' of the Black masses," who had refused to accept their status. Instead, Black people saw the Civil Rights reforms of the 1950s and 1960s as the beginning of a process toward working-class democracy (Winston 1974, 2; also, Camp 2016, 57-58; Hinton 2016, 127-128, 133). Kerner Commission recommendations implemented in Los Angeles focused on the expansion of police resources to enforce social order in working-class and Black neighborhoods (Home 1997, 166-67).

tion lives aimed at communities of color (Davis 2001). This new repressive racial state apparatus launched what legal scholar Michelle Alexander has called the “new Jim Crow” (Alexander 2012). This ruling-class reaction to Black rebellion gave policy substance to an academic discourse that had linked poverty to racial (and cultural) inferiority, simultaneously blaming the poor for their condition and invoking racial hierarchies to coopt white working-class consensus for the elimination of the civil rights agenda (Taylor 2016, 71). New criminal-legal structures that bonded the cultures of poverty to the privatization schemes and racist rhetoric of neoliberalism that underpinned policies of mass incarceration enabled this stream of the CIF to flow smoothly into the conservative welfare culture and white nationalist discourses.

### **1.3. Welfare culture**

In the early 1980s, right-wing ideologues took the culture of poverty rhetoric a step further, directing their ire at “welfare culture” to initiate and entrench institutionally a neoliberal agenda that combined a confrontation with the U.S. working-class with a racist assault on the African American and other racialized communities (Davis 1981, 77; Alexander 2012, 48). It shored up the right-wing ideological offensive against liberal institutions, civil rights legislation, and social democratic policies, which they insisted fostered the immoral behavior of the poor and racial minorities. In this way, social democratic programs, rather than racist policies, were blamed for immoral behaviors that lay at the heart of complex social problems, and, following the culture of poverty thesis, those problematic behaviors had become inherent in Black and minoritized cultures. In this way, “welfare culture” became a code word to reference Black working-class people and other communities of color that had not claimed supposedly freely available opportunities for social mobility.

Scholar-activist Angela Y. Davis elucidates how this rhetoric disguised the normative systematic operation of capitalist exploitation - signaled by its failure to reduce economic inequality, provide living wages or jobs for tens of millions of workers - by reproaching the victims of capitalist exploitation for their tribulations. A once-dominant liberal culturalist and social-democratic discourse had been surpassed by an explicitly right-wing, white supremacist agenda that targeted African Americans and other racialized and minoritized communities for the brunt of censure for the oppressive conditions in which they lived (Davis 1990, 73-90). Welfare culture concepts enabled conservative critics to demand adherence to models of assimilation to position white, Anglo, Protestant culture, especially its mythological adherence to self-reliance and individualism rather than collectivity, as foundational to U.S. wealth and power.

While the rhetoric of culturalism after World War II had linked social status to culture, ethnicity, and race in a generalized way, and advanced social democratic policies to mitigate inequality, the “welfare culture” discourse signaled a new move to target Black and Brown communities as the source of the effects of that inequality. While the culturalist strategy admitted flaws within capitalism, seeking to correct them within the frame of capitalism, “welfare culture” discourse shifted the source of social problems away from the system to the inherent racial inferiority of the people who suffered most under capitalism. Indeed, ideologues who positioned themselves against social democratic policies, did so because they regarded them and the “welfare culture” they fostered as a structural and existential threat to capitalism itself.<sup>9</sup> Right-wing incitement of this rhetoric fueled a rise in extremist nationalist, racial separatist, white supremacist, and racially motivated militia movements. These movements melded anti-Black and anti-immigrant (of color) racism with right-wing hostility to social democratic policies, even as many white, working-class participants in those movements survived on the remnants of those social democratic policies.

This upwelling of overtly racist rhetoric, political organizing, and social policies gained a new level of traction around the 2008 election of the first Black U.S. president. Multiple journalistic exposés of the right-wing “Tea Party” movement documented its racist motives, rhetoric, and ideologies, as well as the financial links to staunch conservative elements in the U.S. capitalist class which fretted over a return to social democratic policies, especially proposals by Democratic constituencies to reinvigorate the labor union movement and to create public healthcare options (Monbiot 2010). Capitalist leaders, fearful of a loss in class power and white supremacy through a return to social democratic policies, sought to use the Tea Party grouping to stabilize the cross-class alliance of white people. The Tea Party movement especially activated emotionally laden fears about the erosion of white supremacy represented by Obama’s victory (Willer, Feinberg, and Wetts 2016).

#### **1.4. Multiculturalism**

The conservative demand for deploying a homogenous, standardized (white) culture throughout dominant social institutions as the remedy to what it characterized as the failures of social democracy and the moral deficiencies of minoritized communities led to widespread critiques of “multiculturalism” in

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<sup>9</sup> See also, for example, Winston’s analysis of neoliberal academic Daniel Bell’s critique of “rising entitlements” (Winston 1974, 8-10). Bell parroted Moynihan’s culturalist criticism of African Americans as pathological, applied that concept to all of the poor and working-class, and proposed neoliberal economic restructuring that led to the highest levels of economic inequality in U.S. history.

the 1980s and 1990s. Critics, academics, and politicians such as Lynne Cheney, Allan Bloom, Arthur Schlesinger, among others, launched a highly profitable book publishing landslide against the idea of cultural diversity. While they crafted a moralistic and cultural argument about a homogeneous American identity, their combined work fundamentally aided the neoliberal project of dismantling social democratic reforms (Goldberg 1995, 20). The overtly racist dimension of this agenda prompted liberal defenses of cultural diversity centered on quietly managing diversity while maintaining the agenda of privatization and marketization. E. San Juan, Angela Davis, and others characterized this latter as “corporate multiculturalism.” This corporate and bureaucratic approach emphasizes multiculturalism’s rejection of class-based theories of society in favor of managing labor discipline, commoditization, and administering cultural diversity. An essential difference between this corporate multiculturalism and the conservative denunciation of welfare culture, San Juan shows, was that the former seeks “the domination and subordination of racialized populations in covert and subtle ways.” It underpins the supremacy of whiteness and class inequality while paying lip service to the diversity of cultural identities possessed by individual subjects within the “racial polity.” Thus, by the early 2000s, critics would begin to characterize this phenomenon as neoliberalism’s “colorblind” operationalization of racism (San Juan 2002, 7-8; Davis 1996, 40-48; see also Bonilla-Silva 2006). Multiculturalist discourse also registers as a labor management and a neocolonial strategy that extends beyond national borders into capitalist globalization, a new rendering of imperialism (Applebaum 1999). In the early 2000s, that global turn helped usher in a discourse on “intercultural” communication and competence (Piller 2017, 24).

### **1.5. White nationalism**

During Donald Trump’s rise to leadership of the Republican Party in the run-up to the 2016 election, the resurgence of racist extremism in the Tea Party movement coalesced into what the Southern Poverty Law Center called a “white nationalist” agenda. A section of the U.S. ruling class, desperate to postpone the death of the Republican Party as a vehicle for ruling class interests (rather than reform its racist tendencies and affiliations), has linked itself blatantly with the white nationalist and white supremacist bloc. Increasingly a minority party, Trump’s Party relies on splitting white working-class and middle-class voters from their social democratic inclinations with appeals to white racism, white supremacy, alongside fears of an invasion by streams of “Third World foreigners” who would destroy white culture in favor of welfare culture (Southern Poverty Law Center 2017). White nationalists tend to define legitimate U.S. citizenship,

cultural identity, religion, and language as white, Christian, English speakers. Further, the Trump administration deploys authoritarian gestures and rhetoric to normalize anti-democratic postures that aspire to justify a future white minority rule. As one scholar argues, “Trump, I want to say, is not a Nazi. He is a neo-fascist who pursues hyper-aggressive nationalism, a law and order President that gives way too much power to the police, a proponent of white triumphalism, and the practitioner of a rhetorical style that regularly smears opponents to sustain the Big Lies he advances to energize his constituency” (Conolly 2017, 24). Trump promotes violent responses to his critics and perceived enemies, hostility toward the media, and vigilante action against immigrants. His de facto emotional and practical affiliations with neo-fascist authoritarians in other parts of the world hint at an early formation of a new global right-wing Axis (Patnaik 2019). Moreover, while many observers of the 2016 election attribute his victory to support from white workers who are anxious about social class issues, more in-depth analysis suggests that white voters, regardless of their social class, “supported Trump in 2016 when they shared his prejudices, and very seldom otherwise.” Social class among white voters worked as a weaker predictor of support for Trump than did the acceptance of the racial bigotry and intolerance he strongly vocalized (Smith and Hanley 2018, 197). Racism does not serve simply as distracting symbol of social class; the data reveal that affirmation of racist ideas and actions determine how most white people identify with the Trump coalition.

Dominant media stereotypes of the working-class preserved the culturalist connection of class with cultural identities, that linked the biological to social processes, or at best abstracted cultural identities from social processes, sublimating political-economic inquiry to moralism or behavioral analysis. Disparate stereotypes of class and culture express racial segmentation of the working class. For example, as one scholar has shown, white working-class people can be regarded as “problem people” when they do not match idealized versions of the white worker: a “hard worker,” disciplined by bourgeois moral values, loyal to mythologies of individualism and independence. “Problem people” in this configuration can be blamed for social ills, seen as a burden, and as a potential threat to the mainstream. By contrast, “hard-working” whites are idealized as self-reliant, disciplined, and docile, even in the face of economic crisis and abusive exploitation. This dualistic structure of whiteness serves the “hegemonic whiteness” by helping to establish two sides of racial hierarchy in the U.S.: “pathologizing African Americans and Latinos” and “romanticizing the white working class.” Either cultural category, however, is marked with white privilege as categories like “problem people” are never generalized across all whites

or to any specific white person randomly in the manner in which anti-Black racism works, for example (Pied 34, 46).<sup>10</sup> This discourse serves to differentiate between good white workers and Black workers in order to stabilize the cross-class alliance of white supremacy. It functions to discipline white workers who may think of developing collective inter-racial resistance or radical class-based demands in times of crisis.

## **2. Transitions Parallel Ideological Formations**

These transitions between and among the discourses of culturalism correspond roughly with significant economic crises, with changing strategic positions of the U.S. ruling class, and with fluctuations in the deployment of state power. Following the devastating crisis of the Great Depression, global war, and anti-colonial revolts and the decolonization process, the state and ruling-class used culturalism as an ideological component of its maneuver to elicit support for an anti-communist and neocolonialist agenda. The Great Depression and the communist-led working-class insurgency of the 1930s produced a deep conjunctural fissure through which democratic and left forces sought to destabilize radically capitalist rule. Because a revolutionary trajectory stalled due to the necessities of the anti-fascist alliance and the war, the balance of class forces in the post-war period normalized a social democratic consensus among corporations, labor, and the state that eliminated the communist threat through political repression and a concerted mass cultural marginalization of a radical counter-hegemony (Ward 2016, 94).

This social-democratic New Deal coalition fell into crisis in the 1960s due to several factors. On the local level, in urban centers across the country, whites began to flee urban concentrations of industry and political power for racialized suburban dreams of homeownership. This population shift was fueled by a joint operation of a “whitelash” against racial equality in the cities, a government policy of aligning property values with racialized bodies (through lending policies and racial red-lining that favored white people) (Kurashige 2017, 76). A second reason for the crisis of social democracy lay with the Cold War imperatives for militarization and war. Communist Party Chair Henry Winston labeled this ruling-class strategic policy the “Moynihan-Kissinger doctrine,” which linked domestic policies of managing dissent, especially among racialized communities, stabilizing capitalism, and the overseeing of imperialist interests (Winston 1974, 1-24). Sociologist Manuel Castells, writing in the 1980s, pointed to the convergence of the “warfare-welfare state” in the late 1960s that saw the escalation

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<sup>10</sup> In this mythological linkage of racial identity and work, the docility of the poor or working-class is crucial to avoid being labeled a “problem.” This stereotype of “problem people” is of applied to union members (Kurashige 2017, 58).

of the war in Vietnam, the extension of welfare policies, and a militarized police repression domestically to quell urban insurrections (Castells 1980, 81-82). Opposition to the U.S imperialist war in Vietnam, white racist discontent with civil rights and a destabilized racial order, the failure to address the demands of the African American insurrections, and the limits of the economic expansion of the New Deal era had revealed generally that “traditional social democratic and corporatist solutions” had “proven inconsistent with the requirements of capital accumulation” (Harvey 2009, 13). As historian Gerald Horne shows, the U.S. ruling class, embroiled in its contradictory alliance with white supremacist South Africa, gave way to fear and panic as an alliance of liberation movements and socialist countries thwarted fascist-imperialist rule in Angola in 1974, leading to a veritable collapse of white rule in Namibia, Mozambique, Rhodesia, and subsequently apartheid South Africa (Horne 2019, 591-592). This global crisis and its concomitant anxieties of U.S. imperialism necessitated a new direction, a new strategy that bolstered right-wing forces around Ronald Reagan and a racialized neoliberal model of social hegemony.

Unexplored among U.S. academics is the relation between the waves of Black-led insurrections in 300 U.S. cities from 1964 to 1972 - resulting in disruptions in social discipline regimes, lost, damaged, or destroyed property, migrations of working populations, geographical shifts in political and economic resources, and wasteful accumulations of resources in policing and prisons - with the precipitous decline in labor productivity that accompanied the years of that wave of rebellion. The general decline in labor productivity combined with the “profit squeeze” imposed on corporate profits by social democratic policies and labor union contracts produced a decline in the rate of profit. Analysis of corporate data produced at the time showed that corporations responded with higher prices, pushing inflation during a period of general crisis (Wolff 1986, 103). These conditions fueled corporate resentments against the existing balance of class forces and prompted calls for a new ruling-class political and economic strategy.

At this moment, the U.S. social formation faced a critical choice. The potential elimination of racism as a basis of super-exploitation - the central demand of the Civil Rights movement and the Black insurrections - could produce social peace and social equality. Nevertheless, this approach would demand a policy of planned economic development based on limited profit for corporations and social equality across U.S. society. The eventually chosen alternative: suppress anti-racist movements, dismantle social democratic policies, and prepare a police-prison complex in order to manage social disorder that would result. This

decision produced what has been called neoliberalism, a ruling-class strategic policy.

This policy could not have been implemented, however, without consent from large portions of the working-class. A causal relation between Black-led insurrections and the declining rate of profit positioned Black working-class people as drivers of economic and political transformation. Unfortunately, the majority of white workers - fearful of a declining racial status and failing to the democratic impulse for an alternative economic order - aligned themselves in the name of white supremacy with the ruling class - again.<sup>11</sup> Black-authored demands for revolutionary change took the form of concrete steps to reorder social relations of production on democratic lines but were met with white hostility that held a majority cross-class character. Racist hostilities toward Black workers and their communities ensured capitalist class power and the hegemony of its political-economic agenda.

The conversion to the neoliberal strategic policy alongside the emergence of welfare culture discourse came in reaction to the failures of capitalism in the 1970s and 1980s. A declining rate of profit fueled corporate demands for wage cuts and higher prices on goods, which, when compounded by crises in international finance, oil, and trade fueled global unemployment and a dramatic destabilization of the relative position of the U.S. in the global economy. One contemporary observer argued that, even as corporations pursued new levels of super-exploitable labor globally, in the U.S., an unstable financial system, runaway inflation, shuttered factories and enterprises on a wide scale, all accompanied “a breakdown of the prevailing social order” (Castells 1980, 5).<sup>12</sup> Then-chair of the Council of Economic Advisors for the Ford administration, Alan Greenspan reported that “capitalism is in crisis” to the “point of discontinuity” (quoted in Winston, 1974, 11).

The neoliberal agenda presented as an alternative to resurgent global calls for economic planning, controls on monopoly capitalism, and rigorous regulation of run-away financialization. Neoliberalism functioned as “global racial

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<sup>11</sup> Historians have written extensively about the historical role of white workers in alignment with capitalists around white supremacy (Buck 2006, 86-87; Du Bois 1992, 596-597; Lipsitz 1994, 78-79). Roediger exposes ruling class strategies for promoting white racial identity as a means of securing cross-class alliances. In the early 20th century, the alliance hinged on racist immigration policies that assigned citizenship automatically to white people (Roediger 2005, 122-124). The extremist dimensions of this cross-class alliance can be discerned in the popularity of the KKK in the 1920s as well as the Christian Fundamentalist movements of the 1980s (Fox 2011; MacLean 2017).

<sup>12</sup> Castells attributes this breakdown to racial segmentation in the working-class, which constituted and was constituted by the super-exploitation of racialized labor as a significant source of capital accumulation. Here, Castells correctly predicts that this moment portended a decisive crisis in U.S. ruling-class hegemony that required a new strategic orientation.

capital[’s]” response to “worldwide movements for decolonization, desegregation, and self-determination,” many of which sought an alliance with the USSR or positioned themselves as independent of either superpower (Hong 2015, 56). The corporate search for lower labor costs in other regions of the planet became an even more widespread response to declining profits than wage cuts and technological displacement of workers (Trajtenberg 1977, 176). To support this approach to restoring profits, corporations, with the political and military aid of Washington, forged alliances with friendly political classes in countries and regions that could guarantee corporate property rights and the repression of labor. Despite the evidence that state-led planned economies in the developing world out-performed economies driven by free-market theory (Chang 2010, 63),<sup>13</sup> capitalists demanded a return to market “freedom,” elimination of social democratic policies and institutions, and a marked increase in working-class exploitation through new regimes of accumulation, stagnant wages, creative forms of dispossession, and the massive expansion of the national security state.<sup>14</sup> New forms of dispossession required a qualitative shift in the latter that linked the prison-industrial complex directly to an impregnable regime of military spending and global intervention, what Robin D. G. Kelley has called a state of “permanent war” (Kelley 2015, 27).<sup>15</sup> Essentially, they structured new possibilities for capital accumulation through privatization, freer globalized trade and flows of capital, and the preservation of a globally destabilized reserve army of migrant and super-exploitable labor.

A racist discourse on “welfare culture” smoothed the ideological ground to build white working-class support for attacks on social democratic, anti-poverty policies that scapegoated poor Black and Brown people. While two-thirds of poor American people are white, in the popular imagination, poverty signaled a non-white racial identity. Political or cultural alignment with the working-class, rather than the middle-class or wealthy, suggested affiliation with Blackness. Subsequently, attacks on labor unions were led by the Reagan administration, which by 1983 had reversed almost 40% of the pro-labor decisions made by the National Labor Relations Board. Nearly 30% in 1980, by the early 1990s, the unionization rate stood at just over 10% in the entire country. Social resources

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<sup>13</sup> State-led development in pre-reform China (1960s through the 1970s) offers one example of higher levels of economic development than capitalist countries in that period (Qi and Li 2018).

<sup>14</sup> Harvey describes neoliberal strategic policy as a “restoration” of capitalist class power (Harvey 2009, 12, 17). Duménil and Lévy describe it as a process of strengthening existing ruling-class hegemony (Duménil and Lévy 2011, 7).

<sup>15</sup> The prison-industrial complex stretches from local police forces across the U.S. to Puerto Rico, Iraq, Israel, U.S. migrant detention camps, U.S.-originated or -backed interventions in South America, Palestine, U.S. public schools, Afghanistan, South Africa, and North America’s Indian country (Davis 2016; Morris 2015; LeBrón 2016).

were shifted to fighting in invented and racialized “war on crime.” Salutary regulations on labor, occupational health and safety, and especially on finance capital were systematically abandoned. The Gini index, which had sunk to its all-time low in U.S. history to 34.8 in 1968, rose to 45.1 in 2012, reflecting widening income inequality derived from lowered unionization rates, a reduced real dollar-value minimum wage, and other policies that shifted the national income share to the top tiers of the class structure (Wolff 2015, 748-749).<sup>16</sup>

The Great Recession of 2007-2009 (which eclipsed in scope and intensity its precursors in the Asian crisis of the 1990s, the 2000 dot.com bubble, the 2003 Enron scandal, the 2001-2006 stagnation) disrupted everything. Economists characterized the massive loss of wealth as “a meltdown” “almost overnight,” the crisis of the system as it spread across the globe as producing “shock” or likened it to an infection or to a “contamination,” that saw the instruments of finance capital spreading disease, collapse, contraction, loss (Wolff 2015; Duménil and Lévy 2011, 257-258). The crisis announced the limits of neoliberal structures on a global scale, but the proposed remedies for the crisis reflected an entrenched rejection of innovative and humanist thought. Instead, proposals relied on neoliberalist, profit-taking norms: a rejection of taxation and the use of monetary policy to stabilize banks and the financial system. Regulated by a trifecta of domestic political structures blocking progressive taxation or expansions of public debt, IMF-led structural policies, and private credit rating pressures, the “welfare culture” moment had cornered the global economy into what Prashad calls “[f]inance Keynesianism.” This approach has emphasized the creation of more illusory bubbles by manipulating debt markets to make up for lost profits. Another alternative has been “military Keynesianism,” or extending the national security state through building cages, militarizing police forces, starting wars, and merely repressing political dissent and social unrest (Prashad 2016, 289-290). While many of the world’s inhabitants are questioning whether or not capitalism ought to continue, the Trump-led fraction of the U.S. ruling class deploys white nationalist rhetoric to cover the “inherent weaknesses” in the “U.S.-dominated world order,” which seemed to be an exposed wound in the aftermath of the recession (Regilme Jr. 2019, 163).

### **Conclusion: Pandemic Forces a Choice between Fascism and Socialism**

A striking feature of this historical tracing of culturalist ideologies in the U.S. reveals both a persistent fear of socialist, non-racist alternatives to the dominant system and its values. Arguably, this Other of U.S. racial capitalism and coloni-

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<sup>16</sup> Wolff ties neoliberal policies to a ruling class/corporate strategy to boost profits and shareholder values.

alism more than “haunts” the U.S. rulers, but posed an existential and realistic threat to their status. Because of this ongoing class struggle and the turn toward white nationalism and authoritarianism in recent years, Italian Communist Palmiro Togliatti’s analysis of fascism is worth revisiting. Fascism, he argued, is a formation marked by extremist nationalist politics fueled by racism and xenophobia aligned to capitalist class power that deploys aggressive imperialism, eliminates democratic forms and subverts social institutions, demoralizes the Left and radical forces, and alters the civil society of bourgeois-democratic systems substantially. Togliatti argued that fascists craft their agenda as the strategic policy for a leading section of the capitalist class aiming to stabilize or restore its hegemony in a period of crisis.

Trump’s domination of the Republican Party and attempt to reshape that party along fascist lines and to offer a section of the capitalist class a new avenue for institutionalizing its agenda presented itself as a solution to the destabilization of capitalist hegemony posed by the Great Recession. After 2008, the corollary crisis of capitalist ideological and normative political forms prompted the major conjunctural crisis of the neoliberal stage of capital that made an authoritarian response seem necessary. The democratic upsurge signaled by the Occupy Movement (mirrored in the “movement of the squares” in Europe and North Africa) and the reinstitution of an overtly class struggle politics announced in the frequent denunciation of billionaires, the 1%, and the nefarious finance capital and corporate entities that dominated the commanding heights of U.S. capital, fostered ruling class anxieties that made Trump seem a necessary antidote to slipping control.

In addition to authoritarianism, fascism also coopts social democratic policies to enhance its populist appeal to capture working-class consensus for capitalist rule (Togliatti 2017, 105). While neoliberalism in the U.S. and fascism generally share some characteristics and both accentuate capitalist strategies for control, neoliberalism prefers to normalize capitalist rule through bourgeois-democratic forms as they are more palatable to liberal-minded sections of capital. Fascism, following Togliatti’s argument, emerges in the present as a direct result of the crisis in neoliberalism’s ideological and structural legitimacy, the historically specific failure to institutionalize social democratic policies and working-class power, and as a result of the normalization of racist discourse and white supremacy across U.S. society. Furthermore, as argued in this essay, these three causes are inextricably linked phenomena.

This essay also reinforces what historian Manning Marable argued more than a decade ago. Even if many social relations could be adjusted to eliminate white supremacy in its most overt forms, without a revolutionary transforma-

tion from capitalism, “[r]acism itself—the systematic exploitation of black labor power and the political and cultural hegemony of capital’s interests over black labor—would remain intact” (Marable 2007, 84). The class process of exploitation and the super-exploitation<sup>17</sup> of racialized labor would continue. As scholar Scott Kurashige, in his brief but worthy book on the 50 years after the Black insurrection in Detroit in 1967, details a localized version of the “counter-revolution” following that rebellion to the emergence of a national strategy of racialized neoliberalism in response to working-class demands for power, equality, and alterations in systemic configurations of exploitation. The post-rebellion period was dominated by coordinated corporate attacks on labor, coupled with a racist discourse that promoted massive shifts in political power, economic resources, and public social goods to white people in racially segregated suburbs (Kurashige 2017, 233-36).

COVID-19 changed everything. Prior to pandemic’s domination of everyday reality, two concurrent political dynamics that fomented resistance to Trump’s trending authoritarianism: 1) sharp divisions in the capitalist class over Trump’s leadership surfaced, and 2) the Sanders campaign for the Democratic Party nomination which, deriving its momentum from the Occupy Movement, presented more clearly a conflict between a divided capitalist class and a unifying working class and popular struggle. Trump’s impeachment revealed deep divisions in the capitalist class over the forms of rule and the uses of power. Normative and dominant institutions such as the media, some in business circles, and some in national intelligence community expressed increasing apprehension at Trump’s consolidation of personal power and took steps to curb it. The outcome, predetermined by essentially conservative Constitutional limits, ensured little more than a deepening of that intra-class conflict. Further, admittedly some weaknesses in the Sanders campaign and the general hostility of many Democratic Party officials and donors to his candidacy resulted in easy victories for the candidate they supported. The outcome of this struggle promised little more than a return bourgeois-democratic rule over a neoliberal agenda.

The disease forced a new reality with deeper contradictions, new problems and possibilities. Comparisons of the Chinese response to the pandemic with the U.S. invited systemic analysis (Prashad, Zhu, and Du 2020). China’s “disciplined approach” as the result of its “robust state institutions” contrasted with the

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<sup>17</sup> Models of racist super-exploitation show that capital accumulation depends primarily on racist discrimination, alongside colonialist extraction of surplus value from other countries, as one of the largest sources of capital accumulation. Racialized minorities, as a community of workers and business-owners, lost between \$241 billion per year in 1972 and \$324 billion in 1984 (in 1995 dollars) from racist discrimination. U.S. capitalists accumulated most of this lost value and transformed it into capital investment, shareholder dividends, and personal fortunes (Perlo 1996, 154; Reich 1981, 158).

failures U.S. neoliberal political economy to respond adequately (Singh 2020). One journalist wrote, “the pandemic is revealing the true nature of the world’s economic systems. Some have shown they value health and human life above all else. Others, it seems, find death too profitable to make any meaningful changes” (Goodrum 2020). Meanwhile, the people demanded immediate government action in the U.S. which violated the norms and logics of neoliberalism. Americans came to expect paid vacation and sick leave, wage protections, massive unemployment expansion, state interventions in production, student loan and rent relief. On a large scale, people demanded government solutions, limits to corporate profits from crisis, and even deeper economic assistance to the working class. This profoundly re-shaped political landscape threatens to jettison the basic premises of the culturalist ideological formation. If social problems, that have a class, rather than an individualistic, character threaten lives and quality of life on a mass scale, then they require collectivist, socialized solutions.

For their part, working-class institutions such as labor unions, civil rights formations, and social movement coalitions seem to be linking themselves more closely with the most progressive political formations and policies. And while, the medical concept of “social distancing” precluded the formation of public, physical crowds,” radical alternatives, such as the Communist Party’s call for being “physically distant but socially close and socialistically connected,” made virtual mass protest, critical education, and social movement building the standard (Communist Party USA, 2020). This moment in U.S. history lies on the edge of a razor blade: to one side is the ascendancy of working-class democracy and the possibility of an anti-racist revolutionary socialist process; on the other, white-supremacist, right-wing, corporate authoritarianism that already defines the present regime but uses the crisis to consolidate its power.

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**Robert Ovetz**<sup>1</sup>*San José State University, California, USA***THE ALGORITHMIC UNIVERSITY: ON-LINE EDUCATION, LEARNING MANAGEMENT SYSTEMS, AND THE STRUGGLE OVER ACADEMIC LABOR**<sup>2</sup>**Abstract**

*The use of on-line education (OLE) to deliver higher education using learning management systems (LMS) has received growing critical attention for its reliance on precarious faculty, high drop out and failure rates, and as a form of privatization. While these critiques are well grounded, they overlook the role of OLE as a strategy for rationalizing teaching and the deskilling academic labor in order to produce more self-disciplined precarious “platform” workers who can labor remotely under the control of algorithmic management. To re-compose the power of academic workers new tactics, strategies and objectives based on an analysis of the new technical composition of capital in higher education is needed.*

**Keywords:** *Neoliberalism, Higher education, Datafication, Online-ification, Academic labor, Rationalization of labor, On-line education, Learning Management System*

**Introduction**

While the COVID-19 pandemic of 2020 continues to cause an immense loss of life there is another casualty in its wake that has gotten little widespread attention—in person teaching and learning in higher education. As self-isolation and quarantines have suppressed the transmission of the virus, the turn toward remote work using new telecommunications technology threatens to also sweep away many of the barriers to the spread of another epidemic—the digital automation and deskilling of teaching in higher education. (Bailey 2020) The pandemic has created the ideal circumstances for corporate consultants and “edtech” venture capitalists, textbook publishers, and online education advocacy groups to impose widespread deskilling and automation of teaching in colleges and universities that harkens back to the massive privatization of K-12 education in New Orleans following 2005 hurricanes Katrina and Rita and the pandemic.<sup>3</sup> (BCG 2020b; Bay View Analytics 2020; Hogan and Williamson et

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<sup>2</sup> An earlier version of this paper was published in the journal *Critical Sociology* on September 2nd, 2020.

<sup>3</sup> One of the most significant pushes for moving and keeping higher education online is being

al 2020; Williamson 2020) The effort to automate, outsource, and rationalize academic labor isn't new. (Noble 2003) What we currently face is a confluence of forces that is accelerating the attack on the very academic labor of faculty in higher education, an attack that must be understood in order to devise the necessary tactics and strategies to counter and resist it.

The rationalization of academic labor has had profound effects on higher education. In the past decade, on-line education (OLE) in the US has been making slow and steady gains. The number of students who have taken at least one OLE class grew from 8 percent in 1999-2000 to 18 percent in 2017 with twice as many in public institutions as in private. (National Center for Education Statistics 2011 and 2019) Nevertheless, the momentum may be stalling due to devastating reports of the "online performance gap" in which online courses in every academic discipline results in higher failure and dropout rates than in person courses. (Johnson and Mejia 2014) OLE suffered an immense defeat when the effort to grant credits for gigantic on line classes called Massive Open On-Line Courses (MOOC) was defeated on my campus, San Jose State University, after its first and only semester in 2013. My colleague's memory of the battle against the Silicon Valley "disruptors" continues today in efforts to shift the baseline of a small minority of OLE classes into the overwhelming majority of classes.

While attention has been rightly directed toward the performance gap in OLE, little is being said not only about the unpaid labor of on-line academic workers but also of the implications of the design of OLE (Ivancheva and Swartz 2020). The widespread reliance on conferencing platforms such as Zoom to move nearly all higher education into OLE has accelerated the process of imposing a new technical composition of academic capital on higher education while accelerating the dataveillance of the self-discipline and productivity of student labor for use by waged employers. (Ovetz 2020b) This necessitates faculty and other academic workers shift our organizing tactics, strategies and objectives to address the changing organization of academic labor.

This paper is a workers' inquiry into the new technical composition of academic labor in the university which will be understood through the lens of class composition theory. A workers' inquiry is a method for studying the new technical composition of capital which reorganizes work as a strategy to decompose the power of workers from previous successful struggles in order to recompose the relations of production so as to restore control over production.

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made by the Boston Consulting Group whose Managing Director & Partner Nithya Vaduganathan has touted her efforts to "develop strategic plans for scaling personalized learning" (code for online education, and "supported rebuilding the K-12 system in New Orleans following Hurricane Katrina." (BCG, 2020b) In fact, the massive shift to Zoom during the pandemic is modeled after the Sloan Semester on line courses for hurricane Katrina and Rita refugees organized by the Sloan-C project to expand OLE. (Online Learning Consortium, 2020)

Understanding each phase of the class composition is critical for workers to devise new tactics and strategies to recompose their power and shift power back in their favor. (Ovetz 2017 and 2021)

The accelerated reliance on conferencing platforms like Zoom and LMS's such as Canvas that drive OLE is not a neutral process. (see Ovetz forthcoming) The emergence of OLE coincides with decades of neoliberal assaults on higher education through adjunctification, austerity, privatization, entrepreneurialization, and shifting costs to students and their families through skyrocketing tuition and fees paid for by massive personal debt. These represent the external factors placing relentless pressure on higher education make it more effectively serve capital. (Ovetz 1996; Harvie 1999, 106) Alongside these external factors is the equally critical internal factor of the fragmentation and rationalization of academic labor by OLE that threatens to undermine the very craft once thought insulated from attack - the human skill of teaching.

