

permissiveness is of the order of *videlicet*—it is permitted to *see*, but the very fascination with the obscenity we are allowed to observe prevents us from *knowing what it is that we see*.

The moral of the story: the time for liberal-democratic moralistic blackmail is over. Our side no longer has to go on apologizing; while the other side had better start soon.

I It's Ideology, Stupid!

Capitalist Socialism?

The only truly surprising thing about the 2008 financial meltdown is how easily the idea was accepted that its happening was an unpredictable surprise which hit the markets out of the blue. Recall the demonstrations which, throughout the first decade of the new millennium, regularly accompanied meetings of the IMF and the World Bank: the protesters' complaints took in not only the usual anti-globalizing motifs (the growing exploitation of Third World countries, and so forth), but also how the banks were creating the illusion of growth by playing with fictional money, and how this would all have to end in a crash. It was not only economists such as Paul Krugman and Joseph Stiglitz who warned of the dangers ahead and made it clear that those who promised continuous growth did not really understand what was going on under their noses. In Washington in 2004, so many people demonstrated about the danger of a financial collapse that the police had to mobilize 8,000 additional local policemen and bring in a further 6,000 from Maryland and Virginia. What ensued was tear-gassing, clubbing and mass arrests—so many that police had to use buses for transport. The message was loud and clear, and the police were used literally to stifle the truth.

After this sustained effort of wilful ignorance, it is no wonder that, when the crisis did finally break out, as one of the participants put it, "No one really [knew] what to do." The reason being that expectations are

part of the game: how the market will react depends not only on how much people trust this or that intervention, but even more so on how much they think *others* will trust them—one cannot take into account the effects of one's own choices. Long ago, John Maynard Keynes rendered this self-referentiality nicely when he compared the stock market to a silly competition in which the participants have to pick several pretty girls from a hundred photographs, the winner being the one who chooses girls closest to the average opinion: "It is not a case of choosing those which, to the best of one's judgment, are really the prettiest, nor even those which average opinion genuinely thinks the prettiest. We have reached the third degree where we devote our intelligence to anticipating what average opinion expects the average opinion to be."¹ So, we are forced to choose without having at our disposal the knowledge that would enable a qualified choice, or, as John Gray put it: "We are forced to live as if we were free."²

At the height of the meltdown, Joseph Stiglitz wrote that, in spite of the growing consensus among economists that any bail-out based on US Treasury Secretary Henry Paulson's plan would not work,

it is impossible for politicians to do nothing in such a crisis. So we may have to pray that an agreement crafted with the toxic mix of special interests, misguided economics, and right-wing ideologies that produced the crisis can somehow produce a rescue plan that works—or whose failure doesn't do too much damage.³

He is correct, since markets are effectively based on beliefs (even beliefs about other people's beliefs), so when the media worry about "how the markets will react" to the bail-out, it is a question not only about its real

¹ John Maynard Keynes, *The General Theory of Employment, Interest and Money*, New York: Management Laboratory Press 2009, Chapter 12.

² John Gray, *Straw Dogs*, New York: Farrar Straus and Giroux 2007, p. 110.

³ Joseph Stiglitz, "The Bush administration may rescue Wall Street, but what about the economy?" *The Guardian*, September 30, 2008.

consequences, but about the *belief* of the markets in the plan's efficacy. This is why the bail-out may work even if it is economically wrong-headed.⁴

The pressure "to do something" here is like the superstitious compulsion to make some gesture when we are observing a process over which we have no real influence. Are not our acts often such gestures? The old saying "Don't just talk, do something!" is one of the most stupid things one can say, even measured by the low standards of common sense. Perhaps, rather, the problem lately has been that we have been doing too much, such as intervening in nature, destroying the environment, and so forth. . . Perhaps it is time to step back, think and *say* the right thing. True, we often talk about something instead of doing it; but sometimes we also do things in order to avoid talking and thinking about them. Such as throwing \$700 billion at a problem instead of reflecting on how it arose in the first place.

In the ongoing confusion, there is certainly sufficient material to cause us to think things through. Back on July 15, 2008, Republican Senator Jim Bunning attacked Fed Chairman Ben Bernanke, claiming that his proposal showed how "socialism is alive and well in America": "Now the Fed wants to be the systemic risk regulator. But the Fed is the systemic risk. Giving the Fed more power is like giving the neighborhood kid who broke your window playing baseball in the street a bigger bat and thinking that will fix the problem."⁵ On September 23, he struck again, calling the Treasury's plan for the biggest financial bail-out since the Great Depression "un-American":

Someone must take those losses. We can either let the people who made bad decisions bear the consequences of their actions, or we can spread that pain to others. And that is exactly what the Secretary proposes

⁴ Since, however, we are repeatedly told that trust and belief are crucial, we should also ask to what extent the Administration's own panicky raising of the stakes itself produced the very danger it was trying to combat.

⁵ See Edward Harrison, "Senator Bunning blasts Bernanke at Senate hearing," available online at <http://www.creditwritedowns.com>.

to do—take Wall Street's pain and spread it to the taxpayers. . . . This massive bailout is not the solution, it is financial socialism, and it is un-American.

Bunning was the first to publicly outline the contours of the reasoning behind the Republican Party revolt against the bail-out plan, which climaxed in the rejection of the Fed's proposal on September 29. The argument deserves a closer look. Note how Republican resistance to the bail-out project was formulated in "class warfare" terms: Wall Street versus Main Street. Why should we help those on "Wall Street" responsible for the crisis, while asking ordinary mortgage-holders on "Main Street" to pay the price? Is this not a clear case of what economic theory calls "moral hazard," defined as "the risk that somebody will behave immorally because insurance, the law, or some other agency will protect them against any loss that his or her behavior might cause"—if I am insured against fire, say, I will take fewer fire precautions (or, in extremis, even set fire to my fully insured but loss-generating premises)? The same goes for the big banks: are they not protected against big losses and able to keep their profits? No wonder that Michael Moore wrote a letter to the public decrying the bail-out plan as the robbery of the century.

It is this unexpected overlapping of the views of the Left with those of conservative Republicans which should give us pause for thought. What the two perspectives share is their contempt for the big speculators and corporate managers who profit from risky decisions but are protected from failures by "golden parachutes." Recall the cruel joke from Lubitsch's *To Be or Not to Be*: when asked about the German concentration camps in occupied Poland, the responsible Nazi officer "concentration camp Erhardt" snaps back: "We do the concentrating, and the Poles do the camping." Does the same not hold for the Enron bankruptcy scandal of January 2002, which can be interpreted as a kind of ironic commentary on the notion of the risk society? Thousands of employees who lost their jobs and savings were certainly exposed to

risk, but without having had any real choice in the matter—the risk appeared to them as blind fate. On the contrary, those who did have some insight into the risks involved, as well as the power to intervene in the situation (namely, the top managers), minimized their risks by cashing in their stocks and options before the bankruptcy. It is indeed true that we live in a society of risky choices, but it is one in which only some do the choosing, while others do the risking . . .

