

YOUR POSTS

# CRITIQUE OF THE TERM NEOLIBERALISM

By Carsten Juhl , 24 March 2017



Image: Martha Svihus, Untitled, oil on canvas, 2016

The following text is translated by James Day from Carsten Juhl's *What Couldn't Continue and What Couldn't Begin* and introduced here by the translator<sup>1</sup>

The following 'critique of the term neoliberalism' is an excerpt from Carsten Juhl's *What Couldn't Continue and What Couldn't Begin*, which seeks to contribute to contemporary questions of revolutionary organization by way of an extended commentary on his Danish translations of two key texts first published in French in *Invariance* in 1972, 'On Organization', co-authored by Jacques Camatte and Gianni Collu in 1969, and 'About the Revolution', which Camatte wrote himself. The book itself is deceptively slight given its tremendous diversity of content, consisting of a preamble, foreword, an introduction to the translation of 'On Organization' and a chapter on the 'critical body' and the history of the revolutionary party, with sections on Femen, Julius Martov and Lenin. This is followed by an intermezzo on the history of the working class in the capitalist heartlands and the inheritance of May '68 for the revolutionary present. Next comes the translation of Camatte's 'About the Revolution' contextualised by a translator's afterword comparing *Invariance* with the little-known and roughly contemporaneous Swedish and Danish journal *Kommunismen*; the 'critique of the term neoliberalism' is then finished off with a 'non-conclusion' on artistic research and preparation for revolution. As this brief summary suggests, and will be apparent in the extract below, the book runs along with a breathless intensity belied somewhat by the density of its phrasing. Questions of the history of the working class movement, the history of theory (especially a defence of some theories about the postmodern condition) and history of art flit in and out of analysis of the inheritance of May '68, the Arab Spring, and history of the Cold War, to name just a few of its concerns.

*What couldn't* is no commentary in the usual sense then. Rather it draws lines out from 'On Organization' and 'About the Revolution' to today's revolutionary potential, picking up on elements left over from the earlier texts, which it seeks to continue and extend. This is one reason why the argument shifts so abruptly from apparently disparate subjects, as in the jump from art's manifestation on the barricades to Erdogan's reliance on the mosque and a rural population still under its sway in the extract below. What may seem haphazard at first sight adds up to a more complete picture as the book progresses because of its dense network of cross references. Juhl acknowledges the pitfalls of such shorthand when he comments that readers unfamiliar with the history of the Far

Left (and even some of those who are) may find such abbreviation hard to follow. Though such jumps may have the effect of a synaptic jolt bringing a flash of clarity, they subsequently require raised eyebrows and painstaking reconstruction of a picture only glimpsed. Juhl's writing might be likened to that of his friend Jean-François Lyotard, who, so Juhl writes, states his theory in such a way that rhetorical device and argument are constantly clarified as theoretical procedures and a kind of linguistic searching, whereby the text appeals to the reader as a collaborator, and develops with her thoughts. In this case the apparently overwhelming range of reference might be further likened to Stig Brøgger's exhibition *Flora Danica* (at Statens Museum for Kunst in 1990), which Juhl mentions in several texts, seeing fragmentation as intentionally disappointing attempts to synthesise perception, thereby hobbling the rise towards transcendence or universality. That so many chapters are preamble, foreword, introduction, afterword and so on suggests exchange rather than overarching unity.

Conventional commentary on the context and argument of 'On Organisation' and 'About the Revolution' is scattered across the book along with anecdote and autobiography, helping to further the impression that it is more part of an on-going project than a critical commentary. Indeed, continuity can be traced from Juhl's 'The German Revolution and the Spectre the Proletariat', published in *Invariance* in 1974, to the present book, which returns to and further elaborates earlier work. In some places, *What couldn't* even supplements the earlier texts by giving a fuller account of matters only hinted at in them. Unable to discover more thorough discussion of the Martov/Lenin controversy elsewhere in Camatte's writing of the period, Juhl devotes much of his chapter on the critical body, an afterword of sorts to 'On Organization', to the matter. In Camatte and Collu's text the Communist Left in Italy in the 1950s was seen as unable to break free of the shackles of its 1919-1926 past. The questions of organization it wrestled with were traceable back to the split between Martov and Lenin, which resurfaced in discussions of the time, and which the uprisings of May 68 are seen as having lain to rest at a third-class funeral. There is, however, no very full account of this split in 'On Organization'. Juhl remarks upon the rudimentary understanding of revolutionary politics and forms of life at the beginning of modern discussion of revolution, at the Second Congress of the Russian Social Democratic Labour Party in 1903, which split Mensheviks from Bolsheviks. Tension between organization and revolution in the years around the First World War and Spanish Civil War are suggested to continue the transformation of internationalism to what Juhl terms 'world feeling', a condition that encompasses humanity's global situation (and is part of a move towards questions of the species that return in discussion of Marx's *Gemeinwesen*). Camatte and Collu see the development of separated militants at the Second Congress, of the competing notions of avant-garde and party, be their members activists or academics, as a false step. Especially after May 68 it was necessary to go beyond organizational questions of this sort. It was only with Surrealism, according to Juhl, that plastic problems were joined with theoretical considerations, and therefore began to make sense of art's role in revolutionary politics. Surrealism is therefore seen as both an important precursor for both the Situationist critique of everyday life and the criticism of the party/gang in *Invariance*, though it remained largely unacknowledged here.

