

AFTER THE REVOLUTION OF CAPITAL

PRESENTATION NOTES

Jacques Wajnsztein, march 2010

The slightly provocative title, indicates the historical moment from which we begin: the defeat of the last global revolutionary assault of the 1960-1970s. This assault marked the extreme limit of a classist and proletarian politics, especially in the example of the Italian ‘Hot Autumn’ (1969)¹. Nonetheless, this last assault already comprised an understanding of the need for a revolution on a human basis², for a critique of work and for the supersession of classes, as was noticeable in May 68 France and 1977 Italy³.

The defeat did not result in a counter-revolution as there had been no genuine revolution. Rather, a double movement ensued: the restructuring of corporations and the ‘liberation’ of social and inter-individual practices as if, all of a sudden, all barriers to the development of the society of capital were swept away. The straitjacket of the old bourgeois society was thrown off. Even though society had already lost its bourgeois character after the two World Wars, Fordism, and the real domination of capital, conservative ideas remained obstacles for the revolution.

What was presented as a ‘recuperation’ by the 68 movement actually was capital’s last leap forward through class struggle that still was expressed in the law of value, the centrality of labour and in struggles around them (cf. LIP⁴ and other struggles about workers’ self-management, skilled workers’ revolts, or the resistance of the last steelworkers and miners).

The change occurred in the late 1980s when the dynamics of capital ceased to rely on a dialectic of class relations. If classes still exist, they only do under the form of sociological categories or as fractions without any possibility of class recomposition (the original hypothesis of the Italian workers’ autonomy is obsolete).

The 1970s crisis reminds us all that conflicts between capital and labour was located within a capitalist social relation, defined by the mutual dependence between the two poles of the social relation, whatever the temporary balance of power. The dynamic of capital no longer results from this antagonistic conflict, but from the dominance taken by both dead labour (mainly machines) over living labour (the labour force) and from the integration of techno-science into the production process. The productive worker tends to become less and less the producer of value but rather an obstacle or a limit to this process in what we call the ‘inessentialisation of the labour force’. The increased precarisation of the labour force cannot be understood as a reform of the industrial labour army as theorised by Marx, i.e. as a phenomenon of pure proletarianisation because the labour force is ‘too numerous’. The transfer of labour force

1 – The Hot Autumn (*autunno caldo* in Italian) of 1969–1970 was a massive series of strikes in the factories and industrial centres of Northern Italy [translator’s note, from Wikipedia].

2 – As opposed to the theory of revolution relying on the sole working class [translator’s note].

3 – See J. Guigou et J. Wajnsztein, *Mai 68 et le mai rampant italien*. L’Harmattan. 2008.

4 – LIP is a French watch and clock company whose turmoil became emblematic of the conflicts between workers and management in France. The LIP factory, based in Besançon in eastern France, was having financial problems in the late 1960s and early 1970s, and management decided to try to close it. However, after strikes and a highly publicized factory occupation in 1973, LIP became worker-managed. All the fired employees were rehired by March 1974, but the firm was liquidated again in the spring of 1976. This led to a new struggle, called “*the social conflict of the 1970s*” by the daily newspaper *Libération*. Confédération Française Démocratique du Travail (CFDT) union leader Charles Piaget led the strike. The Unified Socialist Party (PSU), which included former Radical Pierre Mendès-France, was then in favour of *autogestion* (workers’ self-management) [translator’s note, from Wikipedia].

from centre to periphery, in emerging countries, does not belie this analysis. First, if we take the example of China, for a few millions of new jobs, how many tens of millions of peasants cram into the peripheries of the metropolis? Second, if we take Korea and India, there industries are gradually replaced by *high tech* companies and very modern facilities where the same substitution process capital/labour is taking place at stake.