This chapter will examine the emerging new technical composition of academic capital as the latest phase in the response to the recomposition of the power of academic labor that accelerated in the 1960-70s. OLE is predicated on fundamentally shifting teaching and learning from assessment of *comprehension* of content knowledge to measurement of *proficiency* in task completion. There are two critical aspects to this shift. First, it is made possible by the emergence and ubiquity of artificial intelligence (AI) and communications technologies are being used to reduce the reliance on full-time tenure track faculty while rationalizing academic labor. Second, it is intended to produce more productive self-disciplined students as labor power to meet the growing demand for precarious „platform” or “gig” work.

It is critical that faculty and other academic workers devise new tactics, strategies and objectives not merely to defend the mythical ivory tower but in order to reorganize higher education so that it may better serve the pressing need for humanity to transition to a post-capitalist world to fend off our own demise. However, the rise in organizing among academic laborers will not be sufficient in itself to halt the emergence of this new technical composition of academic capital as long as unions continue to trade rising wages and benefits for relinquishing control over academic labor and productivity. For this reason, it is necessary to understand this new attack on academic labor if academic workers are to prevail.

## 1. From Unbundling to the Rationalization of Academic Labor

The outside pressures of austerity, entrepreneurialization, and outsourcing on higher education are well documented. (Ovetz 1996; 2015a, b, and c; 2017) In the midst of rising costs and declining revenues neoliberal “disruptors”<sup>4</sup> have advocated fragmenting higher education at the level of systems, institutions, non-academic services, instructional, and professional into separate “primary” (teaching and research) and “support” activities (administrative and support services). The strategy of such “unbundling” (Sandeem 2014, 2; Gehrke and Kezar 2015, 93, 119; McCowan 2017, 737) is to break up, disperse, automate, privatize, outsource, and off-shore each component along the global higher education “value chain.” (Ernst & Young 2012; Carnegie Mellon University n.d.; BCG 2020a)

To date, all but the professional and instructional components have been mostly unbundled leaving teaching and other academic services such as counseling, advising, financial aid, tutoring, library support, LMS tech support, American Sign Language, and admissions as current targets for rationalization. Today, there is relentless pressure to expand OLE and integrate telecommunications and AI such as “Packback” discussion and grading chatbots (McKenzie 2019; Delaney 2019) in an effort to physically unbundle higher education from place based to online. (Mazoué 2012, 75) While detach ideologues are quick to praise the lack of a need to invest in infrastructure and faculty salaries (BCG 2020a) there is insufficient research demonstrating such cost savings once the fixed technology and staffing costs are included. (Sandeem 2014, 6-7; Gehrke and Kezar 2015, 129)

While there have three previous phases of unbundling of higher education driven by external pressures (Gehrke and Kezar, 2015, 97-108), the current phase is targeted at unbundling the academic labor of teaching. The rationalization of teaching essentially seeks to fragment, deconstruct, and redistribute its three key elements of design, delivery and assessment of teaching into as many as nine components no longer under the control of faculty. (Smith 2008; Sandeem, 2014, 3; Gehrke and Kezar 2015, 104) Gehrke and Kezar describe this unbundling of teaching as “the differentiation of instructional duties that were once typically performed by a single faculty member into distinct activities performed by various professionals, such as course design, curriculum development, delivery of instruction, and assessment of student learning.” (Gehrke and Kezar, 2015,

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<sup>4</sup> Neoliberal higher education “disruptors” are proponents of bypassing faculty shared governance to introduce measurements of competency and task completion not merely to move students through faster but also produced more useable labor power. (Carey 2016; Christensen et al, 2011; Martinez 2014; Craig 2015; Thornton 2013) For critical analyses of disruption see Rhoades, 2013; and Ovetz, 2015a and b.

93-4) This has only been made made easier by the nearly complete dismantling of the three pillars of faculty academic labor: research, service, and teaching by transforming nearly the entire faculty into contingent “just in time” adjuncts.

With the exception of Noble (2003), the recent research into so-called “bundling and unbundling” have almost no explanatory power. Lacking a class analysis, such theories are entirely unable to explain what is driving the deskilling of academic labor. The catchy concept of “unbundling” could instead be understood as a euphemism for “deskilling which involved a fragmentation of formerly comprehensive skill sets and the displacement of skilled labor (‘all-round’ academics...) by semi-skilled or unskilled workers (semi-skilled para-academics)” both inside and outside academia.<sup>5</sup> (Macfarlane 2011, 59; see also Czerniewicz 2018) Those who have reframed the rationalization of academic labor into “unbundling” have mistakenly represented as an unstoppable monolithic force with no origin whose penetration is leading to a predictable outcome.

In reality rationalization has a cause that can be explained. Considering the immense effort to impose it by force and the growing struggle of academic workers opposed to it, the outcome is far from predetermined. Rather than “unbundling,” we are better served to understand what is happening as the rationalization of teaching as a strategy to discipline and better control faculty academic labor (The Analogue University 2019, 1187-8) in order to produce more unwaged students who are self-disciplined and productive waged labor. For nearly a half a century we have been subjected to the neoliberal attacks on higher education for churning out too many students who are unprepared for work and unprofitable to employ. While this complaint is better laid at the feet of students who are engaged in everyday refusals of work, the imposition of work is the driving motivation for rationalization.

## **2. From Professor to Appendage of the OLE Machine**

To better understand the rationalization of academic labor we can draw on the work of Marx (1867, 481) who described the deskilling of workers characteristic of a new technical composition of capital.<sup>6</sup> Braverman (1974) further applied Marx’s analysis of rationalization to the Taylorization of craft labor at the turn of the 20th century. Bringing both Marx and Braverman into the

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<sup>5</sup> The term “para-academic” is problematic in that it overlooks the reality that many have the same training as tenure track faculty and only differ in their contractual term as precarious and contingent professors.

<sup>6</sup> Marx examined the technical composition of capital in detail in chapter 25 of *Capital Volume I* (1867, 762-870). The technical composition of capital has gained a resurgence in recent years. It can be understood as the current ratio of technology to human labor and the strategy, rules and processes for organizing work and managing workers. (Woodcock 2016; Cleaver 2019; Ovetz 2020a)

classroom, Foucault (1977) applied rationalization to education as a strategy for the control and disciplining of academic labor. Marx's detailed analysis of the deskilling of craft workers in the rational organization of industrial production in the factory is entirely relevant to understanding the rationalization of skilled into deskilled academic labor today. As Marx demonstrated in his study of the new technical composition of industrial work, "Not only is the specialized work distributed among the different individuals, but the individual himself is divided up, and transformed into the automatic motor of a detail operation" thereby transforming the worker an "appendage" of the machine and the factory. (1867, 481-2)

Just how the worker is transformed into the machine tender is illustrated in Braverman's analysis of the rationalization of industrial labor by the work of engineer Frederick Taylor. As faculty labor is assessed and rationalized, course design, delivery, and assessment (McCowan 2017, 738) becomes fragmented and the pieces redistributed to non-faculty academic staff such as content experts, counselors, course designers, technical support, programmers, and outsourced to textbook and software companies.

Take for example how non-profit publisher Norton's February 2017 spam email to professors led with the subject line "No time for grading?" promising "our content, your course." A May 2020 spam email from Packback further promises the use of AI "to improve student engagement for community college students...while also automating some of the administrative faculty burden that unfortunately comes with managing discussion." These two companies are not merely pitching their product to engorge their bottom lines but the rationalizing of academic labor by what Harry Braverman (1974) famously described as the "separation of conception from execution." (Braverman 1974, 113-114) He noted how this takes place when "the first step breaks up only the process, while the second dismembers the worker as well, means nothing to the capitalist, and all the less since, in destroying the craft as a process under the control of the worker, he reconstitutes it as a process under his control." (Braverman 1974, 78)

As will be described below in more detail, OLE relies on the "datafication" and "dataveillance" of teaching. (van Dijck 2014, 198; Williamson, et al 2020, 351) By transforming the complex multivariate aspects of teaching into tasks that measure "competency" of students represented in the form of data, OLE serves to operationalize the rationalization of teaching into disassembled components can be redistributed to specialized staff responsible for highly differentiated technical aspect of the course. (Mcfarlane 2011) What Marx and Braverman have taught us is that the rationalization of labor is not simply about reducing labor costs, although that is of critical concern. The cost of labor is a

factor of the control of labor power. Capital must transform labor power from potential into actual work. Rationalization is a strategy for decomposing the power of academic workers in order to discipline and make them work.

Foucault similarly applied Marx's analysis of the technical composition of labor to education and the body of the student. He meticulously related how "the human body was entering a machinery of power that explores it, breaks it down and rearranges it." (Foucault 1977, 138) The "learning machine" Foucault described exists for "supervising, hierarchizing, [and] reward." (Ibid., 147) This is accomplished by breaking down the action of teaching and learning into its key components so that "to each movement is assigned a direction, an aptitude, a duration; their order of succession is prescribed." (Ibid., 152) Finally, Foucault noted that the labor of the student and faculty are similarly rationalized as the complex supervisory role of "the master" who assesses by the exam is replaced by the serialization and hierarchization of each task into a series along "disciplinary time." (Ibid., 159) Although he died about a decade before OLE was introduced, Foucault might as well have been describing its impact on teaching and learning today.

OLE is the central organizing principle of the strategy to impose a new technical composition of capital in higher education that is intended to better serve the emerging technical composition of capital. The US labor market is rapidly moving to contingent part-time, temporary contract work in which increasing numbers of workers, as much as 30-40 percent of the US labour force, work remotely and are monitored and managed by information technology. (Conlin, et al 2010; *The Economist* 2015). This rapid growth of contingent labor is intended to rapidly make the Northern labor force look more like the workers in the South where about 84 percent of India's 470 million workers, for example, are "casual" or self-employed, e.g. contingent. (Ness 2015, 85) The adjunctification and rationalization of academic labor in higher education is not an exception to this new global division of labor, it is actually the model for it.

On the extreme end is the short-lived MOOC in which tens of thousands of students select an on-line class from a higher education "platform" in which an adjunct professor delivers prepackaged standardized lessons, have no interaction with the professor or one another, and take exams "assessed" by a computer program in order to earn a "badge." Although it has all but disappeared from discussion since its high-profile defeat at San Jose State University, the MOOC remains the ultimate objective of achieving the professor - and classroom-less "university" by enclosing all higher public education into an Uber style platform system for distributing courses in which the content specialist is paid by the head according to surge pricing. (Hall 2018, 22-29) Those seeking to rationalize

college and university teaching are taking the long march through the institutions by using crises like the 2008 recession and the COVID-19 pandemic to accelerate the move to OLE.

The impact of OLE on learning outcomes, “student success,” and adjunctification, are well documented elsewhere. Rather, this chapter focuses on the rationalization of teaching by analyzing how changes in the organization, methods, processes, and strategies for organizing work are intended to decompose the power of academic workers. (Ovetz 2020b, 12) Because the labor-intensive teaching and learning that comes from human interaction, social relationships, and emotional and intellectual exchange is lacking in the LMS, *teaching* is rapidly becoming deskilled into *assessment*, *measurement*, and *monitoring* while *learning* is being replaced by *competency of task completion*. Just how this is occurring through OLE is the focus of this chapter.

This new technical composition can be seen in the rapid expansion of OLE run on the Canvas LMS and the delivery of courses through Zoom which has seen a rapid expansion of use during the pandemic. (Ovetz 2020b)<sup>7</sup> In order to understand the current technical composition of higher education a workers’ inquiry into academic labor will be explored below by examining how learning in higher education is being transformed into competency and “precarity skills,” and how the datafication of higher education is being pursued as a solution to the transformation problem of transforming labor power into work.

### 3. From Learning to Competency and “Precarity Skills”

The attack on faculty academic labor is not limited to employment status. It is fundamentally an attack on the very prerogatives of faculty control over teaching. In the past decade, faculty autonomy over course design, content, delivery, and student assessment have been challenged, and even displaced, by the efforts to replace content-based assessment of learning, represented by the grade and degree, with competency-based standards, rubrics, Departmental and Student Learning Objectives, badges, micro-credentials, pathways, and certifications. While there is much to criticize about grades as IOUs on future wages, disciplinary tools, and a mechanism for sorting graduates into a hierarchical labor market, these alternative assessments are not intended to address these concerns.

Rather, alternative assessment methods have been imposed from top down both by corporate funded foundations, task forces, think tanks, advocacy groups, politicians, and accreditation agencies with the intention of profiting coercing changes in higher education policy and teaching in order to profit from

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<sup>7</sup> I focus on Canvas as the dominant LMS in the education market at this time.

their investments in so-called “edtech.” Considering the commodity value of longitudinal datasets from “edtech,” venture capital funds are “not gifts, however, but tools of data extraction, the real costs of which will be paid with behavioral and cognitive data harvested from teachers, parents, and students, to serve measurable outcomes of ‘impact’ to guarantee ‘returns on investment’ for social venture capital if agreed-upon metrics are met.” (Marachi and Quill 2020, 418; see also Marachi and Carpenter 2020, 1) Due to disruption of the education of about 1.6 billion students in 200 countries by the pandemic, the edtech industry is expected to reap windfall profits estimated to double to \$341 billion in total value, with online degree providers doubling in size to \$74 billion by 2025 (Business Insider 2019; Hogan and Williamson 2020; Holon 2020).

The objective is not so much to provide a more effective assessment tool but to remove assessment from the control of the faculty who conduct them based on personal and professional interactions with students and evaluations of their learning. Such alternative assessments are pitched with deceptive doublespeak framing of “equity,” “empower,” “flexibility,” “access,”<sup>8</sup> and most cynically “personalization.” In reality, these reforms, long put on notice for lacking valid research, actually deskill faculty, and privatize, standardize and de-personalize education. The consequences for learning are catastrophic, with the effect that “will fundamentally disempower youth and exploit the very communities that the solutions purport to help.” (Sandeem 2014, 7; see also Gehrke and Kezar 2015, 105-6, 121-2, 130-1; Marachi and Quill 2020, 430; Marachi and Carpenter 2020, 2, 18)

Countering the claims made by advocates of alternative assessment is like watching the folktale of the blind man who talks to the elephant’s ass and wonders why it never responds to him play out in full view. The objective of this “reform” is the same thing as the reformers’ strategy. The intention is not to come up with a “better” assessment of learning but to remove assessment entirely from faculty control. The strategy of measuring competency rather than learning is analogous to the imperative of prior waves of automation which “would enable management to discipline, deskill, and even circumvent and displace, the machinist, thereby to gain complete control over production.” (Noble 1993, 66)

Removing faculty control of course design, delivery, and assessment are intended to make all academic labor interchangeable regardless of academic content. To achieve such interchangeability, the objective criteria for assessing the student is no longer learning but is shifting to “competency.” The difference

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<sup>8</sup> Despite claims of equity and access, in Fall 2019 34.5% of SJSU students access Canvas with their cell phones, just 10.5% fewer than those 45% using a laptop. This is a 77% increase from 26.6% who used their cell phones in Spring 2015 compared to 41.9% who used their laptops. Clearly students are going into OLE lacking the basic tools to be successful. (SJSU, 2020)

between the two are dramatic. Learning presupposes critical thinking, exploration, analysis, intellectual growth and self-awareness. Competency is the internalization of normative rules, processes, procedures, relationships, and laws. While neuroscience and pedagogical research confirms that learning is about making *connections*, competency is measured by the completion of isolated *fragmented* tasks. (Gehrke and Kezar 2015, 122-3)

As a result, measuring competency is a matter of assessing whether the student 1. follows directions, 2. completes required tasks in sequence, and 3. completes the tasks efficiently and effectively. Macfarlane describes this as a “shift in emphasis in higher education from teaching students to supporting their learning more broadly associated with the associated use of information technology.” The intent is that the measurement of competencies can now be obtained from a wide variety of sources of which faculty are only one. (Macfarlane 2011, 63; see also McCowan 2017, 739-40) The faculty in effect are transformed from teacher to machine tender. Mazoué is forthright about the strategy for achieving this when he writes that “we need to ... individualize student learning and standardize faculty practice” in which “teachers monitor academic progress and apply appropriate interventions.” (Mazoué 2012, 79) These interventions now take place with chatbots and technology specialists which are intended to rationalize, standardize and reproduce what “good teachers do” making all actual teachers replaceable. (Mazoué 2012, 87) The CEO of Instructure, which owns Canvas, has touted the use of predictive analytics and machine learning to entirely replace faculty with automated directions to students to carry out school work. (Hill 2019)

The shift to measuring competency effectively lops off the upper half of Bloom’s taxonomy which can only be assessed through a labor intensive, subjective, and imprecise pedagogy. Although most students enroll to receive the latter, the reformers appear to know better. Learning is packaged as no longer requiring more than explanation, repetition, and application. Students are no longer expected to engage in creative exploration but simply perform tasks.

The mission is to further subordinate learning and teaching to the prerogatives of employers. In the quest to produce more disciplined labor power, employers seek an assessment tool that can more accurately gauge the productivity of labor and its willingness to submit to work remotely by algorithmic management. (BCG 2020a) OLE is the methodology for teaching and assessing competency by modeling student “learning” to serve the same technical composition of precarious labor managed by big data elsewhere in the workforce.

The shift from learning to competency is made possible by the nearly complete adjunctification of the faculty, perhaps one of the worst defeats of the labor

movement in the past three decades. Stripping faculty of control in order to standardize course design, production of content,<sup>9</sup> delivery, and assessment has removed much of the impediments to automation. As more and more faculty integrate the LMS into even their in-person courses, the computer is increasingly being used to assesses and track how students perform tasks rather than how they think and create. Self-disciplined completion of tasks can now be evaluated by objective measurements of disconnected tasks such as length of time spent and quantity of words and other bits of product submitted to complete each task. Teaching is being transformed from “imparting knowledge to one that is focused on creating the conditions that best enable students to learn” based on their own self-discipline. (Mazoué 2012, 75) As learning shifts to competency, faculty are being refashioned as a “monitor” and creator of necessary “conditions” for students to work.

Behind these “objective” measurements lie the emphasis on the new difficult to measure “precarity skills” desired by OLE proponents. Among these “skills” now include adaptability, flexibility, habits, personality traits, and self-direction which are considered “broader definitions of success, venturing beyond traditional academic measures.” (Kaplan n.d.) EdSurge advocates the “MyWays” framework which much like other OLE advocates reframes standardization as “personalized.” This framework divides 20 core competencies into four “domains” in which “content knowledge” is only one. Competencies that prepare a student for precarious labor run throughout the other three “domains” including “behaviors,” “perseverance,” “positive mindsets,” “learning strategies,” “responsibility,” “life skills and landscapes,” “surveying work,” “identifying opportunities and setting goals,” and “developing personal roadmaps,” among others (Figure 1). According to EdSurge, these domains “provide insights into new measurement approaches” that answer the “complexities of evaluating growth in non-academic skills.” (Kaplan n.d.)

These desired attributes and measurements of competency and “growth” matches the growing demand for precarious gig workers who have little direct supervision other than the ubiquitous all-seeing eye of the algorithm. The expected outcome is that workers will face their utterly low wages, insecurity, and oppression with “grit,” “thriving,” and “positive mindsets,” rather than agitate, organize and strike. The expectation by the corporate sector is that the shift from “subjective” faculty assessment of learning to “objective” data used to measure competency will solve the stubborn “transformation problem” of turning potential labor power into actual productive work. (Cleaver 2019, 112-113)

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<sup>9</sup> At the University of Phoenix, Western Governors University, and Rio Salado College, the standardization of curriculum has stripped faculty even of control over content, allowing them to be paraded as the “future” of all higher education. (Ovetz 2015, 2017)

According to the co-founder of the Arizona State University GSV Summit for venture capital edtech, real-time big data measurements can replace “less objective measurements” to inform hiring and firing. (Marachi and Carpenter 2000, 13)

Figure 1. MyWays Competencies (Kaplan, n. d.)

Here's how MyWays aligns with other selected frameworks									
Alignment/Emphasis: <span style="color: green;">■</span> Strong <span style="color: lightgreen;">■</span> Partial		EPIC	CCSSO	Hewlett	P21	CCR-4D	ConnectEd	NCA	UChicago
Habits of Success	Academic Behaviors								
	Self-Direction & Perseverance								
	Positive Mindsets								
	Learning Strategies								
	Social Skills & Responsibility								
Creative Know-How	Critical Thinking & Problem Solving								
	Creativity & Entrepreneurship								
	Communication & Collaboration								
	Information, Media & Technology Skills								
	Practical Life Skills								
Content Knowledge	English Core								
	Math Core								
	Science, Social Studies, Arts, languages								
	Interdisciplinary & Global Knowledge								
	Career-Related Technical Skills								
Wayfinding Abilities	Surveying Work, Learn & Life Landscapes								
	Identifying Opportunities & Setting Goals								
	Developing Personal Roadmaps								
	Finding Needed Help & Resources								
	Navigating Each Stage of the Journey								

Source: Next Generation Learning Challenges

- EPIC and David Conley, Four Keys to College and Career Readiness.
- Council of Chief State School Officers, Knowledge, Skills, and Dispositions; The Innovation Lab Network State Framework for College, Career, and Citizenship Readiness.
- Hewlett Foundation, Deeper Learning Competencies.
- Partnership for 21st Century Skills, P21 Framework for 21st Century Learning.
- Center for Curriculum Redesign, Four-Dimensional Education.
- ConnectEd, College and Career Readiness Framework.
- National Career Development Association, National Career Development Guidelines.
- University of Chicago Consortium on Scholl Research, (1) Foundations of Young Adult Success and (2) Teaching Adolescents to Become Learners.

#### 4. Datafication of Higher Education as a Solution to the Transformation Problem

Under pressure to produce more efficient and productive trained waged labor, higher education has undergone immense pressure to demonstrate quantifiable, replicable, transferrable, and “interoperable” measurements of output and outcomes of non-academic operations. This aspect of the neoliberal assault is already well documented and need not be recounted here. What is often overlooked in these accounts however is that “measure as a category of struggle suggests a basis from which to link or circulate struggles both within and outside

the university.” (DeAngelis and Harvie 2009, 28) The product and productivity of higher education to capitalism - producing disciplined student labor power available for waged labor - is widely overlooked. Higher education’s inability to produce the disciplined labor sufficient for the needs of capital is the central motivating factor of higher education “reform.” Because the academic labor of faculty is responsible for course design, delivery, assessment, advising, and criteria for graduating student labor power, teaching itself must be controlled.

Struggle as one might, there is no single accepted definition of what it means to teach and learn. Without venturing down into the rabbit hole of this debate, we can be definitively sure of one thing about teaching and learning: faculty are expected to control the holistic process of teaching and evaluate learning. The long struggle of educators to control the “art” of determining what is taught and how it is assessed has allowed teaching to long escape rationalization. As a result, employers must still address the stubborn transformation problem that is attributed to what educators call “academic freedom” in the classroom. The transformation problem is what Marx described as the capitalist’s struggle to transform the wage paid for labor power into work and surplus value. In the case of education the transformation problem is one of converting grades for school work into work for wages. (Clever 2019, 259, 305, 385, 429)

There have been many attempts to rationalize and standardize higher education according to what is called “outcomes-based performance management” which are reflected in quantified measurements of “pathways” to graduation and transfer, productivity measurements based on student demographics and units, grades and degrees, departmental and program rankings, and quantifiable student opinions of teaching. (Berg, Huijbens, and Larsen 2016, 1-2; Berg 2019; The Analogue University 2019, 1184) Until today, these efforts at datafication<sup>10</sup> (van Dijck 2014, 198) have yet to successfully entirely infiltrate the domain of faculty autonomy to choose their pedagogy for teaching and method of assessment, if any.

That has changed with the use of OLE to rationalize teaching. Nine discreet components of teaching have been identified for rationalization, all of which make it actual, not merely possible. These components, a variation of which is portrayed in part in Figure 2 (The Unbundled University 2017, 3), include instructional design, subject matter, development, delivery, interaction, grading, improvement and advising. (Gehrke and Kezar 2015, 104) The central strategy for pursuing the rationalization of teaching is OLE in which the course is either taught by a single faculty member or a team of faculty and/or “subject experts.”

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<sup>10</sup> Datafication can be defined as “the transformation of social action into online quantified data, thus allowing for real-time tracking and predictive analysis.” (van Dijck 2014, 198; see also Williamson, et al 2020, 351)

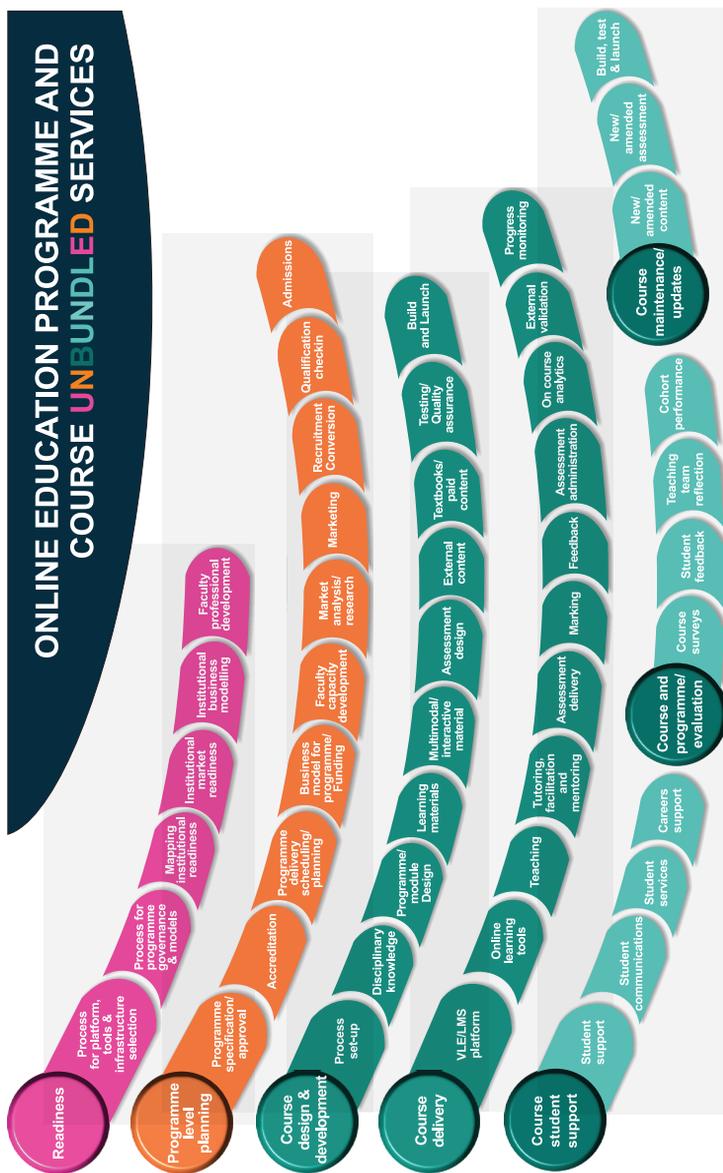


Figure 2. Online Education Programme and Course Unbundled Services (Unbundled University 2017)

Content is most commonly written by adjunct faculty or a textbook company which is delivered through an LMS designed by a course developer. Although there are diverse models, the fundamental premise is that students complete various measurable tasks, assignments, and exams within the time frame of the term of a quarter, semester, or even asynchronous course “modules” that may begin every week.

Datafication makes it possible to turn teaching and learning into discreet standardized tasks that are interchangeable and transferable according to same objective measurement criteria. This is what is meant by rationalizing teaching and learning so that “they’re becoming more granular, multifaceted, and multimodal” allowing for “flexible pathways...ease of access—ease of movement, portability, mobility.” (Czerniewicz 2018)

The modern equivalent of Taylor’s “time-motion man” in the early industrial assembly line factory are the “Distance Education” staff such as the course designer, developer, software companies, content producers, and textbook publishers. These technicians have been busy analyzing, assessing, measuring, and rationalizing teaching in order to fragment it into its component parts so that they can be automated, redesigned, and redistributed to low skilled support staff, non-academic technical workers, or administrative management. What remains is the curriculum “content” developed by faculty, although not exclusively, to be delivered through a Learning Management System (LMS) to students.

Datafication of learning and teaching in OLE is a strategy for solving the elusive transformation problem. In other words, it is a new tool to reassure employers of the reliability of grades to assess the efficiency and productivity of the labor power they purchase with a wage and whether that labor power will be sufficiently disciplined enough to be able to be converted into work. Evidence of student resistance to school work and faculty refusal to impose it are reflected in enrollment, grade, and degree inflation since the 1960s. (The Wages for Students 1975; Ovetz 1996; Cleaver 2019, 181, 259, 385, 460)

Datafication is but one aspect of the latest phase of the neoliberal effort to further subordinate higher education for service to capital rather than to the public good. Earlier forms of datafication of educational outcomes range from standardized admission tests, treating departments and colleges as “cost units” responsible for demonstrating quantifiable outputs such as enrollment (Ovetz 1996), measurement and monetization of research (Ovetz 1996), quantifiable measurements of productivity for the purposes of tenure and promotion, and, of course, as a return on investment of tax revenue, tuition and fees, and opportunity costs of “investing” in a degree. Clearly, datafication is hardly new with big data.

What is different with OLE is that datafication is critical to the effort to rationalize teaching and assessment of learning so that it can be usurped from faculty control. The rationale for doing so is that corporations are better able to both determine the content of teaching and the assessment of learning as a tool for hierarchizing, disciplining, and sorting student labor power. Solving the transformation problem would be impossible without controlling the ability to define the output and outcomes. To do this requires a shift from learning skills, which are notoriously difficult to assess, to competent completion of tasks which are immensely easy to observe, record, and measure.

### **5. The Struggle over the Algorithmic University**

Resistance to these “reforms” has been primarily leveled at the external factors and the impact on loss of “quality,” declining “outcomes,” and cost while almost entirely missing the primary attack on academic labor. The implications of the rationalization of faculty academic labor has been apparent since Troutt first pitched the professor-less classroom more than four decades ago in which “an unbundled system assumes learning can transpire without students having to purchase the teaching function.” (Troutt 1979, 255) Today, it is common to read about the “automation of the profession” in which AI is paired with an entirely precarious faculty “machine tenders” delivering “digitally mediated rebounded teaching.” (Czerniewicz 2018) OLE is transforming teaching to be “focused more on coaching and mentoring and less on content delivery.” (Sandeen 2014, 5) The professor-less virtual classroom is attractive to universities that wish to be “swapping expensive lecturers for cheap, versatile machines that don’t go on strike don’t need sleep, and respond to students within nanoseconds.” (Haw 2019) Higher education faculty and unions have not yet grasped the full extent of these objectives for expanding OLE, datafication, and dataveillance. (Ivancheva 2020) What is overlooked about edtech advocates is that they are not merely proposing to outsource rationalized teaching merely to make money but to reorganize higher education to better subordinate it to global capital accumulation.

To achieve this objective it is first necessary to break the power of academic workers over teaching and learning. As Mazoué bluntly puts, “If we assume learning is dependent on teaching, and that teaching is an inherently labor-intensive activity, then we will never be able to increase productivity, improve quality, and lower cost simultaneously.” (Mazoué 2012, 80) As long as faculty control teaching and assessment of learning, faculty labor is a critical choke point for disrupting the reorganization of higher education.

OLE is only the latest “reform” effort which is intended to rationalize and measure academic labor. The outcome of a university education is not pre-or-

dained because the struggle over measurement is a continuation of the struggle over the uses of academic labor. As De Angelis and Harvie remind us, “capital’s constant struggle to impose and reimpose the ‘law of value’ is always a simultaneous struggle to impose (a single, universal) measure.” (De Angelis and Harvie 2009, 27) As the anonymous academics writing as aptly named The Analogue University put it, “we need to do more than merely reveal the darker side of these transformative neoliberal relations; we need to find ways to mobilize and actively resist them.” (The Analogue University 2019, 1186)

## **6. Which Use Value Will Prevail?**

What is blocking the reformers’ path is that a university education has different contested use values for faculty, students, and capital. For some faculty and students, education is a time for making connections, challenging assumptions, growing self-awareness, emotional and intellectual development, engagement, and learning to change the world. For many, perhaps the vast majority of students and faculty, higher education is about a second set of use values. In the absence of a well-organized working class, many students understandably engage with higher education as a box to check off to get a “good job,” e.g. avoid starving in a dead end low waged “shit job.” For possibly the supermajority of faculty, the use value of teaching is well paying work that retains some level of autonomy in the workplace lacking in almost all other kinds of work. A minority find a use value in their teaching for service to capital and the state, the correlate to students pursuing a higher wage.