'On Organization' and 'About the Revolution' are seen as marking a) a turning point in revolutionary organization after the upheavals of '68 and the historic end of the party form and b) to prepare the way for a discussion of the conditions for the experimentation with forms that makes up artistic research. Understood in the broadest possible sense, way beyond the circuit of biennials, fairs and exhibitions that make up the art world passively consumed by citizens of the free world (bloc a in Juhl's three-tier division of the world's population), artistic research is tasked with enlarging and clarifying the chasm between appearance and manipulation. In this it picks up where Juhl left off in one of his major works to date, *Globalæstetik* (Billedkunstskolens forlag, 2007), which prepares the ground for the revolutionary potential of artistic research sketched in the present book. Juhl has taken active part developing this potential in his teaching at the School of Theory at the Royal Academy of Copenhagen, where he's taught since the 1980s. Instead of giving up on art as mere spectacle, artistic research is seen to point towards a new, popular art that seems to require no aesthetic doubling, neither alienated nor autonomous.

Building on his texts on certain theories about the postmodern condition in the 1980s (especially close to Baudrillard and Lyotard), Juhl has been preoccupied with questions of aesthetic community and enjoiment since the 1990s. Both terms are taken from Kant's *Critique of Judgement* (which Juhl has translated with annotations, an introduction and the second instalment of a closely related two-part article on 'Political Art Theory', which functions as a kind of afterword, see *Hæfter for Gæstfrihed* [Volumes for Hospitality], 6-7, 2006). The term enjoiment is taken, via Lyotard, from Kant's *ansinnen* and aesthetic community is derived from his concept of *sensus communus*. Work on aesthetic community is gathered in three parts: *Den Æstetiske Fordring* (The Aesthetic Enjoiment) was published in 1994; the second volume remains scattered in various articles and book chapters, with *Globalæstetik* (Global Aesthetics) making up volume three; all three parts are further developed in articles and chapters published during this period. Artistic research has subsequently taken on increasing importance in Juhl's recent writing. Although touched on only very briefly in the extract below, it does contain a definition that is among the most complete in the book, and at the very least indicates the wide remit given to artistic research in the revolutionary process. The call

for art mentioned below is elaborated in the final chapter, which is devoted to artistic research. Here the financial crisis of 2007/8 and Arab Spring are seen as having opened wide cracks in the global order that require investigation. Despite reinforcement of the police and army, of the power of the Mosque or Church, the apparent openness of the current situation continues to call for further research, something the receptivity to difference and directness of expanded artistic practice in the increasingly open constellation: artist, activist and teacher, are seen as well placed to carry out. It is important to underline that artistic research is not the preserve of professional artists, but is rather characterized by an ability to ventilate questions of revolution in any space, however small; in other words, sketching out open modalities for research deliberately withdrawn from ideologies of freedom of expression and economic necessity, able to point towards some general regimes and functions with which any such expanded notion of artistic engagement can enter. Indeed, *What Couldn't* is a self-conscious attempt to contribute to such a sketch.