This tendency explains, at least in rich countries, why the idea of a guaranteed income is slowly gaining momentum, for the ideology of work persists, not as value but as discipline. Hence, it becomes impossible to claim any worker identity, since this relies on the idea of an essential participation of this class in the transformation of the world. In the true sense, we see the collapse of a whole world with its values, those of the workers' community. Traces of this community can be found in factory struggles (2009), such as that of Continental, where the workers occupied the factory, although with no intention to run it in a different way (the 1970s cycle of struggles was over). Struggles taking place as the affirmation of a workers' identity come to an end, have ceased to challenge the condition of the worker within the factory. This affects the reproduction of the wage relation as a whole. Paradoxically, this general crisis of the wage relation does not allow for a frontal assault by wage earners. In recent struggles, even though they sometimes used violent forms, employees did not oppose the wage system but sought only to trade their exclusion from the production process through actions that broke with large unions' strategies (boss sequestrations, threats to production facilities). Against the nihilism of capital, which dismisses employees when profits rise, employees currently answer with resistance – at best – and with some kind of right to withdrawal. Those practices are certainly not radical in the sense of a direct and immediate subversion of the relations of domination. That would require combining radicalism as form (the use of illegality, including violence) with radicalism as content (the critique of work and wage); that is, giving positive content to revolt. Yet they are radical in what they express negatively: they are the defensive counter-fire of the employees against their inessentialisation in the current restructuring. The nihilism of neo-modern capitalism is no longer opposed by the perspective of some sort of socialism (what positive content could they find there anyway?) but by the end of all affirmation of the workers' identity and its programme.

We are in the grotesque situation where rulers keep on wishing to extend the legal retirement age while CEOs keep on dismissing their old workers! The contradiction in the inessentialisation of labour in a society dominated by the social imaginary of work is simply neglected, to avoid acknowledging the wage system crisis. The focus is then on the broad equilibria to be re-established or maintained (budgetary rigour, debt constraints, active/inactive ratio, etc.).

But this collapse also affects what some call the 'real economy', which benefits not a 'casino economy' but of a totalisation of capital, which allows power strategies that promote capital flows over the globe particularly where the situation is favourable. This replicates Fernand Braudel, for whom capitalism was not system but a process of mastering the path and temporality of money.

CAPITAL PUSHES BACK ITS OWN LIMITS (the limit is capital itself)

By:

- The socialisation of property (corporations), production and knowledge (recent significance of the *General Intellect*);
- The socialisation of income (a large share of employees' income is indirect) and prices (increasingly artificial or administered as we have shown in *Crise financière et capital fictif* (L'Harmattan, 2009).

These two first points are the result of an ongoing process, which started at the transition from the formal to the real domination of capital – even though this periodisation does not fully satisfy us.

- The encompassing of the contradiction between the development of productive forces and the narrowness of production relations did not lead to a 'decadence' of capitalism through the limitation of the growth of productive forces, but on the contrary, to a headlong rush in technological innovation. Contrary to what the Marxist theorists of 'decadence' believed – obsessed by the contradiction between growth of the productive forces and the limits of production relations –, capitalism does not hinder the productive forces, but encourages them. Initially, in the name of

Progress, nowadays in the name of power, capitalism rushes into the dynamics of endless innovation. Capital has a thirst for wealth, hence its difficulty in holding the vessel on the ideological and reproductive course of 'sustainable development' (see the shale gas issue).

- 'Fictivisation' makes obsolete the traditional division between the different forms of capital (financial, commercial, industrial) and makes obsolete the idea of a progression of those forms towards completion under the industrial form, typical of both capitalism and... communism. This development of fictitious capital is no longer temporary, as Marx thought in his time, and is certainly no 'unnatural' drift of capital, as is claimed by all the disciples of a moralisation of capitalism, who indiscriminately denounce the casino economy, speculative finance, or traders' risk appetite. It has become a structural component of capital in what we might call its progress towards totality. With the extension of fictitious capital, total capital tends to-presuppose itself, leaving out any valorisation through labour⁵. It also tends to emancipate itself from the immoderate growth of fixed capital (accumulation). This growth devalues through the accelerated obsolescence of machines, and is a factor that inhibits the movement of fluidity required by its overall dynamics, which is now characterised by strategies for seizing wealth by a power through the circulation of value.

- This is a new dimension of valorisation in a process of 'globalisation' that performs – besides the fusion of all the functions of money – a networking of space and a territorialisation in three levels:

The top level of the network (I) controls and directs the totality. It includes the dominant states (those taking part in major Summits) and a few emerging powers, such as China, central banks and financial institutions, multinational corporations and wider informational spheres (IT, communications, media, culture). At this level of power, value is only comprehended as representation⁶. It is also the level of control of wealth and harnessing of financial flows. Here, capital dominates value, allowing it to develop fictivisation and to reproduce itself on this basis. It is reproduction that can be characterised as 'contracted' in the sense that while the ends remain dynamic, they are conjugated with a static vision of world resources.

