

# STATES OF CRISIS AND POST-CAPITALIST SCENARIOS



Edited by

**HEIKO FELDNER,  
FABIO VIGHI AND  
SLAVOJ ŽIŽEK**

STATES OF CRISIS AND  
POST-CAPITALIST SCENARIOS



Taylor & Francis

Taylor & Francis Group

<http://taylorandfrancis.com>

# States of Crisis and Post-Capitalist Scenarios

HEIKO FELDNER

*Cardiff University, UK*

FABIO VIGHI

*Cardiff University, UK*

AND

SLAVOJ ŽIŽEK

*University of Ljubljana, Slovenia*

 **Routledge**  
Taylor & Francis Group  
LONDON AND NEW YORK

First published 2014 by Ashgate Publishing

Published 2016 by Routledge

2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

711 Third Avenue, New York, NY 10017, USA

*Routledge is an imprint of the Taylor & Francis Group, an informa business*

Copyright © 2014 Heiko Feldner, Fabio Vighi and Slavoj Žižek

Heiko Feldner, Fabio Vighi and Slavoj Žižek have asserted their right under the Copyright, Designs and Patents Act, 1988, to be identified as the editors of this work.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Notice:

Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

### **British Library Cataloguing in Publication Data**

A catalogue record for this book is available from the British Library

### **The Library of Congress has cataloged the printed edition as follows:**

Feldner, Heiko.

States of crisis and post-capitalist scenarios / by Heiko Feldner, Fabio Vighi, and Slavoj Žižek

pages cm

Includes bibliographical references and index.

ISBN 978-1-4094-6189-0 (hardback) 1. Financial crises. 2. Capitalism. I. Vighi, Fabio, 1969- II.

Žižek, Slavoj. III. Title.

HB3722.F452 2014

330.12'2-dc23

2013034175

ISBN 9781409461890 (hbk)

# Contents

<i>Notes on Contributors</i>	vii
Introduction <i>Heiko Feldner, Fabio Vighi and Slavoj Žižek</i>	1
<b>PART I      CRISES</b>	
1      The Matrix Cannot Be Reloaded: A Lacano-Marxian Perspective on the Current Economic Crisis <i>Heiko Feldner and Fabio Vighi</i>	11
2      Still Dancing: Drive as a Category of Political Economy <i>Jodi Dean</i>	59
3      “The Untranscendable Horizon of Our Time”: Capitalist Crisis and the Ends of Utopia <i>Benjamin Noys</i>	73
4      The Media Crisis in Capitalism: A Report on the Evil of Banality <i>Paul Taylor</i>	87
<b>PART II      EVENTS</b>	
5      The Undoing of an Event <i>Slavoj Žižek</i>	107
6      Theory Without Conscience: Hegel’s Absolute Refusal of Practice <i>Todd McGowan</i>	127
7      Affective Economies: Lacan’s Four Discourses against the Historicism of Capitalist Abstraction <i>Yahya M. Madra and Ceren Özselçuk</i>	141
8      Ocean Doesn’t Live Here Anymore: Steven Soderbergh’s Contagion and the Stock Market Crash <i>Marco Grosoli</i>	167

**PART III    SCENARIOS**

9	Getting Its Act Together: What Chance Subtraction Under Conditions of Scarcity? <i>Colin Cremin</i>	183
10	Class Equality and Political Justice, or Differentiation and Mediated Non-Identity? Yes, Please! <i>Darrow Schecter</i>	201
11	An Avant-garde ‘without Authority’: Towards a Future Oekoumene—if there is a Future? <i>jan jagodzinski</i>	219
12	Boris Groys’ Post-Capitalist Scenario <i>Rex Butler</i>	241
	<i>Index</i>	257

## Notes on Contributors

**Rex Butler** is Associate Professor in the School of English, Media Studies and Art History. Although professionally he is an art historian, specializing in contemporary and Australian art, he has also written and edited a number of books on theorists including Jean Baudrillard, Slavoj Žižek and Gilles Deleuze. He is currently writing a book on Stanley Cavell.

**Colin Cremin** is Senior Lecturer in Sociology at the University of Auckland, New Zealand. He is the author of *Capitalism's New Clothes: Enterprise, Ethics and Enjoyment in Times of Crisis* (2011) and *iCommunism* (2012). He is currently working on the new book *Eros and Apocalypse: The Excessive Subject and the Excesses of Capitalism*, forthcoming with Pluto Press.

**Jodi Dean** is Professor of Political Science at Hobart and William Smith Colleges, Geneva, NY. Her research and writing focus on the contemporary space of politics and media theory. She has authored and edited several books; recent publications include: *The Communist Horizon* (2012); *Blog Theory* (2010); *Democracy and Other Neoliberal Fantasies* (2009); *Žižek's Politics* (2006); and *Publicity's Secret* (2002).

**Heiko Feldner** teaches German studies and political theory at Cardiff University. His publications include *Das Erfahrnis der Ordnung* (1999), *Writing History* (edited with Stefan Berger and Kevin Passmore, 2003/2010), *Did Somebody Say Ideology?* (edited with Fabio Vighi, 2007), *Žižek Beyond Foucault* (with Fabio Vighi, 2007) and *The Lost Decade? The 1950s in European History, Politics, Society and Culture* (edited with Claire Gorrara and Kevin Passmore, 2011).

**Marco Grosoli** is a British Academy Postdoctoral Fellow at the University of Kent (Canterbury), where he is completing a monograph on the “politique des auteurs” in 1950s *Cahiers du cinema*. He has co-edited (with Monica Dall'Asta) a book on Guy Debord's cinema and is working (with Jean-Baptiste Massuet) on a volume on motion/performance capture. He collaborates with several movie journals, among which *Film Comment*, *La furia umana*, *Filmidee*, *Fata morgana*, *Sentieri selvaggi*.