As Juhl remarks on page eighteen, *What Couldn't* is an investigation of Camatte's theory of community, his adaptation of Marx's *Gemeinwesen*. While still inscribed within the Marxist tradition, he sees Camatte as taking leave of the control required by a revolutionary party and its gang-like organization, understood as having hemmed in the revolutionary potential produced during May 68 and the revolution *en acte*. Camatte attempts to disentangle two opposed, though interlaced, versions of human community: dehumanisation brought about by the material production of society under capitalism, in which 'men are snared by the being they themselves produce', is counterposed to Marx's insistence that 'The human being is the true *Gemeinwesen* of man'. Instead of confrontation between these antagonistic poles Camatte calls for a process of undoing through which 'men and women abandon the world of capital'.<sup>1</sup> Juhl points out that fascination with the melding together of society and the accumulation of capital was widespread in the 1970s. This drove Camatte to radically expand Marx's concept of real subsumption from the exploitation of workers by the means of production to the exploitation of the entirety of the human community. In a rare passage of criticism of *Invariance* (and the French Far Left in general), an all-embracing critique of consciousness is seen to have distracted from analysis of categories like money, a regrettable privilege that *Kommunismen* proposed to correct.

The following extract then is the first half of the critique of neoliberalism that serves as a second afterword to Camatte's 'About the Revolution'. Elsewhere in *What Couldn't*, Juhl explains that *Invariance* developed from the dead ends of the Bordigist apparatus, and his own assertion that the Soviet economy was state capitalist draws on Bordiga's *Struttura economica e sociale della Russia d'oggi*. Neoliberalism is criticized primarily because of its ideological function, which is seen as the detaching of money, as a medium of circulation, from the production of surplus value as the accumulation of capital. Yevgeni Preobrazhensky's *New Economics* is brought into the argument to introduce the ideologically motivated separation of wage, price and profit from capital, such that the injunction to accumulate driving the Soviet economy on was obscured. Following Preobrazhensky's lectures from 1924, ground rent is isolated as the crucial element. More generally, it is claimed that by retaining money the Soviet Union settled for state capitalist management of property and the means of production, which merely meant more anonymous property relations that collapsed easily back into relations determined by the market. Although not stated explicitly in the text, the abolition of money is seen as a basic first step towards socialism. Marx, Kropotkin, Pannekoek and Bordiga all agree that money must be abolished. The end of the Cold War thus emerges as nothing more than the merger of two capitalist blocs rather than the victory of a resurgent liberal capitalism over socialism. Nothing much changed when the wall fell in other words. Global compromise between state bureaucrats and business leaders had been envisaged since the '70s, and has led to our 'all too capitalist' present. State control (the welfare state or five-year plan), once supposed to regulate capital in the interests of the general good, became more and more clearly under the shadow of the invisible hand, which it had never really escaped from. It became increasingly clear on both sides of the iron curtain that the creation of profit was crucial. This is why 'fusion' is proposed as a corrective to the historically erroneous term neoliberalism, and this is where this translation breaks off. In the remainder of the chapter, Juhl continues with the historical development of globalized neo-colonialism, with reference to the thinning out of the proletariat that took place during the Second World War and subsequent regime of permanent war, which has blocked the development of revolutionary potential. As the text below concludes, the Middle East is seen as the epicentre of revolutionary upheaval because it is here that neo-colonialism has begun to crack, and there's a chance for the proletariat to overcome its national division, as these are not so entrenched as in the old heartlands of capitalism.

The argument of *What couldn't* proceeds through numbered chapters and paragraphs, retained here.

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## Critique of the Term Neoliberalism – Some Remarks on ‘On Organization’ and ‘About the Revolution’

**VII.1** A term has long haunted nearly every political theory that wants to be critical or dissident. The term is neoliberalism, and would denote a particular development in capital command – especially capital’s mode of circulation (the market) – with a political programme belonging to it. It is partly the apparently ‘new’ tacked onto liberalism that disturbs a deeper understanding of what liberal mechanisms within capitalist property and market relations have been and must now be, and partly the missed opportunity to anchor any such shift in a critique of the economy, of what motivates the accumulation of capital and why money is in conflict with the distribution of wealth, which the market ought apparently to supervise. Furthermore, there is an odd, encompassing, subjectivity inscribed in the ghost ‘neoliberalism’ which directly hinders an understanding of both modern and postmodern history of the relationship between politics and culture, and thereby also the development of artistic practice.

My discomfort with the term ‘neoliberalism’ comes down to both its historical inaccuracy and the impoverished understanding of capital that the term expresses. In my opinion theorists who take the lash to neoliberalism, with Badiou and a swarm of Anglo-American intellectuals at the sharp end, see the fall of the Berlin Wall as a liberal victory over ‘socialism’ in one form or another. Regardless of whether they date that victory back to the coup against Allende in Chile in September 1973, in the end their position contains a hidden defence of the view that ‘Socialism in One Country’ put up a resistance of sorts to the ‘older’ liberal capitalism.