The use values of higher education for capital reside in access to knowledge, skills, and disciplined labor that can serve accumulation and domination. Capital’s use value of a university education is to exchange labor power for a wage with the intention of reproducing the existing relations of production putting even more people to work to exploit their labor power. To the degree that faculty control the curriculum and assessment, and have a role in determining the use of resources and administration of the campus, the first set of use values will remain prevalent and take precedence over the second set. This will make it possible to subordinate the wage to living life rather than living life for the wage. It will also make it possible to organize a mass movement that can envision and practice implementing a different system for organizing life.

Which set of use values prevail in the university has been periodically contested, most vividly in the 1960-70s. The post WWII “multiversity” reached its apex when for a few years young scholars and students embraced the first set of use values for higher education and rejected the second. Over the past four decades the pendulum has swung entirely back to favor higher education as not

only a use value for capital but as an industry for the reproduction of disciplined labor power.

However, the strategies that preceded OLE were far from entirely successful in restoring higher education to its productive role to capital. Varying forms of everyday refusal of school work by faculty and students in continued grade and credential inflation, long delays in matriculation, cheating, and college graduates whose work is useless to their employers are still widespread. The “struggle over measurement” simultaneously illustrates the central role higher education plays in not only the reproduction of labor power and capital accumulation process but its continuing vulnerability to choke points of potential disruption by faculty and student academic workers.

The struggle over measurement is nothing less than a struggle over the imposition and performance of academic labor. Graduate student unionization and struggles over tuition hikes, privatization, and austerity since the 1980s transformed graduate students into the adjunct faculty who today are engaged in waves of unionization and strike related action. As the majority of adjuncts teach at more than one campus and institution, they have carried the struggle over measurement from campus to campus along the very circuits of academic capitalism. The struggle over measurement dramatically illustrated in the 2016 University and College Union strike in the UK in which Newcastle University faculty refused to grade in an effort to directly disrupt a university outcomes-based performance management plan. (The Analogue University 2019, 1199-2002) The refusal to grade has become an increasingly prevalent tactic used in a wave of wildcat strikes of graduate students on nearly half the University of California system campuses refusing to submit their grades over two terms at the start of the pandemic, by CUNY adjuncts, and precarious faculty at the University of the Mirail in Toulouse, France in Winter 2019 to Spring 2020.

## 7. Tactical Defiance and Strategic Rigidity

Resisting the rationalization of academic labor in all its guises from adjunctification to OLE will require devising new tactics, strategies, and objectives to circulate the struggle among more academic workers. To date, because there has been little attempt to assess the current composition of academic labor the outcome is of yet uncertain.<sup>11</sup> With the arrival of the COVID-19 pandemic and

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<sup>11</sup> There are two recent efforts to analyze the composition of precarious faculty labor power and the difficulties of organizing faculty in German universities and the 2018 UCU strike in the UK. (Ullrich 2019; Woodcock and Englert 2018; Ovetz 2020a) Resistance to datafication, by attempting to force teachers to use a biometric “wellness” tracking app, also played a role in the West Virginia wildcat strike that set off two years of wildcat strikes in the K-12 sector in 2018-19. (Marachi and Carpenter 2020, 3)

global online-ification,” OLE is now central to the struggle over academic labor. As Noble reminded us, “The ultimate viability of these technologies under the present mode of production depends, in the final analysis, upon the political and economic conditions that prevail and upon the relative strengths of the classes in the struggle over the control of production.” (1979, 40) Online-ification is not a foregone conclusion.

Unfortunately, the struggles of academic workers continue to follow ineffective tactics and strategies because they lack an analysis of the current technical composition of what Rhoades and Slaughter call “academic capitalism.” (Rhoades and Slaughter 2004; Slaughter and Rhoades 2004) We commonly mark the connection between worsened academic working conditions to overcrowded classes, the lack of available courses, the rise in tuition, fees, and housing costs, and the push to online-ify more and more of higher education against the wishes of faculty and students. The predominant approach is to attack the neoliberal strategy for channeling the tax burden downward while increasing the costs to students paid by growing lifelong debt and work to repay it.

What is fatally missing is an effort to connect struggles over paid academic labor of faculty with those of students’ unpaid labor of schoolwork. In my teaching I show how academic workers have been “proletarianized” (Harvie 1999, 105) by explaining to my students how I am also a “clopper,” a precarious worker who closes the “shop,” in this case an evening class, and opens it up with the morning class, sometimes without a key, shared private faculty office space, or a parking space. This is an intuitive contrast for the many students who have similar contingent service jobs. Understanding and identifying the commonalities of precarious academic labor of the professor and student is the first step toward recomposing the power of all academic labor.

These connections need to be informed by an analysis of the role of higher education in capitalism in which faculty academic workers “co-produce new labor power” of new waged workers who “will in turn be employed to produce value and surplus value.” (Harvie 2006, 12) This class analysis will make explicit that reforms such as datafication, OLE, and performance measurements are each “a concrete expression of capital’s social drive to enhance the quality of human labour power” while driving down the costs to reproduce it. (Harvie 2006, 4, 14, 17) It is critical to make explicit that measurement of student work is the flip side of the assessment of academic labor of faculty. As Williamson, et al observed, “measures of student performance, sentiment, engagement, and satisfaction are also treated as proxy measures of the performance of staff, courses, schools, and institutions as a whole.” (Williamson et al 2020, 34) The shift to OLE, datafica-

tion, and performance based measurements are in reality a shift to continuous assessment and control of work both inside and outside of higher education.

Our academic unions, Balkanized on our campuses, sometimes in as many as 16 unions such as at UC-Berkeley, have complacently settled on the dual strategy of collective bargaining and lobbying in partnership with administrators. The reliance on contract unionism that swaps higher wages and benefits for conceding control over academic work has tied the hands of academic workers wishing to counter the encroachment of OLE. We will need to identify new forms of tactical defiance and strategic rigidity that complements the recent progress organizing adjunct faculty. (Rhoades 2013; Ovetz 2015a and 2017)

There are currently a range of quiet everyday forms of faculty resistance already in existence in the form of rampant grade inflation, reducing laborious coursework, and refusing to take waitlisted students to resist the speed up.<sup>12</sup> (GradeInflation.com 2016) Student tactics have included course hopping, dropping work heavy courses, cheating, and mutual aid such as sharing notes and study groups. Before the epidemic, many flocked to OLE courses under a widely shared assumption that they are “less work”, flexible, and subject to cheating. After the ubiquitous shift to all online during the pandemic a survey found 16-63% of faculty either reduced the amount of work or indirectly inflated grades in several ways. Because the rates were higher for faculty who had never taught on line before this suggests that faculty who teach on line had already done so in their OLE courses.<sup>13</sup> (Bay View Analytics 2020) The limitations of these atomized actions are obvious. In some ways they might even fall into the trap of those pushing “competency” as faculty replace rigorous inquiry with “project-based learning” skills, and make work students resist.

The focus of student resistance is to escape schoolwork. But another aspect of the resistance is to being forced into waged work, often more than one contingent service job to survive which is the case for an estimated 80 percent of students. This may explain the growing popularity of plans to make higher education free again and abolish student debt. Unfortunately, these demands fall short by failing to advocate for abolishing student loans and converting grant-based aid such as tuition and fee waivers, and Pell and state grants into a wage. If students can get wages for the schoolwork they already do they not only have a basis to resist waged work but it would also reduce pressure on their families members who

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<sup>12</sup> A “waitlisted” student is one who wishes to enroll in a class that is full and is waiting for a student to drop in order to take their place. Maximum class sizes have become the shifting baseline for determining which classes are canceled due to “under enrollment” and which go forward. Raising the maximum class size and taking waitlisted students is a strategy for extracting for labor from faculty.

<sup>13</sup> This survey was conducted by the corporate supported Online Learning Consortium and Cengage publishing company. (See <https://onlinelearningconsortium.org/about/digital-learning-pulse-survey/>)

support them and are similarly trapped in waged work. A wage for schoolwork would also provide students with leverage to resist the speed up such as pressure to matriculate by progressing through “pathways” that channel them into OLE courses and degree programs strictly based on their expected future wage and not what they would rather not do if they had a real choice. Wages would not simply pay for schoolwork but provide a tactical basis to resist its imposition. (Tim Grant n.d.; *The Wages for Students* 1975; Cash and Boyce 77-91)

Ultimately, current tactics of rigidity will need to develop into various forms of refusal. In the struggle over measurement De Angelis and Harvie point to the rising frequency of tactics including work to rule, refusing unwaged tasks, fabricating documentation or, more often, engaging in mindless “tick-boxing” when feedback is required under the “façade of compliance.” (2009, 14-15) These everyday forms of resistance to both faculty imposing and students doing schoolwork establish the necessary social relations that precede and hint at organized disruption, grade strikes, and other forms of action at critical choke points in the new division of academic labor. (Bonacich 2003; Alimahomed-Wilson and Ness 2016; *Empire Logistics* 2016)

Even at the level of governance faculty have immense power to diffuse, disrupt or slow online-ification. Efforts are being made to “rebundle” academic labour (Czerniewicz 2018) by keeping faculty in charge of designing, delivering, and assessing their own unique OLE courses. But more can be done. As long as academic senates still retain powerful roles in campus governance, the following tactics could be used:

- Restrict OLE courses only to older working students with degrees who tend to have better outcomes and need them to complement their current careers
- Required in person meetings and exams
- Limit the number of OLE courses counted towards graduation just as is done with electives
- Require supermajority percent of units be from in person classes for graduation
- Prohibit credit for OLE courses in their major or minor
- Prohibit credit for OLE courses when applying to graduate school
- Prohibited the retaking of OLE courses
- Make units from OLE courses non-transferable
- Raise tuition and fees of OLE to reflect their actual costs
- Cap enrollments at 50 percent to better reflect their higher costs
- Retain a single professor in control of all aspects of the course including course design, teaching, and assessment
- Prohibit all dataveillance in online courses

- If dataveillance is conducted require that students be given daily opportunities to opt out of data collection of their course activity
- Prohibit the use of private corporate own LMS and teleconferencing software that violate the Family Educational Rights and Privacy Act and commercialize their data
- Prohibit the transfer of credits and recognition of degrees from institutions in which faculty are not personally present on the campus, do not control the entire course from development to assessment, and the the number of units form OLE courses exceed a supermajority threshold.

These are just a few of the countless possibilities for expanding faculty intransigence and rigidity to slow down the process of online-ification and protect academic workers. OLE acolytes openly admit that “deeply entrenched” (Czerniewicz 2018; Young 2018; BCG and ASU 2018, 7) faculty resistance is the greatest threat to further expansion and openly call for removing faculty control over OLE either by breaking shared governance and faculty unions or coopting faculty through stakeholder engagement and professional development. (Young 2018) Faculty should be escalating their tactics and deploying strategies to make this potential impediment a reality.

It is urgent to offer forms of the refusal as acts of solidarity between faculty that is increasingly contingent, deskilled, and managed by the algorithmic black box and students destined for the global labor market characterized by precarious low waged work similarly managed by Odin’s algorithmic eye. Resistance to the role of higher education in producing disciplined labor power for exploitation points us to a way out of capital’s endless colonizing all of life as work.

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**Dip Kapoor<sup>1</sup>***International Development Education,  
University of Alberta, Edmonton, Canada***COLONIALITY, CAPITAL AND THE NEOLIBERAL STATE IN  
INDIA: INDIGENOUS AND PEASANT CONTESTATIONS<sup>2</sup>****Abstract**

*Lok Adhikar Manch (LAM), a nascent trans-local rural solidarity network of 15 social movements or struggles in South Orissa including Adivasi (original dweller) and Dalit (“untouchable” outcasts) marginal and landless peasants, nomads, pastoralists, horticulturalists and fisherfolk in defense and affirmation of place-based ruralities (Zibechi 2005) and enduring histories, advance a critique of post-colonial capitalist colonization (Sankaran 2009; Sethi 2011) and a global/national coloniality of power (Quijano 2000; Mignolo 2000) exercised through a state-market-civil society nexus predominantly committed to the reproduction of a capitalist-modernity / development. LAM also identifies productive directions for anticolonial movements addressing capital, given the predominance of current capitalist colonization(s). The emergent analysis is instructive for parallel and amplifying activism cognizant of the significance of an anticolonial politics of place against and beside the dominant cartesian-capitalist colonial conception of global space as terra nullius or as space emptied of histories, peoples and cultures and subsequently free for capital to exploit. Place-based rural anticolonial movements “as bearers of other worlds” (Zibechi and Ryan 2012, 12) contest the process of capitalist accumulation typified by rural displacement and accumulation by dispossession (Harvey 2003), subsequently problematizing death of the peasantry (and other rural social groups, communal and indigenous modalities subsumed under and/or erased by this term) prognostications predicated upon Europe’s experience with the enclosure movement and then proffered (by simple extension from the metropole outwards) as the inevitable fate of the contemporary global rural experience in all locations touched by capital.*

**Keywords:** Coloniality, Neoliberal Capitalism, Dispossession, Rural Social Movements, India

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## 1. Coloniality, Capitalism and Rural Anticolonial Social Movements Struggles

The complexity, peculiarity and differences of societies fragmented by colonization and neocolonization (postcolonial colonization) and related social struggles are not entirely comprehensible through European and North American social histories of working/peasant class cultures and movements. With reference to the Latin American experience and the trajectory of the *seringueiros* (rubber tappers in Brazil's Amazon forests) for instance, Raul Zibechi (2005, 17-18) notes how new subjects emerge by instituting new territorialities, as Indians and landless peasants engage in prolonged struggles to create or broaden their spaces by seizing millions of hectares from estates or landowners or consolidating the spaces they already had (as in the case of indigenous/Indian communities) by recovering control over their own communities. He also observes that the "new urban poor movements are in tune with the indigenous and landless movements (and are in fact living through what rural movements have already experienced), operating with a very different logic from that of narrow interest-based worker associations" (2005, 18). Their political subjectivity is determined by its subordination to capital, i.e., as new urban occupants (*asentados*) they create forms of organization closely tied to territory while relying on assemblies of all the people in the urban settlement (*asentameinto*) to decide on the most important issues. The anti-systemic disposition and militancy of these movements is made possible by their partial control over the re/production of their living conditions (also see *Interface*, 2012, Volume 4, issue 2 and the related question of wider movements of labour raised by Dae-Oup Chang with respect to urban workers' movements in the East Asian development context and similar deliberations in this issue around crucial questions facing workers' movements in the 21st century).

The revolt against capitalism and imperialism has much to learn and understand from these new urban-poor movements and social activism contesting colonial relations and accumulation by dispossession in rural geographies (Guha 2001; Sarkar 2000; Zibechi and Ryan 2012) or "subaltern and indigenous mobilizations, their articulation with new and old political traditions, their amalgamation of democracy and collective interests and their simultaneous deployment of reform, insurgency and rebellion". This is what Peruvian Marxist Jose Carlos Mariategui described in the 1920s "as the fruit of confluence between socialist objectives and indigenous political traditions and struggles" (Renique 2005, 9) and Anibal Quijano references as the "anti-colonial ideological flags (*of the indigenous communities*) vis-a-vis both the national problem and democracy" (Ibid., 73). That said, there are significant differences between indigenous

concepts like the communal and leftist notions of the commons and communes; differences that need to be acknowledged or by reading them from “within leftist and European logics, we perpetuate forms of violence and coloniality that indigenous movements have been fighting against” (Walter Mignolo <http://turbulence.org.uk/turbulence-5/decolonial/>). Indian leader Fausto Reynaga (1906-1994), an admirer of Karl Marx whom he called ‘the genius Moor’, drew clear lines between the project of the Bolivian left influenced by Marx’s *Communist Manifesto* and his book on *The Indigenous Revolution* wherein the indigenous revolution is against western civilization as such, including the left which originated in the west, while Marxist revolution confronts the bourgeoisie from the perspective and interests of the working class and proposes a struggle within western civilization (a critical colonial analytic reminiscent of the works of Aime Césaire and Frantz Fanon, who for instance recognized the complicity of the European working class with the bourgeoisie “in their support of racism, imperialism and colonialism” Kelley 2000, 24), i.e., according to Walter Mignolo (referenced above), perhaps it is more accurate to speak of an indigenous de-colonial as opposed to an indigenous left. This political analytic is apparent in the contemporary context as indicated in a statement on land redistribution by the world’s largest network of peasant and indigenous organizations, Via Campesina, which says, “No reform is acceptable that is based only on land redistribution. We believe that the new agrarian reform *must include a cosmic vision of the territories of* communities of peasants, the landless, indigenous peoples...who base their work on the production of food and who maintain a relationship of respect with Mother Earth and the oceans” (Available at: <http://www.viacampesina.org/en/index.php/main-issues-mainmenu-27/agrarian-reform-mainmenu-36/165-final-declaration>.)

In keeping with this line of analysis, it is generally understood that rural and indigenous anticolonial movements, with their respective contextual specificities and historical variations, have germinated in relation to a system of power which began to form five centuries ago and has become (variously) globally hegemonic since the 18th century – a global coloniality of power (Quijano 2000; 2005, 56-57) defined by:

- a) a new system of social domination built around the idea/foundation of ‘race’ (a modern European mental construct bearing no relation to previous reality) and racialization of relations between European colonizers and the colonized in order to normalize the social relations of domination created by conquest and the new system of capitalist exploitation;
- b) the formation of a new system of exploitation (capitalism) which connects in a single combined structure all the historical forms of control of

work and exploitation (slavery, servitude, simple commodity production, reciprocity, capital) to produce for the capitalist world market – a system in which a racialized division of labour and control of resources of production is foundational; and

- c) a new system of collective authority centered around the hegemony of the state or a system of states with populations classified in racial terms as “inferior” being excluded from the formation and control of the system.

In relation to the global coloniality of power and the foundational character of race (and racialization), according to Frantz Fanon (1963, 32), “When you examine at close quarters the colonial context, it is evident that what parcels out the world is to begin with the fact of belonging to or not belonging to a given race, a given species. In the colonies, the economic sub-structure is also a superstructure and the cause is a consequence.” Stuart Hall (1980, 320) takes this further when explaining why pre-capitalist modes of production (e.g. slavery) persisted despite the emergence of industrial capitalism, i.e., what he alludes to as “an articulation between different modes of production, structured in some relationship of dominance”, given that the latter continues to benefit from older forms of exploitation (e.g. global coloniality and the racialized relationship between pre- and capitalist modes of production made evident in Adivasi/marginal rural-dweller ways of existence and the hegemony of the capitalist state in India and the selective imposition of modernization and capitalist development on the former). A racial project includes an effort to restructure the political economies of subordinate races in an effort to siphon, divert, destroy and selectively re-integrate resources along particular racial lines, subsequently helping to create and/or reproduce racialized relations (and associated essentialized race categories). As Fanon (1963, 76) suggested, “Europe is literally the creation of the Third World... an opulence that has been fueled by the sweat and the dead bodies of Negroes, Arabs, Indians and the yellow races”. Others (Alavi 1972; Galeano 1972; Rodney 1982) have demonstrated how the economies of the colonized were restructured to produce the requisite imbalance necessary for the growth of European industry and capitalism; a unique characteristic of modern European capitalist colonialism as distinguished from earlier pre-capitalist colonialisms.

In the latest round of colonial capitalist globalization, it is peasants (landless/marginal), indigenous peoples, nomads and pastoralists and fisherfolk belonging to racially marginalized social classes, groups and ethnicities (e.g. <http://www.oaklandinstitute.org/omo-local-tribes-under-threat>) that continue to be disproportionately targeted in the global South. For instance, “this period has witnessed a vast expansion of bourgeois land rights... through a global land grab unprecedented since colonial times... as speculative investors now regard

‘food as gold’ and are acquiring millions of hectares of land in the global South” (Araghi and Karides 2012, 3); a process that has explicitly targeted these racially marginalized social classes/groups/ethnicities on a global scale (GRAIN 2012) and in India (Menon and Nigam 2007; Patnaik and Moyo 2011). According to an Oxfam (2011) study some 227 million hectares - an area the size of Western Europe - has been sold or leased in the decade since 2001, mostly to international investors, the bulk of these taking place over the last two years alone (e.g. in Africa 125 million acres have been grabbed by rich countries for outsourcing agricultural production). International development aid (e.g. <http://www.waronwant.org/about-us/extra/extra/inform/17755-the-hunger-games>) is implicated in the process of dispossession of small and marginal peasants (including land grabs) through private-public partnerships (DfID (UK government’s Department for International Development) - Monsanto, Unilever, Syngenta, Diageo, SABMiller) which continue to extend the power of TNC agri-business to agriculture in Africa, Asia and Latin America and the Caribbean and exacerbate global inequality. In the Indian context more specifically, the global coloniality of power was first realized under British colonization in the 1880s and the detribalization and de-peasantization or restrictions of tribal/subaltern rights over land and forest through the various Forest Rights Acts reducing them to encroachers on their own territories (Davis 2002; Guha 1997). In the post-independence period, the reproduction of this power has relied on an internal political-economic class and caste elite (Alavi 1972) who are not “white” nor “European” (Fanon’s 1963 warning in the African context) but are nonetheless associated with a global bourgeoisie (and civil society) “whose hegemony is European and white” (Quijano 2005, 58). Subsequently, rural subaltern anticolonial movements and rebellions were faced with the daunting challenge of addressing what Ranajit Guha (2001, 11) identified, as the “double articulation” where dominance is predicated on two types of governance. One was by the British and the other by the Indian class-caste elites, as Hamza Alavi (1972) also noted in his analysis of the complicity of internal class elites and external western and corporate interests in continuing to perpetuate underdevelopment and colonial control in the postcolonial period. This remains the case today as the “double articulation” ties the politics of the local (national) to the global (international, colonial, imperial) and the old and new agents of the globalization of a colonial capitalism, i.e., “the colonial experience has outlived decolonization and continues to be related significantly to the concerns of our time (Guha 2001, 41-42). Or, in the words of a Kondh Adivasi activist from the Niyamgiri Bachao Andolan (NBA) contesting Vedanta/Sterlite’s (UK) bauxite mining project in Lanjigarh, Orissa, “We know all our problems today

are because of colonialism (*samrajyobad*) and capitalism (*punjibad*) and these MNCs, NGOs, DfID/UK and the government are its forces” (L, NBA activist, interview notes, February, 2011). Adivasis and Dalits constitute 22 per cent of the population in Orissa while accounting for 42 per cent of Development Displaced Peoples (DDPs in state terminology) while Adivasi alone account for 40 per cent of DDPs at a national level (Fernandes 2006, 113). The liberalization of agriculture has meant land and seed grabs (for example, Monsanto currently has patent control over 90 percent of the cotton seed supply in the country) and the neoliberal agro-industrial model approach continues to decimate peasants in India as the corresponding debt burdens have prompted some 198,000 to 250,000 farmer suicides since 1998 and up to 2008 and beyond (over a third clearly attributed to being debt-driven), based on different estimates (Patnaik and Moyo 2011, 40).

Caste and tribe together impose an institutionalized system of discrimination and oppression (often based on pollution-purity divides and constructions of barbarism/primitives on the margins of civilization), potentially intensifying the foundation of racial discrimination and exploitation which continues to justify the redirection, redistribution and reorganization (in the interests of class-caste-urban-industrial dominance) and the destruction (via displacement and dispossession), of the material base and relations of so-called backward and polluted peoples or ‘untouchables’ in the interests of an Indian conception of Eurocentric-progress and modernization first imposed under British rule. Scheduled Tribes/Adivasis and Scheduled Castes/Dalits (in state parlance) and rural subalterns in India continue to experience the “colonial difference” (Mignolo 2000, 7) and the global coloniality of power (Quijano 2000), as the Indian state simultaneously works to establish alliances with metropolitan colonial powers (a process that has been accelerated since the adoption of the New Economic Policy or neoliberalism in 1991) while deploying an internal colonial politics (Alavi 1972; Guha 1997; 2001) towards Adivasis and Dalits.

This is expressed in the words of a Kondh Adivasi elder from the east coast state of Orissa (the research context for this paper) who says, “We fought the British thinking that we will be equal in the independent India” (interview, January 2007). According to a Dalit leader, “where we live, they call this area *adhusith* (akin to a pest infestation) ... we are condemned to the life of the *ananta paapi* (eternal sinners), as *colonkitha* (dirty/black/stained), as *ghruniya* (hated and despised)” (interview, February 2007). An estimated 150 million semi-nomadic or nomadic tribes belonging to some 400 groups are still criminalized, harassed and humiliated by the dominant society and the agencies of the state under the De-Notified and Nomadic Tribes Act, which replaced the Criminal

Tribes Act devised by the British colonialists and is used to similar effect (Munshi 2012). The Dilip Singh Bhuria Commission's Report (2000-01) unequivocally concluded that the state, which is supposed to protect tribal interests as per Constitutional guarantees, has contributed to their exploitation through the location of industries and other development projects in tribal areas which are rich in natural resources. It estimated that 40 percent of related displacement of 9 to 20 million people is accounted for by tribals alone (quoted in Munshi 2012, 4) while some 75 per cent were still awaiting "rehabilitation" at the turn of the century (Bharati 1999, 20). The colonial mentality and neoliberal response of the current class-caste elites towards these occurrences has been described as follows:

There is no understanding of communities as the subjects of dislocation or ways of life that are destroyed. There is an abyss of incomprehension on the part of the Indian elites toward rural and tribal communities. Ripping them out from lands that they have occupied for generations and transplanting them overnight in to an alien setting (which is the best they can expect) is understood as rehabilitation and liberation from *their backward ways of life* (Menon and Nigam 2007, 72-73).

... they are presented as inhabiting a series of local spaces across the globe that, marked by the label "social exclusion", lie outside the *normal civil society*... their route back is through the willing and active transformation of themselves to conform to the discipline of the market (Cameron and Palan 2003, 148)

These processes of colonial exploitation and capitalist accumulation by dispossession (including CPI(M)-led ex-Left Front governments in Bengal where recent land reforms under their watch, according to one estimate, have been accompanied by an increase of 2.5 million landless peasants – Banerjee 2006, 4719), exacerbated since the adoption of the New Economic Policy in 1991 (neoliberalism), continue to be contested across the country (Baviskar 2005a, 2005b; Da Costa 2009; Martinez-Alier 2003; McMichael 2010; Mehta 2009; Menon and Nigam 2007; Nixon 2011; Oliver-Smith 2010; Pimple and Sethi 2005; Prasad 2004; Sundar 2007) and in the state of Orissa (IPTEHR 2006; Kapoor 2011a; www.miningzone.org; Munshi 2012; Padel and Das 2010; www.sanhati.org), prompting one observer to note that these struggles are "moving from resistance to resurgence...reaffirming of tribal self, recapturing the control over resources, reclaiming political domain, and redefining development" (Prabhu 1998, 247).

This paper advances an anticolonial critique of post-colonial capitalist colonization (Sankaran 2009; Sethi 2011; Goonatilake 2006) and a global/national coloniality of power (Quijano 2000; Mignolo 2000) exercised through a

state-market-civil society nexus predominantly committed to the reproduction of a colonial capitalist-modernity/development. The critique is developed by a trans-local solidarity network (Da Costa 2007) of Adivasi and Dalit marginal and landless peasants, nomads, pastoralists, horticulturalists and fisherfolk social movements and organizations in defense and affirmation of ruralities collectively referred to as the Lok Adhikar Manch (LAM), a network of 15 rural movement organizations and a nascent trans-local solidarity formation in the state (see Table 1). LAM (collectively and/or as specific network participants) also identifies productive directions for parallel and amplifying activisms cognizant of the significance of an anticolonial politics of place against and beside the dominant cartesian-capitalist colonial conception of global space as terra nullius, or as space emptied of histories, peoples and cultures and subsequently free for capital to exploit.

In terms of social movement cartographies and locations, the critique put forward by LAM problematizes (and distinguishes itself from) civil society movements and actors (e.g. NGO-led movements or mainly urban, middle-class/bourgeois ecology, human rights, civic responsibility, anti-corruption movements), including industrial/labor movements and medium-large farmer/agricultural movements (with feudal-capitalist and caste-specific interests) working within capitalist, modern time-space teleology. In keeping with Zibechi's (2005, 2012) observations, numerous rural, subaltern and indigenous social action formations offer new insights and strategic possibilities in relation to social movement activism and the revolt against capitalist colonization (Guha 2001; Sarkar 2000). Summarily dismissed or trivialized as scattered militant particularities (read: as politically impotent) only consumed with the politics of daily survival and the mundane and subsequently incapable of understanding the macro-politics of accumulation by dispossession (Harvey 2003, 168) or as a politics of localism that does not seek capture of the bourgeois state towards revolutionary ends and hence referenced to as "anti-Marxist new populist post-modernist movements" (Brass 2007, 584), such left-ideological positions fail to acknowledge or dodge a politics and a burgeoning critical indigenist anticolonial literature (Alfred 2011; Bargh 2007; Grande 2004; Meyer and Alvarado 2010; Smith 2012) aimed at the coloniality of power which implicates the colonial projects (despite their variations and specificities around social/distributive and productive commitments) of both European Marxism and capitalism as externally-imposed alien developmentalism (replete with the use of development/state-market sponsored violence to secure compulsory industrialization and modernization) (Kapoor 2011a). Thus, the class-warfare of the enclosure movement in Europe is erroneously equated and conflated with similar processes of

accumulation by dispossession in the (post) colonies or in indigenous contexts where the coloniality of power and the racialization of political-economic and socio-cultural relations understandably remains a primary ethical-political preoccupation. Similarly, indigenous, rural and peasant consciousness in colonial societies have also been dismissed by the dominant European (-centered) scholarship on the subject (arguably yet another act of colonial erasure) as being pre-political, automatic/natural phenomena or irrational/mad politics (Jesson 1999). Hence “the insurgency is considered something external to peasant consciousness, and the Cause is presented as a ghost of Reason” (Ranajit Guha quoted in Zibechi 2012, 61).

This colonial position is exposed or at the very least problematized by the likes of LAM’s political articulations. A case in point on a global scale, the indigenous and peasant movement of movements, *Via Campesina* (or *the peasant way*) came into being in 1993, a year before a similar dismissal in Eric Hobsbawm’s publication of the *The Age of Extremes: A History of the World 1914-1991*. Paying attention to fallible rural movements and constituencies engaged in networks such as LAM is politically instructive and revealing given the magnitude of the existential crisis being confronted in these rural locations, if not their historical and contemporary experience with an anti/colonial politics now being waged in relation to capital over forests, land, water-bodies and ways of being (Kapoor 2011a).

The insights and propositions advanced in this paper are based on: (a) the author’s association with Adivasi, Dalit and landless/displaced peoples in the state of Orissa, India since the early 1990s; (b) a Social Sciences and Humanities Research Council (SSHRC) of Canada funded participatory action research (PAR) (Kapoor 2011b) initiative between 2006-2009/10 (which derived its direction from several previous localized PAR efforts addressing forest, land and agricultural concerns and maturing political and organized assertions over time) contributing towards and simultaneously developing knowledge about social movement learning in Adivasi/Dalit movements in south Orissa; and (c) specific research assignments (e.g. collective examination of civil society/NGO-rural movement political relations with LAM – see Kapoor 2013) conducted by the Centre for Research and Development Solidarity (CRDS), a rural Adivasi/Dalit people’s organization that was established with the help of SSHRC funds in 2005/06.

## 2. Anticolonial Movement Analysis of Colonial Capitalist Development and Rural Displacement and Dispossession

Ranajit Guha (1989) suggests that the Raj never achieved hegemony and was based on coercion and a facade of legality and that the end of the universalizing tendency of bourgeois culture, based on the colonial expansion of capital, finds its limit in colonialism. That is to say that post-colonial capitalist development has relied primarily on violence and coercion, backed by a legalism embedded in colonial relations, to dispossess subalterns. According to LAM's manifesto [people's statement]:

More than at any other point of time in our lives as traditional communities, today we feel pressurized and pushed hard to give up our ways and systems and give way to unjust intrusions by commercial, political and religious interests for their development and domination (*shemano koro prabhavo abom unathi*). We have been made to sacrifice, we have been thrown out throughout history by these dominant groups and forces for their own comfort and for extending their way of life while we have been made slaves, servants and subordinates (*tolualoko*). (LAM Statement, field notes, April 2009)

We are gathered here today as Adivasi, Dalit and peasant and fisher folk, as people of nature... We are also burnable [expendable] communities. With the help of the big companies and industrialists and multinationals, the state and central governments want to continue to exploit our natural resources to the maximum and we know what this means for us. (Field notes, April 2009) They have the power of *dhana* (wealth) and *astro-shastro* (armaments). They have the power of *kruthrima ain* (artificial laws and rules) – they created these laws just to maintain their own interests (Dalit leader, interview notes, February 2007).

Today the *sarkar* (government) is doing a great injustice (*anyayo durniti*) and the way they have framed laws around land-holding and distribution, we the poor are being squashed and stampeded into each other's space and are getting suffocated (*dalachatta hoi santholito ho chonti*). This creation of inequality (*tara tomyo*) is so widespread and so true, we see it in our lives (Kondh Adivasi leader, interview notes, January 2007).