**jan jagodzinski** is a professor in the Department of Secondary Education, University of Alberta in Edmonton, Alberta, Canada. Recent book credits include *Youth Fantasies: The Perverse Landscape of the Media* (2004); *Musical Fantasies:*



*A Lacanian Approach* (2005); *Television and Youth: Televised Paranoia* (2008); *The Deconstruction of the Oral Eye: Art and Its Education in an Era of Designer Capitalism* (2010), *Misreading Postmodern Antigone: Marco Bellocchio's Devil in the Flesh (Diavolo in Corpo)* (2011); *Psychoanalyzing Cinema: A Productive Encounter of Lacan, Deleuze, and Žižek* (2012), and *Arts Based Research: A Critique and Proposal* (with Jason Wallin, 2013).

**Yahya M. Madra** has taught at the University of Massachusetts and at Skidmore and Gettysburg Colleges. He is currently an associate professor of economics at Boğaziçi University, Istanbul, and teaches political economy and history of economics. His work appeared in *Journal of Economic Issues*, *Rethinking Marxism*, *The European Journal of History of Economic Thought*, and *Subjectivity* as well as in edited volumes. He is a member of the editorial board of *Rethinking Marxism*. He is working on a new book (co-authored with his long-time collaborator Ceren Özselçuk), provisionally entitled *Sexuating Class: A Psychoanalytical Critique of Political Economy*.

**Todd McGowan** teaches theory and film at the University of Vermont. He is the author of *Enjoying What We Don't Have: The Political Project of Psychoanalysis* (2013), *Rupture: On the Emergence of the Political* (2012, with Paul Eisenstein), *Out of Time: Desire in Atemporal Cinema* (2011), and other works.

**Benjamin Noys** is Reader in English at the University of Chichester, and the author of *Georges Bataille: A Critical Introduction* (Pluto 2000), *The Culture of Death* (Berg 2005), *The Persistence of the Negative: A Critique of Contemporary Continental Theory* (Edinburgh University Press 2010), and editor of *Communization and its Discontents* (Minor Compositions 2011).

**Ceren Özselçuk** is Assistant Professor at the Department of Sociology, Boğaziçi University, Istanbul. Her research intersects the fields of post-Althusserian thought, Marxian political economy and Lacanian psychoanalysis. She is a member of the editorial board of *Rethinking Marxism* and has published in edited volumes and academic journals in English and Turkish such as *Rethinking Marxism*, *Psychoanalysis, Culture and Society*, *Subjectivity* and *Toplum ve Bilim*. She is currently completing a book entitled *Economic Necessity, Political Contingency and the Limits of Post-Marxism* (Routledge). She is also working on a new manuscript (co-authored with Yahya Madra) provisionally entitled *Sexuating Class: A Psychoanalytical Critique of Political Economy*.

**Darrow Schecter** is Reader in the School of History, Art History and Humanities at University of Sussex, UK. He has written books and articles on social and political thought, including *Beyond Hegemony* (2005); *The History of the Left from Marx to the Present: Theoretical Perspectives* (2007), and *Critique of Instrumental Reason from Weber to Habermas* (2010). He teaches history and political theory at the University of Sussex.

**Paul Taylor** is Senior Lecturer in Communications Theory at the University of Leeds, UK. His on-going research interests are focused upon critical theories of mass culture. Founding Editor of the International Journal of Žižek Studies and Editorial Board member of the International Journal of Baudrillard Studies, his recent and forthcoming monographs include: *Digital Matters: The Culture and Theory of the Matrix* (2005), *Critical Theories of Mass Culture: Then and Now* (2008), *Žižek and the Media* (2011) and *Heidegger and the Media* (forthcoming, with D. J. Gunkel).

**Fabio Vighi** teaches Italian studies, film and critical theory at Cardiff University. He has published widely on all of these subjects. His recent monographs are *Critical Theory and Film: Re-thinking Ideology through Film Noir* (2012), *On Žižek's Dialectics: Surplus, Subtraction, Sublimation* (2010), *Sexual Difference in European Cinema: the Curse of Enjoyment* (2009), *Žižek: Beyond Foucault* (2007, with Heiko Feldner) and *Traumatic Encounters in Italian Film* (2006).

**Slavoj Žižek** is a Professor at the European Graduate School, International Director at the Birkbeck Institute for the Humanities, University of London, and a senior researcher at the Department of Philosophy, University of Ljubljana. Amongst his recent books are *Less than Nothing: Hegel and the Shadow of dialectical Materialism* (2012), *The Year of Dreaming Dangerously* (2012), *Living in the End Times* (2010), *First as Tragedy, then as Farce* (2009), *In Defence of Lost Causes* (2008), *Violence* (2008).



Taylor & Francis

Taylor & Francis Group

<http://taylorandfrancis.com>

# Introduction

Heiko Feldner, Fabio Vighi and Slavoj Žižek

One of the most extraordinary events in recent history has been the imposition of austerity measures on societies that, only a few years back, were coercively indebted in a collective effort to rescue the financial system. In the autumn of 2008, we were reassured that bailout and stimulus packages would correct the situation and the crisis would be over soon. By the spring of 2011, 15 trillion dollars had been mobilized from the public purse worldwide to firefight the crisis, bringing up the total of sovereign debt to a colossal 39 trillion dollars. If this is the most efficient economic system we can think of, then we had better think again. While the finance bubble was turned into a sovereign debt bubble, we have now come full circle, only on a much higher level than in 2008 and with no leeway to repeat the operation. By the summer of 2012, it became clear that policy makers had “run out of policy rabbits to pull out of their hats,” as crisis economist Nouriel Roubini (2012), who had predicted the crash, put it. Through debt we have been living on borrowed time; yet, without the prospect of real growth the issue of debt sustainability only foreshadows a much trickier one, for the covenant of capitalist societies itself is rendered nil and void.