There is no doubt that Socialism in One Country, or state capitalism, had problems with its market, but that doesn’t mean that there was anything in state capitalism that would help foster communism in relation to liberal capitalism in the West. Nor would it in Tito or Mao’s versions either. Both capitalisms – private as much as state – banked on taking part in one market, and both hoped that their industry would not be outcompeted. Many state capitalist enterprises were anyway, after the Wall fell, regardless of whether industries were half-private, state-owned or part of one or other joint holding (as with airlines in Western Europe).

The Soviet Union was not socialist. That can’t be written often enough; the Soviet Union couldn’t manage to build up a completely internal market as all had to do with wages, profit, and the creation of capital, and because they attempted to maintain neo-colonial rule over vassal economies in Eastern Europe and Asia. Yugoslavia, China and Albania’s breaks with the Soviet Union were reactions to the unequal trade relations that the Soviet tried to establish with them. Romania’s economic history can be included in the same crisis within the Soviet dominated ‘bloc’, even though the regime in Bucharest didn’t react quite as autonomously as governments in Belgrade, Beijing or Tirana. State capitalism was an economy of privilege run by business leaders together with the party elite and army generals. This ‘bureaucracy’ was capital command, state administration, party leadership and citizenship in one and the same function, even though property relations were nationalized and so more anonymous than in the West’s mega enterprises, for example in energy. Similar relations are recognizable in economies in Iraq (before 2003), Libya, Syria (before 2011) and Iran today, which no one would dare call ‘Socialism in One Country’.

So long as state capitalism was centred on heavy industry, the market was a manageable problem, as the state and military were both buyer and regulator, while getting a steady supply of foodstuffs and textiles to ordinary Soviet citizens in the cities remained the system’s weak point. In the countryside, which was dominated by kolkhoz joint cultivation, the population was supplied through the local marketplace. In the 1960s, Nikita Khrushchev tried to modernize the relation of income and joint cultivation by introducing wages to farmers, to make their labour more flexible and efficient. It became clear during the 1970s that the state capitalist economies would not be able to expand the reproduction of labour power, that is to say develop satisfactory levels of consumption. Tito and Deng Xiaoping saw this early on, and it’s also possible to drag the Indian economy in here too, as Nehru’s programme in the ’50s and early ’60s resembled the Russian Soviet in many ways and similarly prioritized heavy industry. In the end, it’s Eugen Preobrazhensky’s theory of ‘primitive socialist accumulation’ that ought to be discussed, as it tries to lay out how the state itself can be productive in a money economy, like a sort of all-sector Keynesianism.<sup>ii</sup>

As Bordiga argued then, we have to deal with post ‘feudal state’ control of the accumulation of capital after NEP politics were given up in Russia (with state bureaucratic privileges as a substitute for private property’s law), but it was business leaders who took the initiative to expand sectors in the sphere of production and also endeavoured to

develop infrastructure. The sag in the Soviet economy, besides widespread corruption and total lack of interest over waste, which, by the by, is incomprehensible insofar as the Soviet communists were materialists (which they weren't really), consisted chiefly of the exclusion of traditional struggles over wages from the productive economy, far more than in the lack of opportunity for buying and selling arable land, which has often been put forward. Land in the Soviet Union had been nationalized in 1917, so ground rent fell into the hands of state bureaucracy in the form of fees the kolkhoz had to pay the state as a tax on property. State ownership is thus also property and functions just like a greatly expanded form of 'private' property.

Seen globally, the period after the Second World War was defined by two economic relations: 1) Reconstruction of European apparatus of production and ensuing high growth rates, especially in industry, though bit by bit in agriculture too. 2) Converting colonial domination into metropolitan control of colonies' riches in world market conditions with companies run as holdings (an inheritance from both colonial and fascist economics), often after an attempt by local states at taking over previous colonial achievements. Nasser's nationalization of the Suez Canal with the ensuing war of intervention in 1956 is a golden example here.

In the West this brought about a short period of about twenty years (1948-68) of various aspirations for a welfare state. In the Scandinavian countries, where the welfare state had already gained a foothold in the '30s in preference to fascist or national-socialist alternatives (Stauning's Kanslergade settlement [*Kanslergadeforlig*] and Per Albin Hansson's Swedish Middle Way [*Folkhemmet*] for example) the economy was restarted at the same time as the state's guarantee of the reproduction of labour power was being built up. Generally there was an interest in socialising labour and work's expansion to all the working family's active adult members in the countries of Western Europe. The working class had shown their national, democratic temper in the struggle against fascism during the war, so that the ideological tenets 'God, king and country' could easily be turned into 'full employment' with Protestant moral duty and its steel cage, as Max Weber has described it.