“The advance made by the 18th century shows itself in this, that the law itself becomes now the instrument of the theft of people's land” (Karl Marx quoted in Menon and Nigam, 61). “As a matter of fact, the methods of primitive accumulation are anything but idyllic. Capital comes [into the world] dripping from head to foot, from every pore, with blood and dirt” (Karl Marx quoted in Whitehead 2003, 4226). Colonial capitalist development is recognized by LAM as violence

against nature and people (Kapoor 2011a). This violence is directly inflicted on Adivasis and Dalits by the state-corporate nexus or encouraged through inciting and dividing rural subalterns.

We have people here from Maikanch who know how the state police always act for the industrialists and their friends in government who want to see bauxite mines go forward in Kashipur against our wishes, even if it meant shooting three of our brothers; we have people here from Kalinganagar where Dalits and Adivasis are opposing the Tata steel plant and there too, 13 of us were gunned down by police many people have been killed by the state and industrialist mafias (Field notes, April 2009)

In relation to Kalinganagar, police fired on unarmed protesters on 2 January 2006 and the same incident involved the macabre spectacle of the return of six Adivasi killed by police whose hands were dismembered (see related coverage at [www.sanhati.org](http://www.sanhati.org)). Similarly, four anti-POSCO protesters were allegedly killed by police in a bomb blast on March 4, 2013 (POSCO project land acquisition was re-commenced in Dhinkia panchayat, Gobindpur village) while the police claim that they were blown up by a bomb being made by the victims themselves; a public statement made by Jagatsinghpur Superintendent of police prior to police personnel even making a site visit or investigating the incident (The Hindu, Bhubaneswar edition, March 11, 2013). Similarly, in the case of Chilika *andolan* (movement):

... there were some 5000 of us when they fired, I too was one of the 12 injured (pointing to scar) but I never spoke up for fear of police reprisals. I have endured my lot in poverty and silence and could not get treated... even in Chilika, after Tatas got shut down by the Supreme Court decision because they violated the Coastal Regulation Zone with their aquaculture project, their mafias came and destroyed people's fishing boats...it seems we act non-violently and use the law and the courts but they always respond with customary violence and break their own laws. (Focus group notes, February 2008)

As shared by several LAM activists (e.g. struggles related to Niyamgiri, Kalinganagar, Kashipur, Dhinkia/Gobindpur etc.) violence is evident not just through these specific spectacles (obvious displays) but on a daily basis. Operation Green Hunt launched by the Indian government in November 2009, ostensibly in pursuit of Maoists/Naxalites, has meant the constant surrounding presence, pressure and interference by para-military and police in the daily lives of villagers, as has the similar presence of corporate and political-party mafia hired to wear down people and opposition to mining/industrial projects in multiple locations. The constant stress of armed forces in close proximity to (or within) civilian areas is a more invasive strategy than the shooting and beating specta-

cles at sites of protest. The Adivasi/Dalit recourse to human rights in this regard (Kapoor 2012), which for many in the west has emerged as “the sole language of resistance to oppression and emancipation in the Third World” (Rajagopal 2003, 172), is of questionable utility in such instances of development repression and market/economic violence as “human rights discourse is not based on a theory of non-violence but approves certain forms of violence (justified violence) and disapproves other forms” (Rajagopal 2003, 174). Economic/market violence responsible for displacement and dispossession is an example of justified violence explained away as a social cost of capitalist development as colonialism and imperialism are not necessarily problems for international law and human rights which assume imperialism (Williams 2010).

Where LAM actors have been successful in using the law and/or human rights claims, one of the state-corporate responses has been to move to block these “legal openings” available to movements. This is done by: (a) re-opening the Fifth and Sixth Schedules of the Constitution (Panchayat Extension to Scheduled Areas or PESA Act) which have been used successfully to defend Adivasi rights in Scheduled Areas (e.g. Samatha Judgement); (b) de-notifying Scheduled Tribes and having them re-categorized as Other Backward Classes who cannot make the same Constitutional claims as Tribes/Adivasi in protected areas (as has happened with Jhodia and Paroja tribes in South Orissa to facilitate land acquisition around the Kashipur UAIL mining project); and (c) nullifying court decisions by passing new Bills (e.g. after the success of the Chilika movements against Tata’s aquaculture project in the 1990s as the Orissa High Court decision to ban aquaculture in the Coastal Regulation Zone/CRZ followed by a Supreme Court decision which upheld the same, industry lobbied the state to pass an Aquaculture Authority Bill in 1997 that makes aquaculture permissible within the CRZ).

The state-corporate nexus has, according to LAM participants, also relied on instigating conflict among Adivasi and Dalit or between Dalits and other subordinate caste groups to weaken the prospects for subaltern rural solidarity against developmental imperatives. Some recent examples cited in this context included the *Jungle, Jal, Jameen Hamara* (forest-water-land is ours/for Adivasi alone) campaign asserting Tribal/Adivasi rights in Scheduled Areas post-B. D. Sharma recommendations, instigating Adivasi-on-Dalit violence and a climate of suspicion, as Dalit were scapegoated (directly and indirectly by state departments and NGOs engaged in FRA-related popular education and the Bharat Jan Andolan) as usurpers of these Adivasi rights despite the long-standing Adivasi-Dalit relationship in forested regions of Orissa. The infamous case of the village of Mandrabaju in Mohana Block underscored what this meant as an entire Dalit village

took shelter in the Mohana Tehsildar's office (magistrate-level revenue officer) for two years and then mysteriously disappeared without any official explanation for what had transpired. Similar violence was unleashed by Hindu religious right party-political groups and local cadres over Christmas (celebrated mainly by Dalit/Panos and some Adivasi Christians) in the Kandhamal region of South Orissa in 2007. This violence continued well into 2008 (August) with some 40,000 Dalits fleeing the area, while 25,000 were eventually sheltered in relief camps after a long overdue response from the BJD-BJP coalition government at the time, the latter party being known for its Hindu-right credentials. This alleged Adivasi-Dalit communal conflict was analyzed and discussed by ADEA movement activists as being a corporate land grab orchestrated with the assistance of Kondh Adivasis, given that the land in this region produces a unique (lucrative) variety of turmeric and was being considered for the establishment of a Special Economic Zone (SEZ) (as per the SEZ Act of 2005, a key neoliberal intervention) at the insistence of a major Indian grocery retail corporation. According to these activists, given the growing resistance to SEZs, the state-corporate nexus is allegedly not beyond experimenting with other methods to displace subalterns who are in the way of capitalist development (Prasant and Kapoor 2010, 203-205).

There is communal conflict around land and forests because the political powers, in order to keep control and access to these vital resources, are promoting division and hatred among the communities [Domb/Dalit, Kondh/Adivasi, Saora/Adivasi]. Our communities once had equal access to land and forests, which today have been controlled by outside methods of the *sarkar* [government] and the *vyaparis* [business classes] and upper castes [Brahmins]. They want to perpetuate their ways and ideas among us and always keep us divided. We are *garib sreni* [poor classes] and land and forest are vital for our survival. And if they succeed in controlling them, they also end up controlling our lives. As has been the case over the ages, they want us to live in disharmony and difference so that they can be the *shashaks* [rulers] all the time. (Adivasi elder, interview notes, February 2007)

Given that there are some 8000 NGOs (Padel and Das 2010) operating in Orissa alone, NGOs are significant players in Adivasi/Dalit and rural subaltern contexts. While a majority of NGOs follow a state-prescribed and circumscribed role predominantly in terms of service provision in areas where there are DDPs, a few NGOs claim to support, if not represent social movement activism directed at mining and other industrial development interventions in the rural areas. LAM participants see NGOs as subordinate partners in the state-corporate nexus (Kapoor 2013), undermining anticolonial movements by

engaging in political obscurantism and engaging in active attempts to demobilize and immobilize movements opposed to these projects. “In the beginning there were no people called *sapakhsyabadi* or pro-displacement but after these so-called activist-NGOs worked to raise the amount of compensation, people withdrew from the movement and formed the pro-displacement forum” (PM, Kalinganagar movement activist, Bisthapan Virodhi Manch, interview notes, April 2010). NGOs attempt to demobilize and immobilize movements (Kapoor 2013, 54-65) by derailing, obstructing, diverting and depoliticizing through numerous avenues including: corporate espionage; sowing the seeds of division in displacement-affected communities; through persuasion as corporate propaganda merchants and projectizing dissent; disrupting movement politics with a staged politics; and disappearing when movements engaged in direct action. In APDAM activist KJ’s words, “education, health, Self-Help-Groups/SHGs have no relevance at the moment where we are in the process of losing everything (*ame shobu haraiba avosthare ehi prokaro kamoro kaunasi artha nahi*)” (Kapoor 2013, 59).

In Baliapal we fought against the missile testing range against the government during my youth. Here I learnt that NGOs are slaves of the system – they bring people on to the roads for small issues, within-the-system issues and not system-challenging issues like what we are talking about here today. Ours is collective action from the people’s identified issues and problems – our action is from outside the institutions and NGO action is institutional action (C, Adivasi Dalit Adhikar Sangathan activist, Focus groups notes, April 2009).

NGOs often try to derail the people’s movement by forcing them into Constitutional and legal frameworks and by relying on the slow pace of legal avenues to make it seem like they are working in solidarity with the people but all the while using the delaying tactic to help UAIL they make us into programme managers and statisticians concerned with funding accountability and the management of our people for the NGOs...what they fail to realize is that we are engaged in an *Andolan* (movement struggle) and not donor funded programmes (ADEA activist, Focus group notes, February 2008)

Colonial capitalist development imposed by the state-market-civil society nexus is recognized by Adivasi/Dalits as an endless invasion of space - “We measured a hand length but always walked a foot length (make do with less) but even my ancestors would not be able to explain why they insist on the reverse (always try for more)” (Dalit elder, quoted in Kapoor 2009, 19); “... we the poor are being squashed into each other’s space and are getting suffocated... our villages are being submerged and we have to leave the place, leave the land and

become silent spectators (*niravre dekhuchu*)” (Kondh Adivasi man, quoted in Kapoor 2009, 18); and “They are selling our forests, they are selling our water and they are selling our land and may be they will sell us also...” (Kondh Adivasi woman, quoted in Kapoor 2009, 19). Despite the invasion, the attachment to place is acknowledged with an apparent sense of certitude:

We cannot leave our forests (*ame jangale chari paribo nahi*). The forest is our second home (after the huts). There is no distance between our homes and the forest. You come out and you have everything you need. My friends and brothers, we are from the forest. That is why we use the small sticks of the *karanja* tree to brush our teeth - not tooth brushes. Our relationship to the forest is like a fingernail to flesh (*nakho koo mangsho*)- we cannot be separated. That is why we are Adivasi. (Adivasi elder, interview notes, quoted in Kapoor 2011c)

The concept of abstract space (as opposed to local place-based histories expressed by Adivasi/Dalit anticolonial movement actors), emerged with the rise of colonial capital and the Enlightenment (drawing from Newton, Descartes and Galileo), wherein space was conceived of as homogenous, isometric and infinitely extended (Lefebvre 1990). This conception provided a geometric template of nature within which western science flourished and a grid upon which the earth’s resources could be mapped. As a result, place was disempowered and all power now resided in space devoid of content. As LAM participants have exposed in their own way about the space-place colonial dynamic, in processes of primitive accumulation (or accumulation by dispossession), concepts of abstract space are often forcibly imposed on local places, i.e., primitive accumulation involves a rearrangement of space, since it constitutes an annihilation of pre-existing property and of customary ways of relating landscapes and waterscapes. It is usually accompanied by an erasure, or at least a denigration of pre-existing ways of relating to such resources, which are often defined as nomadic, unsettled, uncivilized etc. The concept of abstract space enables developers to maintain a highly objectified and external relationship to the landscape, which becomes emptied of people, history, entitlements, myth and magic (Whitehead 2003, 4229).

Colonialists adopt a stance of *terra nullius* (empty space or land of no-one) towards territory inhabited by people whose social or political organization is not recognized as ‘civilized’; an example of an extreme version of colonial racial objectification enabled through non-recognition and erasure, as opposed to asymmetrical recognition, which also characterizes racialized social relations (Fanon 1963). Whitehead (2003, 4229) notes “that most of the maps of the areas surrounding the Sardar Sarovar Dam do not contain the names of villag-

es that hold historical importance for the Tadvi, Vassawa, Bhils and Bhilalas, even ones they consider centres of their cultural history” (Narmada Bachao Andolan in western India - see Baviskar 2005a). This act of erasure, expressed and acknowledged by LAM in the Orissa context was referenced in several ways. These include examples of state officials taking measurements of land in pre-displacement villages without explanation nor permission, “walking through their square/mandap or even through people’s hutments going about their business as if there was nobody there”, or in statements like “we are nothing to them, so they think they don’t need to ask before taking and going ahead” (Kondh woman leader, quoted in Kapoor 2009, 19). The ensuing cultural violence is acknowledged as follows:

After displacement we stand to lose our traditions, our culture and own historical civilization...from known communities we become scattered unknown people thrown in to the darkness to wander about in an unknown world of uncertainty and insecurity (Adivasi leader, field notes, April 2009)

Da Costa (2007, 292) points to the importance of “recognizing the dispossession of meaning as a core struggle uniting” these movements, a dynamic that does not find a place in Harvey’s (2003) materialist-analysis of accumulation by dispossession nor the related implications pertaining to un/freedom of labor and the full extent and import of this un/shackling. An anticolonial politics of place is informed by a sense of the sacred and the spiritual, and a unity of the sacred and the political, often the subject of colonial dismissals as being an ineffectual pre-political anti-politics or an irrational mad politics (Jesson 1999), euphemistically speaking, which fails to comprehend the political vitality of historical connectivity between ancestral anti-colonial struggles and current movement politics. Furthermore, spiritual oversight tempers an exaggerated sense of political mission and recognizes the limits of politics; a pedagogy of limits in relation to the political (material) – an antithetical stance or understanding to an allegedly rational and informed politics characterizing an unrelenting (endless accumulation) capitalist/material colonization of place, people and ecology (Kapoor 2011c, 140), i.e., a failure to appreciate self-restraint and self-imposed boundaries (and hence the coloniality of power) is also a mad politics/irrationality of sorts.

We, the people’s movements present here representing people’s struggles from South and coastal Orissa have discussed and debated our issues and are hereby resolved to stand as a broad-based platform known as Lok Adhikar Manch (LAM) in support of the following manifesto (people’s statement):

... we have nothing to gain from *mukto bojaro* (liberalization), *ghoroi korono* (privatization) and *jagathi korono* (globalization), which are talked about today.

We want to live the way we know how to live among our forests, streams, hills and mountains and water bodies with our culture and traditions and whatever that is good in our society intact. We want to define change and development for ourselves (*amo unathi abom parivarthanoro songhya ame nirupuno koribako chaho*). We are nature's friends (*prakruthi bandhu*), so our main concern is preserving nature and enhancing its influence in our lives (LAM, People's Manifesto, April 2009).

## 2. Anticolonial Contestations and Claims on the Indian State

Anticolonial movements like LAM are primarily located outside and against the state-market-civil society nexus. This nexus (despite competing visions within capitalist/other versions of Euro-American modernity and commitments to a post-industrial society) constructs and strategically deploys laws and institutions (as per LAM's preceding analysis) to 'legalize' and normalize displacement and dispossession (colonize). It also encourages post-displacement disciplining into welfare, re-settlement and rehabilitation and related market-schemes or subjects Adivasi/Dalits and rural subalterns to abject poverty in urban slums and constant migration in search of precarious and exploitative work (re-colonize) (Kapoor 2011c, 134). In the words of an ADEA leader, "They are fighting against those who have everything and nothing to lose. We will persist and as long as they keep breaking their own laws- this only makes it easier for us" (Focus group notes, February 2008).

We are giving importance to land occupation (*padar bari akthiar*) and land use (*chatriya chatri*). We are now beginning to see the fruits of occupations. Before the government uses vacant state land (*anawadi*) to plant cashew, eucalyptus or virtually gives the land to bauxite mining companies, we must encroach and occupy and put the land to use through our plantation activities and agricultural use. This has become our knowledge through joint land action. This knowledge is not only with me now but with all our people – what are the ways open to us – this is like the opening of knowledge that was hidden to us for ages (Kondh Adivasi man, interview notes, 2007).

... we will fight collectively (*sangram*) to save (*raksha*) the forests and to protect our way of life this is a collective struggle for the forest (*ame samastha mishi sangram o kariba*) our struggle is around *khadyo, jamin, jalo, jangalo o ektha* (food, land, water, forest and unity) (Kondh Adivasi woman, interview notes, 2007)

Since the agents of colonial capital rely on splintering the possibility of solidarity between Adivasi, Dalit and rural subaltern social classes and groups, LAM

(and specific movements in the network, like the ADEA) consciously engages people in popular and informal education directed at the importance of *ektha* (unity) as education and organizing mutually reinforce a movement development process that has matured and penetrated to different extents in and among the various and related rural movements as part of a continuous ongoing process. The knowledge and pedagogical basis for this process is primarily informed by “own ways learning” (Kapoor 2009) and popular education efforts by Adivasi/Dalit activists from the movement villages, politically disillusioned by their engagements with civil society organizations for the most part or party-political experiences in formal political organizations at the state level. The emphasis on a political strategy of systematic pre-emptive direct action (e.g. occupations) and a politics of measured-confrontation in relation to mining activities that displace and dispossess Adivasi/Dalit and rural subaltern classes and social groups have already been alluded to, and remains front and center in terms of political action and the deepening of organization, unity and learning. In the words of a Saora Adivasi leader (Kapoor 2009, 26-28):

If the government continue to control lands, forest and water that we have depended on since our ancestors came, then... we will be compelled to engage in a collective struggle (*ame samohiko bhabe, sangram kariba pahi badhyo hebu*)... and building a movement among us from village to panchayat to federation levels. I think this movement (*andolan*) should spread to the district and become district level struggle. The organization is always giving us new ideas (*nothon chinta*), new education (*nothon shikya*), awareness (*chetna*) and *jojana* (plans). We believe this will continue (*ao yu eha kari chalibo amaro viswas*).

We have to teach each other (*bujha-sujha*), explain to each other and that is how education has happened and made things possible for us... we organize workshops and gatherings and have created a leaning environment for all our people – I feel so happy and satisfied, I cannot tell you – we have been creating a political education around land, forest and water issues and debating courses of action.

We are expanding in terms of participation and we need to keep generating more awareness on more issues that affect us. We have taken up the need for unity between us. We have seen that if we have unity, nobody can take away anything from us, be it our trees and leaves, our land and *bagara* areas (shifting cultivation zones). We have been actively spreading the message that we must have communal harmony (*sampro-dahiko srunkhala*).

The claims on the state (which vacillate between being anti-statist and/or statist) are in relation to recognition, local control and autonomy and state support for development on local terms and in sync with a local political economy which caters primarily to the rural regions and villages. Clearly LAM and similar rural movement formations in defense and affirmation of rurality are challenging the neoliberal Indian state's conception and power of eminent domain (Mehta 2009) and questioning its predominant deployment on behalf of colonial capitalist interests subsequently equated with the preferred 'public' interest. According to a Kondh Adivasi leader and a Domb/Dalit woman activist (Kapoor 2009, 27):

...we are laying a claim on the government who is supposed to serve all the people in this land. We are demanding a place for ourselves – we are questioning the government and asking them to help us develop our land using our ways... our livelihood should be protected and our traditional occupations and relationship to the land and forest need to be protected as community control over land and forests in our areas and this is our understanding of our Constitutional rights too. There is no contradiction. Once this is understood we can cooperate and when necessary, work with the government to take care of the land and forests. If they can help the *shaharis* (moderns/urbanites) destroy the forests, then they can help us protect it and listen to our story too.

In relation to land and forest and water, we want that the government must not have control or rights over our natural resources (*ame chaho je sarkar amo prakrutic sampader opera adhkar kimba niyantrano no kori*). For example, village organization has the right to manage forests. The land that people have occupied and need, the government should not put pressure for eviction. People have a right to cultivable land which they have been using in accordance with their knowledge and traditions. The government should rather help us to develop our agriculture by finding ways to support us. And instead of big dams, it should erect check dams (small scale irrigation) to help us in our cultivable land for irrigation.

#### **4. Coloniality, Trans-Local Solidarity and the Defense and Affirmation of Rurality**

In terms of the relationship between struggle and the alienation of colonized subjects attempting to address an “arsenal of complexes” to restore their “proper place”, authentic freedom in this regard cannot be achieved when colonized peoples “simply go from one way of life to another, but not from one life to another”,

i.e., become “emancipated slaves” because the terms of recognition remain in the possession of the powerful to bestow on their inferiors as they see fit. Subsequently, the best that the colonized can hope for is “white liberty and white justice; that is, values secreted by their masters” (read: white-caste-class elites and consumer classes in the Indian context) (Fanon 1967, 220-222). To identify with “white liberty and white justice” the colonized would have failed to re-establish themselves as truly self-determining, i.e., as the creators of the terms and values by which they are to be recognized or else they limit the realm of possibility of their freedom (Fanon 1963, 9). Looking to “own ways learning” (in the words of some of the partners in LAM) and “turning away from master-dependency” from the colonial state and society is the “source of liberation” and transformative praxis that is underscored by Fanon (1967, 221) and that proves to continue to be a challenge (for strategic and other reasons, including forms of “dependent thinking” – looking to the other for recognition – which characterize experiences with sustained subordination) in LAM contexts, as the concerned movements oscillate between a “complete break” (in practice and theory – anti-statist) or seeking “state recognition” (claims on the state – even racially and caste-motivated asymmetrical recognition as Scheduled Tribes and Scheduled Castes). Self-recognition and anticolonial empowerment is, after all, a long term process of contradictory engagements given the parasitic and penetrating impacts of colonial structures; impacts that are recognizable along with resistances that have always tempered and limited colonial possibilities. The stress on unity (*ektha*), demonstrating strength in numbers and attempting to scale up Adivasi/Dalit and rural subaltern social action (hence the gradual emergence of formations like LAM) are clearly integral to the process of anticolonial contestations as is an anticolonial pedagogy of place and roots (historical, ancestral and/or spiritual) (Kapoor 2011c). This subaltern domain of politics germinated in the pre-colonial period, has operated vigorously under the British, and continues to develop new strains in both form and content made evident in acts of protest, rebellion and sustained resistance (Guha 1982, 4; 1997). As subjects and makers of their own history or “movements who are bearers of other worlds” (Zibechi and Ryan 2012, 12) and who possess autonomy within encompassing structures of subordination (Arnold 1984), trans-local rural solidarity and anticolonial social movement formations like LAM (as a network and as individual movements with their specificities) are actively engaged in a politics which exposes, derails, disrupts and resists colonial capitalist accumulation by displacement and dispossession in the forested and rural regions; *places* where over 80 percent of 37 million people in the state of Orissa live in 55,000 villages.

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Table 1: Lok Adhikar Manch (LAM)

Movement participant (year established)	Location / operational area	Social groups engaged	Key issues being addressed
<p>1.Kalinga Matchyajivi Sangathana</p> <p>(Kalinga fisher people's organization)</p> <p>(early 1980s)</p>	<p>Gopalpur-on-sea (center) including coastal Orissa, from Gopalpur in Ganjam district to Chandrabhaga and Astarang coast in Puri district</p>	<p>Fisher people (mainly Dalits) originally from the state of Andhra Pradesh called Nolias and Orissa state fisher people or Keuta/ Kaivartas</p>	<ul style="list-style-type: none"> <li>• Trawler fishing, fish stock depletion and enforcement of coastal regulations/zones (Trans/national Corporate--TNC--investments)</li> <li>• Occupation of coastal land by defense installations (e.g., missile bases)</li> <li>• Hotel/tourism industry developments along coast (TNC investment)</li> <li>• Special economic zones (SEZ) and major port projects for mining exports (TNC investment)</li> <li>• Pollution of beaches and oceans</li> <li>• Displacement of fisher communities related to such</li> <li>• Developments</li> </ul>

<p>2. Prakritik Sampad Suraksha Parishad (PSSP) (late 1980s)</p>	<p>Kashipur, Lakhimpur, Dasmantpur and adjacent blocks in Rayagada district of Orissa</p> <p>Approximately 200 movement villages</p>	<p>Adivasis including Jhodias, Kondhs and Parajas and Pano/Domb Dalits</p>	<ul style="list-style-type: none"> <li>• Bauxite mining (alumina) (TNC investments)</li> <li>• Industrialization, deforestation and land alienation/displacement</li> <li>• Peoples' rights over "their own ways and systems"</li> </ul>
<p>3. Jana Suraksha Manch (2007)</p>	<p>Adava region of Mohana block, Gajapati district including sixty or more villages</p>	<p>Saura and Kondh Adivasis and Panos (Dalits)</p>	<ul style="list-style-type: none"> <li>• Government/local corruption</li> <li>• Police brutality/atrocities</li> <li>• Deforestation and plantation agriculture (NC investment)</li> </ul>
<p>4. Adivasi Dalit Adhikar Sangathan (2000)</p>	<p>Jaleswar, Bhograi and Bosta blocks in Balasore district and Boisinga and Rasagovindpur blocks in Mayurbhanj including over 100 villages</p>	<p>Dalits, Adivasis, fisher people and Other Backward Castes (OBCs)</p>	<ul style="list-style-type: none"> <li>• Dalit and Adivasi land rights and land alienation</li> <li>• Industrialization, port development and displacement of traditional fisher people (TNC investment)</li> </ul>
<p>5. Adivasi-Dalit Ekta Abhiyan (2000)</p>	<p>Twenty panchayats in Gajapati and Kandhmal districts including 200 plus villages (population of about 50,000)</p>	<p>Kondh and Saura Adivasis, Panos (Dalits) and OBCs</p>	<ul style="list-style-type: none"> <li>• Land and forest rights</li> <li>• Food</li> <li>• Sovereignty/ plantation agriculture (NC investment)</li> <li>• Industrialization, modernization and protection of indigenous ways and systems</li> <li>• Communal harmony</li> <li>• Development of people's coalitions/forums (no state, NGO, corporate, "outsider", upper/middle castes participants)</li> </ul>

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<p>6. Indravati Vistapita Lokmanch  (late 1990s)</p>	<p>Thirty villages in the district of Nabarangapur</p>	<p>Several Adivasi, Dalit and OBC communities</p>	<ul style="list-style-type: none"> <li>• Dam displacement (Indravati irrigation and hydro-electric project) (NC investment)</li> <li>• Land and forest rights</li> <li>• Resettlement, rehabilitation and compensation for development displaced peoples (DDPs)</li> <li>• Industrialization and modern development and protection of people's ways</li> </ul>
<p>7. Orissa Adivasi Manch  (1993 to 1994)</p>	<p>State level forum with an all-Orissa presence (all districts) with regional units in Keonjhar and Rayagada districts and district level units in each district</p>	<p>Well over forty different Adivasi communities</p>	<ul style="list-style-type: none"> <li>• Adivasi rights in the state</li> <li>• Tribal self-rule, forest and land rights and industrialization (SEZs) (TNC investments)</li> </ul>
<p>8. Anchalik Janasuraksha Sangathan  (2008)</p>	<p>Kidting, Mohana block of Gajapati district including some twenty villages</p>	<p>Kondh and Saura Adivasis and Panos (Dalits)</p>	<ul style="list-style-type: none"> <li>• Land and forest rights</li> <li>• Conflict resolution and communal harmony between Adivasis and Dalits over land and forest issues</li> </ul>
<p>9. Dalit Adivasi Bahujana Initiatives (DABI)  (2000)</p>	<p>Five blocks in the Kandhmal district with ten participating local movements (networks)</p>	<p>Kondh Adivasis, Panos (Dalits) and OBCs</p>	<ul style="list-style-type: none"> <li>• Land and forest rights</li> <li>• Food sovereignty and livelihood issues</li> <li>• Communal harmony</li> </ul>

<p>10. Uppara Kolab Basachyuta Mahasangh (late 1990s)</p>	<p>Umerkote block, Koraput district (includes a thirty village population base displaced by the upper Kolab hydroelectric and irrigation reservoir)</p>	<p>Paraja Adivasis, Panos and Malis Dalits and OBCs</p>	<ul style="list-style-type: none"> <li>• Displacement due to the upper Kolab hydro-electricity and irrigation reservoir (NC investment)</li> <li>• Compensation, rehabilitation and basic amenities for DDP's</li> <li>• Land and forest rights</li> </ul>
<p>11. Jeevan Jivika Suraksha Sangathan (2006)</p>	<p>Three panchayats in the border areas of Kandhmal and Gajapati districts including fifty or more villages with a population of 12,000 people</p>	<p>Kondhs and Saura Adivasis and Panos (Dalits) and OBCs</p>	<ul style="list-style-type: none"> <li>• Land and forest rights/issues</li> <li>• Communal harmony</li> <li>• Food sovereignty and livelihood issues</li> </ul>
<p>12. Adivasi Pachua Dalit Adhikar Manch (APDAM) (2000)</p>	<p>Kalinga Nagar industrial belt in Jajpur district (twenty-five or more villages, along with several participants in the Kalinganagar township area)</p>	<p>Adivasis, Dalits and OBCs</p>	<ul style="list-style-type: none"> <li>• Industrialization and displacement (TNC investment)</li> <li>• Land and forest rights</li> <li>• Compensation and rehabilitation</li> <li>• Police atrocities/brutality</li> <li>• Protection of Adivasi- Dalit ways and forest-based cultures and community</li> </ul>
<p>13. Janajati Yuva Sangathan (2008)</p>	<p>Baliapal and Chandanesar block in Balasore district including thirty- two coastal villages being affected by mega port development (part of SEZ scheme).</p>	<p>Dalit fisher communities and OBCs.</p>	<ul style="list-style-type: none"> <li>• SEZs (TNC investments)</li> <li>• Industrialization and displacement</li> <li>• Land alienation and marine rights of traditional fisher communities</li> </ul>

Source: Kapoor (2011a), p.132-134

**Note:** In addition to the above LAM movements, leaders from 2 other movements were also included in the research, both of which have expressed an interest in joining LAM. These include: (i) The Niyamgiri Bachao Andolan (NBA), a Dongria and Kutia Kondh (Adivasi) movement against Vedanta/Sterlite (UK) bauxite mine/refinery in Lanjigarh, and the (ii) anti- POSCO (South Korea/Wall Street owned) movement, Santal Adivasi wing from the Khandadhar region and the parent POSCO Pratirodh Manch which includes several wings including small and medium farmers (e.g. Betel leaf farmers), Adivasi, Dalits and fisherfolk affected (or potentially affected) at the plant site or due to port development (Jatadhar river basin area; this includes the Paradip Port Trust which would have to handle iron ore exports) and water-affected areas/groups in Cuttack district as water for irrigation and drinking in these areas is channeled through a proposed canal (going through 5 districts) to the POSCO plant.

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## INNOVATION DISCOURSE, OR DOES INNOVATION CREATE NEW VALUE?

### Abstract

*Since the emergence of political economy, the relationship between production, technology and technological innovation has been handled in various ways in accordance with the historical conditions and needs of a specific period. In neo-classical economics, until the early 1980s, technology was assumed to be external to the economic system. Later, faced with the criticism by evolutionary economics, neo-classical theory had to include technological innovation in its growth model. In this new synthesis, it is argued that innovation is the main element in solving macroeconomic problems such as growth, poverty, unemployment, and income distribution inequality. This article focuses on the assumption that “technological innovations create new value,” which underlies the mainstream theoretical approach and innovation-oriented economic policy. The article first discusses the position of this assumption in economic literature and policy and then critically evaluates it using the labor theory of value. It is argued that while technological innovations have a critical function in capitalist production and competition, they do not create new value but only enable innovative companies to secure transfer of surplus value generated in other sectors through their monopolistic position.*

**Keywords:** *Innovation, Technology, Surplus Value, Marxism, Schumpeterian school*

### Introduction

Technology and innovation<sup>2</sup> is one of the most important elements of contemporary capitalism. Technology is a phenomenon that deeply affects our lives, although some people perceive the opportunities provided by technology with

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<sup>2</sup> In the Oslo Guide prepared by OECD and Eurostat, innovation is defined as innovation in product, production or marketing processes. The difference from inventions or knowledge produced in R&D processes is that it has been implemented directly in line with a commercial activity (OECD and Eurostat 2005, 20-21). In this article, innovation will be used mostly referring to technological innovations in product and production process.

enthusiasm, others with anxiety, and yet others with indifference. People mostly see and know technology in the form of a materialized product on the market. However, technology has a very important and critical role in capitalist relations beyond this superficial appearance.

Today, the dominant understanding of economics is based on neo-classical assumptions. It is assumed that every technological innovation creates its own demand as in the Say's Law<sup>3</sup>, which claims that each supply creates its own demand. According to this technology-focused approach, innovation has the power to overcome – almost miraculously – all major economic problems. This approach, supported by the “evidence” provided by econometric / mathematical analysis, has also become dominant in debates on economic policy (Evangelista 2015, 19).