Against this background, political commentators, analysts and activists across the political spectrum are increasingly questioning the fairy tale account of the crisis according to which it resulted from a distortion of an otherwise efficient system. The intellectual agenda has begun to shift from questions of crisis management to more fundamental questions about the systemic nature and long-term implications of the crisis. It is true, however, that, as the American anthropologist David Graeber pointed out, we are faced with a peculiar historical deadlock. On the one hand, we have good reasons to assume that within the life span of only one generation capitalism as a system of social reproduction might no longer be with us—not least, as we are reminded by ecologists, because the growth imperative cannot be maintained forever on a finite planet. On the other hand, when confronted with the prospect that capitalism might actually disintegrate, the ubiquitous response—even from some of the staunchest critics of capitalism—is outright fear. Since we have lost the collective ability to imagine an alternative that would not turn out to be worse than our current predicament, we feel compelled to put up with the increasingly destructive consequences of the multiple crisis of capitalism as they unfold before our eyes (Graeber 2011: 381f).

Taking into account the seemingly untranscendable deadlock that characterizes our historical moment, in this volume we tackle crisis both at the level of its

specific historical configuration (the capitalist economy) and in conjunction with theoretical questions that aim to intersect the ontological resonance we assign to the term under consideration. From our perspective, the two approaches are inseparable. It is only by bringing the specific historical analysis to converge on the ontological dimension it broaches that a critique of crisis can bear fruit; *vice versa*, a philosophical inquiry alone would smack of resignation. To be sure, the present capitalist crisis is rooted in a wider context which contains many of its immediately recognizable features. In fact, one of the main traits of modern thought is its awareness that crisis is a condition immanent to human existence. It is widely agreed that such awareness originates in the waning of metaphysical certainties and attendant disorientation within being that emerged with the rise of abstract economic rationality and the notion of instrumental reason inscribed in it. While most nineteenth century theories of modernity are about the ascent of Western bourgeois civilization and its meta-narrative of unending progress, with the start of the twentieth century such optimistic outlooks—together with their Marxist counterpart, the teleology of the communist society to come—began to dwindle. The catastrophes of the first half of the twentieth century forced a reassessment of bourgeois and proletarian illusions, which is reflected in the works of some of the most representative thinkers of that century like Max Weber, the philosophers and sociologists of the Frankfurt School and Michel Foucault. Against this background, the devastating impact of the current economic crisis has particularized the above awareness and disorientation by rekindling the anxiety-laden sentiment of a deep fracture separating the social sphere from the domain of abstract economic laws, the latter being epitomized by the apparent complexity and sidereal aloofness of the financial sector. The ongoing crisis, in other words, would seem to have provided us with a concrete manifestation of that “malaise within modernity” first lamented by Charles Baudelaire and debated ever since. More than that, it has confirmed that such malaise should be framed less within existential parameters than within the ideological order imposed by the economic system responsible for the birth and development of what we call modernity, namely capitalism.

In so far as modernity reflects the vertiginous development of market society and its concomitant use of abstract regulative principles, crisis has often been discussed in relation to what Karl Polanyi (1957) famously labelled as a phenomenon of “disembedding,” according to which the economy progressively detaches itself from traditional social mores and political principles to the extent of acquiring full autonomy from the needs of the human congregation. While Polanyi’s term may well be appropriate to define the current hiatus between the fireworks of the finance sector and the real needs of the increasingly impoverished masses, it is also clear to us that such disembedding has always-already been re-embedded within an ideology that justifies every new phase of capitalist self-valorization with the seemingly unassailable truism that it serves precisely the “real needs of real people.” Another, more pervasive way of presenting crisis as a consequence of a condition of uprooting that has plagued capitalist modernity since its inception, is the one that found considerable fortune within the tradition

of the Frankfurt School. In Adorno and Horkheimer's groundbreaking critique of modernity, human alienation originates in the unstoppable march of instrumental reason away from human needs, with abstract exchange values subsuming all experience under the deadly spell of the equivalence principle (Adorno and Horkheimer 1997). One of the central themes of this book is a persistent sense of dissatisfaction with any dualistic framing of crisis which, as such, harks back, or forward, to its own positive overcoming.

Undoubtedly, the distinctive theoretical presupposition shared by all essays in this volume is the idea that modernity is overlaid, and crucially undermined, by what Jacques Lacan would have referred to as "capitalist signifiers," namely the language and ideology of capitalism. At the same time, however, we have to be aware of the danger represented by any self-condescending simplification—or ideological gentrification—of the term crisis, which, today more than ever, is at risk of slipping into a provocative cliché devoid of substance. One of the paradoxical consequences of our "being aware of crisis" is that the negative, disruptive potential of its notion is repressed, in line with what Stuart Hall, back in 1978—borrowing a definition coined by Stanley Cohen in his work *Folk Devils and Moral Panics* (1972)—called the displacement effect of the 'moral-panic cycle' (Hall et al. 1978: 322). The argument, back then, was that systemic crises are displaced ideologically *via* moral discourses aimed at placating social anxiety while, most importantly, prescribing the cause of the crisis itself as its solution. Today, this is again the case with regard to our economic predicament, where ideology takes the form of surges of moral panic, often artfully turned into sour resentment, against usual suspects like the immigrants and the unemployed, but also crisis-specific targets like greedy financial speculators, Southern Europeans (with their atavistic laziness), their governments (with their corruption and economic ineptitude), and, last but not least, Europe itself. Furthermore, the above displacement is part of a more subtle and pervasive blackmail functioning as a "reality check": either we accept the harsh conditions imposed by the "ill-fated" economic conjuncture (this being the main rhetoric behind today's "austerity measures") or we shall all have to face much worse, apocalyptic scenarios. In the face of this barrage of muted yet all the more effective ideological injunctions, whose aim is to disable any serious debate over the causes of the crisis, representative democracy is either devilishly complicit with the status quo or, in a gesture of unheard-of resignation, it throws in the towel before any real fight has even started—accepting, indeed fully internalizing, the sobering call to "realism" behind which lurks a debilitating *Denkverbot*. The possibility of a "change of direction" must not even be remotely entertained.