The second level (II) is where material production and the capital/labour relation still dominate, even though value tends to be more and more autonomous of what used to be called productive labour, supposed to produce value. This sector still produces wealth but also constitutes a hindrance to global dynamics, like agriculture during the first industrial revolution. Either because immobilised capital has become a burden too heavy to carry regarding the expected earnings and the adaptation to the quantitative and qualitative variations of demand; or because the multitude of SMEs that compose it are losing their own dynamics, they are reduced to an outsourcing role for huge networks knit by transnational corporations, whose main goals are altogether different. It is also in this sector that job fluctuations count within a competition made fierce by globalisation but also by a new mode of organisation that increasingly exports problems from centre to periphery, according to a spider web scheme. The parent company and some of its branches, which work in level I, externalise their problems to the next web circles in level II, and, in the extreme, to level III (black economy, offshore factories). Each circle tends to tighten up conditions in the next circle in order to ensure a leeway for the less favourable situations to come. The link between the different levels is quite clear in the 'financial' crisis, where on the one hand level I banks bailed out by dominant forces and on the other hand, unemployment hit level II with new offshorings or permanent closures.

The bottom level (III) contains the producers from the periphery and dominated states, which suffer global prices for their exportations as well as rentier states, which take advantage of the increasing scarcity of natural resources. Level III is the one that suffers a plundering of its natural resources, which fuels the possibility for fictivisation in level I not only thanks to low production costs ('undervalued' according to Marxist metaphysicians) but also by feeding capital flows in financial markets. The old distinction between the 'right' capitalist profit and the 'wrong' pre-capitalist rent no longer holds, as for a long time old forms of rents – such as the oil rent – have

5 – See *La valeur sans le travail* [Value without Labour]. Vol. 2 of *Temps critiques*' anthology. L'Harmattan, 1999.

6 – See the new corporate and media catchphrase 'value creation'.

been sources of huge capital transfers, now relayed through mafias in different republics of former USSR. They rightfully stand alongside other forms of rent in level I, and in particular within the 'global oligopoly' that controls cognitive capital and major innovations. These last three points do not really constitute a second phase or a completion of the real domination of capital, but rather a new step in the totalisation process of capital, made possible by the rupture that the revolution of capital has represented.

CONTRADICTIONS HAVE NOT DISAPPEARED, THEY ARE TRANSPOSED TO THE OVERALL REPRODUCTION LEVEL

In the 'Fragment on Machines' Marx hypothesised a supersession of the law of value thanks to the development of a *General Intellect*. This hypothesis has become reality... without any emancipating perspective for the workers. The old socialist program of a transition phase to communism was eventually made real by capital. Capital now dominates value, which becomes evanescent⁷ once this capital itself can determine what is value and what is not. Value becomes representation and is not measurable by some substance (decreasing work time or potentially obsolete machine) that constantly loses value while produced wealth nevertheless increases. We stumble here onto the foundation of political economy and its critique: the confusion between wealth and value. According to the logics of the law of value, value has to decrease when wealth increases... but current 'value creation' shows that value can increase without any wealth increase. The capitalisation of society thrives on that basis. Tendentially, any activity becomes the object of valorisation. However, these transformations cannot be interpreted as some preconceived plan, organised by an almighty capitalist class, and neither as an unconscious process without subject nor reflexivity, pure demonstration of a capital that has become automatic. If we sometimes have the feeling that domination is exerted through objectivised processes – unrecognised as such (it is obvious in the relation to work) – domination processes keep on taking direct forms, as can be seen in the remnants of the nation-state refocusing on regalian functions. This is why the state seems to rigidify, to be nothing but a Ministry of the Interior in charge of security, to the point that many today forget the state's redeployment as a network.

The confusion comes from the 'revolution of capital' that gives the illusion of a capital losing interest in its overall reproduction by seemingly focussing on short term management objectives in place of a long term strategy of reproduction. Capitalised society apparently has no great project, does not form a 'system'. However, 'sustainable development' shows that that is not the case.

That is why we prefer to use the notions of 'non-systemic domination', 'capital' and 'capitalised society' rather than 'capitalist system'.