Is the bail-out plan really a "socialist" measure then, the birth of state socialism in the US? If it is, it is a very peculiar form: a "socialist" measure whose primary aim is not to help the poor, but the rich, not those who borrow, but those who lend. In a supreme irony, "socializing" the banking system is acceptable when it serves to save capitalism. Socialism is bad—except when it serves to stabilize capitalism. (Note the symmetry with China today: in the same way, the Chinese Communists use capitalism to enforce their "Socialist" regime.)

But what if "moral hazard" is inscribed into the very structure of capitalism? That is to say, *there is no way to separate the two*: in the capitalist system, welfare on Main Street depends on a thriving Wall Street. So, while Republican populists who resist the bail-out are doing the wrong thing for the right reasons, the proponents of the bail-out are doing the right thing for the wrong reasons. To put it in more sophisticated terms, the relationship is non-transitive: while what is good for Wall Street is not necessarily good for Main Street, Main Street cannot thrive if Wall Street is feeling sickly, and this asymmetry gives an *a priori* advantage to Wall Street.

Recall the standard "trickle-down" argument against egalitarian redistribution (through high levels of progressive taxation, etc.): instead of making the poor richer, it makes the rich poorer. Far from being simply anti-interventionist, this attitude actually displays a very accurate grasp of economic state intervention: although we all want the poor to become richer, it is counter productive to help them directly, since they are not the dynamic and productive element in society. The only kind of intervention needed is that which helps the rich get richer;

the profits will then automatically, by themselves, diffuse amongst the poor . . . Today, this takes the form of the belief that if we throw enough money at Wall Street it will eventually trickle down to Main Street, helping ordinary workers and homeowners. So, again, if you want people to have money to build homes, don't give it to them directly, but to those who will in turn lend them the cash. According to the logic, this is the only way to create genuine prosperity; otherwise, it will just be a case of the state distributing funds to the needy at the expense of the real wealth-creators.

Consequently, those who preach the need for a return from financial speculation to the "real economy" of producing goods to satisfy real people's needs, miss the very point of capitalism: self-propelling and self-augmenting financial circulation is its only dimension of the Real, in contrast to the reality of production. This ambiguity was made clear in the recent meltdown when we were simultaneously bombarded by calls for a return to the "real economy" and by reminders that financial circulation, a sound financial system, is the lifeblood of our economies. What strange lifeblood is this which is not part of the "real economy"? Is the "real economy" in itself like a bloodless corpse? The populist slogan "Save Main Street, not Wall Street!" is thus totally misleading, a form of ideology at its purest: it overlooks the fact that what keeps Main Street going under capitalism *is* Wall Street! Tear *that* Wall down and Main Street will be flooded with panic and inflation. Guy Sorman, an exemplary ideologist of contemporary capitalism, is thus indeed correct when he claims: "There is no economic rationale for distinguishing 'virtual capitalism' from 'real capitalism': nothing real has ever been produced without first being financed . . . even in a time of financial crisis, the global benefits of the new financial markets have surpassed their costs."⁶

While financial meltdowns and crises are obvious reminders that

6 Guy Sorman, "Behold, our familiar cast of characters," *The Wall Street Journal* (Europe), July 20–1, 2001.

the circulation of Capital is not a closed loop which can fully sustain itself—that it presupposes an absent reality where actual goods that satisfy people's needs are produced and sold—their more subtle lesson is that there can be no return to this reality, *pace* all the rhetoric of "let us return from the virtual space of financial speculation to real people who produce and consume." The paradox of capitalism is that you cannot throw out the dirty water of financial speculation while keeping the healthy baby of real economy.

It is all too easy to dismiss this line of reasoning as a hypocritical defense of the rich. The problem is that, insofar as we remain in a capitalist order, *there is a truth within it*: namely, that kicking at Wall Street really *will* hit ordinary workers. This is why the Democrats who supported the bail-out were not being inconsistent with their Leftist leanings. They would have been inconsistent only if they had accepted the premise of the Republican populists: that (true, authentic) capitalism and the free market economy are a popular, working-class affair, while state intervention is an upper-class elite strategy designed to exploit hard-working ordinary folks. "Capitalism versus socialism" thus becomes ordinary hard-working people versus the upper-class strata.

But there is nothing new with regard to strong state intervention in the banking system or in the economy in general. The recent meltdown itself is a result of such intervention: when, in 2001, the dotcom bubble (which expressed the very essence of the problem of "intellectual property") burst, it was decided to make credit easier in order to redirect growth into housing. (The ultimate cause of the 2008 meltdown was thus, from this point of view, the deadlock of intellectual property.) And, if we broaden our horizon to encompass global reality, we see that political decisions are weaved into the very texture of international economic relations. A couple of years ago, a CNN report on Mali described the reality of the international "free market." The two pillars of Mali economy are cotton in the south and cattle in the north, and both are in trouble because of the way Western powers violate the very rules they try to impose on impoverished Third World nations. Mali produces cotton of top quality, but the

problem is that the financial support the US government gives to its own cotton farmers amounts to more than the entire state budget of Mali, so it is no surprise they cannot compete. In the north, the culprit is the European Union: Malian beef cannot compete with heavily subsidized European milk and beef. The EU subsidizes every single cow with around 500 Euros per year—more than the per capita GDP in Mali. As the Malian minister for the economy put it: we don't need your help or advice or lectures on the beneficial effects of abolishing excessive state regulation; please, just stick to your own rules about the free market and our troubles will basically be over . . . So where are the Republican defenders of the free market here? The collapse of Mali demonstrates the reality of what it means for the US to put "country first."

What all this clearly indicates is that there is no such thing as a neutral market: in every particular situation, market configurations are always regulated by political decisions. The true dilemma is thus not "Should the state intervene?" but "What kind of state intervention is necessary?" And this is matter for real politics: namely, the struggle to define the basic "apolitical" coordinates of our lives. All political issues are in a way non-partisan; they concern the question: "What *is* our country?" So the debate about the bail-out is precisely *true* politics, to the extent that it deals with decisions about the fundamental features of our social and economic life, and even, in the process, mobilizes the ghosts of class struggle. There is no "objective," expert position simply waiting to be applied here; one just has to take one side or the other, politically.

There is a real possibility that the main victim of the ongoing crisis will not be capitalism but the Left itself, insofar as its inability to offer a viable global alternative was again made visible to everyone. It was the Left which was effectively caught out. It is as if recent events were staged with a calculated risk in order to demonstrate that, even at a time of shattering crisis, there is no viable alternative to capitalism. "Thamzing" is a Tibetan word from the time of Cultural Revolution, with ominous reverberations for liberals: it means a "struggle session," a collective public hearing and criticism of an individual

who is aggressively questioned in order to bring about his political re-education through the confession of his or her mistakes and sustained self-criticism. Perhaps today's Left needs one long "thamzing" session?