To avoid falling into the quagmire of crisis management, with its positivistic blindness, this volume proposes to examine the crisis of capitalism alongside its ontological presuppositions. If there is an awareness we especially endorse, it is inscribed in the thought that the true difficulty, even within an epoch dominated by postmodern antifoundationalist scepticism, remains to conceive of crisis as rooted in ontological "lack," i.e. as constitutive of our being. However profoundly the notion of crisis might have infiltrated modernity's malaise, it has nevertheless

been regularly offset by positive visions of its (always imminent, always-already here) overcoming. Inbuilt in the common use of the term crisis is the certainty of its temporariness. The obvious example comes from the logic of our economic predicament, increasingly naturalized as “fate”: it is in the very nature of capitalism to “capitalize” on crises. And while capitalist expansion, “from crisis to crisis,” would seem to prove that, so far, crisis has been a condition of possibility (of capital), the latter statement would seem to apply also to conceptual frameworks that, historically, have been regarded as progressive or revolutionary. Think of how, for instance, social antagonism for Marx is superseded by the vision of a future classless society; or how, in Freud, the same formal reference to a recalcitrant antagonistic substance tends to be confined to the psychic sphere, without affecting the composition of external social reality.

The point not to be missed when discussing crisis, then, is that our ability to tackle its historical determinations goes hand in hand with our ability to identify its ontological reverberations. The advantage of this approach to crisis is that it prevents us from relativizing its meaning, avoiding the danger of turning it into yet another piece of evidence for our “hermeneutic weakness.” Rather, we believe that the only way to effectively confront the current predicament and its catastrophic impact is by intervening in the knot where “everything is decided” regarding our being in the world. Precisely because it is symptomatic of the epochal exhaustion of the “world-system” (Wallerstein 1974) dominated by the capitalist economy, the current crisis needs to be grasped at its roots, where the foundational categories of our historical episteme were and continue to be formed. By locating the ontological presuppositions upon which the capitalist paradigm stands, we have a chance to bring crisis to coincide with its notion, thus opening the way to the concrete reconfiguration of the antagonism it embodies within a radically changed social order.

The proposed volume aims to provide a framework where the current state of affairs is critically unravelled in connection with a utopian urge to think new social, political and economic scenarios. Throughout this collection of essays, the desire to expose the inconsistencies of the capitalist order is coterminous with the desire to propose visions of a changed social order. What is at stake in each contribution is the effort to conceive of the critique of today’s crisis as inevitably bound up with a creative intervention whose goal is to theorize new social horizons.

The volume is divided into three interrelated sections, each focussing on one of the key terms of our analysis: *Crises, Events, Scenarios*. The first section opens with an essay by Heiko Feldner and Fabio Vighi. The aim of this essay is to articulate a critique of the current economic crisis from two complementary angles: a Marxian and a Lacanian critique of the value-form as the disavowed matrix of capitalist modernity. The first part of the essay develops a Marxian reading of the economic crisis which substantiates the claim that, given its vanishing capacity to generate surplus-value, capitalism as a historical form of social reproduction is in terminal decline. The second part focuses on Jacques Lacan’s critique of work as developed especially in *Seminars XVI to XVIII*. It examines Lacan’s contention that the ruse of modernity lies in transforming the unconscious roots of knowledge-at-work into

countable entities. In the following essay, Jodi Dean takes up Žižek's discussion of drive to argue that, as a force of loss, the notion of drive should be seen as a central formation of communicative capitalism in so far as the latter relies on a constant state of imbalance, i.e. on the repeated suspension of narratives, patterns, identities and norms. Although Dean's discussion draws heavily on Žižek, it proposes a significantly different understanding of drive as a political category. In the third essay of the first section, Benjamin Noys assesses how the fracturing of the until recently "untreascendable horizon" of capitalism impacts on the theoretical articulation of radical alternatives. More specifically, Noys examines the role of utopia for critical thinking. While arguing that capitalism itself, as a self-engendering productive system, relies on "default utopianism," Noys contends that the main problem with today's anti-capitalist utopian thought is its intrinsic "fear of planning." In the final essay of the opening section, Paul Taylor proposes to re-contextualize Hannah Arendt's well-known notion of the "fearsome, word-and-thought-denying banality of evil" as a morbid symptom proliferating in today's capitalist media system. Taylor constructs his critical assessment by drawing on a tradition of illustrious critics of the "narcotic function" of the modern media (Adorno, Baudrillard, Benjamin, Kracauer, etc.), as well as on the *ante-litteram* censor of the "evil banality" inherent in our contemporary society of spectacle named Fyodor Dostoevsky.

The middle section of the book (*Events*) begins with Slavoj Žižek's essay "The Undoing of an Event," which draws on an array of cultural sources and popular themes, as well as on Hegel's notion of the "spiritual kingdom of animals," to propose a critique of capitalist "pseudo-evental interpellation." Žižek argues that one of the most effective ways in which the muted ideology of today's capitalism works is by surreptitiously transforming the public space into a private one, thereby neutralizing the possibility that real events might take place. The privatization of the public space, Žižek contends, is a key ingredient of the debilitating ideology of capitalist modernity: while all communal ends are a mode of appearance of private interests, the egotistic pursuing of these interests feeds directly into the communal framework where capital thrives. In the following chapter, Todd McGowan confronts 'the imperative to be practical' affecting every theorist during a period of crisis. He does so by examining Hegel's refusal of practice, namely his contention that it is precisely by justifying the world in its irresolvable antagonistic dimension that one lays the ground for its salvation. McGowan argues that what is required now is a "critique of practical theory" which has as its object "theory's devotion to saving the world." The paradox at work in McGowan's argument is that only by endorsing Hegel's absolute refusal of praxis are we able to commit, as theorists, to a practical end. In the next piece, Yahya Madra and Ceren Özselçuk begin by endorsing Sohn-Rethel's materialist account of "real abstraction" as a warning against over-simplified notions of post-capitalist politics. Then, by looking closely at Lacan's theory of the four discourses, they pin the affective dimension of these discourses against abstraction itself. While doing so, they also provide a perspicuous reading of the so-called Occupy movements through Lacan's discourses of the Hysteric and the Analyst, claiming that only the latter would signal a move to a



post-capitalist scenario. In the final essay of the section, Marco Grosoli analyzes Steven Soderbergh's film *Contagion* (2011)—the story of a mysterious epidemic disease spreading worldwide—as an allegory of the financial crisis and its global consequences. Theoretically, Grosoli relies on Fredric Jameson's notion of "positive hermeneutics," proposing that despite its ideological closure, *Contagion* hides disavowed utopian motifs. He provides evidence for this claim by discussing how the film's articulation of its central theme of "disruption" is formally tied with the thrust toward the formulation of a new spatiality.