Capitalism with a social-democratic face never undermined the privileges that the bourgeoisie of the middle way had though.<sup>iii</sup> Isolated instances of socialization or nationalization were attempted by Labour in England under Harold Wilson and in France by the Socialist Party under François Mitterrand, and always accompanied by handsome compensation. But, it was possible to reprivatize in the West just as easily as in the Soviet Union. At base it was merely about a shift from a bureaucratically mediated distribution of state income to a more encompassing market for shares and state obligations.

In the East, the political economy was probably more political than economic. As technology developed at the beginning of the '60s, and communications devices became just as important as nuclear warheads, the 'peaceful rivalry' between state capitalism and private capitalism dwindled and was replaced by a crisis of perspective embodied first in the co-operation between Brandt and Brezhnev in the 1970s, and continued in the early 1980s even more clearly with the politics of Perestroika and Glasnost. The state capitalist countries went into an economically conditioned crisis of applause and their public spheres imploded in different ways and to various extents. Though smaller in the Romanian and Bulgarian republics, cities here were soon to be touched by the state capitalist crisis of the '80s. In the old Habsburg countries taken over by the Soviet Union, Hungary and Czechoslovakia, together with East Germany, the local Communist Party could not bear the weight of the semi-colonial dependency that Soviet-led state capitalism had brought about.

## VII.2. Fusion Capitalism

If a term has to be found to cover developments since 1989 then fusion capitalism might do, as the melding together of the market's demand for the availability and mobility of labour with the welfare state's apparatus of control were their result, that is to say a blend of the religious rationality of liberalism's 'invisible hand' with the transparent movement of capital with profitability in its sights. What Adam Smith thought characterized the market, namely the invisible hand, made up the interests of business leaders as a composite group, while as for transparency, which state regulation and control supposedly embodied with a view to the general good, it now seemed self-evident that everything should be turned to a general ideology of profit. The result of this inversion of the relationship between business and the state could only be a mix without synthesis or a fusion full of dross. An affirmative interpretation of this dualism would emphasize that mixture without synthesis can be an open structure, and that fits Western capitalism's self-understanding, while waste lets itself be recycled, which is fully concordant

with the same self-understanding's desire for eco-reformism. A negative interpretation will, to the contrary, say that openness is identical with the marketing of untested products and with the war industry, while recirculation of waste happens through the abuse of surplus populations and rural areas of former colonies: it is this latter interpretation that is identified as 'neoliberalism'. At the same time, shrinkage and crime are, generally speaking, two sides of the same capitalist drivetrain, something economies in Italy, Switzerland or Lebanon have always been clear examples of.

By 'fusion' I'm thinking of the disindividuating character of capitalism's different economic forms as well, making possible exchange between people and things: wage, rent, price, money and not least profit, which goes by the names surplus, return, or the even more misleading phrase 'it pays'. All these forms make money makers apparently interchangeable, but it is *profit* (which also linguistically seems inadmissible) that continues to govern: accumulate, accumulate, accumulate, it's Moses and the prophets: growth, growth and more growth.

### **VII.3. The interim, that is to say the period from the autonomous uprising in Italy to the declaration of a global state of exception**

The period 1977-2001, or the situation ten years after the uprisings of '68 and the failure of stability to turn up until the short period 1994-1998 with its 'Clintonian illusions' and so-called Empire theory (Hardt and Negri) can be summarized thus: four interdependent factors, or complex of problems, characterize this twenty-four-year period. As in all crises, which vary in intensity and compass, there is no superior subjectivity that can be ascribed to decisions affecting the run of things, even if the receding social state side of capital command – and Parliament's left wing – have tried to do so.

First to the theoretical preparation. From this book's point of view – to think what revolution and crisis might be – the most important phenomena of the interim are:

The movement in Italy in 1977.

The revolution in Iran in February 1979.

The first Intifada in Palestine (1987-1993).

A nascent global experimentation with cultural production that remained stuck in the fine arts because of the missing link between postcolonial and metropolitan regions.