Immanuel Kant countered the conservative motto "Don't think, obey!" not with the injunction "Don't obey, think!" but rather "Obey, but think!" When we are transfixed by events such as the bail-out plan, we should bear in mind that since this is actually a form of blackmail we must resist the populist temptation to act out our anger and thus wound ourselves. Instead of such impotent acting-out, we should control our fury and transform it into an icy determination to think—to think things through in a really radical way, and to ask what kind of a society it is that renders such blackmail possible.

Crisis As Shock Therapy

Will the financial meltdown be a sobering moment, then, the awakening from a dream? It all depends on how it comes to be symbolized, on what ideological interpretation or story imposes itself and determines the general perception of the crisis. When the normal run of things is traumatically interrupted, the field is then opened up for a "discursive" ideological competition—as happened, for example, in Germany in the early 1930s, when, invoking the Jewish conspiracy, Hitler triumphed in the competition over which narrative best explained the causes for the crisis of the Weimar Republic and offered the best way to escape from that crisis. Likewise, in France in 1940 it was Marshal Pétain's narrative which won out in the struggle to explain the reasons for France's defeat. Any naive Leftist expectation that the current financial and economic crisis necessarily opens up a space for the radical Left is thus without doubt dangerously short-sighted. The primary immediate effect of the crisis will not be the rise of a radical emancipatory politics, but rather the rise of racist populism, further wars, increased poverty in the poorest Third World countries, and greater divisions between the rich and the poor within all societies.

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While crises do shake people out of their complacency, forcing them to question the fundamentals of their lives, the most spontaneous first reaction is panic, which leads to a "return to the basics": the basic premises of the ruling ideology, far from being put into doubt, are even more violently reasserted. The danger is thus that the ongoing meltdown will be used in a similar fashion to what Naomi Klein has called the "shock doctrine." There is, indeed, something surprising about the predominantly hostile reactions to Klein's recent book: they are much more violent than one would expect; even benevolent left liberals who sympathize with some of her analyses deplore how "her ranting obscures her reasoning" (as Will Hutton put it in his review of the book in the *Observer*). Clearly, Klein has touched some very sensitive nerves with her key thesis:

The history of the contemporary free market was written in shocks. Some of the most infamous human rights violations of the past thirty-five years, which have tended to be viewed as sadistic acts carried out by anti-democratic regimes, were in fact either committed with the deliberate intent of terrorizing the public or actively harnessed to prepare the ground for the introduction of radical free-market reforms.⁷

This thesis is developed through a series of concrete analyses, central among them that of the Iraq War: the US attack on Iraq was sustained by the idea that, following the "shock and awe" military strategy, the country could be organized as a free market paradise, its people being so traumatized that they would offer no opposition. . . The imposition of a full market economy is thus rendered much easier if the way to it is paved by some kind of trauma (natural, military, economic) which, as it were, forces people into shaking off their "old habits," turning them

⁷ Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism*, London: Penguin Books 2007, p. iii.

into an ideological *tabula rasa*, survivors of their own symbolic death, ready to accept the new order now that all obstacles have been swept away. And one can be sure that Klein's shock doctrine holds also for ecological issues: far from endangering capitalism, a widespread environmental catastrophe may well reinvigorate it, opening up new and hitherto unheard-of spaces for capitalist investment.

Perhaps then the economic meltdown will also be used as a "shock," creating the ideological conditions for further liberal therapy? The need for such shock-therapy arises from the (often neglected) *utopian* core of neoliberal economics. The way the market fundamentalists react to the destructive results of implementing their recipes is typical of utopian "totalitarians": they blame all failure on the compromises of those who realized their schemes (there was still too much state intervention, etc.), and demand nothing less than an even more radical implementation of their doctrines.

Consequently, to put it in old-fashioned Marxist terms, the central task of the ruling ideology in the present crisis is to impose a narrative which will place the blame for the meltdown not on the global capitalist system *as such*, but on secondary and contingent deviations (overly lax legal regulations, the corruption of big financial institutions, and so on). Likewise, in the era of Really Existing Socialism, pro-socialist ideologists tried to save the idea of socialism by claiming that the failure of the "people's democracies" was the failure of a non-authentic version of socialism, not of the idea *as such*, so that existing socialist regimes required radical reforms rather than overthrow and abolition. It is not without irony to note how ideologists who once mocked this critical defense of socialism as illusory, and insisted that one should lay the blame on the very idea itself, now widely resort to the same line of defense: for it is not capitalism *as such* which is bankrupt, only its distorted realization. . .

Against this tendency, one should insist on the key question: what is the "flaw" in the system *as such* that opens up the possibility for such crises and collapses? The first thing to bear in mind here is that the origin of the crisis is a "benevolent" one: as we have noted, after the dotcom

bubble burst, the decision, taken in a bipartisan fashion, was to facilitate real estate investment in order to keep the economy going and prevent recession—today's meltdown is thus simply the price being paid for the measures taken in the US to avoid recession a few years ago. The danger is thus that the predominant narrative of the meltdown will be the one which, instead of awakening us from a dream, will enable us to *continue dreaming*. And it is here that we should start to worry—not only about the economic consequences of the meltdown, but about the obvious temptation to reinvigorate the “war on terror” and US interventionism in order to keep the motor of the economy running, or at least to use the crisis to impose further tough measures of “structural adjustment.”

An exemplary case of the way the economic collapse is already being used in the ideologico-political struggle concerns the conflict over what to do with General Motors—should the state allow its bankruptcy or not? Since GM is one of those institutions which embodies the American dream, its bankruptcy was long considered unthinkable. An increasing number of voices, however, now refer to the meltdown as providing that additional nudge which should make us accept the unthinkable. A *New York Times* column entitled “Imagining a G.M. Bankruptcy” begins ominously with: “As General Motors struggles to avoid running out of cash next year, the once-unthinkable prospect of a G.M. bankruptcy filing is looking a lot more, well, thinkable.”⁸ After a series of predictable arguments (the bankruptcy would not mean automatic job losses, just a restructuring which would make the company leaner and meaner, better adapted to the harsh conditions of today's economy, and so on and so forth) the column dots the ‘i’s towards the end, when it focuses on the standoff “between G.M. and its unionized workers and retirees”: “Bankruptcy would allow G.M. to *unilaterally reject its collective bargaining agreements*, as long as a judge approved.” In other words, bankruptcy should be used to break the backbone of one of the last strong unions in

⁸ “Imagining a G.M. bankruptcy,” *New York Times*, December 2, 2008 (“DealBook” in the Business section).

the United States, leaving thousands with lower wages and thousands of others with lower retirement incomes. Note again the contrast with the urgent need to save the big banks: in the case of GM, where the survival of tens of thousands of active and retired workers is at stake, there is, of course, no emergency, but, on the contrary, an opportunity to allow the free market to operate with brutal force. As if the unions, rather than failures of managerial strategy, were to be blamed for GM's troubles! This is how the impossible becomes possible: what was hitherto considered unthinkable within the horizon of the established standards of decent working conditions now becomes acceptable.