It presents innovation as the solution to macro-economic problems by ignoring the capitalist production relations and structural imperatives in which innovation is located and shaped. Attempts have been made to explain through the speed of technological innovation such problems as overproduction, crises, unemployment, and gradually deteriorating income distribution, all related to other dynamics of capitalism. The point that different schools of economics have in common is that they make innovation central for the solution of almost all social problems (e.g. Edquist 1997, 14; Izsák et al. 2013, 10).

The basic assumption behind this kind of theoretical approach and innovation-based economic policy is the idea that technological innovations create surplus value, or added-value in the neo-classical sense. The neo-classical theory based on the “marginal utility” analysis claims that each production factor has a share in the total value to the extent of its contribution, and that machinery thus has the capacity to create new value (Pasinetti 2003). Technological innovation is considered to be the most basic – sometimes the only – element that creates value in Schumpeter's work, neo-Schumpeterian and mainstream studies. Based on this assumption, the reorganization of the entire economic structure to promote innovation has become one of the basic elements of the neoliberal paradigm.

This article will discuss the claim that innovation creates new economic value in contemporary capitalism. The first section titled “Technological Innovation and Value: Literature Overview”, will address the ways in which technolog-

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<sup>3</sup> Although Jean Baptiste Say (1767-1832) is a classical economist, the principle of “every supply creates its own demand” that he put forward has been adopted by neo-classical economists. According to this assumption, wages, interest, profit and rent distributed to owners of factors as a result of each new production activity are spent on consumption or investment. If they are not spent, since the loanable money supply will increase, the interest rates will decrease and this time the borrowers will borrow with low interest and spend on investment. Thus, the market balances supply and demand on its own (Somel 2014, 58).

ical innovation is handled in the economic literature, especially in the context of the economic *value* debate. The second part titled “Innovation Policy and Discourse” will examine the discourse of innovation, which is put forward today based on mainstream economic assumptions. The third section titled “Innovation and Economic Growth” will argue that despite a wave of technological innovation in the last 30 years and a significant increase in indicators such as the number of patents, the main economic problems continue to exist, which has led to the contradiction and confusion in the technology-based economic discourse. The fourth section titled “Innovation and Surplus Value” will examine the question whether technological innovations create value or not. Finally, the conclusion will make an argument that while technological innovations have a critical function in capitalist production and competition, they do not create new value but only enable transfer of surplus value generated in other sectors to innovative companies through their monopolistic position.

### 1. Technological Innovation and Value: Literature Overview

Since the emergence of political economy, the relationship between production, technology and technological innovation has been handled in various ways in accordance with the historical conditions and needs of a specific period. Adam Smith, the founder of classical political economy, did not consider technology and machinery as a separate topic. However, the fact that this subject remained in the background in his writing does not mean that Smith did not make any important contributions for the future. He stated that improvement of machines increased productivity of labor, and emphasized that surplus value and wealth were created by labor, not by machinery. This is crucial for the labor theory of value (Narin 2010, 10; Fikir and Cetin 2017, 40). David Ricardo, another important name in classical political economy, moved beyond some contradictions and dilemmas in Smith’s labor theory of value. He stated that machines would gradually replace workers as a result of technological developments, thus leading to unemployment. However, he retained the idea that value was created by labor, not by machine or technological innovation (Kaymak 2010).

For Karl Marx, machines do not create any new value, but transfer their value to the product in the extent of their wear and tear in the production process. Technological innovations, on the other hand, while not creating new value, cause a decrease in the value of consumer goods and labor power in the long run, thus increasing *relative surplus value*. In addition, the capitalist who implements an innovation in the short term, makes a *surplus profit* because the product is produced at a lower cost. The *relative surplus value and surplus profit*

obtained in these two ways constantly drives the capitalist to develop the means of production. Therefore, innovations are an element of capital accumulation rather than external to capitalist relations. In addition, production of technological innovations (production of science and technology, or R&D) has become a new production and investment area for capital accumulation. Sometime after its birth, the direction of political economy changed. Instead of trying to understand capitalism scientifically, it turned to explaining and justifying it. This trend has reached its peak with neo-classical economics. The first step of this school was to declare that the labor theory of value is dysfunctional and to replace it with the "marginal benefit" approach based on the subjective (benefit) theory of value.

In neoclassical economics, it was assumed until the early 1980s that technology developed externally to the economic system and was a public good (Coombs et al. 1987, 142-143). The model designed by Solow, one of the most important names in the neoclassical growth theory, explained production only through labor and physical capital inputs, considering technology to be an external variable (Solow 1956, 66). It was assumed that companies freely choose and use the most suitable among the available technologies. Technological development was explained by an upward shift in the production function and was one of the non-economic factors (Soyak 1995, 94). While the reason for the movement on the production function was attributed to the input increases, the part of this shift that was not attributed to the input increases was interpreted as technological development. According to the study by Solow (1957), 87.5 percent of the GDP increase that occurred in the US in the period of 1909-1949 was due to technological development (Aslanoğlu 1990, 16-17).

Although technological development is the main reason for economic growth in this model, technological progress was assumed to be an external variable. Since the end of the 1970s, with a rapid development of the semiconductor technologies and their application in production processes, the view that the neoclassical Solow model was insufficient to explain economic growth has become increasingly widespread. In the same years, neo-Schumpeterian studies and evolutionary economics emerged and gained momentum in response to the agnostic approach of neoclassical growth theory to technological development (Soyak 1995, 98).

Before considering evolutionary economics, it is necessary to look at the approach of Joseph A. Schumpeter, its most important inspiration. Schumpeter is a thinker who emphasizes innovation-based competition and growth more than other economists and is increasingly referenced in this regard in today's world

(Özel 2015, 37). He is one of the first thinkers to comprehensively address the role of technological innovation in economic growth.<sup>4</sup>

According to Schumpeter, the basis and driving force of economic development are technological innovations implemented by the entrepreneur (Justman and Teubal 1991, 1168). Technological innovation is the basic element that creates value. He distinguishes between inventor and innovator, hence between invention and innovation. Invention that does not apply to economic processes has no economic function. The entrepreneur uses invention as the driving force of economic life. According to Schumpeter, the inventor gives an idea and the entrepreneur implements it. The idea that the entrepreneur implements does not have to be put forward for the first time (Schumpeter 1947, 152-153). Thus, the entrepreneur is a factor that realizes a new product and production processes and creates irreversible transformations in economic life (Blink and Vale 1990, 14-15). Technological innovation occurs when a reduction in cost is achieved without a reduction in “factor cost”. In other words, technological innovation creates a new production function (Schumpeter 1939).

According to Schumpeter, entrepreneurs in capitalism must constantly produce and implement technological innovation. Accordingly, they help increase welfare by creating new products. In this process, temporary monopolies appear and make huge profits. Schumpeter thought that the profit achieved by these monopolies proves the thesis that innovation is the biggest and the only new value-creating factor. Companies that produce new and better products liquidate old products and the companies that manufacture them. Schumpeter described this as “creative destruction.” Monopolies emerging in the process of creative destruction are beneficial for society because innovative entrepreneurs thus transform society (Demir 1995, 164).

Schumpeter’s technological innovation-oriented views came to the fore again in the last four decades. Evolutionary economics, the most important school of the Neo-Schumpeterian tradition, has been brought to the agenda since the late 1980s by writers such as Nelson, Winter, Arrow, Dosi, Stiglitz and Atkinson in the journals such as “Journal of Evolutionary Economics” and “Journal of Economic Literature” (Soyak 1995, 94). Although there are different focal points, neo-Schumpeterian economists introduced a company-oriented definition of technological development/innovation and included some elements that the neo-classical approach ignored. According to this view, technology is not external to the economy and companies. Science and technology are produced not only in institutions such as universities and state research laboratories, but also

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<sup>4</sup> Contrary to popular belief, Schumpeter is not the first theorist to think in detail about technological innovation. Before that, Marx thoroughly studied the application of technological innovations to the production process and its relation to capital accumulation.

directly by companies. R&D expenditures may not necessarily result in innovation: failure is likely. Companies cannot use the technologies they want for free. They utilize technology to a differing extent and have unequal opportunities in proportion to their strength and size. In addition, R&D activities and technology are under the influence of the “property regime”. R&D expenditures and the resulting technological innovations are protected by intellectual property rights. On such a market, technological asymmetry resulting from R&D differences between companies is inevitable (Soyak 1995, 101-102).

Faced with the fact that technological innovations have become an increasingly prominent factor in competition, as well as with criticism by neo-Schumpeterian and especially evolutionary economics, neo-classical theory had to include technological innovation in its growth model (Romer 1990; Lucas 1988; Rebelo 1991). However, it has maintained its basic assumptions. At the same time, the main focus of neo-Schumpeterian economics has shifted from the qualitative effects of technology such as economic development, progress, and unemployment and income distribution to the linear, determinist and quantitative – in a sense neoclassical – route. It focuses on the econometric (quantitative) analysis of the effects of technology on GDP, productivity growth and international competitiveness. The assumption in both schools that technological innovations supported by quantitative research is a key factor in creating economic growth and added, or new, value has led to the disregard of the relationship between technology, economy, income inequality, unemployment, and paved the way to a blind technological determinism. Such an approach ignores the context in which technology evolves and the fact that it is strongly influenced by economic and social relations. Existing phenomena such as overproduction, unemployment, and inequality of income distribution are clearly linked to capital accumulation, competition among capitalists, and the unplanned nature of production, all of which have strong implications for the form and implementation of technological developments.

The argument that technology plays a progressive and positive role in the economy and society, independent of all other conditions, is based on two assumptions: the first is the existence of a decisive, almost automatic, strong (Schumpeterian) link between technology, growth and employment. The second (often implicit) is that technological competition always consists of a positive economic and social aggregate game, and that it was true in the past, is true today and will remain true in the future. The combination of these two assumptions has contributed to a highly simplified view of the relationship between technology and economic-social developments. It can be argued that this is a kind of neo-Schumpeterian reproduction of Say's law, which is the

basic assumption of neoclassical theory. It is precisely this point that pushes neo-Schumpeterian economics closer to today's neo-liberal and mainstream economic policies: each technological innovation creates its own demand (Evangelista 2005, 11-12).

## 2. Innovation Policy and Discourse

This neoclassical approach has also become dominant in discussions on economic policy. Innovations have been identified as key to overcoming problems such as economic crisis, low growth and high unemployment. There is an infinite belief in the progressive economic and social nature of technological innovations (Evangelista 2005, 19-20). Today, R&D activities and innovations are defined as the most important force that creates *added value*.

According to Martin Weitzman (1998, 331-360), the long-term growth of a developed country is directly dependent on technological progress and innovation. For Paul Krugman, increased productivity, i.e. technological innovations in the production process, is the most important source of prosperity, since not every country has vast natural resources and the way to increase wealth is to increase the amount of production per capita (Brynjolfsson and McAfee 2014, 89). According to Mori (2014, 10-11), science and technology are the most effective means of economic and sustainable growth. According to this innovation-oriented approach, knowledge, especially technological knowledge, is a special type of capital that does not comply with the law of diminishing marginal returns and hence contributes greatly to growth (Parasiz 2008, 193). R&D activities, preparatory for innovation, are also the golden key of growth (Karagol and Karahan 2014, 9-10). In the study conducted by Acemoğlu et al. (2016, 155), it was concluded that the R&D activities undertaken by companies, governments and universities in order to improve the knowledge base are responsible for a significant part of economic growth. According to Lin (2002, 381), R&D activities resulting in innovations are the basis of long-term technological development and economic growth.

The importance of technological innovations in terms of economic growth and competitiveness is an issue that economists from different schools agree on. With the rapid application of technological innovations to production processes since the 1980s, economists have focused on the relationship between R&D expenditures and economic growth and conducted numerous studies (Petrescu 2009, 847). These studies presented a descriptive scheme of growth disregarding such factors as exploitative capitalist production relations and distribution and transfer of surplus value. Although different outcomes were achieved especially for dependent countries, these studies concluded that there

was generally a linear relationship between technology and economic growth (Pessoa 2010, 152).

Based on these assumptions, “information society” policies proposed to increase the share allocated to R&D and create an economic ecosystem that encourages innovation have become a fundamental element of neoliberal transformation. These policies are encouraged, developed, kept on the agenda and reproduced by international economic institutions and consulting firms (OECD 2018; WEF 2019; Deloitte 2018; BCG 2019; MÜSİAD 2012). In popular discourse, innovation policies have also promoted a utopian and liberating role of innovation. According to Geoffet West (2011), innovation is “really” critical to “sustaining our civilization.” Innovation is no longer a luxury but a necessity. Companies have no choice but to be creative and innovative. In order to keep up with others and avoid being affected by austerity measures, people working at all levels in the company must be able to think and act creatively so that their company can succeed in the innovation race. Grant and Grant (2015, 118-222) described this situation as “innovate or die”.

It is possible to say that technological development has a critical role in economic growth indicators such as capitalist competition and GDP, all of which correspond to a certain reality and are verified – superficially – by “technology wars”. But the basic assumption behind all these evaluations – and the main subject of this article – is a Schumpeterian proposition: the source of capital accumulation and growth is technological innovation. This assumption includes the idea that innovations are the main source of the entrepreneur’s profit, that is, surplus value, in the capitalist economy.

### **3. Innovation and Economic Growth**

Despite the great advances in information and communication technologies in the last 30 years, economic growth figures have remained well below expectations (Evangelista 2005, 14). Before the 2008 crisis, the global economy grew around 5 percent annually. Forecasts for the near future were much lower even before the Covid-19 pandemic (Schwab 2016, 38-39). Despite Germany’s Industry 4.0 strategy, investment in such fields as AI and Internet of Things in the U.S., and Japan’s Society 5.0 project, economic growth rates of these countries, which host the most innovative companies and “ecosystems” in the world, are very low. The future scenario for OECD is also quite pessimistic: in the long term it is predicted that the growth rate in the world economy will decrease from 3.5 percent to 2 percent by 2060 (Guillemette and Turner 2018). This is a cause for questioning the orthodox belief that technological innovation leads to economic growth by creating added value.

A similar view exists in regards to efficiency. Productivity worldwide remained stagnant despite the “exponential growth” in technological progress between 2005 and 2015. Labor productivity in the US rose 2.8 percent between 1947 and 1983, and 2.6 percent between 2000 and 2007, but only 1.3 percent between 2007 and 2014. Academic literature continues to discuss reasons for the slowdown. Three main theses in the mainstream could be mentioned: first, problems with measuring outputs. Increases in productivity make life easier for consumers, especially on digital platforms, but they are not reflected in the output accounts since they are mostly free. However, it is known that “free benefits” cannot provide a “solution” to the problems of the capitalist economy. According to the second view, the productivity gains of the “third industrial revolution” are decreasing, but we are still in the beginning of the increase in productivity caused by the new technology wave. This view advocates that the productivity crisis will end when enterprises learn the latest innovations, make complementary investments, and adopt the latest innovations on a large scale. Therefore, there is a need for time and the continuation of innovation (Schwab 2016, 41-42; OECD 2018). The third view argues that there is a bottleneck in growth and productivity because we live in a period when there are no big technological inventions.

One of the advocates of the last opinion is economist Bob Gordon. According to Gordon, what was done after the 1970s was the second round of improvement of the previous great inventions (steam engine, electrical energy, etc.). Growth has slowed down as no new big invention or set of inventions has emerged (Gordon 2012). Economist Tyler Cowen also thinks that after the big technological revolutions, a technological plateau has been reached, and as long as it remains, further success is not possible (Cowen 2011).

Another camp thinks that the current innovation possibilities have not been exhausted. According to Paul Romer (2008), there are many ideas waiting to be discovered, and there are many possibilities for combining existing ideas in different ways, which are multiplying by deriving from each other. According to Weitzman (1998, 331-360), many new innovations and a new growth wave can be achieved by processing existing ideas. For this, creativity in application of existing technological innovations should be encouraged. The issue that these two opposing camps have in common is the idea that technological development creates new value. It is assumed that the economy will not grow unless there is sufficient innovation.

Indeed, technological innovation leads to the emergence of new sectors, business areas and markets. If more labor power is included in the production process and the amount of surplus produced is increased, the profit jam can be reduced

even if just for a short period of time.<sup>5</sup> Capitalists in high-tech countries get a larger share of the total surplus value produced than those in low-tech countries. However, the argument that technological innovation is a “value creator” obscures its function of increasing efficiency of labor power and seizing more surplus value. The fault of the mainstream is not that it emphasizes the importance of technological innovation, but that it misidentifies its function and reduces the source of capital accumulation to innovation through technological fetishism.

#### 4. Innovation and Surplus Value

The world’s largest companies make extraordinary investments in R&D activities, file new patent applications, launch new featured products and make huge profits compared to their competitors. Therefore, it is clear that there is a relationship between R&D activities and innovation and the profits of international monopolies. Thus, defining innovation and R&D activities as a fundamental value-creating factor corresponds to reality, at least in appearance.

In today’s world, where billions of dollars of R&D investments are made and high-tech products are increasingly spreading on the consumer market, can the labor force, especially the unskilled or middle-skilled labor force which performs a routine job, have any significance? Is it possible to expect labor to be more effective or create more value under the conditions where the number of robots in production is growing rapidly, automation is becoming increasingly widespread, computers and superior technical tools gain more weight in the working life and gradually replace the worker?

According to neoclassical theory, each “production factor” (labor, soil, machinery, entrepreneur) has a share in the total value in proportion to their contribution. In this approach, the problem of value has been removed and replaced with the issue of distribution of the income obtained from the sales price among the “production factors”. It doesn’t matter how value is created. The distinction between productive and unproductive labor, which Adam Smith examined in detail and which Marx developed by clarifying, has lost its importance. If profit is obtained as a result of an activity carried out on the market, that activity is productive. Accordingly, not only labor, but every component that participates

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<sup>5</sup> “...the production of relative surplus value, i.e. production of surplus value based on the increase and development of the productive forces, requires the production of new consumption; requires that the consuming circle within circulation expands as did the productive circle previously. Firstly, quantitative expansion of existing consumption; secondly: creation of new needs by propagating existing ones in a wide circle; thirdly: production of new needs and discovery and creation of new use values. In other words, so that the surplus labour gained does not remain a merely quantitative surplus, but rather constantly increases the circle of qualitative differences within labour (hence of surplus labour), makes it more diverse, more internally differentiated” (Marx 2015, 224).

in “production,” such as machinery, capitalist, speculator, raw material, bank, insurer, creates value. However, there is a difference between the appearance of things and the real relationships that produce that appearance, and it needs to be examined.

This section will present a three-step discussion of the claim that technological innovation creates value. The first step will examine the excessive emphasis on popular companies in the information and communication sector focused on technological innovation that leads to the misconception that these companies are at the center of the world economy and that only companies focused on innovation make huge profits worldwide. It will be shown that big profits are not just about technological innovation. The second step will show that the profit obtained by innovation-oriented companies does not mean that a new value has been created, and that big profits can be made in the sectors that do not create value. The third step will argue that no new value is created with technological innovation, and that there is just transfer of value created in other areas. The only thing that creates surplus value is the activity of living labor power.

#### **4.1. Innovation is not the only source of profit**

Some of the world’s most profitable companies are also the world’s largest R&D investment and patent holders. This relationship is of course not a coincidence. It shows that large capital accumulation is required to make large R&D investments. However, not all major capitalists make a comprehensive R&D investment, nor do they have to. The size of the R&D investment depends not only on the level of capital accumulation, but also on the sector in which it operates and the characteristics of the product. In this respect, especially information and communication, machinery, chemical and pharmaceutical, aerospace and defense industries are sectors that require intensive R&D activities. Therefore, for companies that are not big enough to do this level of research it is almost impossible to enter this market. On the other hand, companies with sufficient capital accumulation take their place among the most profitable companies in the world in return for large R&D investments.

17 of the 20 companies in Chart 1 that allocate the largest share to R&D are among the 100 most profitable companies in the world. Looking at the companies in the chart, Apple is the 2<sup>nd</sup> most profitable company in the world, Samsung is the 4<sup>th</sup>, Google is the 7<sup>th</sup>, Facebook is the 14<sup>th</sup>, Intel is the 15<sup>th</sup>, and Microsoft is the 21<sup>st</sup> (Fortune Global 500).<sup>6</sup>

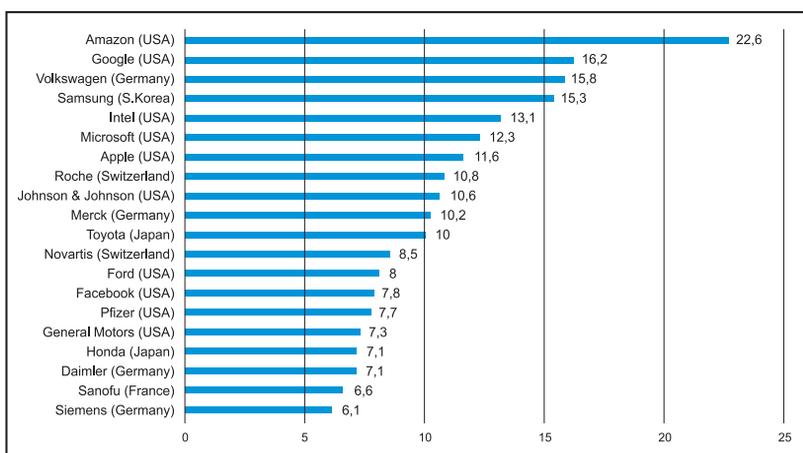
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<sup>6</sup> Amazon ranked 54<sup>th</sup> among the world’s most profitable companies in 2008, making \$10 billion a year. Volkswagen 27<sup>th</sup>, Roche 50<sup>th</sup>, Johnson & Johnson 25<sup>th</sup>, Merck 98<sup>th</sup>, Toyota 19<sup>th</sup>, Novartis 35<sup>th</sup>, Pfizer 46<sup>th</sup>, General Motors 77<sup>th</sup>, Daimler 71<sup>th</sup>, and Siemens 88<sup>th</sup>. Ford, Honda, Sanofi did not enter the top 100.

Although this picture shows that R&D and technological innovation is critical for competition in certain sectors, such as information and communication, it does not prove that technological innovations are the only factor in creating value. When looking at other sectors, it can be seen that the claim that “the basic factor in creating value today is technological innovation” is not easily supported.

*Chart 1: Top 20 companies with the highest R&D spending in the world (billion dollars, 2018)*

*Source: Statista 2020.*



For example, in 2018, the most profitable company in the world was not one of the IT companies that had undertaken major technological innovations and had obtained many patents, but Aramco, the oil monopoly of Saudi Arabia. In addition, 6 of the top 10 most profitable companies are banks. Energy monopolies such as Royal Dutch Shell, Gazprom, Exxon Mobil, Total, Lukoil, BP also occupy an important place in the top 100 list. Therefore, it is not possible to say that the only important activity in terms of making profit in today’s world is in the information and communication sector, and the only factor in creating value is technological innovation. In future projections, there is no concrete indication that areas such as automotive, energy, retail trade and finance will lose their ability to make profit. Therefore, it is seen that technological innovation is not the only element in terms of creating “added value”. Technological innova-

tion plays almost no role in the profits of many “traditional” businesses, from Aramco to the world’s biggest banks.<sup>7</sup>

This is not yet the answer to the question of whether technological innovation creates new value. However, it could be said that this is a response to the techno-fetishist thesis that technological innovation is the only/essential factor in creating value. As can be seen, a monopoly based in the ownership of a natural resource can obtain the biggest profit in the world and create added value in the neoclassical sense.

#### **4.2. Profit does not always mean creating new value**

So far, we have been in the “profit” area, not entering into discussion of value. Although production, trade and finance are connected with inseparable ties and profit is obtained from all of them, they show different characteristics in terms of creating new value.

A simple example from daily life will be useful in explaining this issue. A trader can earn a huge amount of profit by claiming that an ordinary statue is an ancient sculpture and selling it to a customer. A speculator can make a huge profit by selling land at a very high price a week after it was bought at a very low price under favorable conditions. Although the seller makes a big profit as a result of this transaction, what happens is that the money in the buyer’s hands passes to the seller and what’s in the seller’s hands is transferred to the buyer. As a result of cheating, the seller makes profit while the buyer takes a loss. The sum of profit and loss is zero. No new value is created, there is only an exchange of existing values. Therefore, when profit is gained from a commercial transaction, this does not mean that value is created. The same is true for non-fraudulent money-commodity or money-money (e.g. money-stock) exchanges.<sup>8</sup> Commercial and financial activities encourage production, and various activities may be connected with economic relations. However, these connections do not mean

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<sup>7</sup> Of course, this does not mean that technological innovations are not used in the mentioned sectors or that production is carried out with primitive technology. However, as suggested in the literature, the issue in question is not – in general – the innovation race, but the maintenance of activities on the basis of advancing technologies.

<sup>8</sup> “It is always to be presumed that it” (exchange) “is profitable to both” (contracting parties), “since they mutually procure for themselves the enjoyment of wealth which they could only obtain through exchange. But always there is only exchange of wealth of a certain value for other wealth of equal value, and consequently no real increase of wealth” (Quesnay quoted in Marx 1998, 358). Friedrich Engels said about the subject: “It cannot come either from the buyer buying the commodities under their value, or from the seller selling them above their value. For in both cases the gains and the losses of each individual cancel each other, as each individual is in turn buyer and seller. Nor can it come from cheating, for though cheating can enrich one person at the expense of another, it cannot increase the total sum possessed by both, and therefore cannot augment the sum of the values in circulation.” (Engels 2003, 297).

that every business activity creates new value. Marx (1998, 363-364) described this in an ironic example:

“The effects of the criminal on the development of productive power can be shown in detail. Would locks ever have reached their present degree of excellence had there been no thieves? Would the making of bank-notes have reached its present perfection had there been no forgers? Would the microscope have found its way into the sphere of ordinary commerce (see Babbage) but for trading frauds? Doesn't practical chemistry owe just as much to adulteration of commodities and the efforts to show it up as to the honest zeal for production? Crime, through its constantly new methods of attack on property, constantly calls into being new methods of defence, and so is as productive as strikes for the invention of machines. And if one leaves the sphere of private crime: would the world-market ever have come into being but for national crime? Indeed, would even the nations have arisen?”

Therefore, every social activity (including crimes like theft) is somehow connected with economic relations. However, this does not mean that all social and economic activities create new value. Technological innovations aren't the only way to make a high level of profits: huge profits can also be made from natural resource ownership, financial transactions, real estate, commodity sales or speculation. Making profits from various activities, however, does not mean that a new value is created economically – as we explained in the example of trade.

### **4.3. Innovation and monopoly profit**

So far, we have stated that a) technological advantage is not the only way to make excessive profit, b) not every profit made means creation of new value. Now we will directly discuss whether new value is produced by technological innovation. Whether technological innovations and machinery create new value has been an important topic of discussion since the emergence of classical political economy. In the labor theory of value, as developed by Marx, it was stated that the new value can be produced only by labor power. However, the classical political economy did not want to define the source of the value captured by the capitalist as labor power, and instead tried to legitimize it as a return on the risk taken by the entrepreneur or the means of production, that is, capital. As previously stated, profit in neo-classical economics is the legitimate return on the entrepreneur's or capital's contribution to production. Indeed, on the market where the relationship between people is seen as the relationship between commodities, surplus value and profit are seen as a product of the capitalist's investment – that is, capital.

Today, the idea that machines create value has re-emerged in a new way as a result of contemporary technological fetishism. According to George Caffentzis (1997, 31), futurologists of the last decades have given a qualitatively new role to technology, arguing that machines can produce value, similar to how neoclassical economists thought that capital in the form of machines was responsible for the value of commodity. According to Caffentzis, not only these futurologists, but also Hannah Arendt, Jürgen Habermas, Antonio Negri and Jean Baudrillard, who are known for their opposing identities, explicitly or implicitly suggested that machines could create value by saying that there was a qualitative change in the nature of capitalist accumulation due to technology. Technological innovation is abstracted from its relationship with capital and seen as creating value on its own (Narin 2008a, 140).

In this section, we will focus on two types of technological innovations within the framework of the value debate. The first one is technological innovation of the means of production; the second is that of the product. The first one is more general and closely related to all sectors, because it helps to reduce production costs and increase productivity. While the second one concerns all sectors, it is a short-term and compulsory element of competition in some sectors. For example, the production of industrial steel has a centuries-old history although the production technology and product remain basically the same (MÜSIAD 2012, 29). In contrast, any product in the mobile phone industry can wear out in a year or less. Nokia, once the most common phone brand and monopoly, has been largely erased from the mobile phone market today, as it was unable to innovate in line with the emerging smartphone market.

#### a) Innovation in means of production and surplus profit

A company's aim in pursuing technical developments in the production process is to increase productivity, that is, the amount of output produced per employee. Thus, the same or a larger quantity of products will be produced at a lower cost. Technological innovations in the production process can be realized in various ways.<sup>9</sup> However, these do not automatically spread to all companies

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<sup>9</sup> First, as a result of the company's R&D activities, production efficiency can be increased through innovations specific to that company. Second, through the use of new products produced by the various enterprises, especially in the machinery and manufacturing equipment sector – and in other sectors producing products that are used as production tools. For example, in the context of the so-called Industry 4.0, German machine manufacturers such as Kuka and Siemens produce cyber-physical machines that can be connected to each other over the network. The purchase and use of these products increases production efficiency. Third, through the information produced as a result of studies conducted at universities or state research institutions and their use for commercial purposes. Fourth, through the consulting services of commercial consulting companies on the basis of organizational innovation.

because the power of companies to make or purchase these innovations, their economic capacities, size and various possibilities / skills are different. Thanks to these innovations, it is possible for some companies to produce at a lower cost compared to others, that is, at a cost below average, and to gain surplus profit by selling the product at the market price. The capitalist “pockets the difference between their costs of production and the market-prices of the same commodities produced at higher costs of production.” (Marx 1999, 184) This is because, while the market price is given, the average cost of the commodity is higher than the cost for the capitalist who innovates in the production process. The capitalist who innovates “can do this, because the average labour-time required socially for the production of these latter commodities is higher than the labour-time required for the new methods of production. His method of production stands above the social average.” (Marx 1999, 184). Because of relative surplus value, companies make an endless effort to develop means of production, in addition to various savings and organizational strategies, to reduce costs in their production processes. One of the facts that can be seen with a superficial view on market relations is that the market’s competitive conditions force companies to lower the cost of production through technological innovation because, with the cost advantage it provides, advanced technology increases the competitive power and profit of a company. Capitalists who do not use new and advanced methods face the danger of being eliminated by their rivals.

In the first volume of *Capital* (the section on relative surplus value), Marx drew attention to the capitalist’s effort/motivation to reduce the cost of production and make more profit by developing the means of production. Therefore, technological development for Marx is not an independent or external phenomenon, but an extension of capital accumulation. In that section, Marx was not concerned with the fact that few capitalists reduced the costs of production and gained monopolistic advantage and surplus profit (or relative surplus value) in the short term. He focused on the increasing relative surplus value as a result of the decrease in the value of the labor force, which was the result of the development of production tools, general increase in productivity and production of subsistence with less labor (Marx 2012, 307-308).<sup>10</sup>

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<sup>10</sup> Assuming that the time of living labor in the production process of any product - the total value added by the labor force - does not change, when the value paid for the labor force decreases, the surplus value the capitalist seizes increases. Marx described this as relative surplus value. The capitalist can increase the value produced by the labor force through methods such as extending workday and intensifying the work. However, increasing the value produced by increasing the working time and work tempo with the same amount of labor force has physical- and of course social -limits. Thus, while the capitalist increases efficiency with technological innovations for more profit in the short term, it increases the relative surplus value through a decrease in the value of livelihoods - and labor power - in the long term.

Marx (1997, 233) stated that new production techniques would not spread across the industry at the same time; instead, a company or a group of companies would for a while gain extra “surplus value” in the sector with a cost advantage. These capitalists make an additional profit since their products are produced at a lower cost, but are sold at the market price determined on the basis of their market value. Technology does not produce surplus profit; the company with advanced technology secures monopolistic advantage, thus gaining more value from the market. There is no generation of new value, but merely the fact that companies using high technology take a larger share from the value currently generated on the market. The source of surplus profit is the transfer of some of the surplus value in the commodity produced with less developed technology in the form of surplus profit to the “innovative” capitalist through exchange on the market.

In the period before the third volume of *Capital* was published, the economist Vilfredo Pareto argued, criticizing Marx’s approach, that new machines should be considered as playing a role in creating surplus value, otherwise there would be no reason for the “entrepreneur” to use a new machine. If increased productivity did not yield anything other than depreciating goods, why would the capitalist want to use a new machine? Pareto’s analysis was as follows: when prices are at a stable balance level, the machine may not pass more than its own value to the product. However, once a new machine is used, prices do not change immediately. Some time passes. During this period, the value transferred by the machine to the product may be greater than the value of its wear and tear. The difference between these two amounts provides the incentive for the entrepreneur to use the new machine. If the new technologies do not create surplus value, there can be no reason for the capitalist to attempt to use a new machine (Selik 1982, 117). However, according to Pareto, if machines can create exchange value over the period until the prices become stable, they should always be able to create value (Selik 1982, 117). Pareto’s mistake was to think that Marx did not see the fact that some companies made an additional profit until technological innovation spread. Marx did not say that companies did not make an additional profit with technological innovation. On the contrary, he stated that the companies made an additional profit, they pursued it, and that the competition encouraged technological innovation for this reason. What Marx (1997, 233-4) emphasized and that Pareto did not understand is that the source of surplus profit, which is particularly addressed in the third volume of *Capital*, is not the creation of new value, but the transfer of surplus value present in commodities produced by low organic composition of capital (more human labor is used compared to machinery). Since Pareto could not distinguish profit

and surplus value, he made an erroneous determination based on a false assumption, which resulted in an erroneous criticism.