The network-state in the revolution of capital serves as an infrastructure for capital and no longer as a superstructure for the benefit of the ruling class. The state is no longer the state of the ruling class, in charge of obscuring and containing 'the social question', as the night-watchman state. Nor can it work any longer as its capitalist welfare form, as a mediation of mediations by forging a class compromise, or as a supermediation in the nation-state/republican ideology.

By synthesising and representing the reciprocal dependency between the two classes of the capitalist social relation, it has realised Marx' prediction about the political withering away of the state and the transition to the simple 'administration of things', without the emancipating aspects. Unlike the original nation-state, which used to take political decisions, the network-state reduces politics to management and contents itself with media impacts and efficient control over social relations by permeating them down to the last detail. With the end of classes as antagonistic subjects, the state does not have to represent forces; it does not even have to represent the general interest, as it materialises that interest directly in face of what now appear only as particular interests to which the state concedes particular rights. Hence the feeling that there is an explosion of rules and laws to control, secure and manage, while large institutions related to the nation-state are fading away⁸ or becoming independent, while the

7 – See *L'évanescence de la valeur* [The evanescence of value], L'Harmattan, 2004.

8 – The movement in defence of particularities only espouse the movement of capital by transposing it from the economic sphere to its own sector, the management of subjectivity. Therein lies the source of a general trend towards contractualisation of social relations. If we consider the law on sexual harassment, we realise that we are not essentially dealing with special protective measures for women, but with the enactment of a rule that must end 'naturally' unequal human relations to fit with the legal and economic law of private property, in this case applied to our own bod-

universality of Law and Rights is declining. Contrary to 'I rights from', which supposedly founded civil society's autonomy from the democratic state, rights are nowadays 'rights to' that we can 'shoot' at a state whose prerogatives are total, as laws pervade every nook and cranny of what used to be 'private lives'. The PACS⁹, for example – all the concocted measures for the future homosexual marriage and the consequent adoption would do as well as examples –, illustrates this temporary crystallisation of a sexual-financial intermediary between the old institution of democratised bourgeois marriage and the pure sexual combination of classified ads and of cybersex. Hence the potentialities of capitalised society become the social needs of individuals. We face a caricature of the old civil society now limited to the collision of private interests with one another. Corporatism makes their return – this is not only a journalistic-sociological catchphrase –, even though they take new forms and go beyond the scope of workplaces. Today, anyone can organise their own little demonstration, block an highway toll booth, assault their prefecture or their McDonald's, go on hunger strike, and then be received by the authorities. All of this is saturated by a discourse on 'social issues' by the media and the state together, the latter often speaking through members of what is still called 'civil society'. The state advocates 'citizen conferences' or for 'consultation and involvement of citizens' in order to give them back the floor. 'Citizens' movements' are established and will establish themselves as the new mediators solving 'societal problems' while they actually are nothing more than intermediaries. The 'citizenist' aims to become a powerful mediator and citizens' movements seek to give a 'new meaning to social issues'. Their moral aspect should allow them to overcome the scattering of particular interests and to practice politics differently. There is an interaction between the state and citizenists with the goal of ensuring a reproduction and management of social relations made difficult by the globalisation of capital. Capitalised society needs to produce its own challengers in order to locate its missing anchors.

THE CRISIS OF TRADITIONAL MEDIATIONS AND THE FADING INSTITUTION¹⁰

First, a crisis of labour, which becomes 'in excess', even though it is not the end of labour but a broadening of employability, unemployment and precarity... The labour constraint persists at least in its ability to remain the prerequisite to access rights and, of course, for an income. But labour has lost some of its intrinsic value in favour of an extrinsic value (as the source of survival and sociability). Labour is no longer what workers do (concrete labour), but has become abstract labour, the foundation of a social relation of domination that is more than exploitation (the 'productive labour' issue is outdated).

Second, a crisis of the welfare state and its 'social democracy'. Paradoxically, the state refocuses on regalian functions without returning to its previous form, the night-watchman state. Hence it is not 'police everywhere, justice nowhere' as claimed by modern leftists, but the state is nonetheless everywhere, multifaceted. Indeed, its socialisation functions have become pervasive, where once they worked through centralised intervention, nowadays they work through networks of protection and control, in liaison with multiple co-working organisations and forces 'in the field' (security staff in municipal transport companies, neighbourhood trouble-shooters, sports organiser, etc.).