In his *Poverty of Philosophy*, Marx wrote that bourgeois ideology loves to historicize: every social, religious, and cultural form is historical, contingent, relative—every form except its own. There *was* history once, but now there is no longer any history:

Economists have a singular method of procedure. There are only two kinds of institutions for them, artificial and natural. The institutions of feudalism are artificial institutions, those of the bourgeoisie are natural institutions. In this, they resemble the theologians, who likewise establish two kinds of religion. Every religion which is not theirs is an invention of men, while their own is an emanation from God. When the economists say that present-day relations—the relations of bourgeois production—are natural, they imply that these are the relations in which wealth is created and productive forces developed in conformity with the laws of nature. These relations therefore are themselves natural laws independent of the influence of time. They are eternal laws which must always govern society. Thus, there has been history, but there is no longer any. There has been history, since there were the institutions of feudalism, and in these institutions of feudalism we find quite different relations of production from those of bourgeois society, which the economists try to pass off as natural and, as such, eternal.⁹

⁹ Karl Marx, *The Poverty of Philosophy*, Chapter 2, “Seventh and last observation,”

Replace "feudalism" with "socialism" and exactly the same holds true of today's apologists for liberal-democratic capitalism.

No wonder the debate about the limits of liberal ideology is thriving in France—the reason is not the long statist tradition which distrusts liberalism; it is rather that the French distance towards the Anglo-Saxon mainstream enables not only a critical stance, but also a clearer perception of the basic ideological structure of liberalism. If one is looking for a clinically pure, laboratory-distilled version of contemporary capitalist ideology, one need only turn to Guy Sorman. The very title of an interview he recently gave in Argentina—"This Crisis Will Be Short Enough"¹⁰—signals that Sorman fulfils the basic demand liberal ideology has to satisfy with regard to the financial meltdown, namely, to renormalize the situation: "things may appear harsh, but the crisis will be short, it is just part of the normal cycle of creative destruction through which capitalism progresses." Or, as Sorman himself put it in another of his texts, "creative destruction is the engine of economic growth": "This ceaseless replacement of the old with the new—driven by technical innovation and entrepreneurialism, itself encouraged by good economic policies—brings prosperity, though those displaced by the process, who find their jobs made redundant, can understand-

Moscow, Progress Publishers 1955.

And do we not find echoes of the same position in today's discursive "anti-essentialist" historicism (from Ernesto Laclau to Judith Butler), which views every social-ideological entity as the product of a contingent discursive struggle for hegemony? As it was already noted by Fredric Jameson, universalized historicism has a strange ahistorical flavor: once we fully accept and practise the radical contingency of our identities, all authentic historical tension somehow evaporates in the endless performative games of an eternal present. There is a nice self-referential irony at work here: there is history only insofar as there persist remainders of "ahistorical" essentialism. This is why radical anti-essentialists have to deploy all their hermeneutic-deconstructive skills to detect hidden traces of "essentialism" in what appears to be a postmodern "risk society" of contingencies—were they to admit that we already live in an "anti-essentialist" society, they would have to confront the truly difficult question of the historical character of today's predominant radical historicism itself, i.e., confront the topic of this historicism as the ideological form of "postmodern" global capitalism.

¹⁰ "Esta crisis sera bastante breve," interview with a Guy Sorman, *Perfil* (Buenos Aires), November 2, 2008, pp. 38–43.

ably object to it."¹¹ (This renormalization, of course, co-exists with its opposite: the panic raised by the authorities in order to create a shock among the wider public—"the very fundamentals of our way of life are threatened!"—thereby preparing them to accept the proposed, obviously unjust, solution as inevitable.) Sorman's premise is that, over the last few decades (more precisely, since the fall of socialism in 1990), economics finally became a fully tested science: in an almost laboratory situation, the same country was split into two (West and East Germany, South and North Korea), with each part submitted to an opposing economic system, with unambiguous results.

But is economics really a science? While Sorman admits that the market is full of irrational behavior and reactions, his prescription is—not even psychology, but—"neuroeconomics":

economic actors tend to behave both rationally and irrationally. Laboratory work has demonstrated that one part of our brain bears blame for many of our economically mistaken short-term decisions, while another is responsible for decisions that make economic sense, usually taking a longer view. Just as the state protects us from Akerlof's asymmetry by forbidding insider trading, should it also protect us from our own irrational impulses?

Of course, Sorman is quick to add that

it would be preposterous to use behavioral economics to justify restoring excessive state regulations. After all, the state is no more rational than the individual, and its actions can have enormously destructive consequences. Neuroeconomics should encourage us to make markets more transparent, not more regulated.

¹¹ This and all remaining quotes in this section are from Guy Sorman, "Economics does not lie," *City Journal*, Summer 2008, available online at <http://www.city-journal.org>.

With this happy twin-rule of economic science supplemented by neuroeconomics, gone is the epoch of ideological dreams masked as science—as in Marx, whose work “can be described as a materialist rewriting of the Bible. With all persons present there, with the proletariat in the role of Messiah. The ideological thought of the nineteenth century is without debate a materialized theology.” But even if Marxism is dead, the naked emperor continues to haunt us in new clothes, chief among them ecologism:

No ordinary rioters, the Greens are the priests of a new religion that puts nature above humankind. The ecology movement is not a nice peace-and-love lobby but a revolutionary force. Like many a modern day religion, its designated evils are ostensibly decried on the basis of scientific knowledge: global warming, species extinction, loss of biodiversity, superweeds. In fact, all these threats are figments of the Green imagination. Greens borrow their vocabulary from science without availing themselves of its rationality. Their method is not new; Marx and Engels also pretended to root their world vision in the science of their time, Darwinism.

Sorman therefore accepts the claim of his friend José María Aznar that the ecological movement is the “Communism of the twenty-first century”:

It is certain that ecologism is a recreation of Communism, the actual [form of] anticapitalism. . . . However, its other half is composed of a quarter of pagan utopia, of the cult of nature, which is much earlier than Marxism, which is why ecologism is so strong in Germany with its naturalist and pagan tradition. Ecologism is thus an anti-Christian movement: nature has precedence over man. The last quarter is rational, there are true problems for which there are technical solutions.

Note the term “technical solution”: rational problems have technical solutions. (Again, a blatantly erroneous claim: confronting ecological problems requires making choices and decisions—about what to produce, what to consume, on what energy to rely—which ultimately concern the very way of life of a people; as such, they are not only not technical, but are eminently political in the most radical sense of involving fundamental social choices.) No wonder, then, that capitalism itself is presented in technical terms, not even as a science but simply as something that works: it needs no ideological justification, because its success is itself sufficient justification. In this regard, capitalism “is the opposite of socialism, which has a manual”: “Capitalism is a system which has no philosophical pretensions, which is not in search of happiness. The only thing it says is: ‘Well, this functions.’ And if people want to live better, it is preferable to use this mechanism, because it functions. The only criterion is efficiency.”