These four decisive events brought about lasting experiences of opposition and autonomy, the Mosque as a counter-revolutionary resource and the difficulty of fighting guerrilla war from the slums against a modern army. That which connects these events as a negative condition and creates the generally fluid situation for politics and economics is the permanent state of war: the Israel-Lebanon war, Falklands war, Iraq-Iran, America-Iraq, the Lebanese, Afghan and Yugoslavian civil wars along with the permanent state of war on the Horn of Africa, in Congo and the surrounding area together with wars related to the dismantling of the Portuguese Empire, for example in Angola and South Africa. On the negative side, we also find the question of terrorism, first in Germany and then in Afghanistan and Pakistan. On the positive side: the transversal experimentation in art and philosophy already mentioned.

It is still crucial to maintain distance from the ideology of 'suspicion', which the postmodern breakthrough (Lyotard in continuation of Ricœur) settled accounts with thirty-five years ago. The delegitimizing presentation of human conduct as alienated was replaced by postmodernists with a theoretical and heterological interpretation of inter-human relations: exchange of symbols, simulacra without nostalgia or origin along with an acceptance of the local through questions of judgement, sharpened with exploration, and focused on ethical and aesthetic reflection together with art criticism. Between human immediacy and identificatory myth, between the spontaneously experienced and rite of passage, a 'theoretical room' opened itself, one that Ernst Cassirer had already envisaged in 1931.<sup>iv</sup> It became almost tangible in the 1980s, and in its own way epistemologically dynamic. And it is from here, from the works that were produced then, from the connections that were thought at this opening, that it became possible to renew the philosophical tradition of dissident thought and reread the likes of Karl Marx, Charles Darwin,

Sigmund Freud and Max Weber in the light of semiotics, deconstruction and hermeneutics. This is not progress in an historical sense, but an inversion of philosophical potential was at hand, a turn that had been prepared in intermediary analysis by Walter Benjamin, Hannah Arendt, Arnold Gehlen, Karl Löwith and Jacob Taubes.

Something can now be opened a crack, a field of imagination that has been heretofore unavailable, enclosed in either religion's kitsch of revelation or conviction or in the political system's promises of welfare and freedom. This opening up has to do with artistic research in the broadest possible sense: exploration of terrain, housing, family, property, gender, culture, form, colour, skin, accent, words, sentences, harmony and cacophony, fragments and ruins, expectations and disappointments, gossip and knowledge, violence and violence.

A provisional postmodern account is chiefly a Western affair running from 1977 to 2001, from punk to the state of exception, from *Autonomia creativa* and Radio Alice to 9/11. Ideologically it runs from the metaphysics of presence in the '80s, indebted in one way or another to Heidegger, to 'Clintonian illusions' of imperial synthesis. It reveals a call for art that the art world has had in its system since its theatrics and submission to spectacle were pointed out in the '60s; accusations that Minimalism, Pop, Land Art, Conceptual Art and Fluxus were wilfully deaf to.

Art makes up a field of *opening-up exploration* and can allow itself pretty near absolute openness on the basis of the category an art work belongs to. A category that is always on the edge of exploding and is always ready to give up any essence that previous work may have brought about: the work's relation to potential has to do with the extra-categorical, but also with the (self)destructive.<sup>v</sup>

Dissident preparedness, rebel sense, drive to aggression, a revolutionary storming of the heavens: the name is art work. And art's results can be seen, heard and felt directly on the barricades today. It is art that means that the current revolution's barricades are hardworking and parodic, both eager for struggle and distant. In front of them an Erdogan, or the previous officers in Saddam's army now part of ISIL, can only plump for the Mosque (and in Erdogan's case also the rural population, which the Mosque still has control of in many Muslim countries).

Moreover, concerning money and wealth: from capital's point of view there was a crisis of overproduction until the controlled crash of 1987, which led, among other things, to a number of pension fund bankruptcies in the US, without any compensation being paid out. For investors, it became crucial to ease the way for improvised trading in stocks and shares, and the banks entered the share market heavily over the course of the decade. A bulky structure with a great deal of opacity followed, which certainly didn't get any better when new Asian exchanges began to compete with those in Western Europe, the US and Japan. Transition to information, or digital trading, and the spread of the Net in the '90s little by little got rid of the technical problems of transferring investments from production to finance at an improvised tempo. Think merely of the difficulties of uncontrolled transactions during the hostage crisis in Tehran (1980); surrounding the Banco Ambrosiano scandal (1982: a 1.2-billion-dollar shortfall); during the Iran-Contra affair (1985-87) up to the collapse of Barings Bank in 1995, when one of the bank's affiliates in Singapore miscalculated the direction the markets were moving in, whereby the bank lost 1.3 billion dollars and went under.