Finally, the last element, because they were pillars of the old state form large institutions are collapsing. Those institutions follow a double movement. On the one hand, they tend to become autonomous of the central power in order to keep on existing while state authority seems to weaken. The best example of this can be found in Italy during the so-called 'Years of Lead' and the consequent '*mani pulite*'¹¹. On

ies. For further developments on the issue, see J. Wajnsztein: *Capitalisme et nouvelles morales de l'intérêt et du goût*, L'Harmattan, 2002. Or more recently, by the same author: *Rapports à la nature, sexe, genre et capitalisme*, Acratie, 2013.

9 – In France, a civil solidarity pact (French: *pacte civil de solidarité*), commonly known as a PACS (pronounced: [paks]), is a contractual form of civil union between two adults for organising their joint life. It brings rights and responsibilities, but less so than marriage. The PACS was voted by the French Parliament in November 1999, largely to offer some legal status to same sex couples [translator's note, from Wikipedia].

10 – See J. Guigou: « L'institution résorbée », *Temps critiques* n° 12, available at: <http://tempscritiques.free.fr/spip.php?article103>.

11 – The Years of Lead were a political phenomenon related to the Cold War that was characterized by left- and right-wing terrorism and the strategy of tension, beginning in Italy and later spreading to the rest of Europe.

Mani pulite [clean hands] was a nationwide Italian judicial investigation into political corruption held in the 1990s. *Mani pulite* led to the demise of the so-called *First Republic*, resulting in the disappearance of many parties. Some poli-

the other hand, the executive power tends to absorb this independence, by directly integrating the institution into executive power (e.g., in France and Italy, the relations between political power and Justice). Implementing international – and particularly European – rules of subsidiarity of powers completes the job in the sense that national institutions – already in crisis on their own territory – have to take a back seat to international institutions and transnational agreements (see e.g. the Bologna Directives for a new kind of school and teaching or Schengen agreement for police forces).

AN ANTHROPOLOGICAL REVOLUTION

The revolution of capital is not only a restructuring and globalising of the relation to an ‘external nature’ (what do-gooders call the economy), but also a revolution of an ‘inner nature’. Such a society tends to suppress all the human figures that were necessary for capitalism’s progress towards maturity: the risk-taking entrepreneur, the civil servant in search of rational and impersonal organisation, the good worker, the stabilising couple and family, professional training, and so on. They all give way to artificial life processes (virtualisation), which are but the twins of the aforementioned fictivisation process. Capitalised society has incorporated the technician system, just as capital had incorporated techno-science, rendering pointless any attempt at reappropriation on these bases. Capitalised society is the tendency for capital to become an environment, a culture, a specific form of society, a symbiosis between the state under its network form, the broader power networks (large corporations, ICT and culture) and sociality networks. Individuals’ subjectivity now tends to become inwardly determined. Needs are being produced – this could not be anticipated by the young Marx in his emancipating vision and his idea of potentially unlimited needs- creating the ideology of the ‘consumer society’. Capitalised society is unable to think its needs outside of any techno-scientific activity, and seems to have no goal but its own accelerated reproduction. On this basis, it only tries to solve self-created problems, never questioning the sense nor the end of its development. The emerging social imaginary seems to lack consistence when it calls for a total mobilisation of all human resources in the name of increasingly murky purposes. What workers used to perceive as a discipline at work and for work, even through exploitation, appears more and more as harassment at work and pure domination.

We are witnessing a collapse of the imaginary, which is disguised, case by case, as a climate, financial, energy, ecological, or social crisis. That opens up the field for new social meaning and new collective action. However, ‘remaking society’ is a deceit. Individual/community tension has to solve the aporia of an age-old opposition between individual and society and the impasse of the opposition between on the one hand the abstract universality of the Enlightenment and French Revolution, and on the other hand the current development of particularisms and cultural relativism presented as concrete universals.

Temps critiques

<http://tempscritiques.free.fr>

ticians and industry leaders committed suicide after their crimes were exposed. In some accounts, as many as 5000 people have been cited as suspects. At one point more than half of the members of the Italian Parliament were under indictment. More than 400 city and town councils were dissolved because of corruption charges. The estimated value of bribes paid annually in the 1980s by Italian and foreign companies bidding for large government contracts in Italy reached 4 billion dollars [translator’s note, from Wikipedia].