This anti-ideological description is, of course, patently false: the very notion of capitalism as a neutral social mechanism is ideology (even utopian ideology) at its purest. The moment of truth in this description is nonetheless that, as Alain Badiou has put it, capitalism is effectively not a civilization of its own, with a specific way of rendering life meaningful. Capitalism is the first socio-economic order which *de-totalizes meaning*: it is not global at the level of meaning (there is no global “capitalist world view,” no “capitalist civilization” proper; the fundamental lesson of globalization is precisely that capitalism can accommodate itself to all civilizations, from Christian to Hindu and Buddhist). Capitalism’s global dimension can be formulated only at the level of truth-without-meaning, as the “Real” of the global market mechanism. The problem here is not, as Sorman claims, that reality is always imperfect, and that people always need to entertain dreams of impossible perfection. The problem is one of meaning, and it is here that religion is now reinventing its role, rediscovering its mission of guaranteeing a meaningful life to those who participate in the meaningless functioning of the capitalist machine. This is why Sorman’s

description of the fundamental difficulty of capitalist ideology is so misplaced:

From the intellectual and political standpoint, the great difficulty in administering a capitalist system is that it does not give rise to dreams: no one descends to the street to manifest in its favor. It is an economy which changed completely the human condition, which has saved humanity from misery, but no one is ready to convert himself into a martyr of this system. We should learn to deal with this paradox of a system which nobody wants, and which nobody wants because it doesn't give rise to love, which is not enchanting, not a seducer.

This description is, again, patently untrue: if there was ever a system which enchanted its subjects with dreams (of freedom, of how your success depends on yourself, of the run of luck which is just around the corner, of unconstrained pleasures. . .), then it is capitalism. The true problem lies elsewhere: namely, how to keep people's faith in capitalism alive when the inexorable reality of a crisis has brutally crushed such dreams? Here enters the need for a "mature" realistic pragmatism: one should heroically resist dreams of perfection and happiness and accept bitter capitalist reality as the best (or the least bad) of all possible worlds. A compromise is necessary here, a combination of fighting illusory utopian expectations and giving people enough security to accept the system. Sorman is thus no market-liberal fundamentalist or extremist; he proudly mentions that some orthodox followers of Milton Friedman accused him of being a communist because of his (moderate) support of the welfare state:

There is no contradiction between State and economic liberalism; on the contrary, there is a complex alliance between the two. I think that the liberal society needs a welfare state, first, with regard to intellectual legitimacy—people will accept the capitalist adventure if there is an indispensable minimum of social security. Above this, on a more

mechanic level, if one wants the destructive creativity of capitalism to function, one has to administer it.

Rarely was the function of ideology described in clearer terms—to defend the existing system against any serious critique, legitimizing it as a direct expression of human nature:

An essential task of democratic governments and opinion makers when confronting economic cycles and political pressure is to secure and protect the system that has served humanity so well, and not to change it for the worse on the pretext of its imperfection. . . . Still, this lesson is doubtless one of the hardest to translate into language that public opinion will accept. The best of all possible economic systems is indeed imperfect. Whatever the truths uncovered by economic science, the free market is finally only the reflection of human nature, itself hardly perfectible.

The Structure of Enemy Propaganda

Such ideological legitimization also perfectly exemplifies Badiou's precise formula of the basic paradox of enemy propaganda: it fights something regarding which it is itself unaware, something to which it is structurally blind—not the actual counter-forces (political opponents), but the *possibility* (the utopian revolutionary-emancipatory potential) which is immanent to the situation:

The goal of all enemy propaganda is not to annihilate an existing force (this function is generally left to police forces), but rather to annihilate an *unnoticed possibility of the situation*. This possibility is also unnoticed by those who conduct this propaganda, since its features are to be simultaneously immanent to the situation and not to appear in it.¹²

12 Alain Badiou, Seminar on Plato at the ENS, February 13, 2008 (unpublished).

This is why enemy propaganda against radical emancipatory politics is by definition cynical—not in the simple sense of not believing its own words, but at a much more basic level: it is cynical precisely insofar as it *does* believe its own words, since its message is a resigned conviction that the world we live in, even if not the best of all possible worlds, is the least bad, such that any radical change will only make things worse. (As always with effective propaganda, this normalization can easily be combined with its opposite, reading the economic crisis in religious terms—Benedict XVI, always sharp when it comes to opportunistic maneuvering, was expeditious in capitalizing on the financial crisis along these lines: “This proves that all is vanity, and that only the word of God holds!”) There should thus be no surprise that the financial meltdown of 2008 also propelled Jacques-Alain Miller to intervene in such a “constructive” way, to prevent panic:

The monetary signifier is one of semblance, which rests on social conventions. The financial universe is an architecture made of fictions and its keystone is what Lacan called a “subject supposed to know”, to know why and how. Who plays this part? The concert of authorities, from where sometimes a voice is detached, Alan Greenspan, for example, in his time. The financial players base their behavior on this. The fictional and hyper-reflexive unit holds by the “belief” in the authorities, i.e. through the transference to the subject supposed to know. If this subject falters, there is a crisis, a falling apart of the foundations, which of course involves effects of panic. However, the financial subject supposed to know was already quite subdued because of deregulation. And this happened because the financial world believed itself, in its infatuated delusion, to be able to work things out without the function of the subject supposed to know. Firstly, the real state assets become waste. Secondly, gradually shit permeates everything. Thirdly, there is a gigantic negative transfer vis-à-vis the authorities; the electric shock of the Paulson/Bernanke plan angers the public: the crisis is one of trust; and it will last till the subject supposed to know is reconstructed.

This will come in the long term by way of a new set of Bretton Woods accords, a council enjoined to speak the truth about the truth.¹³

Miller's reference point here is Alan Greenspan, *the* non-partisan “subject supposed to know” of the long period of economic growth from the Reagan era till the recent debacle. When, on October 23, 2008, Greenspan was submitted to a congressional hearing, he conceded some interesting points in answering his critics who claimed that he had encouraged the bubble in housing prices by keeping interest rates too low for too long, and that he had failed to rein in the explosive growth of risky and often fraudulent mortgage lending.¹⁴ Here is the climactic moment of the hearing, as Representative Henry A. Waxman of California, Chairman of the Oversight Committee, intervened:

I'm going to interrupt you. The question I have for you is, you had an ideology. This is your statement. “I do have an ideology. My judgment is that free competitive markets are by far the unrivalled way to organize economies. We have tried regulation, none meaningfully worked.” That was your quote. You had the authority to prevent irresponsible lending practices that led to the subprime¹⁵ mortgage crisis. You were advised to do so by many others. And now our whole economy is paying its price. Do you feel that your ideology pushed you to make decisions that you wish you had not made?¹⁶

¹³ Jacques-Alain Miller, “The financial crisis,” available online at <http://www.lacan.com>.

¹⁴ See Elizabeth Olson, “Greenspan under fire,” available online at <http://www.portfolio.com>.