In the third and final section of the book, Colin Cremin begins by discussing Herbert Marcuse's analysis of the libidinal compulsion that keeps consumers aggressively attached to the capitalist economy. He assesses Marcuse's theorization of the Great Refusal as reflected in the concept of subtraction embraced by contemporary thinkers who attempt to re-marry Marxism and psychoanalysis, most prominently Slavoj Žižek. The essay then develops from a theoretical plane to the critique of employability, regarded as the main ideological lure through which the contemporary subject remains tied to capitalist relations. Eventually, Cremin suggests that only a strategically invested form of subtraction, which does not shirk practical action, can hope to succeed as an attempt to stem the catastrophic tide of capital, thus opening the way for the reconfiguration of our social space. The following chapter, by Darrow Schechter, calls into question the "dogmatically quantitative notion of economic growth" that has led to today's crisis, while exploring the potential for a transition to "qualitatively new economic, political and educational systems" that might ignite a self-steering democratic society. Whereas most of Marx's interpreters regard the transition from political to human emancipation to consist in a centralized model of political-economic planning, Schechter explores the potential for a new approach to the question of the relations between economy and polity in a post-liberal, genuinely differentiated social order. Schechter's essay is followed by Jan Jagodzinski's appraisal of a post-capitalist avant-garde that might be free from both the traditional leftist "paranoid" style of theorizing, and the radical yet aggressive type of activism associated mainly with anarchist movements. By endorsing the notion of an "avant-garde without authority," and drawing on Nietzsche's *Übermensch* as much as on the geo-philosophies of Deleuze and Guattari (and a vast array of examples of contemporary artistic engagement), Jagodzinski develops a theory of "an artistic Oekumenal war machine," whose task is to imagine and give shape to a new form of life beyond the control of capital. The volume comes to a close with Rex Butler's piece on Russian art theorist Boris Groys and his attempts to conceive of a post-capitalist scenario in relation to art, communism, philosophy and, more generally, his conception of thought as metanoia. Butler focuses on the merits and limitations of Groys' philosophical method, where metanoia—a religious term pointing to the transcendental ground of all things—occupies a central place, in so far as it captures Groys' desire to circumscribe a genuinely self-contradictory and paradoxical dimension outside the realm of capitalist relations.

## References

- Adorno, Theodor W. and Horkheimer, Max (1997 [1944]) *Dialectic of Enlightenment*. London and New York: Verso.
- Cohen, Stanley (1972) *Folk Devils and Moral Panics*. London: MacGibbon and Kee.
- Graeber, David (2011) *Debt: The First 5000 Years*. New York: Melville House.
- Hall, Stuart; Critcher, C; Jefferson, T; Clarke J and Roberts, B (1978) *Policing the Crisis*. London: Macmillan.
- Polanyi, Karl (1957) *The Great Transformation*. Boston: Beacon Press.
- Roubini, Nouriel (2012) "Global Economy; Reasons to be Fearful," in *The Guardian*, 18 June 2012, <http://www.guardian.co.uk/business/2012/jun/18/global-economy-perfect-storm> (accessed: 20 June 2012).
- Wallerstein, Immanuel (1974) *The Modern World-System, vol. I*. New York and London: Academic Press.



Taylor & Francis

Taylor & Francis Group

<http://taylorandfrancis.com>

# PART I

## Crises



Taylor & Francis

Taylor & Francis Group

<http://taylorandfrancis.com>

# Chapter 1

## The Matrix Cannot Be Reloaded: A Lacano-Marxian Perspective on the Current Economic Crisis

Heiko Feldner and Fabio Vighi

Over the past four years, the controversy about the nature of the current economic crisis has produced a myriad of competing explanations as to what might have caused it, which include the following:

- unrestrained greed and other psychological propensities rooted in human nature (e.g. Tett 2009, Greenspan 2009, Akerlof and Shiller 2010), a rehearsal of the anthropological leitmotif of liberal thought that “out of the crooked timber of humanity, no straight thing was ever made” (Kant 1784: 211);
- blind faith in neoliberal theories about the efficiency and self-sufficiency of markets (Davidson 2009, Elliott and Atkinson 2009, Skidelsky 2009);
- institutional failure to monitor and regulate the financial sector and especially the banking system (Acharya et al. 2011, Cable 2010, Hutton 2010);
- a failure of the collective imagination to understand systemic risk (Besley and Hennessy 2009 and King 2012) as well as to heed the lessons of history: the ever recurring “this-time-is-different-syndrome” (Reinhart and Rogoff 2009 and Gamble 2009);
- severe imbalances in the international financial, monetary and trading systems and the system of global governance (Roubini and Mihm 2011, Stiglitz et al. 2010, Krugman 2012 and Wolf 2009);
- an ill-conceived Anglo-Saxon model of capitalism imposing itself on the world economy (Sinn 2011, as well as large parts of the political elites in central Europe);
- big government along with too much regulation of the wrong kind (Ferguson 2012, Butler 2012, Dowd and Hutchinson 2010 and Beck 2010);
- a long-term crisis of over-accumulation and profitability (Callinicos 2010 and Harman 2009) as well as under-consumption caused by decades of excessive exploitation (Wolff 2010 and Harvey 2011) going back to the 1970s;
- the historical tendency of the rate of profit to fall as predicted by Marx in volume three of *Capital* (Carchedi 2010 and Kliman 2012);

- a blockage to the new forms of capital accumulation which are thought to have emerged with the development of cognitive capitalism (Marazzi 2011, Hardt and Negri 2009 and Vercellone 2010);
- a secular stagnation tendency of monopoly-finance capital—rather than rapid growth—generating a surplus-capital absorption problem (Magdoff and Yates 2009, Bellamy, Foster and McChesney 2012)

The first seven explanations belong to a cluster which oscillates between two related extremes: one makes the crisis into a “gigantic intellectual mistake” (Hutton 2012a), the other refers us to our “animal spirits”—the received wisdom that, rather than rational choice calculation, business and consumer decisions tend to be based on gut feeling.<sup>1</sup> The last four explanations are part of a cluster that stresses how the contradictory nature of capitalism leads systematically and unavoidably to economic crises. What both clusters have in common is the belief, whether explicit or implicit, that the capitalist mode of production possesses the miraculous ability to renew itself eternally, unless it is opposed and overthrown.