Schumpeter, on the other hand, argued more clearly than Pareto that the source of profit and surplus value is the entrepreneur's innovation activity (Dolanay 2009, 180-1). While technological innovations have a noticeable role in economic growth, Schumpeter's idea that only new technology creates value is a rather weak thesis. Attributing the phenomenon that underlies all kinds of economic development to a single cause such as innovation has serious gaps (Hagemann 2003, 57). As stated by Sweezy (1943, 95), profit, both as surplus value and as a special form of it, is obtained regularly not only in the process of technological innovation, but also under the conditions where there is no technological innovation. Numerous companies that have not made any significant innovations achieve capital accumulation by confiscating the value produced by the labor force (MÜSIAD 2012, 29). Schumpeter paid attention to the role of technological innovations in the competition, but his argument that capitalists create surplus value through innovation shows that he could not overcome the influence of the neoclassical assumption. The claim that technological innovation creates value, obscures the motive and goal of making labor efficient, which underlie efforts to promote innovation (Narin 2008b, 16-17). In addition to being used to increase labor productivity, technological innovations are themselves a product of the labor process. Contrary to the assumption made by neoclassical economics, technological innovation is not an independent object that fell from the sky, but is the result of R&D activities that have been largely institutionalized and become an extension/derivative of capital accumulation carried out by scientists and skilled workforce. "Innovation ideas" produced here become private ownership of the capitalist through intellectual property rights, such as patents. Therefore, technological innovation itself has become a product of the capitalist production and exploitation process. It is a labor process that increases labor productivity and surplus labor (Narin 2008b, 16-17).

#### b) Innovation in the product and surplus profit

The other innovation issue for companies is innovation of the product or production of a new product. The first company or companies that succeed in launching a new product make extra profit due to their monopolistic position. When the performance of the leading technology companies in the world is analyzed, it can be seen that enterprises with strong R&D infrastructure and strong innovation management capabilities benefit from market opportunities with the new featured products they produce. The source of extra profit from a new product is more obvious because the company that owns this product is in a monopoly position in the newly opened market or sub-market and thus

gains an additional profit. Schumpeter is aware of this and expresses it explicitly. According to him, when entrepreneurs launch a new product, they become a temporary monopoly. When the new product becomes successful, this company liquidates the companies that produce old products. According to Schumpeter, monopolies that emerge in this process, defined as creative destruction, play a progressive role and contribute to the development of the society. Thus, Schumpeter also sees that the source of the surplus profit obtained with a new product is a monopoly position. However, since he adopts the neoclassical theory of value, he does not accept the difference between surplus value and profit, that is, the difference between the two levels of abstraction and reality. Thus, he sees monopoly profit as creation of new value.

A monopoly has the opportunity to sell its product above its value. However, this does not mean that the monopoly arbitrarily determines the price of the product. There are limits such as the income level of consumers and the possibility of the product to be replaced with other products. In Marx's words, "When we say monopoly price, we mean a price that is determined solely according to the strong buying desires and payment power of the buyers, regardless of the price determined by the general price of production and the value of the products" (Marx, quoted by Selik 1982, 137). Although there are certain limits, the price of the monopolist product is above its value. Therefore, a surplus profit, that is, a monopoly profit is obtained. The problem is whether this monopoly profit means generation of new value. According to him, if profits exceed surplus value produced by labor, this means that monopolistic position, technological possibilities and other methods create new value. However, the idea that a monopolistic position creates new value is a rather weak thesis, because this idea means that monopoly creates less value when it keeps the price lower and makes less profit, but it creates more value when it increases the price a year later. This means that new value is created according to the company's board of directors' decision. However, it is not possible to determine the surplus value in the world economy as such. The same logic applies to the speculator who does nothing but only sells land "at the right time". The speculator gains profit not because it creates new value as a result of speculation, but because of his or her ability to seize surplus value produced in other fields. Therefore, monopoly profit is not the production of new value but the seizure of the value produced in other areas through the market. In Marx's (1999, 618) words:

"If equalisation of surplus value into average profit meets with obstacles in the various spheres of production in the form of artificial or natural monopolies, and particularly monopoly in landed property, so that a monopoly price becomes possible, which rises above the price of production and above

the value of the commodities affected by such a monopoly, then the limits imposed by the value of the commodities would not thereby be removed. The monopoly price of certain commodities would merely transfer a portion of the profit of the other commodity producers to the commodities having the monopoly price. A local disturbance in the distribution of the surplus value among the various spheres of production would indirectly take place, but it would leave the limit of this surplus value itself unaltered.”

Similarly, Yiğit Karahanoğlu’s (2011, 17) answer and example regarding high profits from new products are as follows: “The most general determination we can make to answer the problem is this: due to the monopolistic nature of the new product’s supply, its price rises to a higher level compared to the previous product. We can easily observe this in our daily lives. The news we encounter in newspapers on the days when new models of computers and mobile phones are supplied is an indication of this. The fact that people line up in front of the stores in order to get iPods and iPhones and wait on the streets at night with the dream of that commodity is an indicator of how monopolistic supply can control human minds and behaviors. In that first week, the singularity of being the number one individual in the world who managed to own that product constitutes the monopoly quality of supply and shows itself to economists as high price.” It should be clear: when a company produces a new product with high technology, it makes a monopoly profit. However, once this product is produced by a large number of companies – if this happens – the initial monopoly profit will be replaced by an average profit. When a technological innovation that reduces production costs is used by all companies in the relevant sector, the cost advantage that initially benefited a small number of companies will apply to all companies and become an average production condition. Therefore, the surplus profit provided by the use of a technology is obtained not because of the technology, but because of the monopoly situation enabled by the technology.

Of course, what matters to the capitalist is surplus profit itself and not its source. The capitalist tries to reduce production costs in every way possible. He or she endeavors to achieve a monopolistic position through technological innovation, thereby pulling extra profit from the market. However, once this technological innovation is implemented by others, it will not lead to any extra profit even if it has just been invented and implemented. Therefore, it is clear that extra profit does not stem from technological innovation, but from the monopolistic position enabled by technological innovation. It is possible to see a similar mechanism, among other factors, in the regular transfer of value from dependent countries using low technology to imperialist countries using high technology. This is one of the important elements of imperialist exploitation.

## Conclusion

Both the mainstream economic literature and the dominant policy concept recognize that technological innovations are the basis of economic growth and 'prosperity' dynamics. Accordingly, enrichment of a country, increase in its welfare, sustainable growth of economy, and increase in the volume of exports and employment depend only on R&D capacity and the ability to produce innovation.

Despite a one-sided and extreme emphasis on technological power, this approach reflects some of the present reality, even though in a distorted form: competition based on innovation is critical in today's economy, especially in certain sectors. Companies and countries using more advanced technology achieve a huge surplus profit/monopoly profit both due to their monopolistic position and high efficiency. Innovation is not the only way, but it is one of the most important and strategic ways. Adopting supply-side and micro-economic perspectives, the mainstream approach concludes that there is a relationship of automatic determination between technology and economy. This has contributed to the spread of the idea that innovation plays a magical role that explains almost everything, including the fate of companies and countries, poverty, unemployment, and income distribution inequality.<sup>11</sup> This role, given to innovation in both economic literature and current political strategies, is consciously or unconsciously based on the assumption that innovation is the main element in the production of economic value.

It can be said that with innovation, companies secure two types of competitive advantages: The first is that companies that innovate in the production process as a result of R&D studies have lower costs compared to others. Second, companies that successfully innovate in the product gain monopoly in the market or open new markets that they dominate. Therefore, companies pursue innovation to increase their profits (Genç and Atasoy 2010, 33). In this context, making a difference in the innovation and R&D competition sphere plays an important role in enabling businesses to stay ahead and survive. This is a necessary condition in order to survive internationally and stay in the game under the conditions of an increasing global competition (World Bank, 2019).

However, the fact that innovation is an essential component of capitalist competition and economy does not prove that any social phenomenon and problem can be reduced to the capacity to innovate or that innovation explains everything. Problems such as unemployment, poverty and income injustice are not being solved through technological developments; on the contrary, they are

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<sup>11</sup> The positivist and determinist view of the relationship between technology, economy and society is widespread not only among neoclassical mainstream economists but also in most of the neo-Schumpeterian literature (Evangelista 2015, 11).

constantly reproduced in the context of capitalist production relations. Innovations are not an automatic solution to any problem, nor are they able to solve the economic growth problem, which is the main focus of the neo-liberal political project. Despite intensive technological development and innovation records, the world's largest market economies have still not come out of the vortex of low growth rates.

This is one of the indicators that innovation is not an element that produces value by itself, independently from the skilled and unskilled labor power that uses and produces it. While companies using innovations make high profits due to their monopolistic position, growth rates as a whole continue to be quite low. Therefore, as stated in the analysis above, technological innovations are not the source of value, they are effective in distributing a value produced by workers. There is no creation of new value, but only transfer of surplus value produced in low-tech sectors due to the advantages of a monopoly position or high technology. Thus, high-tech monopolies, by seizing the surplus value produced by both the workers within the country and the workers outside the country – as a dimension of imperialist exploitation – get large profits (monopolist profit) through large-scale capitalist exploitation. The claim that innovation creates new value functions to hide the surplus profit obtained by increasing labor productivity.

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## REGULATING EMERGING TECHNOLOGIES: OPPORTUNITIES AND CHALLENGES IN THE AGE OF THE FOURTH INDUSTRIAL REVOLUTION<sup>3</sup>

### Abstract

*The world is on the brink of an all-encompassing technological and social revolution moving with exponential velocity. Innovative technological trends such as Artificial Intelligence (AI), the Internet of Things (IoT), robotics, 3D printing, nanotechnology, augmented and virtual reality, emerge and converge, generating the Fourth Industrial Revolution (4IR). The 4IR exists in a social setting and not just as a disruptive business case. Societies need to design regulatory approaches that are not only human-led and human-centered, but also nature-led and nature-centered. Balance needs to be struck between societal and public interests, such as human dignity and identity, trust, nature preservation and climate change, and private sector interests, such as business disruptiveness and profits. As novel business models such as fintech and the sharing economy emerge, regulators are faced with a host of challenges that range between rethinking traditional regulatory models, coordination problems, regulatory silos, and the robustness of dated rules. This paper will highlight the unique regulatory challenges posed by emerging technologies in the 4IR: the unpredictable nature of business models that rely on emerging technologies; the importance of data ownership, control, privacy and security; and the AI conundrum. The paper then will proceed in defining and providing a set of 4 principles to guide the future of regulation in the 4IR: innovative and adaptive regulation, outcome-focused regulation, evidence-based regulation, and collaborative regulation.*

**Keywords:** *Fourth Industrial Revolution, Artificial Intelligence, augmented and virtual reality, private and public sector interests, regulatory models*

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## Introduction

The world is on the brink of an all-encompassing technological and social revolution moving with exponential velocity. Innovative technological trends such as Artificial Intelligence (AI), the Internet of Things (IoT), robotics, 3D printing, nanotechnology, augmented and virtual reality, emerge and converge, generating the Fourth Industrial Revolution (4IR) (Schwab 2016). This revolution is different than the previous ones due to the extensiveness of its scope and the vitality of its impact on human interaction and identity, distribution, production and consumption systems around the globe. The 4IR is pervasive and non-linear; oftentimes the consequences of emerging technologies cannot be anticipated with certainty. The 4IR is an era where machines learn on their own; self-driving cars communicate with smart transportation infrastructure; and smart devices and algorithms respond to and predict human needs and wants.

In order to optimally leverage the 4IR for societal benefits, we need governance frameworks, protocols and policy systems that ensure inclusive and equitable benefits for all. The 4IR exists in a social setting and not just as a disruptive business case. Societies need to design regulatory approaches that are not only human-led and human-centered, but also nature-led and nature-centered. Balance needs to be struck between *societal and public interests*, such as human dignity and identity, trust, nature preservation and climate change, and *private sector interests*, such as business disruptiveness and profits. As novel business models such as fintech<sup>4</sup> and the sharing economy<sup>5</sup> emerge, regulators are faced with a host of challenges that range between rethinking traditional regulatory models, coordination problems, regulatory silos, and the robustness of dated rules.

Undeniably, a complex web of regulations would impose prohibitive costs on new entrants into markets led by development of emerging technologies. Global digital talent is concentrated in developed countries and in the hands of a few large firms. Imposing cumbersome compliance costs with a robust system of regulations would lead to a situation where only large firms could afford to

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<sup>4</sup> Financial technology (Fintech) is used to describe new tech that seeks to improve and automate the delivery and use of financial services. At its core, fintech is utilized to help companies, business owners and consumers better manage their financial operations, processes, and lives by utilizing specialized software and algorithms that are used on computers and, increasingly, smartphones. Fintech, the word, is a combination of “financial technology”. J. Kagan, What is Financial Technology – Fintech, Investopedia, 2019 [<https://www.investopedia.com/terms/f/fintech.asp>].

<sup>5</sup> The sharing economy is an economic model defined as a peer-to-peer (P2P) based activity of acquiring, providing, or sharing access to goods and services that is often facilitated by a community-based on-line platform. Most notorious examples are Uber and AirBnB. J. Chappelow, Sharing Economy, Investopedia, 2019 [<https://www.investopedia.com/terms/s/sharing-economy.asp>].

comply. This reinforces the need to build flexible and dynamic regulatory models to respond to the changes and optimize their impact (Bathae 2018).

Emerging technologies might lead to unforeseeable outcomes absent clear regulations and ethical guidelines. This risk is exacerbated by the fact that novel technologies can be used by private individuals or non-state actors more easily. These technologies can have damaging repercussions in the field of data privacy, information and cyber security, providing hackers with ways to access sensitive personal data, hijack systems or manipulate devices that are connected to the Internet (Al-Rodhan 2014).

This paper will highlight the unique regulatory challenges posed by emerging technologies in the 4IR: the unpredictable nature of business models that rely on emerging technologies; the importance of data ownership, control, privacy and security; and the AI conundrum. The paper then will proceed in defining and providing a set of 4 principles to guide the future of regulation in the 4IR: innovative and adaptive regulation, outcome-focused regulation, evidence-based regulation, and collaborative regulation.

## **1. Regulatory challenges in the Fourth Industrial Revolution era**

Can regulators keep up with fintech? “Your Apps Know Where You Were Last Night, and They’re Not Keeping It Secret.” “Regulators scramble to stay ahead of self-driving cars.” “Digital health dilemma: Regulators struggle to keep pace with health care technology innovation.” Headlines like these have been a central challenge to regulators across the globe.

Traditional regulatory structures are complex, fragmented, risk averse, and adjust slowly to shifting social circumstances, with various public agencies having overlapping authority. In contrast, a unicorn startup can develop into a company with global reach in a matter of a couple of years, if not months. For instance, Airbnb went from start-up in 2008 to a Silicon Valley unicorn in 2011 valued at a billion dollars, based on \$112 million invested by venture capitalists (Agence France-Presse 2018).

Emerging technologies are multifaceted and transcend national boundaries. Since there are no global regulatory standards, coordinating with regulators across borders is a challenge. This chapter presents the most salient issues related to regulation of emerging technologies: the unpredictable nature of business models that rely on emerging technologies; the importance of data ownership, control, privacy and security; and the AI conundrum.

### 1.1. The unpredictable nature of business models that rely on emerging technologies

Products and services that have embedded emerging technologies' solutions evolve quickly and shift from one regulatory category to another. For example, if a ride-hailing company begins delivering food, it can fall under the jurisdiction of health regulators. If it expands into delivering drone services, it will fall under the purview of aviation regulators. If it uses self-driving cars for passengers, it may come under the jurisdiction of telecommunications regulators. Maintaining consistency in regulations is difficult in the sharing economy where the lines between categories and classification of services and products are often blurred.

An illustrative example in this regard is Airbnb.<sup>6</sup> Regulators around the world have been wondering if they should regulate Airbnb as a real estate service, and thus subject the company to property regulations. Recently, Airbnb has won a court battle in the European Union (EU) that affects how the company is regulated in the future. The EU's Court of Justice has ruled that Airbnb should not be considered an estate agent but an "information society service," meaning it can avoid certain responsibilities and continue operating as an e-commerce platform (Porter 2019).

Uber<sup>7</sup> faced a similar predicament, and in 2017 the EU Court of Justice ruled that the company is a transportation service, and not a platform. The Court ruled that the difference between Uber and Airbnb is in the level of control exercised by Airbnb over the services hosted on its platform. Unlike Uber that has controlled pricing and automatically paired up sellers and customers, Airbnb has allowed property owners to set their own prices and rent their homes using other channels.

The evolving, interconnected nature of disruptive business models can also make it difficult to assign liability for the harm done. For example, if a self-driving car crashes and kills someone, who is going to be held liable – the system's programmers, the driver behind the wheel, or the car's manufacturer, or the manufacturer of the vehicle's onboard sensory equipment? The general inclination across different jurisdictions has been towards assigning strict liability (Villasenor 2019; Opitz 2019) for the damage caused by emerging technologies,

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<sup>6</sup> Airbnb, Inc. is an online marketplace for arranging or offering lodging, primarily homestays, or tourism experiences. The company does not own any of the real estate listings, nor does it host events; it acts as a broker, receiving commissions from each booking, at <http://www.airbnb.com/>.

<sup>7</sup> Uber Technologies, Inc., commonly known as Uber, is an American multinational ride-hailing company offering services that include peer-to-peer ridesharing, ride service hailing, food delivery, and a micromobility system with electric bikes and scooters, at <https://www.uber.com/>.

under certain circumstance, such as use of these technologies in public spaces (e.g., drones, self-driving cars) (European Commission 2019).

The legal concept of liability is challenged even more by the concept of reinforcement learning, a training method that allows AI to learn from past experiences. Imagine a scenario where an AI-controlled traffic light learns that it is more efficient to change the light one second earlier, and this leads to more drivers running the light and causing more accidents. In this particular example, human control is several times removed, hence making it difficult for regulators to assign liability.

3D printing is another emerging technology that challenges the traditional legal concept of liability. If a 3D house crashes down, who is to blame – the supplier who supplied the design, the manufacturer who 3D printed the house parts, or the manufacturer of the 3D printer?

Blockchain and its decentralized nature present different type of concern to regulators. Even though blockchain applications have been praised for their security and immutability, their anonymous and decentralized nature is a novel challenge for regulators around the globe. An illustrative example in this regard is the cyberattack of the Decentralized Autonomous Organization (DAO), a decentralized investment fund running on Ethereum, a blockchain platform. DAO's creators intended to build a democratic financial institution whose code would eliminate the need for human control and oversight. However, in 2016 a hacker took advantage of a flaw in DAO's code and stole \$50 million of virtual currency. The hacker has not been identified yet, and due to the decentralized nature of the system liability cannot be assigned to anyone or anything (Finley 2016).

## **1.2. The importance of data: ownership, control, privacy and security**

The rising use of smartphones, security cameras, connected devices, and sensors has created a massive digital footprint and data overload. An illustration of data can be seen in the case of a self-driving car which is expected to churn out 4,000 gigabytes of data per day. People's lives can benefit greatly when decisions are informed by pertinent data that reveal hidden and unexpected connections and market trends. For instance, identifying and tracking genes associated with certain types of cancer can help inform and improve treatments. However, ordinary people, oftentimes unaware, bear many of the costs and risks of participating in data markets. In many jurisdictions, the so-called data brokers are amassing and selling personal data, and this is a perfectly legal practice.

The data economy brings along disruptive changes propelled by emerging technologies such as AI and machine learning. For instance, human bankers are

already replaced by AI and big data. Many fintech lending startups have started using alternate data sources, and traditional insurance companies are following suit. Regulators are struggling in providing guidelines in this area that would enable the financial industry to innovate, and at the same time protect consumers from bias and discrimination. The New York's Department of Financial Services has released new guidelines (Baron 2019) that will allow life insurance companies to use customers' social media data to determine their premiums (as long as they do not discriminate) (Lau and Akkaraju 2019).

From a regulatory point of view, the crux of the question is who has access and control over all this data. Is it the government, the users, or the service providers who store the data? From a legal perspective, data per se cannot be owned, and there is no legal system that offers ownership of raw data (Kerry and Morris 2019). If the service provider has access to personal information, what obligation does it have to store and protect it? Can personal data be shared with third parties, so-called data brokers? Can a car manufacturer charge a higher price to car buyers who refuse to share personal data?

There is no global agreement on data protection, and regulators around the globe take very different, oftentimes conflicting, stances in regulating data within their national borders. For instance, the EU's General Data Protection Regulation (GDPR) (European Commission 2019), as one of the most prominent regulatory instruments in data protection, provides for the principle of privacy, strict controls over cross-border data transmissions, and the right "to be forgotten". The GDPR will likely influence other countries in revising their data protection legislation. The GDPR is already having an extraterritorial grasp in the private sector's data transactions across borders. Global companies are revising privacy policies in compliance with the GDPR, and content websites outside Europe have already started denying access to European consumers because they could not ensure compliance with the GDPR.

Unlike the EU approach, the US approach has been more segmented and focused on sector-specific rules (e.g. health care, financial, and retail) and state laws. In the US, it is not unusual for credit card companies to know what their customers consume. For instance, Uber knows where its customers go and how they behave while taking the drive. Facebook knows if its users like to read CNN or Breitbart News. These differences in regulatory approaches stem from different cultural approaches to the issue of privacy. In the EU, the right to privacy, and the right to have personal data protected, are fundamental rights guaranteed by the EU Charter of Fundamental Rights (European Parliament 2000). The EU has an umbrella data protection framework that does not differentiate between data held by private or public actors, with only a few exceptions (e.g. national securi-

ty). By contrast, in the US the right to privacy is not considered a fundamental right. The right to privacy is counter-balanced by strong rights to free speech and freedom of information. Nevertheless, even in the US, some cities and states have started regulating privacy following the EU's GDPR model.

Privacy of public data is usually protected through anonymization. Identifiable things such as names, phone numbers, and email addresses are stripped out. Data sets are altered to be less precise, and “noise” is introduced to the data. However, a recent study by Nature Communications (Rocher, Hendrickx, and De Montjoye 2019) suggests that anonymization does not always equate privacy. Researchers from Imperial College London and the University of Louvain have developed a machine-learning model that estimates how easy individuals can be re-identified from an anonymized data set by entering their zip code, gender, and date of birth. On average, in the US, using those three records, you could be correctly located in an “anonymized” database 81% of the time. Given 15 demographic attributes of someone living in North Carolina, there's a 99.98% chance you could find that person in any anonymized database (Jee 2019).

Another key regulatory challenge in the era of emerging technologies is information security and cybersecurity. Cybersecurity is particularly important in areas such as fintech, digital health, digital infrastructure, and intelligent transportation systems where private, sensitive data can be compromised. Take for instance the case of self-driving cars that need to communicate between themselves and the transport infrastructure. Designers and manufacturers of self-driving cars should take necessary precautions to ensure that the system is not overtaken by hackers who might try to steer the vehicle into causing accidents, or to manipulate traffic lights in order to disrupt traffic (Fenwick, Kaal, and Vermeulen 2017).

### **1.3. The AI conundrum**

AI presents one of the most difficult challenges to traditional regulation. Three decades ago, one could think of a software being programmed. But the way to think about it in terms of shifting to an AI environment is that the software is not programmed anymore, it is trained. This is the main differing factor between programming and training. Today, we are dealing with networks of information that often have surprising capacities. AI is not organic intelligence, and it does not behave by following the same rules which humans abide by. AI is not simply replacing human activities external to human bodies; it is also replacing human decision-making inside human minds. AI itself is not one technology, or even one singular development. It is a bundle of technologies whose mode of decision-making is often not fully understood even by AI developers.

AI solutions can help address key global challenges and deliver significant benefits. However, AI also generates challenges related to inequality, privacy, and discrimination. Self-learning algorithms already anticipate human needs and wants, govern our newsfeeds, and drive our cars. How can we ensure that this technology benefits people widely? If AI and autonomous machines are to play a key role in our everyday lives, what sort of normative and ethical frameworks should guide their design?

It is very difficult to relate something as technical as AI to a robust regulation. On one hand, most regulatory systems require transparency and predictability, on the other most lay people do not understand how AI works. The more advanced certain types of AI become, the more they become “black boxes”, where the creator of the AI system does not really know the basis on which the AI is making its decisions. Accountability, foreseeability, compliance, and security are questioned in this regard (Stankovic, Gupta, Rossert, Myers, and Nicoli 2017).

*a. The “black box” problem*

AI algorithms make strategic decisions, from approving loans to determining diabetes risk. Often these algorithms are closely held by the organizations that created them, or are so complex that even their creators cannot explain how they work. This is AI’s “black box”—the inability to see what is inside an algorithm.

This problem has been exacerbated by the fact that regulators around the globe deploy algorithms for scoring systems to make decisions on sentencing, enforcement, and delivering social services to citizens. A study conducted by the AI Now Institute at NUY states that many of those systems are opaque to the citizens they hold power over (Richardson, Schultz, and Southerland 2019). Regulators have already started enacting regulations (algorithm accountability laws) that try to curtail the use of automated decision systems by public agencies. For instance, in 2018 New York City enacted a local Law in relation to automated decision systems used by agencies (Local Law 2018). The Act created a task force to recommend criteria for identifying automated decisions used by city agencies, a procedure for determining if the automated decisions disproportionately impact protected groups. However, the law only permits making technical information about the system publicly available “where appropriate” and states that there is no requirement to disclose any “proprietary information” (Kelly and Chae 2019).

Some experts have suggested making algorithms open to public scrutiny. Many are not made public because of nondisclosure agreements with the companies that developed them. The EU GDPR requires companies to be able to explain how algorithms using the personal data of customers work and make decisions – the right to explanation. However, since this right has been mentioned

in the Recital 71 of the GDPR many scholars point out that it is not legally binding (Hosanagar and Jair 2018). Article 22 of the GDPR states that EU citizens can request that decisions based on *automated processing* concerning them or significantly affecting them and based on their personal data are made by natural persons, not only by computers. You also have the right in this case to express your point of view and to contest the decision.<sup>8</sup>

Another illustrative example of AI's black box in decision making is the case of using automated systems in recruitment and selection. Companies such as Goldman Sachs and Unilever have used a hiring technology developed by the startup HireVue (Chandler 2017) that analyzes job candidates' facial expressions and voice to advise hiring managers (Chandler 2017). It has been feared that using AI in hiring will re-create societal biases. This is compounded by the fact that the algorithm is a property of HireVue and its functioning and decision-making principles are kept secret from the public (Tech Policy 2019). However, regulators have already started tackling these legal conundrums. For instance, the new Illinois Artificial Intelligence Video Interview Act (Public Act 2020) aims to help job candidates gain insight into how these hiring tools operate. According to this Act companies must notify applicants that AI will be used to consider applicants' "fitness" for a position. Companies should also elaborate on how these systems operate and what characteristics are considered when evaluating candidates. The companies must also enable candidates to consent to using automated hiring systems. The Law also limits who can view the recorded video interviews and mandates that firms must delete any video submitted by an applicant within a month of the applicant's request (Heilweil 2020).

### *b. Algorithmic bias*

In a perfect world, using algorithms should lead to unbiased and fair decisions. However, many algorithms have been found to have inherent biases. AI systems can reinforce what they have been taught from data. They can amplify risks, such as racial or gender bias. Even a well-designed algorithm must make decisions based on inputs from a flawed and erratic reality. Algorithms can also make judgmental errors when faced with unfamiliar scenarios. This is the so-called artificial stupidity. Many such systems are "black boxes", the reasons for their decisions are not easily accessed or understood by humans—and therefore difficult to question, or probe. The fact that private commercial developers generally refuse to make their code available for scrutiny, because the software is considered proprietary intellectual property, is another form of non-transparency.

<sup>8</sup> [https://ec.europa.eu/info/law/law-topic/data-protection/reform/rights-citizens/my-rights/what-are-my-rights\\_en](https://ec.europa.eu/info/law/law-topic/data-protection/reform/rights-citizens/my-rights/what-are-my-rights_en)

In 2016, ProPublica analyzed a commercially developed system that predicts the likelihood that criminals will re-offend, created to help judges make better sentencing decisions, and found that it was biased against people of color. (Angwin, Larson, Mattu, and Kirchner 2016).

Facial recognition algorithms have been proven to be biased when detecting people's gender. These AI systems were able to detect the gender of white men more accurately than gender of darker skin men. Similarly, Amazon's hiring and recruitment algorithm taught itself to prefer male candidates over female. The system was trained with data collected over a 10-year period that came mostly from male candidates (Dastin 2018).

Several US cities, such as San Francisco and a few other communities have banned their police departments from using facial recognition (Metz 2019). The city council of Denver is also considering a facial recognition ban. Advocates of the regulation recently demonstrated that all nine members of the council could be matched to individuals on the local sex offender registry with 92% accuracy (Porter 2020; Johnson 2020). Humans make snap judgements about the people they meet for the first time. Our initial perception of a person may not always be correct. This is an issue faced by facial recognition which is still in its nascent stages. A group of Melbourne based researchers asked human volunteers to judge thousands of photos for the same characteristics and then used that dataset to create Biometric Mirror. Biometric Mirror uses an AI to analyze a person's face by scanning his or her face and later displays 14 characteristics about them, including their age, race, and perceived level of attractiveness. However, this analysis is more often than not false, as the AI generates this based on the subjective information provided to it by the initial human volunteers. This poses many challenges, as the AI can discriminate in unethical or problematic ways which could have societal consequences (Houser 2018).

Legitimate news and information are sometimes blocked, illustrating the weaknesses of AI in determining what is appropriate. For instance, Facebook blocked a 1972 Pulitzer Prize winning photo of a Vietnamese girl because of nudity. The company was accused of abusing its power and the photo was later reinstated. These examples have led to a growing argument that IT firms posting news stories should be subject to regulations similar to those that media firms face.

Deepfakes<sup>9</sup>, computer-generated and highly manipulated videos or presentations, present another significant problem. Some governments have started

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<sup>9</sup> Deepfake is a term for videos and presentations enhanced by AI and other modern technology to present falsified results. One of the best examples of deepfakes involves the use of image processing to produce video of celebrities, politicians or others saying or doing things that they never actually said or did. [<https://www.techopedia.com/definition/33835/deepfake>].

regulating them. For instance, China has made it a criminal offense to publish deepfake videos created with AI or virtual reality. From January 2020 any deepfake video or audio recording should be clearly designated as such, otherwise content providers, which are expected to police the system, together with offending users will be prosecuted (Statt 2019). Facebook has issued a ban on users using deepfakes, in an attempt to stop the dissemination of misinformation in the upcoming 2020 US presidential election (Harwell 2019). The problem with this policy is that it does not prohibit all computer manipulated videos; for instance, the policy did not address a deceptively edited clip of the US House Speaker Nancy Pelosi that went viral on the social network in 2019. The video was sent by Facebook for review to a third-party fact-checker who rated it as “false,” and de-ranked it in News Feeds, without removing it (Romm, Harwell, and Stanley-Becker 2020).

An Orwellian scenario of algorithmic bias in regulation would require every citizen to get a social score, based on a set of values. The government services that citizens receive will be based on this score. Such a system is set to become fully operational in China in 2020 (Lau and Akkaraju 2019). The aim is for every Chinese citizen to be trailed by a file compiling data from public and private sources by 2020, and for those files to be searchable by fingerprints and other biometric features. Under the national social credit system people would be penalized for the crime of spreading online rumors, among other offenses, and that those deemed “seriously untrustworthy” can expect to receive substandard services.

### *c. The poor people problem in regulating AI*

Poorer countries face a novel set of challenges in regulating AI and other emerging technologies. Most of the standards and principles used in regulating AI are conceived and set by developed countries. This may result in suboptimal allocation of resources in less developed countries. For instance, the production of self-driving vehicles may require safety standards that make the cars too expensive for less developed countries’ markets. Connectivity and access to new technologies remain unattainable for many people living in less developed countries, who are unable to benefit from the opportunities offered by emerging technologies due to weak connectivity, high access costs to the digital economy, and low levels of human capital development. Due to weaker governance and regulatory systems, poorer countries may not have the resources to protect themselves against hacking, deepfakes, algorithmic bias, invasion of privacy, and black boxes in the AI systems. Countries with weaker governance may also lack strong and well-informed institutions to protect against authoritarian

abuse of AI devices, such as automated social score ranking systems and use of facial recognition technology. Moreover, the low “datafication” of developing countries’ economies and the unavailability of big data might make it useless to deploy AI capabilities to analyze data. With non-existent or outdated legal systems, many poorer countries are also not up to the task of having efficient enforcement systems of cybercrime laws.