Throughout the prelude to the financial crisis that only first broke in 2007/8 thanks to its postponement by the global state of exception, the wars in Afghanistan and Iraq, Israel's wars in Lebanon and with the Gaza Strip together, of course, with the plunder of Iraq's oil reserves, the collapse of Argentina's state holdings and Enron in the USA pointed the way for things to come. A finance sector twenty to twenty-five times larger than the actual 'value' of global production can only bank on overwhelming and thoroughly inflated predictions, which in the end would demand a capitalist world economy of explosive daily increases in production: in war production as well as much as civil production (so-called growth). But with *a much faster destruction* of the produced to follow than is actually the case, along with a far greater cutting away of consumers than the 3-3.5 billion available (the remaining 3-4 billion of the world's population are either a reserve army or surplus biomass). Capital's current crisis is the result of a world economy developed and calculated in preparation for world war, at the same time as world war would lead to countless sectors currently part of civil production going under, causing the world market to stagnate still more.

China will oppose the spread of war because of this, including war against the Arabian revolutions. And revolution

on the Mediterranean will therefore gradually meet an alliance free China, as the Western economies weaken and there are just two more or less dominant centres of capital command left, the Saudi-Emirate and the Chinese. Their interests won't coincide: the Saudi Arabian and Emirates' capital is tied to the production of fossil fuels, which are equally important regardless of whether war or peace rules on the world market. Contrary to this, Chinese accumulation of capital is tied to global civil production, even though China is now rearming its military. But there's a long way to go yet till Chinese weaponry can match the Americans', Russian or French. Thus, China won't belong to the belligerent nations for the next five to ten years (2014-2024). A lot can happen during this period, as the natural basis at the heart of the kingdom is subsiding, and half of the country's population are only peripherally affected by the accelerated accumulation of capital (in much the same way as Brazil during the same period – consider the proliferation of strikes there). Production of relative surplus value brought about by means of a combination of the intensive exploitation of labour and long hours of work in technically weak sectors like construction has gradually made a drop in the value of consumer goods possible, and these can therefore also be consumed locally by a population still on low income in real terms, but before the economy manages to lift the provinces' rural areas and the half-billion Chinese who live there over to the nascent consumer society, decreasing growth in the West will already have resulted in lower rates of export for Chinese industry. Therefore, China's Communist Party, and 'the world's largest dictatorship', is trying to build up a far more encompassing strategic and political influence in the world, and preferably an influence that can take over the positions left by the old imperial powers (England, France, the US, and the Soviet Union).

#### VII.4. The Neo-colonial Regime

The fall of the Wall and Gate of Heavenly Peace (Tiananmen) can be thought of as system-immanent catalysts. They knocked the Russian and Chinese economies out of their Mao-Stalinist inheritance of half-secret state bureaucratic privilege in order to resume the manager capitalism that the SUKP began under Khrushchev after the 20th Congress in 1956, which Bordiga had in mind when he wrote *Struttura economica e sociale della Russia d'oggi*, which was cited as a crucial point of departure for the theory on business gangs that Camatte and Collu's text, 'On Organization', presented in 1969. And the world market was waiting for just such a breaking up in 1989, twenty years later. So, the West did not win the Cold War, but rather was taken aback to find that state capitalism had a capitalist class of Chinese, Russian and Indian managers who could put pressure on state bureaucracy in favour of accumulation. That has been the administrative model ever since the Wall came down.<sup>vi</sup> And the compromise between state bureaucrats and business leaders across the world has come at a heavy cost to previous colonies, half colonies and dominions, along with rural populations in China and Russia. It's because of this that the hub of the revolution will be where the neo-colonial regime begins to crack first. And it has happened. It's in the Middle East. Neo-colonialism it is then, when we talk about politico-economic power, and late-Stalinism, when concerned with the style of administration, not least after the declaration of a global state of exception in the winter of 2001-2.