This chapter offers a different view of the nature, causes and consequences of the current economic crisis. In the wake of Ernest Mandel (1975) and Robert Kurz (1991 and 2009) we argue that the capitalist form of social reproduction has not only entered its deepest crisis since World War II, but that it has reached its absolute historical limit and is in terminal decline. Its demise does not depend on the rise of a political force to overthrow it, as is presumed across the political spectrum; nor does it in itself usher in a new social order, far from it. Its historic disintegration is caused by its vanishing capacity to generate new surplus-value (profit)—the life blood and telos of capitalist economies—, which condemns ever-larger parts of the world to permanent unproductivity (“underdevelopment”) and a surplus humanity to the fate of drowning in survival (“unemployment”).

From two interrelated angles—Marxian and Lacanian—the chapter lays out what distinguishes the present crisis from its predecessors: the “Long Depression” of the final quarter of the nineteenth century, the “Great Depression” in the 1930s, and the stagflation crisis of the 1970s. It explains why the current crisis does not simply mark the end of one particular model of growth that will give rise to a new model sooner or later, provided we are smart enough—a ubiquitous expectation elegantly expressed by Anatole Kaletsky’s *Capitalism 4.0* (2011) and overwhelmingly shared throughout the political landscape (see e.g. McDonough et al. 2010, Chang 2011 and Haug 2012). Would a rerun of Keynesian economic policies resolve the crisis, as Joseph Stiglitz (2010) and Paul Krugman (2012) believe? Can a new science and technology offensive succeed, as Nicholas Stern (2009b) and Will Hutton (2012b) suggest, while the gap between work to be had and work to be done is widening before our eyes? What can Marx offer in the face

---

1 The term harks back to Keynes (1936: 162), who considered as an important source of economic instability “the characteristic of human nature that a large proportion of our positive activities depend on spontaneous optimism rather than mathematical expectations.”

of the momentous failure of Marxism in the twentieth century? This chapter looks at these and other questions through the lens of a Lacano-Marxian critique of the *value-form* as the unconscious matrix of modern society.

In *Capital*, Marx projects a social totality greater than the empirically verifiable world. The object of this representational strategy is an abstract concept which brings into view a *negative objectivity*, i.e. a mysterious set of forces and effects that we can neither see nor touch, but nonetheless know have a constitutive influence over our existence. The concept designed to perform this representational manoeuvre is “value.” It designates the historically specific *form* our social being assumes in capitalism, which remains intangible while its presence is experienced existentially.

In *Seminars XVI to XVIII* (1968–1971) Lacan developed an often overlooked critique of the value-form *sui generis*. Together with the theory of the four discourses (Master, University, Hysteric and Analyst) as articulated in those seminars, Lacan introduced a fifth discourse—the *discourse of the Capitalist*—which builds on the central narrative of the seminars to denounce modernity’s blindness to its own generative matrix, namely the incessant “valorisation of value” promoted by capitalism. Starting from the postulate that the ruse of modernity consists in transforming the unconscious roots of knowledge into a countable entity, Lacan shows how the invisible mastery of the capitalist discourse is more pervasive and commanding than any historically antecedent form of authority. And yet, “wildly clever” as it may be, capitalism is, in Lacan’s prescient words, “headed for a blowout” (Lacan 1972: 48).

The stress on the value-form (social link, unconscious matrix) as a mode of objectivity as well as subjectivity brings together the critique of the political economy with the critique of the libidinal economy, a tradition most effectively developed over the last two and a half decades by Slavoj Žižek (1989, 2009 and 2010: 181–243). Such an approach leads us out of the disciplinary framings of the crisis in economics, business studies or behavioural psychology. It allows us, instead, to take full advantage of the insight that in order to effect change we have to have a grip on both the dull compulsion of the economic and the deep libidinal attraction of the forms of exploitation and domination that have made us who we are. This is not an exercise in economics then, even though we will deal extensively with economic issues. Rather, our approach combines the virtues of ideology critique with those of critical theory. While the former locates the blind spot of contemporary debates on the crisis, tracing the “real” of the current juncture through a symptomatic reading, the latter explores it through a conceptual register that cuts across disciplinary grids in philosophy and positive science.

The first part of the argument develops a Marxian reading of the economic crisis, the second a Lacanian critique of capitalist work. We do not attempt some kind of “shotgun marriage” here, as Peter Gay (1985: xii) dubbed the doomed endeavour of twentieth century Freudo-Marxism. The different conceptual frameworks are not eclipsed, nor are diverging implications obscured. We develop them as complementary perspectives in the parallaxic sense that they illuminate



two different modes of appearance of the capitalist matrix, thereby allowing its constitutive distortion and historical limit to emerge more starkly.

## 1 Was the Neoliberal Turn a Mistake?

Capitalism is not only a mode of production, it is also a religion. When this thought struck German philosopher Walter Benjamin some 90 years ago, he was witnessing one of the most devastating crises of the last century. The debt crisis at the heart of it was resolved two years later, in 1923, by a colossal hyperinflation which wiped out the life savings of millions and paved the way for the economic slump of 1929 and the resistible rise of the Nazis.

Capitalism was not only conditioned by a religious mentality, as Max Weber had suggested in *The Protestant Ethic and the Spirit of Capitalism* (1904–5). For Benjamin, capitalism was itself a religious phenomenon through-and-through. It had three essential features. First, it was a purely cultic religion, without theology or theoretical justification. Second, the capitalist cult was permanent in the terrifying sense that each day was a holy day demanding unrelenting devotion without exception. Such was the monstrosity of this religion that, third, it could no longer offer redemption. Instead, the capitalist cult gave rise to “*Schuld*”—debt, guilt and blame rolled into one—and self-destruction as the only path to salvation (Benjamin 1921).