¹⁵ A term coined by the media during the credit crunch of 2007 to refer to financial institutions which provide credit to borrowers deemed “subprime” (sometimes also referred to as “under-banked”), i.e., those with a heightened perceived risk of default, such as those who have a history of loan delinquency, those with a recorded bankruptcy, or those with limited debt experience.

¹⁶ See Online NewsHour, October 23, 2008, Transcript, “Greenspan admits ‘flaw’ to Congress, predicts more economic problems,” available online at <http://www.pbs.org/newshour>.

Greenspan answered: "I found a flaw in the model that I perceived as the critical functioning structure that defines how the world works." In other words, Greenspan conceded that, when a "once-in-a-century credit tsunami" engulfed the financial markets, his free market ideology of shunning regulation was proven flawed. Later, Greenspan reiterated his "shocked disbelief" that financial companies had failed to maintain sufficient "surveillance" of their trading counterparties to prevent surging losses: "Those of us who have looked to the self-interest of lending institutions to protect shareholders' equity, myself included, are in a state of shocked disbelief."

This last statement reveals more than may appear at first glance: it indicates that Greenspan's mistake was to expect that the lending institutions' enlightened self-interest would make them act more responsibly, more ethically, in order to avoid short-term self-propelling cycles of wild speculation which, sooner or later, burst like a bubble. In other words, his mistake concerned not the facts, the objective economic data or mechanisms; it concerned rather the ethical attitudes generated by market speculation—in particular the premise that market processes will spontaneously generate responsibility and trust, since it is in the long-term self-interest of the participants themselves to act thusly. Clearly, Greenspan's error was not only and not simply one of overestimating the rationality of market agents—that is, their ability to resist the temptation of making wild speculative gains. What he forgot to include in the equation was the financial speculators' quite rational expectation that the risks would be worth taking, since, in the event of a financial collapse, they could count on the state to cover their losses.

Parenthetically, one of the weird consequences of the financial meltdown and the measures taken to counteract it was a revival of interest in the work of Ayn Rand, the closest one can get to an ideologist of the "greed is good" form of radical capitalism. The sales of Rand's magnum opus, *Atlas Shrugged*, exploded again. One suggested reason for this success was that the Obama administration's support for beleaguered banks

smacks of tyrannical socialism, forcing the strong and successful to prop up the weak, feckless and incompetent. "The current economic strategy is right out of *Atlas Shrugged*," the commentator Stephen Moore wrote recently in *Wall Street Journal*. "The more incompetent you are in business, the more handouts the politicians will bestow on you."¹⁷

According to some reports, there are already signs that the scenario described in *Atlas Shrugged*—of creative capitalists themselves going on strike—is actually coming about. According to John Campbell, a Republican congressman: "The achievers are going on strike. I'm seeing, at a small level, a kind of protest from the people who create jobs . . . who are pulling back from their ambitions because they see how they'll be punished for them."¹⁸ The absurdity of this reaction lies in the fact that it totally misreads the situation: most of the bail-out money is going in gigantic sums to precisely those Randian deregulated "titans" who failed in their "creative" schemes and thereby brought about the downward spiral. It is not the great creative geniuses who are now helping out lazy ordinary people, it is rather the ordinary taxpayers who are helping out the failed "creative geniuses." One need simply recall that the ideologico-political father of the long economic process which resulted in the meltdown is the aforementioned Alan Greenspan, a card-carrying Randian "objectivist."

But let us return to Miller, for the message of his weird text is clear: let us wait patiently for the new "subject supposed to know" to emerge. Miller's position here is one of pure liberal cynicism: we all know that the "subject supposed to know" is a transference illusion—but we know this "in private," as psychoanalysts. In public, we should promote the rise of the new "subject supposed to know" in order to control panic reactions . . .

Miller has recently been engaged in a struggle against the Europe-wide attempt to impose state regulation of psychoanalysis, which

¹⁷ Oliver Burkeman, "Look out for number one," *Guardian*, March 10, 2009, p. 3.

¹⁸ Ibid.

would effectively lead to its absorption into the vast field of “scientific” cognitivist and bio-chemical therapies. Unfortunately, he inscribes this struggle in terms of the Right-liberal insistence on the freedom of individuals from socialist and paternalist state control and regulation, referring directly to the work of the pro-Thatcherite neoliberal, Willem H. Buiter.¹⁹ What Miller ignores is how the very state regulations he so ferociously opposes are enacted on behalf of the protection of individuals’ autonomy and freedom: he is thus fighting the consequences of the very ideology on which he relies. The paradox is that, in today’s digitalized society where not only the state but also big companies are able to penetrate and control individual lives to an unheard-of extent, state regulation is needed in order to maintain the very autonomy it is supposed to endanger.

In the middle of April 2009, I was sitting in a hotel room in Syracuse, hopping between two TV programs: a documentary on Pete Seeger, the great American folk singer of the Left, and a Fox News report on the anti-tax “tea party” in Austin, Texas, with a country singer performing an anti-Obama song full of complaints about how Washington is taxing hard-working ordinary people in order to finance the rich Wall Street financiers. The short-circuit between the two programs had an electrifying effect on me, with two especially noticeable features. First, there was the weird similarity between the two musicians, both formulating a populist anti-establishment critique of the exploitative rich and their state, and both calling for radical measures, up to and including civil disobedience—another painful remainder that, with regard to forms of organization, the contemporary radical-populist Right strangely reminds us of the old radical-populist Left. Second, one cannot but notice the fundamental irrationality of the “tea party” protests: Obama effectively plans to lower taxes for over 95 percent of hard-working ordinary people, proposing to raise them for only the upper couple of percentiles—

¹⁹ See Willem H. Buiter, “Le nouveau Paternalisme: attention, danger!” *Le Nouvel Ane*, September 9, 2008, p. 34–5.

that is, for the “exploitative rich.” So how is it that people are literally acting counter to their own interests?

Thomas Frank aptly described this paradox of contemporary populist conservatism in the US:²⁰ the economic class opposition (poor farmers and blue-collar workers versus lawyers, bankers, and large companies) is transposed or re-coded onto the opposition of honest, hard-working Christian Americans versus the decadent liberals who drink *lattes* and drive foreign cars, advocate abortion and homosexuality, and mock patriotic sacrifice and simple “provincial” ways of life, and so forth. The enemy is thus perceived as the “liberal” elite who, through federal state intervention—from school-busing to legislating that Darwinian theory and perverted sexual practises be taught in class—want to undermine the authentic American way. The conservatives’ main economic demand is therefore to get rid of the strong state which taxes the population to finance its regulatory interventions; their minimal economic program is thus: “fewer taxes, fewer regulations.” From the standard perspective of the enlightened and rational pursuit of self-interest, the inconsistency of this ideological stance is obvious: the populist conservatives are literally *voting themselves into economic ruin*. Less taxation and deregulation means more freedom for the big companies who are driving impoverished farmers out of business; less state intervention means less federal help for small businessmen and entrepreneurs.