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#### Footnotes

<sup>1</sup> See the preface to the French edition of *Capital and Community*, <https://www.marxists.org/archive/camatte/capcom/pr...>

<sup>i</sup>

The book's full title is *Hvad der ikke kunne fortsætte og hvad der ikke ikke kunne begynde. Maj 68: forudsætninger og følger* [What Couldn't Continue and What Couldn't Begin. May '68: Preconditions and Consequences],



Billedkunstskolernes forlag: Copenhagen, 2014. The excerpt translated here can be found between pages 133 and 146 [Translator's note].

ii See Alexander Nove's edition of Preobrazhensky's *The New Economics*, trans. Brian Pearce (Oxford University Press, Oxford, 1965). It is still the best defence of a mixed economy under the dictatorship of the proletariat and makes up the only valid alternative to Bordiga's *Struttura economica e sociale della Russia d'oggi*, which Camatte and Collu cite of course. Probrzhensky's book was first published in 1926 as part of the split in the Bolshevik party between the opposition and the leadership of Bukharin and Stalin. The conflict that spans from the Kronstadt rebellion and introduction of the NEP to the beginning of world war and Russia's expansion on the back of the Molotov-Ribbentrop Pact is related to the production of surplus value and accumulation in the Soviet Union: The amount of surplus value produced in agriculture by long working hours (the production of absolute surplus value) far exceeded the value that state-controlled industry could create, which therefore necessitated the financing of the expansion of industry by agricultural capital. These eighteen years thus made up a crisis of accumulation in the Soviet economy. This partly failed 'solution' came to consist of a nationalization of farmers' – the kulaks' – property and in forced labour on collective farms. Like all other revolutionaries in Russia (Bukharin included), in 1937 Stalin sent Preobrazhensky to face the firing squad.

iii Quite to the contrary of what John Elster claims in his article 'Le modèle scandinave ne peut pas s'exporter' [The Scandinavian model cannot be exported], in *Le Monde*, Paris, 25/05/2013. In his defence of this 'model', Elster claims that it is built on both internal coherence, that is to say on the unity of the nation state, and on three factors: 1) three-part negotiation between the government and the buyers and the sellers of work (the terms are mine) 2) restraint when it comes to wage differences between workers, so that the income of the lowest paid is raised progressively 3) a 'well developed' welfare state. Point two is simply wrong, differences in wages between workers has grown and grown in the last twenty years. Elster probably has the *subaltern workers* in mind, i.e. those who are organised in social-democratic trade unions. Finally, Elster asks the question of whether the Scandinavian 'model' is a parasite, and simply harvests the results of other countries' innovation and economic trouble, just as many have claimed, especially ultra-liberal economists. Subdued, he writes that 'this argument has not yet been proven empirically'. When one thinks that Elster, who has worked on the thought of both Marx and Hegel, on structuralism and baroque philosophers on the fundamentals of reason, along with important historiographical problems like the so-called 'transition to democracy', which is to say reprivatization and new legislation, then such dropping of the knee for conformist and national economic and sociological institutional thought can only be because the postmodern breakthrough of 1977-79, with its exploration of simulation, fatal objects, deligitimization and so on, and which paved the way for the expansion of deconstruction and poststructuralism into theories of unavowable community and biopolitics (naked life, sovereignty, exclusion, etc.) passed him by.

iv Ernst Cassirer, "Mythischer, ästhetischer und theoretischer Raum" (1931); now in Ernst Cassirer, *Symbol, Technik, Sprache*, Hamburg: Felix Meiner, 1985 and in English by Donald Philip Verene and Lerke Holzwarth Foster in *Man and World*, vol. 2, no. 1 (1969) pp. 3-17. This text has been the foundation for many of the discussions about artistic research going on in and around the Royal Academy. [The Danish translation *Mytisk, æstetisk og teoretisk rum* was published by the Royal Academy (Billedkunstskolernes forlag) in 1999, translator's comment.]

v See Mikkel Bolt, *Avantgardens selvmord* (forlaget 28/6, 2009, republished by Antipyrine in 2013). In his review of current research on, and exhibitions of, Piet Mondrian, art historian Kelly Grovier tries both to suggest and bypass destruction, see Grovier 'How to destroy destruction', *The Times Literary Supplement*, 11/07/2014, pp.17-18. The article contains an important critique of Harry Holtzman's organization of Mondrian's artistic reputation, which has tried to shut out the openness and mobility of his last compositions.

vi Naturally with struggles for power like that which Putin and the Chekists fought with capitalists in the energy sector after Boris Yeltsin resigned the Presidency in December 1999, or like the conflict, which has always rumbled within the secret links that still reign in the Chinese dictatorship between those in power (the Party) and the capitalist groups who look after the development of infrastructure, urban planning and now rearmament. These power struggles and conflicts are reported on the two countries' servile media as 'corruption'.

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