One of the most extraordinary ideological manoeuvres in recent history has been the imposition of austerity rule on societies that only a few years ago were blackmailed into getting up to their ears in debt in a collective effort to rescue the banking system. The crisis would be over soon and green shoots crop up once the silver bullets of state credit (bailout and stimulus packages), money-printing and near-zero interest rates had rectified the situation and put us back on the royal road to growth. When in February 2011 the *Financial Times*’ chief economics commentator, Martin Wolf, ventured a historical retrospective on the crisis (Wolf 2011), what had come to a close was the first phase of the greatest corporate looting of public coffers in living memory. Between 2008 and 2011, 15 trillion dollars had been dredged up from the public purse worldwide to combat the crisis, bringing up the total of “sovereign debt” to a whopping 39 trillion dollars (39,000,000,000,000 and counting)—<sup>2</sup> not a bad tally for the most efficient economic system we can think of.

Now that we brace ourselves for the second wave of the crisis to peak—a global economic contraction with drastic forms of money devaluation lying in wait—<sup>3</sup> is it not time we turned our backs on the fairy-tale account of the crisis,

---

2 ‘World Debt Comparison: the Global Debt Clock,’ in *The Economist*, [http://www.economist.com/content/global\\_debt\\_clock](http://www.economist.com/content/global_debt_clock) (accessed 18 April 2011).

3 With a sense of impending doom, even mainstream economists have begun to refer to the present crisis as the “Great Stagnation” (see e.g. Cowen 2010 and Denning 2011).

according to which it resulted from a distortion (human avarice, regulatory neglect, casino capitalism, Anglo-Saxon aberration, you name it) of an otherwise efficient system? Rather than pathologise the crisis, naturalise the economic system that gave rise to it, and hunt for scapegoats, we have good reasons to look at the neoliberal turn of the past three and a half decades as a rational response to the historic crisis of industrial capitalism in the 1970s. Deregulation and financialisation—the economy’s shift in gravity from production to finance—were not simply “mistakes” but utilitarian responses to an irreversible profit crunch.

Let us recall the structural crisis of the 1970s. When the Fordist growth model of industrial society hit the buffers, the state-capitalist economies of the Soviet bloc tumbled into a state of collapse, while in the West the reign of Keynesianism ended in stagflation—the double bind of stagnant growth and rising inflation. In either case, the attempt by the state to subsidise the lack of real growth had proven unsustainable. The hour had come for the “neoliberal revolution.”

In the event, the crusade to subordinate all aspects of life to the imperatives of the corporate bottom line did much to damage the fabric of society, but it could not bring back the growth dynamic of the post-war boom. The growth rates of the OECD economies continued to fall from a buoyant 5.3 percent per year on average in the 1960s, to 3.7 percent (1970s), 2.8 percent (1980s), and 2.5 percent during the 1990s. Furthermore, the deregulation of the labour markets aggravated the problem of declining purchase power, while anti-state fanaticism ruined the public infrastructure required for long-term profitability. Intoxicated by their own ideological trademark belief that money was simply a “veil over barter” (Say 1816: 22), the class warriors of neoliberalism had merely shifted the debt problem from the state to the financial markets. Two and a half decades of debt-financed growth ensued, based ever more on money without substance. The rest is history.<sup>4</sup>

When the debt-bubble burst in 2008, a nostalgic pining for a return to Keynes led to the only seemingly oxymoronic *neoliberal Keynesianism* as a last-ditch response. As the bailout and stimulus packages shifted the debt problem back to the state, the crisis of the financial markets morphed into a sovereign debt crisis, only on a much higher level than in the 1970s and with no leeway to repeat the operation of finance-driven growth. Now, in 2012, policy makers have finally “run out of policy rabbits to pull out of their hats” as economist Nouriel Roubini (2012) put it. We have been living on borrowed time and continue to do so, since the cynically disguised nationalisations of corporate debt have been paid for by state resources that have yet to be contrived. The success of the latter relies on

---

4 As Marx (and Engels) aptly put it: “The production process appears simply as an unavoidable middle term, a necessary evil for the purpose of money-making. (This explains why all nations characterised by the capitalist mode of production are periodically seized by fits of giddiness in which they try to accomplish the money-making without the mediation of the production process)” (Marx 1992: 137).

the creation of future surplus-value at a historic magnitude that is most unlikely ever to materialise. Without real growth, however, it is not only that the question of debt sustainability becomes trickier. The ideological covenant of capitalist societies itself is rendered nil and void, as the acceptance of capitalism as a social partnership is inextricably linked to the prospect of a good life.

## **2 What we are Facing is not Simply a Periodic, Structural or Financial Crisis**

Of course, the voyeuristic obsession with the political theatre and the idiosyncrasies of its cast—from Berlusconi and Merkel to Obama and Sarkozy—only serves to fudge the nature of the relationship between national states and “the economy.” The state is in no way a sovereign actor *vis-à-vis* the mode of production on which it rests. So when we call for the primacy of politics over financial markets and for political leadership in tackling the crisis, it is worth recalling that the capitalist state is not some kind of guardian angel but rather an element within the circuit of capital. In its material capacity to act (by raising taxes, for example, or borrowing money) it is not only at the mercy of rating agencies and financial markets, as we are reminded every day, but is sustained on the drip of the economy of capital valorisation (the expanded reproduction of the economy through the competitive extraction of money profit)—the basis for enduring growth as we know it.

There is another sense of *déjà vu* in that each and every mayhem in the markets provokes renewed talk about the system being ready to explode at any moment, as well as the urgent need for reform, as was the case in the wake of Lehman Brothers’ demise four years ago. The word “system” stands here for the institutional framework and management of the (global) economy. To be sure, there is plenty of room to improve the architecture of the financial and monetary system, the trading system and the system of global governance, as Joseph Stiglitz and other leading Keynesians have demanded for years (e.g. Stiglitz et al. 2010). But this will do little to address the underlying crisis, which is a crisis of capital valorisation itself.