## **2. Regulatory principles in the Fourth Industrial Revolution era**

### **2.1. Innovative and adaptive regulation**

Traditional regulatory models are time consuming and robust. It takes months and sometimes years to draft new regulations in response to market developments and technology push. This needs to change. The modern regulatory models are innovative and collaborative. They rely on trial and error and co-design of regulation and standards, and have shorter feedback loops. Regulators can seek feedback using a number of “soft-law” innovative instruments such as policy labs, regulatory sandboxes, crowdsourcing, codes of conduct, best-practice guidance and self-regulation. Soft-law instruments accommodate changes in technology and business models, and allow regulators to address issues without stifling innovation (Eggers, Turley, and Kishnani 2018) (European Commission 2012).

#### *a. Regulatory Sandboxes*

A regulatory sandbox is a safe space for testing innovative products and services without having to comply with the applicable set of regulations. The main aim of regulators that establish sandboxes is to foster innovation by lowering regulatory barriers and costs for testing disruptive innovative technologies, while ensuring that consumers will not be negatively affected. The concept of regulatory sandboxes, and any other form of collaborative prototyping environment, builds on the tradition of open source software development, the use of open standards and open innovation (Wintermeyer and Markova 2017).

Regulatory sandboxes are created by regulators around the globe. Examples are abundant. Japan introduced a regulatory sandbox in 2018 where foreign and domestic firms and organizations are able to demonstrate and experiment with new technologies such as blockchain, AI and IoT in financial services, health-care and transportation. These sandbox experiments also take place in virtual spaces, rather than being limited geographical regions like Japan’s National Strategic Special Zones. Sandboxes are a means through which new businesses are assessed, after which the government can introduce deregulation measures (JapanGov 2019). An illustrative example of an innovative regulatory sandbox

is Michigan's MCity, an autonomous transportation regulatory testbed where large-scale deployment would be dangerous but controlled experiments can provide useful insights for companies and regulators.<sup>10</sup>

Public agencies are also taking innovative approaches to regulating drones. For instance, the US is piloting a sandbox approach for drones. Beginning in 2017, the Unmanned Aircraft System (UAS) Integration Pilot Program has brought state, local, and tribal governments together with private sector entities, such as UAS operators or manufacturers, to accelerate safe drone integration. The Federal Aviation Administration has chosen 10 public-private partnerships to test drones. The pilot programs test the safe operation of drones in a variety of conditions which are currently forbidden, such as flying at night or beyond line of sight of operators, allowing companies to test applications including medical equipment delivery, monitoring oil pipelines, and scanning the perimeter of an airport (Meyers, Eggers 2019).

Singapore established a 5-year regulatory sandbox for self-driving cars in 2017, effectively turning the whole city-state into a test zone for the technology (Yu 2017). Also, the Government of Taiwan has created regulatory sandboxes for unmanned vehicles, vessels and drones in addition to its legislative efforts to harmonize drone regulations under the existing Civil Aviation Act. According to the Unmanned Vehicles Technology Innovation Experimentation Act, the Government of Taiwan will allow a period of up to four years for possible de-regulation to encourage start-ups and enterprises to conduct innovative experiments related to technological development of unmanned vehicles, vessels and drones (Shay 2019). The concept of regulatory sandboxes has also been criticized for the potential of creating market distortions and unfair competition by the possibility of regulators becoming too close with and protective of the regulatory sandbox participants.

#### *b. Policy Labs*

A policy lab is a group of actors that have various competencies in developing a regulatory framework. They deploy a set of user-centric methods and competencies to test, experiment and learn to develop new policy solutions.<sup>11</sup> In the US, some states and local government have already established policy labs in order to partner with academia and make use of their administrative data to evaluate and improve programs and policies, while safeguarding personal privacy. The policy labs provide technical infrastructure and governance mechanisms to help governments gain access to analytical talent, these data labs are helping

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<sup>10</sup> <https://mcity.umich.edu/>

<sup>11</sup> <https://www.vinnova.se/en/m/Smart-policy-development/what-is-a-policy-lab/>

to convert data into insights and driving more evidence-based policymaking and service delivery (Feldman and Goldsmith 2017).

## 2.2. Outcome-focused regulation

Outcome-focused regulation is a set of rules that prescribe achieving specific, desirable and measurable results, unlike traditional regulatory models that are prescriptive and input based.<sup>12</sup> This offers the private sector greater flexibility in choosing its way of complying with the law. Outcome-focused regulations stipulate positive outcomes that regulators want to encourage. For instance drone regulation can be prescriptive and focus on inputs: “One must have a license to fly a drone with more than xx kilowatts of power (not very helpful)”, or it can be outcome-based and focus on effects: “One cannot fly a drone higher than 400 feet, or anywhere in a controlled airspace (better)” (Eggers, Turley, and Kishnani 2018). The real benefits of emerging technologies lie in their ability to interconnect and converge. For instance, blockchains can be used to secure data generated through IoT enabled devices, or machine learning models can be used to amplify the abilities of human bankers. Innovators need enough space to innovate for such interconnections to happen, and outcome-focused regulation can provide this.

### *a. Fostering iterative regulatory approaches*

It is important that regulators deploy iterative regulatory approaches by revisiting existing rules and ensuring the regulations remain agile and adaptable to changing technologies. For instance, Singapore has adopted progressive regulations for the testing of self-driving vehicles, due to its high population density and limited space to expand. In 2017, Singapore modified its road traffic law to accommodate “automated vehicles’ technologies and their disruptive character. In order to ensure that regulations remain agile the rules will remain in effect for five years, and the government has the option to revise them sooner. The autonomous vehicles testing falls under the purview of a single agency, the Land Transport Authority, thus eliminating the possibility of patchy oversight and different agencies and rules regulating the automated vehicles field. The authority actively partners with research institutions and the private sector to facilitate pilots of autonomous vehicles (Pankratz, Nuttall, Eggers, and Turley 2018). On the other hand, many developing countries are lagging behind in fostering innovative, iterative and outcome-focused regulation of emerging technologies. For instance, autonomous vehicles adoption in Mexico currently faces a range

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<sup>12</sup> <https://www.inspection.gc.ca/about-the-cfia/acts-and-regulations/safe-and-responsive-regulatory-framework/outcome-based-regulations/eng/1545927831816/1545927832066>

of barriers, with a lack of specific regulations, no active tests and little industrial activity (KPMG International 2018)

### **2.3. Evidence-based regulation**

Evidence-based regulation is a modern regulatory model that is data-driven and risk-based. It is a dynamic and based on real-time data flows between the private sector and regulators. The data could then be compared with regulations to decide whether a firm is in compliance. Firms in compliance would be listed as *safe*, and if not, the data systems could produce a set of action items to meet the standard.

The first capital city in the world to regulate ridesharing was Canberra in Australia. Before the service had begun, and Uber signaling its intention to enter the local market prompted the local government to take a systematic and evidence-based approach in reforming the ridesharing sector. The ridesharing business model differs from the traditional taxi industry in terms of risk. The additional information that is available to both drivers and passengers through the booking service, such as rank and hail work by taxis, significantly reduces the risk involved with anonymous transactions. Additionally, a reputation rating system provides an incentive for drivers and customers alike to behave respectfully. By integrating of a booking system and payments, payment risks such as cash handling and non-payment have been minimized. The City of Canberra designed a new regulatory framework that is adaptable to new technologies by taking into account the approach to risk from different business models. It further anticipated the emergence of novel business models, such as fleets of automated vehicles providing on-demand transport. The designed system does not regulate individual business, but it provides a regulatory framework and promotes fair treatment of different business models, thus making the framework more flexible (Guiding Principles 2017). The Government formally monitors the outcomes of the new regulatory framework through the collection of qualitative and quantitative data on industry changes, including customer outcomes and impacts on various stakeholders. This data is used by an ACT to analyze changes in supply and demand and in the quality of services delivered to consumers. This evaluation is intended to be used to see if the industry is experiencing change that is in line with the modelled forecasts and to determine whether further actions are required (ABC News 2015).

Open data has also been used by regulators to complement their own data. A regulator in the case of digital health software could monitor products through publicly available data on software bugs and error reports, customer feedback, software updates, app store information, and social media.

Once the data flows are integrated, this part of the regulatory process can be automated. Enforcement can become dynamic and reviewing and monitoring can be built into the system. For example, the City of Boston which inspects every restaurant in order to monitor and improve food safety and public health. These health inspections are usually random, which can increase time spent at restaurants that have been following the rules carefully, thus missing opportunities to improve health and hygiene in restaurants with food safety issues. In Boston, the search for health code violations is narrowed down through the use of a winning algorithm which uses data generated from social media. These algorithms detect words, phrases, ratings and patterns that allows them to predict violations, thus helping public health inspectors execute their working duties better and more efficiently. This algorithm could allow the City of Boston to catch the same number of health violations with 40 percent fewer inspections, by simply better targeting city resources at dirty-kitchen hotspots. As of 2017, these winning algorithms have been employed by the City of Boston and have found 25 percent more health violations, as well as surfacing around 60 percent of critical violations earlier than before. The city has been able to catch public health risks sooner and to get a smarter view of how to utilize scarce public resources by taking advantage of past data and combining it with new sources of information.<sup>13</sup> Moving to a “cloud computing model of regulation” in which scalability is built into the regulatory model could be the way forward. For instance, if a company’s product or service is targeting only a handful of uses, it might receive fewer checks as its potential adverse impacts could be limited. Only after that company has grown would it be faced with a more thorough investigation (Eggers, Turley, and Kishnani 2018).

A Pre-Cert pilot program for digital health developers that demonstrate a culture of quality and organizational excellence based on objective criteria (e.g. software design, development, and testing) has been created by the US Food and Drug Administration. This Program has been envisioned as a voluntary pathway embodying a regulatory model that is tailor-made assessing the safety and effectiveness of software technologies without inhibiting patient access to these technologies (US FDA 2018). This is in stark contrast to the current regulatory paradigm. Because software as a medical device allows for product to be adaptable and can respond to glitches, adverse events, and other safety concerns quickly, the FDA has been working to establish a regulatory framework that will be equally responsive when issues arise in order to help consumers continue to have access to safe and effective products. The idea behind this is to allow the FDA to accelerate time to market for lower-risk health products and focus

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<sup>13</sup> <https://www.drivendata.org/competitions/5/keeping-it-fresh-predict-restaurant-inspections/>

its resources on those posing greater potential risks to patients. This will allow pre-certified developers to market lower-risk devices without an additional FDA review, or with a simpler market review, as the FDA monitors the performance of these companies continuously, with real-world data (Eggers, Turley, and Kishnani 2018).

#### **2.4. Collaborative regulation**

This *ecosystem approach* - when multiple regulators from different nations collaborate with one other and with those being regulated - can encourage innovation while protecting consumers from potential fraud or safety concerns. Private, standard-setting bodies and self-regulatory organizations also play key roles in facilitating collaboration between innovators and regulators. One way forward is being developed by the Asia-Pacific Economic Cooperation (APEC) forum through Cross-Border Privacy Rules (CBPR) system, serving as a mechanism that fosters trust and facilitate data flows amongst participants. A key benefit of the APEC regime is that it enables personal data to flow freely even in the absence of two governments having agreed to formally recognize each other's privacy laws as equivalent. Instead, APEC relies on businesses to ensure that data collected and then sent to third parties either domestically or overseas continues to protect the data consistent with APEC privacy principles. The APEC CBPR regime also requires independent entities who can monitor and hold businesses accountable for privacy breaches (Meltzer and Lovecock 2018). The U.S.-EU Privacy Shield is another example of how interoperability between the EU approach to privacy and the U.S. accountability-approach might be achieved. In this regard, Privacy Shield avoids countries (in this case the U.S.) having to adopt a top-down privacy regime akin to the EU's GDPR. Instead, Privacy Shield allows a subset of businesses in a given country to agree to a particular privacy regime in order to be deemed equivalent by the EU. This enables the free flow of personal data between the EU and the business participating in Privacy Shield (Meltzer and Lovecock 2018). For those countries party to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the commitments on privacy in the e-commerce chapter provide another framework for integrating privacy, trade, and cross-border data flows (Meltzer and Lovecock 2018).

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## INTERSTITIALITY: TOWARDS A POST-ALTHUSSERIAN THEORY OF TRANSITION

### Abstract

*The aim of this paper is to give some insights in order to make the theoretical construction of the concept of interstitiality possible in Marxist theory. For this reason, it is worth to examine how, after reflecting on the crisis of Marxism in the late 1970s, and after being confronted with the failure of social projects directed by the state, Louis Althusser elaborates the elements for an “aleatory” conception of historical passages which goes beyond any deterministic and teleological model of transition, to think the passage beyond capitalism not as transcendence, nor as development of “innate” potential, but as an “activation” of elements of an ontology of the present.*

**Keywords:** *Marxism, Transition, Interstices*

Comment tourner ses regards vers les époques crépusculaires –  
où le passé se liquidait sous les yeux  
que seul le vide pouvait éblouir –  
sans s’attendrir sur ce grand art qu’est la mort d’une civilisation?  
*Précis de Décomposition, E. M. Cioran*

### **Prelude: The Oak and the Donkey**

Let me begin with a short fairy tale. Althusser was told that Lenin himself had told this story during his exile in Switzerland. I don’t know if it is actually an ancient Russian fairy tale, and I don’t know if Lenin really told it. Anyway, it’s about an oak tree and a donkey. We are in a small Russian village amidst the countryside. Terrible blows at his door awaken the old Anton overnight. He gets up and goes to see, and finds a young man, Grigorij, who cries to him: “A horrendous thing has happened! Come and see!” The old man does not want to face the cold of the winter night, but at last he goes out and sees a magnificent oak-tree in the middle of a vast and empty field. The young man then says: “Look, somebody has tied my oak to a donkey!” But the old man replies: “Grig-

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orij, you are crazy, you just have to change your mind: nobody has tied your oak to the donkey, it is the donkey that is tied to your oak! You just have to think in a different way!”<sup>2</sup>

## 1. Marxist Transitions

Twentieth century Marxism initially used the concept of “transition” in the light of the political issues raised after Soviet Revolution. A set of topics and approaches to the transition from the capitalist mode of production to the socialist one was needed. In a perspective way, transition from socialism to communism was at stake, although in the long term. After the explosion of the post-colonial liberation movements, another critical topic arose, concerning the very possibility of a “transition” in a context that was not at all the one that former Marxist theory presupposed. A vast theoretical debate arose: how to conceive the passage from one political-economic system to another? How to understand the dynamics which make possible the passing of an old worldliness into a new one? Is a comprehensive theory of history possible?

In classical Marxist representation of the transition beyond capitalism, the contradiction between the capitalist class and the working class, between the owners of the means of production and the workers who have nothing but their labor force has to be concluded by the overcoming of capitalism.<sup>3</sup> History, the transformative process shaped by the establishment of different relations of power in the sphere of production, results in a dualism which opposes one class against the other, the people against the ‘oligarchy’, the workers against the ‘command’ of capital. Transition would be possible as liberation of the exploited class, through the expropriation of the expropriators. In essence, the transformation of society and the transition from one mode of production into another, would be the resolution of the main contradiction of history, the fundamental antagonism between productive forces. History was supposed to be intimately dialectic, and to advance through negation of negation: a formerly dominated class becomes the dominant one, and this until the dominated “free” labourer on the industrial manufacture became the leader the other subaltern in the struggle for the overcoming of capitalism and the termination of any form of domination. In any case, a fundamental binary opposition orders and governs

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<sup>2</sup> A version of this fairy tale is published in the “Prelude: Grucha’s donkey”, see *How to be a Marxist in Philosophy*, ed. and trans. by G. M. Goshgarian (Althusser 2017, 7-8).

<sup>3</sup> We always violate history and justice, when depicting “classical” Marxism as such. I ask reader to allow me to be so unfair. A more sophisticated account of this “level zero” Marxist theory has to be found in Laclau & Mouffe 1985, when they trace back the genealogy of the concept of hegemony.

the others. Each social contradiction may be reduced to the fundamental one, and that one polarizes all conflicts that take place in different spheres of society.

On order to adapt the deterministic presumptions of “classical” Marxism to the actual development of historical facts, since its early formulation by Trotsky, the theory of “uneven and combined development” became part of Marxist conceptual apparatus. Originally formulated to give an account of Russian and European context, it became one of the tenants of “Third World” Marxist theory, and which gave rise to the so-called “Un-equal exchange Theory” (Emmanuel 1972), and later to the World-System Theory (Wallerstein 1974). These approaches try to articulate diachronic elements, like finalism (structurally contained in every theory of “development”), and synchronic elements, like the analysis of the present distribution of labour-power across the world. At its very beginning, uneven and combined theory was intended to explain the simultaneous presence of different social-economic formations, more or less “advanced”, each one situated at a particular “stadium” of history. In one sense, it represented the effort to explain the non-contemporaneity of the contemporary world. A second-wave “evolution” of theory beyond finalism has to be found in post-colonial theorists (Spivak 1987, Chakrabarty 2008). A huge contribution they offered in the task of *displace* (which doesn’t necessarily mean reject) the *grand récit* of universalism. Indeed, popular cultural phenomena, like several metropolitan “subcultures” also mediate or melt, in a syncretistic way, symbols and practices deriving from all over the world (namely, in spirituality, wearing, food) in a process of progressive melting and confusing the rigid identities. From a more “economic” point of view, we could hardly talk about any kind of “mundialization”, because the western-centred emergence of capitalism seems to be out of discussion. At the same time, post-Marxist sociologists like Serge Latouche insisted on the existence of “reservoirs” of “informal” economic practices<sup>4</sup>. These economic “couches” are not – according to this approach – reducible to “survivals” of pre-capitalistic stages. They need to be studied as new forms, in which old and new knowledges, discourses and social relations mix up, so that a displaced concept of the “economic” may be derived.

## **2. Althusserian Transitions: From Pleromatic Messianism to Communism “Here and Now”**

After the end of World War II the future seemed to be within reach to many young intellectuals all over the world: in Africa, America, Asia, Europe. It seemed one just had to catch it and help it to get out of the womb of the old dec-

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<sup>4</sup> Latouche and others have developed new economic insights starting from the studies of the French anthropologist Marcell Mauss. For a general sketch of this neo-Maussian wave see <http://www.revuedumauss.com.fr/> [last cons. 30/05/2020].

adent society. Young Louis Althusser, imbued with catholic ideals, had joined the communist Party because he thought that communism was the secular possibility to realize the message of Christ, his messianic promise of a fulfillment of times. In his Hegelian early philosophical conception deeply influenced by French interpreters like Kojève, Koyré, Wahl, and Hyppolite, historical dialectic was dominated by the contrast between “content” and “form”: a young content was imprisoned in an old form. Every historical period could be regarded from two points of view, but in each case one was transient, while the other was incoming. And since the time to full adequacy between form and content could be, according to Hegel, only a result, it could only be placed back to the resolution of the contradiction between content and form. So, the Pleroma is an Eschaton: The Fulfillment is the End of History.

Christ as a symbol of a specific moment of the Phenomenology of Spirit, on one hand; Enlightenment, on the other, kept the attention of the young French philosopher in his reading of Hegel. Jesus was the disruptor of the happy unity of the Greeks, while the *Aufklärung* represented a secularized form of this same consciousness of the disruption of any original unity as consciousness of the *void*. A void, a sense on worthlessness which was perceived not only from a moral, or existential point of view, but became the opening moment for a superior consciousness at a logical and ontological level: Hegel’s discovery of the coincidence of being and nothingness. Moral experience is now sublimated and transvalued. The void nothingness appears with all its ontological facticity. In other words, existentialism and phenomenology (e.g. Jean Wahl) remained prisoners of the unhappy consciousness, Althusser declares to start from it his search for a fully renewed philosophy, with a completely different tenor. He is in search for reconstruction, realization, totalization. That is the meaning of his peculiar “pleromatic” adhesion to communism: An *Aufhebung* of the (simply) moral unhappiness in the seek for a place for the *Erfüllung*, the “fulfilment” of times. This kind of plenitude is interpreted as a result, and not more as a starting point, so it is fully delivered to history. Reconciliation is at reach through the hard trial of the “knowledge of the concept” which synthetises the passage from Hegelian Phenomenology to the summits of Logic. But the real overcoming will be reached through a successive passage by the “misrecognition of the concept”, so in the descent from Logic to the Philosophy of History. And that’s where Althusser meets Communism. Transition is here no more and no less than a messianic “Advent” (Althusser 2006).

Since 1965 Althusser and his disciples proposed a new, “symptomatic” reading of Marx’s *Capital*. Reading into the gaps in the text of *Capital*, in Marx’s “*bevues*” (the slips, the oversights): that was the programmatic effort of Althus-

er and his group in 1965. He and, with more detail, Etienne Balibar, began to develop a different theory of history which had to rest on the solid basis a general theory of modes of production, supposed to be inside the layers of *Capital's* text. The primary sources of this new theory were supposed to be the final part of Book 1, namely the chapters dedicated to "The problem of primitive accumulation", and in some fundamental chapters of Book 3.

At the very end of his paper on "The Object of *Capital*", Althusser put a few pages long appendix "On the 'Ideal Average' and the Forms of Transition". In this brief section two intertwined theoretical problems are pointed out: the problem of the "object" of *Capital*, and the problem of the forms of transition from one mode of production to another. The philosophical framework in which the solution had to be found was – according to Althusser – a "genealogical" effort marked by the refusal of any empiricism. As for the object of *Capital*, the science of history from the view point of a structure dominated by the combination of "free" labour-force and capital, as for the issue of transition, we always have to manage a historical "example" which is not an example at all, but a peculiar "general type". This was the case for England and its particular historical development, used by Marx as an illustration of the process of combining man-power and capital. Althusser gives us in this small note a very interesting correction of his "supposed" blind anti-historicism, when he says:

[I]f we return to the English example, if we compare it with Marx's apparently purified and simplified object, the two-class capitalist mode of production, we have to admit that we must confront a *real residue*: precisely, restricting ourselves to this one pertinent point, the real existence of *other classes* (landowners, artisans, small-scale agriculturalists). We cannot in honesty suppress this real residue merely by invoking the fact that Marx proposed as his whole object only the concept of the specific difference of the capitalist mode of production, and by invoking the difference between the real and the knowledge of it! (Althusser & Balibar 1970, online version)

Despite its theory of "real subsumption", and although he has often insisted on the tendency of capitalism to enter into every aspect of social life; Marx has never argued that a mode of production presents itself in its purest form, or that it is all-pervasive and characterizes all aspects of society. Each different social-economic formation may be defined as a specific "*Verbindung*" (combination) between factors of production and other political, ideological and social layers. Following the same logic, the relations between different and coexistent modes of production have to be thought out in terms of specific, unique combinations. In history no case presents itself in the pure state, and this is true in the case of England, which was nonetheless the example Marx chose to illustrate the

development of industrial capitalism. Every socio-economic formation brings in itself what Althusser provisionally calls “survivals” of other forms of production and subjectivities within the dominant (capitalist) one.

This supposed ‘impurity’ – Althusser follows – constitutes an object relevant to the theory of modes of production: in particular, to *the theory of the transition from one mode of production to another*, which is the same as *the theory of the process of constitution of a determinate mode of production*, since every mode of production is constituted solely out of the existing forms of an earlier mode of production.

He also recognizes that: “Marx did not give us any theory of the transition from one mode of production to another, i.e., of the constitution of a mode of production”, but at the same time his analysis of so-called “primitive accumulation” gives us some materials and fruitful insights for its development. At that time, the political implications which rendered such a theory of transition dramatically necessary were absolutely evident to Althusser: “without it we shall be unable to complete what is called the construction of socialism, in which the transition from the capitalist mode of production to the socialist mode of production is at stake, or even to solve the problems posed by the so-called ‘under-developed’ countries of the Third World”.

But they still had in mind a heroic and self-confident vision of historical transformation: “knowledge of the modes of production considered provides the basis for posing and solving the problems of transition. That is why we can anticipate the future and theorize not only that future, but also and above all the roads and means that will secure us its reality”.

Without wanting to enter in a detailed analysis of the discontinuity or the porosity of the text of *Capital*,<sup>5</sup> I would merely point out the fact that, following Althusser’s account of “primitive accumulation”, it is possible to establish a counter-reading, against deterministic theory of modes of production. Is the concept of interstitiality, built from the Marxian text, useful to attain a different theory of history, which can be worthy for our present time? In this project we cannot neglect the counterpart: say, the persistence in Althusserian school of a fully deterministic – although problematic – conception of the actual dynamics of capitalism once established, as to bring us to a double conception of transition, one to be applied to the “history” of transition from feudalism to capitalism, and the other to be applied to the “science” of the transition from capitalism

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<sup>5</sup> A direct “interstitial” investigation of Marx’s *Capital* is not the object of this paper. In that case, I would consider other texts, in addition to those already mentioned. For example, chapter 12, “Division of labor and manufacture”. The effect of such an analysis, although very embryonal, does not allow us to feel as self-confident as an Althusserian reading of *Capital*.

to socialism the issue Balibar tries to solve in his chapter on the “Elements for a Theory of transition”.

Marx spoke of *dominant* mode of production, implying the existence of several modes of production. Althusser says that contradiction, negation, negation of the negation, *Aufhebung*, are the Hegelian terminology, the philosophical concepts that Althusser obsessively tries to substitute. Indeed, it would be possible to trace back the presence of some concepts that we will find in the very late reflection of Althusser on historical passages (*rencontre*), structure formation (*prise*), and transformation (*passage*).

Since the end of the Seventies, Althusser operates a new dislocation of his thought. Forty years after his joining communism, he recognizes, and dissociate himself from, the eschatological nature of this idea, but at the same time he tries to give a new account of it.

At that dramatic time, Althusser was reasoning upon the crisis of Marxism. He ascribed this crisis, among other things, to some basic weaknesses in the theoretical corpus of Marxism, and to some “limits” of Marx’s thought. Marxism had been unable to explain some fundamental dynamics of contemporary society. In particular, the absence of a coherent theory of the State, which Marx himself had not been able to formulate, and which has to be part of a wider theory of transition, was now an insurmountable problem. Indeed, the state apparatus had become a constituent element of a new static and oppressive social-economic formation, in which capitalism was no longer functioning in its purest form. The laws of capitalist exploitation, also thanks to the claims of mass movements and trade-unions, had for better or worse guaranteed the survival capitalism. The total impoverishment of the working class didn’t take place. Marx’s prediction of the extreme crisis, which was supposed to lead to an overcoming of the existing state of things, turned out to be the occasion for a re-adjustment, an intensification and sophistication of capitalist exploitation. The working class had become an integral part of the complex system that ensured the renewal of capitalism through consumerism (Althusser 1994, 367-537).

At that same time, Althusser was gradually breaking with the French Communist Party. The divorce with the Party in which he militated since 1947 came out publicly in a series of articles published in *Le Monde* newspaper in April 1978. In his pamphlet *What must change in the Party* (Althusser 1978, 19-45). On one hand, he disapproved the abandonment by the PCF of the thesis of the “dictatorship of the proletariat”, denounced as the abandonment of the political struggle of the exploited, and as the progressive assimilation to “those oligarchic bourgeois parties in which complete domination is exercised by a caste of professionals, experts and intellectuals clearly linked to the higher state admin-

istration” (Althusser 1978, 30). On the other hand, he was more and more interested in analyzing the “understanding of class relations, of the effects of class relations, or even of phenomena that appear on the fringes of class relations (the troublesome youth question, women, ecology, and so on)” (Althusser 1978, 26). A similar reflection was extended in a more general way to the critique of the Socialist Eastern European systems. In fact, since 1977, during the meeting with some Eastern European Left dissidents held in Venice, which was organized by the political group of the Italian newspaper *Il manifesto*, he said that the elites of Socialist Eastern European countries had proven to be a new bourgeoisie that had created a system of control and power; a new mode of class exploitation had been established, which prevented discussions about socialism, let alone of communism. Indeed, the socialist systems were denounced as an exacerbation of the *socialization* process, coupled with the growth of individuals’ dependence. He claimed that the crisis of Marxism had *finally* broken out: a sense of liberation was contained in his shout: “*Enfin la crise du marxisme!*” (Althusser 1998, 267-79).

But what was in crisis? Which is, like in the story of Grigorij, put inside out? What is tied to what? Paradoxically, Althusser defined the crisis of Marxism as a huge absence: “In the universe comprising the ensemble of Marxism’s forms of existence, in other words, in the world of economic, political, ideological, and theoretical Marxism thus defined, we observe an absolutely prodigious phenomenon that humanity hasn’t known on this scale since the period of the Reformation: the generalized phenomenon of absence” (Althusser 2018, 3). As if this supposed crisis were not the crisis of Marxism itself, but the crisis of the absence of an authentic economic, political, ideological, and theoretical Marxism, which had been replaced, in the East as well as in the West by “bourgeois” economic, political, ideological, and theoretical approaches. As far as the economic practice is concerned, according to Althusser the essence of bourgeois economic practice remained untouched: exploitation also continued to exist in the Soviet Union and in the other socialist countries. The same was true in the field of political practice, in which the aim of bourgeois “domination” was to produce submitted subjects, and when we come to the “ideological” field. (Althusser 2018, 5).

In a recently published conference held in Barcelona in 1978 Althusser affirmed that communism: “has already started” (Althusser 2018). Coming back to Marx himself, in stating that communism is not an ideal, “but the real movement that occurs before our eyes” (Ibid.), we assist the re-actualization of a radically immanentistic social ontology: “Communism is an objective tendency already registered in our society”. When asked to explain where communism is

actually located, Althusser would respond: in “the collectivization of capitalist production, [in the] forms of organization and struggle of the workers’ movement, the initiatives of the popular masses, and why not some daring artists, writers, researchers: these are today sketches and traces of communism” (Ibid.). As we can see, in this text Althusser is still firmly linked to the core tradition of revolutionary Marxism, but, notwithstanding, besides the working class movement, he places a wide range of “popular” subjectivities, which are not by no means a direct expression of economic antagonism between the two classes facing one another in the field of, let’s say, “Fordist” production. Moreover, we assist the invocation of some actors of the ideological “reproduction” as artists, researchers and so forth. Everything looks like a slow detachment from the traditional view of social antagonism and social change. Indeed, the farewell to the “working class” as supposedly represented by the Party has begun.

In April 1980, during a conference on the “Paris Commune”, organized in Terni, Italy, Althusser pronounced his likely last public speech. He shocked his audience with statements that are very difficult for us to interpret even today, but which contain some interesting insights with respect to our concern, to think think capitalism and beyond. His invective against socialist systems now sounds definitive: “socialism is nothing but shit”! If that was the diagnosis for socialism (as a political and ideological system, more than as an economic one) what about communism then? As a matter of fact, he remains strongly linked to the idea of communism. But we have to be very accurate in the definition of the term. We can trace this definition in many texts of the Eighties. According to the Althusser communism is no longer elimination/overcoming (*Aufhebung*) of the existing state of things, but it is emerging as a “suspension”, a temporarily interruption, an *ἐποχή*. Communism is wherever people act in order to suspend:

- 1) economic exploitation
- 2) political domination
- 3) ideological mystification

Althusser gives the example of a football pitch, where boys play free from any external compulsion, be it economic, be it political, be it ideological. Althusser also evokes a *situation* in which each person has freely agreed to discuss, outside commodity relations, escaping political domination and exempt from any ideological cover of the facts. According to Althusser, we may, even today, already be beyond capitalism. Right now, we are not only thinking, we could be experiencing a “communism”. Once we had experienced the extreme socialization of our lives, communism could be easily conceived as a de-socialization, in an almost social-anarchist fashion.

We assist to the progressive and uncertain emergence of a new conceptuality, the center of which is the term “interstice”. Textually we find a first trace of the labouring of this concept in Althusser in the preface by Fernanda Navarro to her interview-book with Althusser, published in Mexico in 1988. The term appears on the surface just to re-submerge quickly:

Unfortunately, the health conditions of Althusser for the moment did not permit us to include other themes about our times, which he treated in an informal way beside our conversations, but he wasn't able to ground with the rigor he is accustomed to. New themes, like the “interstices” opened by popular movement, and the alternative they represent before the rigid structure of political parties; [...etc...] (Navarro 1988, 15 [my translation])

We know from the letters published later that Althusser insisted with Navarro to remove all the chapters in which he was dealing with politics, and the passages on “interstices” were amongst them:

I incorporated so many new arguments into my revised version of your interview, and I imprudently advanced so many ideas, so many *words (just words, not demonstrations)* that I lapsed into a sort of political-verbal vertigo (about interstices, margins, the primacy of movements over organizations, about ‘thinking different’, etc., etc.) and *dragged you in after me*, with the following complication: I had reasons for talking the way I did, but I kept them to myself (for lack of time and explanations, and also because I hadn't looked up, in the ponderous text of *Capital*, the crucial lines I had in mind). (Althusser 2006, 244)

These hesitations notwithstanding, it is clear that *politics* is at stake. Interstices are places of new living political practices, and they are political as long as they are in movement. Another, theoretical information we keep from this statement is that Althusser connected clearly his meditation on the interstices with the text of *Capital*. From the theoretical point of view, we may trace a continuum in the meditation of Althusser, back to *Reading Capital*. The sole authorized occurrence of the term “interstices” in the interview with Navarro, expectedly, refers to the field of philosophy:

One last remark: in connection with the conflicts that philosophy has provoked in the course of its history, there appear margins or zones that can escape unequivocal determination by class struggle. Examples: certain areas of reflection on linguistics, epistemology, art, the religious sentiment, customs, folklore, and so on. This is to say that, within philosophy, there exist islands or ‘interstices’ (Althusser 2006, 271).