Although the “ruling class” disagrees with the populists’ moral agenda, it tolerates the “moral war” as a means of keeping the lower classes in check, that is, it enables the latter to articulate their fury without disturbing the economic status quo. What this means is that the *culture war is a class war* in displaced mode—*pace* those who claim that we live in a post-class society . . . This, however, only makes the enigma even more impenetrable: how is this displacement *possible*? “Stupidity” and “ideological manipulation” are not adequate answers; that is to say, it is

²⁰ See Thomas Frank, *What's the Matter with Kansas? How Conservatives Won the Heart of America*, New York: Metropolitan Books 2004.

clearly not good enough to claim that the primitive lower classes have been so brainwashed by the ideological apparatus that they are not or are no longer able to identify their true interests. If nothing else, one should recall how, decades ago, the same state of Kansas identified in Frank's book as a conservative stronghold was once a hotbed of *progressive* populism in the US—and people have certainly not been getting more stupid over the last few decades. Proof of the material force of ideology abounds; in the European elections of June 2009, voters massively supported neoconservative-liberal politics—the very politics that brought about the ongoing crisis. Indeed, who needs direct repression when one can convince the chicken to walk freely into the slaughterhouse?

Sorman's version of capitalist ideology ignores this process of necessary self-blinding and is, as such, too brutal and blatant to be endorsed as hegemonic—it has something of the character of “over-identification” about it, of stating so openly the underlying premises that it becomes embarrassing to all concerned. Rather, the ideological version of capitalism which is emerging as hegemonic out of the present crises is that of a “socially responsible” eco-capitalism. While admitting that, in the past and in the present, the free market system has often been over-exploitative with catastrophic consequences, the claim is now made that one can discern the signs of a new orientation which is aware that the capitalist mobilization of a society's productive capacity can also be made to serve ecological goals, the struggle against poverty, and other worthy ends. As a rule, this version is presented as part of a wider shift towards a new holistic post-materialist spiritual paradigm. With the growing awareness of the unity of all life on earth and of the common dangers we all face, a new approach is emerging which no longer opposes the market to social responsibility—they can be reunited for mutual benefit. Collaboration with and the participation of employees, dialogue with customers, respect for the environment, transparency of business deals, are nowadays the keys to success. Capitalists should not just be machines for generating profits, since their lives can have a deeper meaning. Their preferred mottos have become social

responsibility and gratitude: they are the first to admit that society has been incredibly good to them by allowing them to deploy their talents and amass great wealth, so it is their duty to give something back to society and to help ordinary people. Only this kind of caring approach makes business success worthwhile . . . The new ethos of global responsibility is thus able to put capitalism to work as the most efficient instrument of the common good. The basic ideological *dispositif* of capitalism—we can call it “instrumental reason,” “technological exploitation,” “individualist greed,” or whatever we like—is separated from its concrete socio-economic conditions (capitalist relations of production) and conceived of as an autonomous life or “existential” attitude which should (and can) be overcome by a new more “spiritual” outlook, *leaving these very capitalist relations intact*.

Nevertheless, was the financial meltdown of 2008 not a kind of ironic comment on the ideological nature of this dream of a spiritualized and socially responsible eco-capitalism? As we all know, on December 11, 2008 Bernard Madoff, a highly successful investment manager and philanthropist from Wall Street, was arrested and charged with allegedly running a \$50 billion Ponzi (or pyramid) scheme.

On the surface, Madoff's funds were supposed to be low-risk investments. His largest fund reported steady returns, usually gaining a percentage point or two a month. The funds' stated strategy was to buy large cap stocks and supplement those investments with related stock-option strategies. The combined investments were supposed to generate stable returns and also cap losses.

But sometime in 2005, according to the SEC suit, Madoff's investment-advisory business morphed into a Ponzi scheme, taking new money from investors to pay off existing clients who wanted to cash out. . . . Despite his gains, a growing number of investors began asking Madoff for their money back. In the first week of December, according to the SEC suit, Madoff told a senior executive that there had been requests from clients for \$7 billion in redemptions. . . .

Madoff met with his two sons to tell them the advisory business was a fraud—"a giant Ponzi scheme," he reportedly told them—and was nearly bankrupt.²¹

There are two features that make this story so surprising: first, that such a basically simple and well-known strategy was able to succeed in today's allegedly highly complex and controlled field of financial speculation; second, that Madoff was not a marginal eccentric, but a figure from the very heart of the US financial establishment (Nasdaq), involved in numerous charitable activities. One should thus resist the numerous attempts to pathologize Madoff, presenting him as a corrupt scoundrel, a rotten worm in the healthy green apple. Is it not rather that the Madoff case presents us with an extreme but therefore pure example of what caused the financial breakdown itself?

Here one has to ask a naive question: did Madoff not know that, in the long term, his scheme was bound to collapse? What force denied him this obvious insight? Not Madoff's own personal vice or irrationality, but rather a pressure, an inner drive to go on, to expand the sphere of circulation in order to keep the machinery running, inscribed into the very system of capitalist relations. In other words, the temptation to "morph" legitimate business into a pyramid scheme is part of the very nature of the capitalist circulation process. There is no exact point at which the Rubicon was crossed and the legitimate business morphed into an illegal scheme; the very dynamic of capitalism blurs the frontier between "legitimate" investment and "wild" speculation, because capitalist investment is, at its very core, a risky wager that a scheme will turn out to be profitable, an act of borrowing from the future. A sudden uncontrollable shift in circumstances can ruin a supposedly "safe" investment—this is what capitalist "risk" turns on. And, in "postmodern" capitalism, potentially

²¹ Stephen Gandel, "Wall Street's latest downfall: Madoff charged with fraud," *Time*, December 12, 2008.

ruinous speculation is raised to a much higher level than was even imaginable in earlier periods.²²

Over the last several months, public figures from the Pope downwards have bombarded us with injunctions to fight against the culture of excessive greed and consumption. This disgusting spectacle of cheap moralization is an ideological operation if there ever was one: the compulsion (to expand) inscribed into the system itself is translated into a matter of personal sin, a private psychological propensity. The self-propelling circulation of Capital thus remains more than ever the ultimate Real of our lives, a beast that by definition cannot be controlled, since it itself controls our activity, blinding us to even the most obvious dangers we are courting. It is one big fetishistic denial: "I know very well the risks I am courting, even the inevitability of the final collapse, but nonetheless . . . [I can put off the collapse a little bit longer, take on a little bit more risk, and so on indefinitely]." It is a self-blinding "irrationality" strictly correlative to the "irrationality" of the lower classes voting against their own interests, and yet another proof of the material power of ideology. Like love, ideology is blind, even if the people caught up in it are not.

Human, All Too Human . . .