What then distinguishes the current crisis from its predecessors? To answer the question, we need to let go of the postmodern illusion of an infinitely malleable reality. By producing goods and services the way it does, capitalism creates a historical dynamic which is as material and objective as it is directional and irreversible. While we are desperate for the light at the end of the tunnel to emerge as usual, there is no reason to believe that capitalism is endowed with an enigmatic capacity for eternal self-renewal. The present crisis does not simply spell the end of one specific model of capital accumulation (“growth”) that will give rise to a new one sooner or later, provided we are smart enough. Put differently, the crisis is not merely cyclical, structural or limited to finance; nor is it simply down to factors such as over-accumulation, under-consumption or global imbalances.

Building on Ernest Mandel's analysis of the "specific nature of the third technological revolution" (Mandel 1975: 184ff.), Robert Kurz has blazed the trail for a critical understanding of the historical peculiarity of the current economic crisis, which he explored in a series of incisive analyses against the background of the history of modernisation over the past 250 years (Kurz 1991, 2005 and 2009). What sets the current crisis apart is the unprecedented scale at which human labour power—the only source of new surplus-value and, by implication, growth—is made redundant by scientific rationalisation. Whenever we get cash from a cash machine rather than a teller or use the automated checkout to pay for our daily shopping, we see the evidence of technology displacing human labour. This has long been anticipated from a variety of angles by luminaries as diverse as Norbert Wiener (1948: 59ff.) and Hannah Arendt (1958: 4–5). Three decades ago, economist Wassily Leontief wrote that the "role of humans as the most important factor of production is bound to diminish in the same way that the role of horses in agricultural production was first diminished and then eliminated by the introduction of tractors" (Leontief 1983: 3–4). This has come true in the form of digital automation and jobless recoveries. The engine of the "beautiful machine"—the business corporation—cannot be fazed by this calamity. Engaged in the civil war of competition, it must obey the law of acceleration to survive. With the rise of the knowledge economy we have reached the historical tipping point: for the first time more labour is made superfluous than can be re-mobilised through market expansion strategies (Kurz 2012: 296; see also Smith 2010: 1–23).

In other words, melting away like the Greenland ice sheet, the social substance of capital—labour—cannot acquire a new lease of life. This spells doom for a society in which the great majority can only access the means of existence through wage labour. The economic policy response to this predicament was the engineering of growth without substance, i.e. the mere simulation of growth, which hit the buffers in 2008. What should have been a blessing has turned into a nightmare: the capital valorisation economy cannot return the productivity gains engendered by technological automation back to us as free disposable time we could put to good use while working fewer hours. Quite the contrary, today's much-evoked "Third Industrial Revolution" (Rifkin 2011, The Economist 2012) leads to social Darwinism 24/7 and the savage barbarisation of our public and private lives ("austerity").

Benjamin considered his 1921 fragment *Capitalism as Religion* untimely; it remained unfinished and he never published it. However, future generations staring ruin in the face would be able to recognise the self-destructive imperative of the capitalist cult. Let us hope he was right. While the economic crystal ball has yet to be invented, this much is clear: the current crisis will force us to confront the political choice that defines the twenty-first century. Either we come up with an alternative to the dynamic of the capital valorisation machine before it is too late, or the unfolding socio-ecological catastrophe will run its course. The uncanny story of the grow-or-die society is coming to an end one way or the other.

The required alternative, however, is not “prosperity without growth” (Jackson 2009) or “degrowth economics” (Latouche 2009).<sup>5</sup> The notion of a capitalism without surplus-value or growth imperative is a red herring. Not only is it hopelessly nostalgic. It also rests on the implicit belief that with globalised capitalism we encounter only incontrovertible *external* “limits to growth,” from climate change to finite energy and freshwater resources, whereas there are in principle no insurmountable *internal* limitations to the process of capital valorisation which could continue *ad infinitum* if only it were managed properly. This belief is obsolete. In the course of the last half century, we have reached and partly crossed *both* “the boundaries of the ‘planetary playing field’ for humanity,” as the new science of planetary boundaries forcefully demonstrates (Resilience Alliance 2009 and Cho 2011),<sup>6</sup> and the boundaries of the economic playing field, as it were, of capitalism as a historical form of social reproduction. Though the former problematic cannot be reduced to the latter, it cannot be addressed without it either. What is therefore needed at this juncture is no longer alternative capitalism, such as eco- or “natural capitalism” (Hawken et al. 2010, Heinberg 2011 and d’Humières 2010), but an alternative to capitalism itself.

### 3 Between Monetary Hygiene and Keynesian Hydraulics: The Value of Marx

This, of course, is not the gospel according to mainstream economics which identifies the social either with the market or with the state. Like the Newtonian clockwork-universe, wound up by the watchmaker-God, the liberal notion of the market as a self-regulating force of nature sees the market as a gigantic machine of impersonal forces which is imbued with potential energy that will be running it *ad infinitum*. Like in the Newtonian universe, the laws of the market universe require occasional intercession, notably in times of crisis. The corrective surgery is carried out by the state. The surgeon is expected to withdraw again once the transformation of the patient’s potential energy into kinetic energy is resumed. What, though, if that does not happen?

---

5 The current debate on degrowth economics points to a long tradition (e.g. Georgescu-Roegen 1971 and H. E. Daly 1977 and 1996) which can be traced back to John Stuart Mill’s exploration of the “stationary state” in his 1848 classic *Principles of Political Economy* (Mill 1904: 452–455). See also Kallis (2011), Eisenstein (2011) and “Degrowth Declaration Barcelona” (2010).

6 It distinguishes nine planetary boundaries which define humanity’s safe operating space: climate change, changes to the global nitrogen cycle, rate for biodiversity loss, ocean acidification, stratospheric ozone, global freshwater use, land system change, chemical pollution, and atmospheric aerosol loading. It estimates that we have already transgressed the first three of these boundaries and are likely to be on our way towards crossing others (Resilience Alliance 2009 and Cho 2011).