This passage is useful to construct the concept of interstices, giving us some supplementary determinants. Interstices exist “within”, but at the same time

they escape any direct determination by the structure. In his autobiography, *The Future lasts a long time*, referring to two public speech held in Italy and in Spain in late Seventies, Althusser said:

I went on to claim that ‘islets<sup>6</sup> of communism’ already exist in the ‘interstices’ of our society (‘interstices’ was the word Marx used to describe the early groups of merchants in the ancient world, copying Epicurus’s idea of gods on earth), where market-based relationships do not exist. I believe the only possible definition of communism—if one day it were to exist in the world—is the absence of market-based relationships, that is to say, on class exploitation and the domination of the state. In saying this I believe I am being true to Marx’s own thought. What is more, I am sure that there already exist in the world today many groups of people whose human relationships are not based on market forces. But how can these interstices of communism be spread to the whole world? (Althusser 1993, 225).

Althusser probably has this passage of *Capital* Book I, chapter I, “The Commodity” in mind. The term ‘interstices’ is not in Marx, but he used it the note by the editors of MEW to explain that “the Greek philosopher Epicurus believed that the gods were resident in *Intermundia*, namely in interstitial spaces [*Zwischenräumen*] among the different worlds that exist next to each other.”<sup>7</sup> Islet of communism can be viewed as an archipelago, a group of islets who have to cooperate to survive, and make sense together. The trajectories between an islet and another could change, depending on time, space, desires, needs and so forth.

Economy, politics, ideology: these are the three axes of triangulation around which Althusser’s reflection has always moved. We must remember that Althusser was the theoretician of the indispensability of the ideological dimension even if this is opposed to science, politics and practice as resulting from knowledge of reality (the politics of the communist parties was supposed to be nothing more than this). Althusser’s concern was the theoretical *opacity* of the real, and the postulate of a necessary imaginary dimension. From this point of view, ideology does not serve politics more than politics “serves” the transformation of economic relations. Along with Lenin (and Machiavelli), he had theorized the primacy of politics, meant as the primacy of the ability to take advantage

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<sup>6</sup> I am detaching myself from the English translator, who chose the term “oases”. The original French word is “Ilots”, which can be correctly translated with “islets”. This allows us to extend the metaphor in order to reach the image of an archipelago.

<sup>7</sup> K. Marx, *Capital: A Critique of Political Economy*, Volume I, Book One: The Process of Production of Capital, pp. 50-51, URL: <https://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-I.pdf> [last cons. 04/07/20].

of the contingent situation. Finally, Althusser had never given up the idea of communism as the overcoming of capitalist relations and the transformation of the existent mode of production. All seems to disappear in an instant. How can we imagine suspending the imaginary (ideology)? How can we expect to do without the symbolic (politics)? How can we put the real (economy) within brackets? At that time the dramatic existential and political crisis expressed by the positions of the French philosopher against his Party, intertwined with huge physical and psychological discomfort. Are we allowed to dig a new philosophical strand, or even to theorize a kind of philosophical turn from the multiplication and coalescence of many dramatic events? To what extent can the statements Althusser produced in this period be traced to somewhat a persistent “theory of history”? The answer to this question is “yes”, because we could trace some theoretical links back (and forward) with the whole Althusserian *détour* in philosophy. For example, in a page of *Future lasts forever* Althusser remembers his doubts about the possibility that communism can be truly experienced by humanity. The USSR is nothing but a bureaucratic and oppressive political system. On the other hand, from a *theoretical* point of view, Althusser noticed that communism as Marx thought it was an eschatology, and repeats the same discourse about “islet” of communism.

Indeed, he refers to moments of living together not connected with the production of commodities. It is the production of life itself. The future “lasts a long time,” and the present is a perennial postponement of the fulfillment. But there’s more. In developing these meditations, actually, he takes an upheaval that involves this very notion of deferring, idealizing, transcending. The old Louis, that had never felt young, began to think communism, paradoxically, as something which is already there: “*es gibt*” (“there is”), as de-socialization and suspension of the three oppressive cornerstones (economic, political, ideological), was virtually made possible by certain circumstances: geopolitical tensions (USA-USSR); the disorientation of the trade unions; the crisis of the representative party system; the development of mass movements.

Mass movements deserve particular attention in this new account. Indeed, their composition is not determined by their members’ belonging to one particular class, but from the political participation of individuals and new aggregates, relatively new to politics: the feminist movement, for instance, or individuals speaking up for the first time from the periphery of the system, the poor led by a theology of liberation. These new subjects and the “mass line” have the best chance of carrying out a revolution.

### 3. After the Fall: Paradoxes of Transition

Today we are in a radically different context. On the one hand we witnessed the collapse of socialist systems; on the other, we experienced the eroding social democratic compromise in the West. In the last twenty years the term “transition” is applied to the problem of passing from socialism to capitalism, and to democracy; a complete overthrow (Buyandelgeriyn 2008).

Extreme liberalism, the shrinking of labor rights, new forms of slavery, of unpaid labor, exploitation of intelligence and individual creativity allow us to diagnose the intensification of “real” capitalistic subsumption. However, despite a changed overall framework, the resources to think beyond capitalism do not seem exhausted at all.

Capitalism is not the “solution” of one fundamental struggle within feudal society. Bourgeoisie is not one pole (the dominated) in feudal “class” division. Bourgeoisie was marginal, like the merchant city-states of Genoa, Florence, and Venice (Hunt 1999) who first set up the system of monetary circulation were marginal; like the first manufacturing districts of England, Holland, Italy were marginal. We may have trouble identifying the place from which the new modes of production arise the myriad of existing porosity, and from my point of view it is not even necessary to do so. Instead, our heuristic hypothesis is to avoid any big, masculine antagonism, and to look closer at what is hidden in the pores of our society, or what may give some impulse (*conatus*, *Trieb*): some resistance that is hidden in the pores of our universal submission to the present state of things. Capitalism is, like any other mode of production, a structure of recursivity (M-C-M' money-commodity-plus-money, or C-M-C, etc.), a world of necessity. But, like any necessity, it is: “a becoming necessary of the encounter of contingencies” (Althusser 2006, 194). Why don't we think of the dominant mode of production beyond capitalism (let's call it communism, just as a “placeholder”) as “a becoming necessary of the encounter of contingencies”? Why do we need to think about it as a necessary result of its immanent nature?

LEAVE	TAKE
CONTRADICTION	ALEATORITY
BINARY OPPOSITION	INTERSTITIALITY
NECESSITY	CONTINGENCY
FUTURE	PRESENT
CENTER	PERIPHERY
LAW OF HISTORY	VIRTUALITY
POWER OF SUBJECTIVITY	NO SUBJECT
FINALISM	NO END
SOCIAL SYSTEM	ARCHIPELAGO

The philosophical effort that we can make is therefore to establish a different terminology, in order to conceptually grasp the inhabitants of the new social order, which live in the interstices of our societies. As far as a real transformation could take place, they have not to be found in any “principal”, or “fundamental” axis of antagonism. Maybe they are “sleeping” right now, or they are occupying margins in the social fabric. They are not necessarily “entire”, fulfilled “subjects”. Rather they are the “queers” in every social context (sexual, economic, racial). Actually, they are not even represented/representable.

Capitalism is not a smooth and plane surface, but rather, as any mode of production, it is fractured, it continues to have porosity. *I define interstitiality as that space of reality which is located between the elements of a mechanism.* From this point of view, a theory of social change cannot be part of a dialectical analysis of the social mechanism, it does not dwell on the definition of power relations between the constituent parts of the social fabric, but rather focuses on those places and subjectivities which are between the binary poles of dominant and dominated. The interstices are visible only if this “combination” (*Verbindung*) exists. We cannot identify them if we dismantle the mechanism, because this removal would leave us with elements that could reveal nothing but the mere functioning or non-functioning of the mechanism itself. An interstitial theory of transition, is not in contradiction with the thesis of class antagonism as a stable character of each social-economic formation. What changes is a kind of

non-deterministic turn: it is not in antagonistic dyad that the new worldliness lurks, but in its latent marginal livelihood. My aim is to focus on subjectivities, places and spaces, *temporalities* that are not currently subsumed by the mainstream social-symbolic production. Numerous research areas already deal with the identification of these issues, working on racial divide, gender differences, sexual minorities, non-work, new forms of solidarity and mutualism, micro-political struggles, nomadism, migrations, loss of identity, illegitimacy. Thus, we have to face a world full of crevices, more porous than ever; or perhaps as porous as it has always been. The Communities of Compost understood their task to be to cultivate and invent the arts of living with and for damaged worlds in place, not as an abstraction or a type, but as and for those living and dying in ruined places (Haraway 2016, 143).

Thinking beyond capitalism does not mean imagining a future. But we may try to look closer into the pores of the present world, and possibly preserve, take care of, the existence of these *Intermundia*, because only by their re/emergence the possibility of an afterlife beyond capitalism depends. Thus, are we talking about the passage from a mode of production to another (theory of transition, in its strict sense), or maybe about the production of a mode of passage beyond capitalism?

### Conclusion

When talking about “transition” we have to be aware of more than one century of critique of the historicistic and finalistic category of “development”. Transition should be intended as “deployment”. But, in order to avoid the risks of this latter term, a “multiplication of transformations”, a “coalescence”, a “precipitation”. This deployment has to be conceived as something different from order where there was “chaos”, but, with Althusser, as the “becoming necessary of the contingent”, as “catching” (fr. *prise*). Order is something that the system assigns. Against that order a determined transformation may press, conflict and conflate.

The geography of our “Planet” (Chakrabarty 2020) is the only available dimension in which diverse ontological modalities find “home”. In old-fashioned Marxist vocabulary, we would have said that “contradictions” are part of this system. We assist the conflating of several conflicts about identity and power, wealth distribution, migration and labour-force inequality. At the same time, we can foresee diverse figures of subjectivity: low-income female reproductive labour, “black” underpaid labour, slums, peripheries, from which new forms of “staying with the trouble” emerge, new solidarities, new classes. Centering the “evolution” of capitalism around the backyards of western countries and their

satellites, is one way to miss the point. But a mere “oriental”, or exotic would also be completely erroneous. The real changing in our perspective must be the capability to look at the interstices of the present ontologies.

One of the main tasks of Queering Marxism is to demonstrate that the “truth” that these ontologies carry with them is just the “truth” of a crystalizing process in which subject positions were forced to reproduce as such although they had no internal “move”, or “essence” waiting to be expressed. No “natural” development of content in a new form, no eschatological messianism, no prescribed characters, but the “concrete” movement of catching located relations and being cached by subjectivities. History may not be something more or something less than this. Outside that, there is no need for history.

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## EVOLVING FRAMEWORK FOR AN ALTERNATIVE RESILIENCE TO RESILIENT CAPITALISM<sup>3</sup>

### Abstract

*Resilience is contemporary theoretical and practical mainstream framework approach in risk management. Emerging new forms of response to crisis and novel dynamics in addressing it challenge it and spur changes. Changes in relations are being initiated at global, regional, and local scales. Post-liberal social practices are being generated within the neoliberal practice itself, as an open-ended and potentially transformative process of resilient subjects that actively participate in those processes. In contrast with neoliberal practice, post-liberal practices rest on individual capacity for change, not on an actors' agency to adapt. If choice between transformation and adaptation is a matter of free autonomous action, it implies that the subject is not reduced to the level of mere adaptation to changes and that autonomous actor has capacity to exercise influence.*

*The main idea highlighted in this article is that of human agency as the central point of resilience. In the course of social learning process and participative decision-making, resilience becomes rooted in social actors fostering collective transformation in challenging times. The aim of this article is to contest the concept of resilience as a feature of mainstream theoretical discourse on resilient capitalism, by highlighting elements of an alternative perspective on neoliberal, individualistic, entrepreneurial forms of 'resilience'. The authors use this idea to suggest a paradigm shift in humanities on the basis of alternative routes of development as offered by alternative resilience to resilient capitalism.*

**Key words:** *resilience, capitalism, neoliberalism, change, agency, individual.*

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## Introduction

Resilience has grown into a widely accepted concept within various scientific disciplines (organizational sciences, security, emergency management, humanitarian campaigns planning, infrastructure, global and national economy). The notion of resilience has originated from engineering and environmental sciences, and it entered humanities only relatively recently. Resilience stands at the core of the idea of fostering the ability to cope with trauma and adapt to adverse, risky, and stressful circumstances. It is primarily understood as the ability to bounce back into shape. However, there is more to it than just coping with stress. Resilience is not only the ability to retain the original shape and size when confronted with a risk, challenge, or emergency, but also it is ability to overcome adversity, to learn from experience, and flourish.<sup>4</sup>

The notion of resilience has developed into a concept that has great discursive power, hence, it gained significant prominence (Jakola 2015). However, in the general *humanities* and social sciences *discourse, concerned with the way* the social world is arranged and organized, discourse of resilience makes a part of “socially constructed system of power and meaning that affects the subjectivity of individuals by shaping their sense of identity” (Connolly 1998, 14). If aiming at understanding contemporary subjectivity and answer the question of whether this specific discourse acts in accordance with neoliberalism or has the possibility to critically adapt to the dominant neoliberal paradigm, the analysis of dominance that discourse of resilience has can be useful (Pavićević, Bulatović, and Ilijić 2019).

As an ideal, resilience changed the ideal of security, both as a structure of individual subjectivity and a principle of social and national policy. In a way, resilience resonates with the idea that “what doesn’t kill me, will make me stronger” and promotes the idea of becoming stronger, tougher. Strength here is understood as flexibility, as opposed to rigidity, and the essential demand is to be ready for a challenge, to prevent risk or deal with a disaster, likewise (Pavićević, Bulatović 2018, 128). An ethical perspective of resilience is related to ability to overcome a threat in a way that will not inflict damage to personal resources, but rather instigate their growth. The ultimate goal of being resilient evolves about connecting systemic, organizational and political resilience with personal resilience. Outlined trait of resilience ultimately becomes a dominant feature of proliferating self-help literature. Namely, resilience is the main prescription for an individual providing for source of tools on how to deal with uncertainty and

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<sup>4</sup> Organisation for Economic Cooperation and Development (OECD) as an international organisation whose goals are set towards development and it defines resilience as “the ability to face changes in capacity, efficiency and legitimacy”, looking upon resilience only from positive perspective. (Mitchell 2013)

instability that comes with contemporary capitalism. Resilience is a champion of neoliberal worldview, as it enables adaptation to capital rather than confrontation to it. A critical perspective on resilience could be briefly outlined by using Marc Neocleous paradigm of resilience: resilience is opposing to colonisation of political imagination (Neocleous 2013).

Understanding resilience requires to understand complexity given that resilience is never independent of other functions of a complex system. In the central space of resilience discourse, complexity is an unquestionable truth (Jakola 2015). Neoliberal subjectivity must survive and maximize its performance in the context set as: “an ontology of emergent complexity”, and “ontology of objective unknowability” (Chandler 2014a, and 2014b). The growth of resilience becomes the final response to the demands placed on neoliberal subjectivity while shaping it at the same time. Hence, the resilient subject cannot change and transform the outside world, or he or she can only do that to a limited extent, as the latter is impervious to understanding and intervention. In order to survive and possibly thrive in the face of uncertainty, changes, and multiple shocking experience, resilient subject must abandon liberal modernist hubris ‘of seeking to shape the external environment through conscious, autonomous and goal-oriented decision-making’, and embrace a resilience-oriented form of agency as constant work ‘on inner life through learning from exposure to the contingencies of ontological complexity’ (Schmidt 2015, 404).

A resilient subject is at the same time an extremely vulnerable, and, paradoxically, at the same time, it appears that such subject is a creator of its own vulnerability (Evans 2013). The ethics of resilience formed on the basis of ethics of responsibility requires the individual to cope with external circumstances over which he or she has almost no control, by timely and efficiently anticipating, absorbing emerging risk situations, and finally adapting to them with creative recovery from possible consequences. Creative recovery means that the crisis ended with improvement and better adaptation, and also, with possible capitalization of damage, which stands as a sort of reward for exposure to stress and misfortune.

Discourse of resilience acts as a mean used to systematically lower public expectations by placing great emphasis on difficulties as only “partially solvable” and, practically, inevitable, what is sending the message that we cannot expect protection from everything and that we certainly cannot rely on the state (Amin 2013, 150). This leads to the conclusion that, in the complex order of things, the state ceases to be the center of any form of regulation, that new networks of solidarity and less rigid, and that changeable ways of doing things are created. New forms of post-state sovereignty are emerging — mobile, multiple,

and contextual. They should be harmonized with the spread of private management, non-governmental organizations, foundations, think-thanks, trade associations, mafia structures (Abeles 2014, 128). Resilience reached the status of a doctrine at different levels of management and organization, hence, distinction between resistance and resilience. The concept of resilience aims at reducing or absorbing damage caused by systemic injustices what certainly moves away the idea of resisting policies that lead to harm.

“Building resilient subjects involves deliberate disabling of political habits, tendencies and capacities of peoples and replacing them with adaptive ones. Resilient subjects are subjects that have accepted the imperative not to avoid difficulties but, rather, to adapt to depriving conditions. This renders them fully compliant to the logics of complexity with its concomitant to adaptive and emergent qualities. Resilience is transformed from being a political capacity aiming to achievement of freedom that is not endangered, to a purely reactionary impulse aiming at increasing the capacities of the subject to adapt to perils and simply reduce the degree to which it suffers” (Evans and Reid 2014, 85).

Insecurity, heterogeneity, and elusiveness of modern neoliberal practices still hold governing hegemonic position despite the extensive and sustainable criticism that is coming from various social and public spheres what points towards rationality that has become the penetrating and intangible Hydra monster of our time (Higgins and Larner, 2017). The adaptive capacities and hybrid nature of neoliberalism limit engagement in everyday practices through constant movement, uneven applications, mutations, and adaptation to local settings, with heterogeneous elements that merge into something incoherent that has limited duration and is difficult to analyze. The hybridity of resilience and its integration into the neoliberal requirements, that include adaptation through mutation, raises concerns that everything that is said or done falls under the so-called TINA argument (acronym for: there is no alternative) (ibid). New patterns of governance and new dynamics have changed the relationship between global, regional, and local, towards such discourse of resilience where it can be discussed both as a dominant-macro discourse and as a possible space of confrontation.

The needs of society should guide the public interest, and represent the purpose of an action when public power is conscientiously used with the aim of increasing the general well-being of society. Normative solutions and institutional mechanisms are indicators of readiness to recognize the needs in society, while the assessment of the functional and instrumental aspects of institutions enables consideration of their adjustment according to recognized needs in society,

given that institutions have obligations to act in accordance with society's needs (Bulatović 2019, 171).

Taking a critical perspective on normative approach to resilience in this paper means comparing and discussing different attitudes towards interpretation of that subject, different from seeing it as an ideological tool of neoliberal governance. It is aiming at retreating from the catastrophic social and natural landscape produced by the neoliberal agenda, and reveals arguments that support understanding of resilience as a post-liberal social practice as an actor of change, not as an agent of adaptation.

### **1. The concept of resilience - between the neo-liberal and the post-liberal context**

Created as a critique of homogenization and "pathology" of top-down management, resilience theory has transformed itself into a panacea for system adaptability, abandoning its original critical postulates (Walker and Cooper 2011). In this way, change has become something that always works in favor, not against the system (Luhmann, 1990). Resilience is positioned as a political tool, not only flawed but false solution for unstable economies, because "resilient spaces are exactly what capitalism needs - spaces that are periodically rediscovered to meet the changing demands of capital accumulation in an increasingly globalized economy" (MacKinnon and Derickson 2012, 254). In this sense, neoliberalism can be spoken of as a very resistant doctrine capable of "adapting to the dangers of criticism" (Evans and Reid 2014, 71).

However, resilience is recognized in its original idea as the capacity of an individual or entity that is able to spontaneously self-organize with a high degree of local autonomy, especially in crisis resolution circumstances. In this sense, it is necessary to analytically distinguish between resilience as a policy tool and resilience as a social capacity (Jakola 2015). The emphasis on self-organization tends to align with the modern neoliberal economic paradigm (Walker and Cooper 2011). However, living systems have the innate ability to react resiliently outside the discursive practice of holistic approaches based on expert knowledge and (neo)liberal governance. In that sense, understanding social resilience refers to knowledge, resources, abilities and efficiencies as resources that encourage and develop the capacity of social actors to act when faced with forces that greatly overcome their individual strengths (Pavićević 2016).

Some theorists alternate neoliberal resilience with post-neoliberal resilience, what belongs to the spectrum of post-neoliberal changes (Chandler 2014, b; Mavelli 2019). "The 'frustrations' of the liberal and neoliberal paradigms performed by the post-neoliberal discourse of resilience may open up the possibil-

ity for new forms of self-reflexive governance in which individuals are not mere targets of top-down or bottom-up frameworks of government, but empowered selves in a constant process of learning” (Mavelli 2019). Post-neoliberal resilience both arises and emerges from the neoliberal paradigm, establishing itself outside the state and the market. An increasing number of actors are intervening in the space of network connectivity, with the change of management instance influencing the formulation and reformulation of problems and decision-making methods. “Action in a world of uncertainty implies changes between politicians and experts, as well as the inclusion of parameters that elude the action of the state” (Abels 2014, 189). Accordingly, “states as well as international organizations, political parties, trade unions, and other traditional associative institutions cannot be transcended, but must rather be re-appropriated as sites of political contestation of existing neoliberal logics” (Mavelli 2019).

The perspective of survival and the social practice derived from it (examples of communities involved in disaster prevention, learning and resilience through the involvement of individuals), show that there is no and that it has never existed a resilient entity that would, could, as such, be characterized as stable or durable (Abels 2014, 184). Resilient subjects are not universal, they are changeable, dynamic and context dependent. The absence of a single, universal resilient subjectivity in practice opens up opportunities for resilience and encourages political and collective participation (Hill and Larner 2017, 278). Thus, although resilience, as a political discourse or management technique, emerges as a set of programs that develop the capabilities of a resilient subject as a generalized subject ready to adapt to the unpredictable and undesirable scenario, plurality and diversity of resilience offer diversity and open up space for resistance to power. Defining everyday resilience as routine, one that is not politically or formally organized, can be important for understanding a resilient subject as a bearer of undiscovered, unrecognized resilience (Pavićević, Bulatović and Ilijić 2019, 42).

Despite the political invisibility of everyday resilience, it can be included in the resilience that emerges as the ability to resist the heterogeneous, decentralized, and pervasive distribution of managerial power that takes over the bodily and affective components of subjectivity. Every actor is a subject and an object of power because he or she is the bearer of hierarchies and stereotypes, as well as their changes. Resilience as an act, not intention or effect (absence of consciousness, recognition or intention) acts through certain discourses of power in certain contexts that determine the relationship between power and resilience (ibid). Resilient subjects are not universal, they are changeable, dynamic and context dependent. The absence of a single, resilient subjectivity in practice opens up opportunities for resilience and encourages political and collective

participation (Lilja and Vinthagen, 2009, 278). Thus, although resilience, as a political discourse or management technique, emerges as a set of programs that develop resilience of a resilient subject as a generalized subject ready to adapt to an unpredictable and undesirable scenario, the plurality and diversity of resilience offers diversity and opens space for resilience to power. Post-neoliberal resilience is generated in neoliberal practice itself: “interactive complexity of life may lead to ‘potentially counterproductive’ policies (Chandler 2014a, 50). “In this framework, governance is no longer conceived as a liberal ‘top-down’ or neoliberal ‘bottom-up’ set of interventions, but as an open-ended and potentially transformative process that sees the active participation of resilient subjects. Their ‘adaptation’ to the ‘event’, which cannot be known in advance, is no longer the mere acceptance of externally imposed regimes of power, but an expression of self-reflexive agency negotiated in a mutable and unpredictable environment. Resilience becomes a potentially empowering post-neoliberal subjectivity based on adaptive forms of local knowledge of immanent processes”. Giving people the freedom to survive the neoliberal calidoscope does not create capacity to establish comprehensive soft power regimes, just as it does not have comprehensive discursive power. Empowering and liberating effect of resilience as “taking one’s own destiny into one’s own hands” is in constant conflict with the fact that freedom is alleged as that subjective actions are limited by “controlled autonomy” (Jakola, 2015). The question arises as to whether life itself provides opportunities that elude new technologies of the self that is now understood through the concepts of self-organization, morphogenesis and recombination. Additionally, resilience can be identified as innovative, creative and alternative empowerment and connection that eludes the discipline of biopower, especially given the embodiment of discipline in the sphere of feelings and emotions. In this sense, life force is invoked as a way of resilience and determines alternative production of subjectivity (Hardt and Negri, 2009).

## **2. Alternative forms of resilience**

Resilience as an umbrella concept can be effective if it returns to its original principle of being resistant through resilience, adaptability, self-improvement, creativity, solidarity and cooperation, through respect for the balance between internal change (adaptation, self-organization, self-improvement) and external change (uncertainty, risks, shocks) (Pavićević, Ilijić, and Batrićević 2019, 41). Choice between transformations and adaptations as a matter of free autonomous action implies that the subject is not reduced to the level of mere adaptation to changes that he cannot influence and that he cannot consider, and possibly, change, survival prospects (Pavićević, Bulatović, Ilijić, 2019). Consequently,

resilience does not have to be a place of projecting, judging, and classifying life into valuable life (life worth living) and non-living life (life as a sustained phenomenon), but a concept that will empower people to act in different circumstances by raising personal standards. They are realized despite the inadequate state of the environment or the changes that are taking place (Pavićević, Ilijić and Batrićević 2019).

Pessimism rooted in the neoliberal discourse of resilience does not allow for a change in the distribution of power, discourages resistance, or reinforces conditions of vulnerability that discourage human action (Kelly and Kelly, 2017). Developed context of impotence opposes resilience to the notion of human action. However, the idea of resilience as an idea of recovery and support to working capacity has the potential to inspire hope, draw attention to the possibilities of connecting people with each other (and people around the world), as well as to establish connection with natural systems. An issue in debate around resilience is constructed over dilemma if this kind of hope is a self-satisfied short-range response that avoids more challenging questions that the focus on resilience refuses to acknowledge (Klein, 2014, according to, Kelly, Kelly 2014). If we accept the complexity and severity that circumstances stand for, hope, empowerment and renewal of positive possibilities remain necessary and irreplaceable of various forms of human action that refuse to retreat into uncritical adaptation, but represent an attempt to return feelings of individual and collective through proactive approach in difficult circumstances (Kelly, Kelly 2017).

Human activities are guided by values and sense of purpose that stand also not only as guidelines but the core elements for evaluation of these activities. Well-being is at the core of human motivation as quality of life and it is influenced by a myriad of factors spanning from natural circumstances to socially constructed norms (Bulatović and Pavićević 2018, 532-544). The transition from the individual level to the collective resilience, which aims to address failed social policies and social rights, foster participatory democracy and cooperation, and strengthen common purpose and collective wisdom.

The purpose that the state as a political community should fulfill is to provide decentralized methods through which the distribution of resources takes place. In relation to the different dimensions of this process, states can be assessed as successful or unsuccessful (Rotberg 2003: 2). The quality of institutions is an indicator of the solidity and continuity of society in its totality (North 1990). Changes within the system of state institutions are, potentially, consequence of their impaired authority, legitimacy and capacity. Social pathology represents a significant deviation from socially acceptable forms of behavior as important deviations that violate the mutual legitimate expectations of community mem-

bers, as a result of which both the community and the system of social relations as a whole are endangered. Investment in human capital and services enable community members to participate in economic and social life, and thus reach their full potential.

### **3.A framework for paradigm shift**

Thinking about resilience in this regard requires the adoption of a more comprehensive concept of well-being, which encourages the discourse of sustainability and improvement of individual and collective forces, to the very ability to recover to initial levels of adjustment (Murray and Zautra 2012). The shift of resilience from the individual level of the resilient subject to the public sphere and relations that imply interdependence and trust, solidarity and openness, is especially important for the application of the concept of resilience in poor, vulnerable and neglected communities (Hancock, Mooney and Neal, 2012). In the domain of social change as a discipline, the concept of “critical resilience” emerged from a feminist critical perspective that views resilience through the racial, class, gender, and age positions of those not given priority in the existing structure (Anzaldúa, 1999; Collins 2000; Villenas et al. 2006; Campa 2010, cited after Kousis and Maria Paschou, 2017, 139). It is being argued that although rare, resilience studies dealing with solidarity groups, especially those gathered around immediate actions in times of crisis, inherit the experience of southern Europe. Such initiatives include urban squats as a form of resistance and resilience to capitalist relations in Barcelona and Rome (Cattaneo and Engel-Di Mauro 2015); resilient urban gardening movements in Barcelona (Camps-Calvet, Langemeyer, Calvet-Mir, Gómez-Baggethun 2015); and resilient Italian Solidarity Purchase Groups under crisis and austerity (Giudi and Andretta 2015). These initiatives view at “social resilience” as “a dynamic process which describes the ability of embedded social actors to foster collective transformation through a process of social learning and participative decision-making”; underlining the capacity to build “socially resilient systems” to confront the threats of neo-liberal policies at the grassroots level, in Southern European regions (Kousis, Maria Paschou 2017, 140; Keck and Sakdapolrak 2013; D’Alisa, Forno and Maurano 2015, 334-338).

In the spirit of these actions, the concept of alternative forms of resilience would imply a perspective in which the social sciences study and use “resilience” to a greater extent as a multitude of direct actions of citizen empowerment, collectivity, solidarity and resistance in difficult economic times; such concept should include not only the experience of previous social and solidarity economy initiatives, but also a multitude of alternative images of citizens facing the

challenges of a new millennium in which the rule of law collapses and increases and complicates multiple inequalities within and outside the nation state; this concept simultaneously encompasses a whole range of conceptual and theoretical perspectives and civic practices.

### **Conclusion**

Alternative forms of resilience contain various repertoire of actions and goals of direct solidarity of citizens, with economic and socio-political transformative capacities that are alternative to the main, dominant capitalist economy and that aim towards achieving autonomous communities. Contemporary academic discourse is clearly visibly framed in two attitudes towards resilience, if speaking about this phenomenon in the most general terms. One attitude sees resilience as a radically new approach that opens up new ways of thinking, and while not entirely positive about what development might represent, this view stems from “defiant positivism” that sees resilience as opportunity and possibility (Joseph 2016). In contrast with this, the alternative perspective to resilience emphasizes the combination of neoliberal economics, neoliberal governance, and resilience that produces and demands neoliberal subjects — those who are capable of survival. For the former, resilience becomes an operationalization of the idea that “darkness is an unnecessary emotion” (Russell, 2009, 45 according to Alloun, Alexander, 2014). However, for the latter, it is an unjust calculation of different interests, and sometimes an intervention leading to even greater vulnerability and socioeconomic impoverishment. (Ziervogel et al., 2017). Some authors, acknowledging the limitations of resilience though, believe that this is the best we can do at present times (Alexander 2012). Resilience emerges as a reality because people must be resilient out of necessity looking for answers in the daily confrontation of threats and constant challenges.

In this sense, one can single out social movements that have tried to move resilience out of the biopolitical framework of neoliberal governance and view it as a capacity arising from local and specific micro-practices and processes. This stance is rooted in belief that sustainable resilience provides an opportunity to critically engage and radically redefine facilities, processes, and pathways, including reviewing inclusive management processes and focusing on potentially vulnerable sites and populations (Biermann et al., 2015 according to Ziervogel et al., 2017). Resilience as a bottom-up management principle should include resistance, transformation, critical-deliberate adaptation, inclusion and autonomy. Sources of resilience of people in the face of disturbing change include both the ability to adapt and the ability to transform, what is crucial for the long-term well-being of people and their communities. Resilience is not an evolutionary

biological capacity that excludes a critical awareness of whether people want to be actors of adaptation or transformation, the character, direction and goal of these processes. Consequently, by linking capacity of strength, capacity to support and human capacity for critical and reflexive engagement, that encourages empowerment as opposed to empowerment resilience (Pavićević, Ilijić and Batrićević 2019).

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