The contemporary era constantly proclaims itself as post-ideological, but this denial of ideology only provides the ultimate proof that we are more than ever embedded in ideology. Ideology is always a field of struggle—among other things, the struggle for appropriating past traditions. One of the clearest indications of our predicament is the liberal appropriation of Martin Luther King, in itself an exemplary ideological operation. Henry Louis Taylor recently remarked: "Everyone

²² Incidentally, it is a sign of the maturity of the US public that there have been no traces of anti-Semitism in their reaction to the financial crisis, although it would have been easy to imagine a reaction such as: "Did you notice how Jews, Jewish financiers, made us hard-working Americans pay \$700 billion to cover the costs of their follies!"

knows, even the smallest kid knows about Martin Luther King, can say his most famous moment was that 'I have a dream' speech. No one can go further than one sentence. All we know is that this guy had a dream. We don't know what that dream was."²³ King had come a long way from the crowds who cheered him on at the 1963 March on Washington, when he was introduced as "the moral leader of our nation." By pursuing issues beyond simply that of segregation, he had lost much public support, and was increasingly considered a pariah. As Harvard Sitkoff put it, "he took on issues of poverty and militarism because he considered them vital 'to make equality something real and not just racial brotherhood but equality in fact.'" To put it in Badiou's terms, King followed the "axiom of equality" well beyond the single topic of racial segregation: he was campaigning on anti-poverty and anti-war issues at the time of his death. He had spoken out against the Vietnam War, and when he was killed in Memphis in April 1968 he was there in support of striking sanitation workers. As Melissa Harris-Lacewell has put it, "Following King meant following the unpopular road, not the popular one."

Moreover, all the features we today identify with freedom and liberal democracy (trade unions, the universal vote, free universal education, freedom of the press, etc.) were won through a long and difficult struggle on the part of the lower classes throughout the nineteenth and twentieth centuries—in other words, they were anything but the "natural" consequences of capitalist relations. Recall the list of demands with which *The Communist Manifesto* concludes: most of them, with the exception of the abolition of private ownership of the means of production, are today widely accepted in "bourgeois" democracies, but only as the result of popular struggles. It is worth underlining another often ignored fact: today, equality between whites and blacks is celebrated as part of the American Dream, and treated as a self-evident politico-ethical axiom; but in the 1920s and 1930s, the US

²³ This quote and the following two (by Sitkoff and Harris-Lacewell) are taken from an Associated Press report entitled "MLK's legacy is more than his 'Dream' speech," available online at <http://webstv.com>.

Communists were the *only* political force to argue for complete racial equality.²⁴ Those who claim a natural link between capitalism and democracy are cheating with the facts in the same way the Catholic Church cheats when it presents itself as the "natural" advocate of democracy and human rights against the threat of totalitarianism—as if it were not the case that the Church accepted democracy only at the end of the nineteenth century, and even then with clenched teeth, as a desperate compromise, making it clear that it preferred monarchy, and that it was making a reluctant concession to new times.

On account of its all-pervasiveness, ideology appears as its own opposite, as *non-ideology*, as the core of our human identity underneath all the ideological labels. This is why Jonathan Littell's outstanding *Les bienveillantes* (*The Kindly Ones*)²⁵ is so traumatic, especially for Germans: it provides a fictional first-person account of the Holocaust from the perspective of a German participant, SS *Obersturmbannführer* Maximilian Aue. The problem is the following: how to render the manner in which the Nazi executioners experienced and symbolized their predicament without engendering sympathy or even justifying them? What Littell offers, to put it in somewhat tasteless terms, is a fictionalized Nazi version of Primo Levi. As such, he has a key Freudian lesson to teach us: one should reject the idea that the proper way to fight the demonization of the Other is to subjectivize him, to listen to his story, to understand how he perceives the situation (or, as a partisan of Middle East dialogue puts it: "An enemy is someone whose story you have not yet heard"). There is, however, a clear limit to this procedure: can one imagine inviting a brutal Nazi thug—like Littell's Maximilian Aue, who rather invites himself—to tell us his story? Is one then also ready to affirm that Hitler was an enemy only because his story had not been heard? Do the details of his personal life "redeem" the horrors that resulted from his reign, do they make him "more human"? To cite one of my favorite examples, Reinhard Heydrich, the architect of the

²⁴ See Glenda Elizabeth Gilmore, *Defying Dixie: The Radical Roots of Civil Rights*, New York: Norton 2007.

²⁵ See Jonathan Littell, *The Kindly Ones*, New York: Harper Book Club 2009.

Holocaust, liked to play Beethoven's late string quartets with friends during his evenings of leisure. Our most elementary experience of subjectivity is that of the "richness of my inner life": this is what I "really am," in contrast to the symbolic determinations and responsibilities I assume in public life (as father, professor, etc.). The first lesson of psychoanalysis here is that this "richness of inner life" is fundamentally fake: it is a screen, a false distance, whose function is, as it were, to save my appearance, to render palpable (accessible to my imaginary narcissism) my true social-symbolic identity. One of the ways to practise the critique of ideology is therefore to invent strategies for unmasking this hypocrisy of the "inner life" and its "sincere" emotions. The experience we have of our lives from within, the story we tell ourselves about ourselves in order to account for what we are doing, is thus a lie—the truth lies rather outside, in what we do. Therein resides the difficult lesson of Littell's book: in it, we meet someone whose story we *do* fully hear but who should nonetheless *remain* our enemy. What is truly unbearable about the Nazi executioners is not so much the terrifying things they did, as how "human, all too human" they remained while doing those things. "Stories we tell ourselves about ourselves" serve to obfuscate the true ethical dimension of our acts. In making ethical judgments, we should be story-blind—this is why Elfriede Jelinek's advice to theatre writers is not only aesthetically correct, but has a deep ethical justification:

Characters on stage should be flat, like clothes in a fashion show: what you get should be no more than what you see. Psychological realism is repulsive, because it allows us to escape unpalatable reality by taking shelter in the "luxuriousness" of personality, losing ourselves in the depth of individual character. The writer's task is to block this manoeuvre, to chase us off to a point from which we can view the horror with a dispassionate eye.²⁶

²⁶ Elfriede Jelinek, quoted in Nicholas Spice, "Up from the Cellar," *London Review of Books*, June 5, 2008, p. 6.

The same strategy of ideological "humanization" (in the sense of the proverbial wisdom "it is human to err") is a key constituent of the ideological (self-)presentation of the Israeli Defense Forces (IDF). The Israeli media love to dwell on the imperfections and psychic traumas of the Israeli soldiers, presenting them neither as perfect military machines nor as superhuman heroes, but as ordinary people who, caught up in the traumas of History and warfare, sometimes make errors and lose their way. For example, when in January 2003 the IDF demolished the family home of a suspected "terrorist," they did so with accentuated kindness, even helping the family to move their furniture out before destroying the house with a bulldozer. A similar incident was reported a little bit earlier in the Israeli press: when an Israeli soldier was searching a Palestinian house for suspects, the mother of the family called her daughter by her name in order to calm her down, and the surprised soldier learned that the frightened girl's name was the same as that of his own daughter; in a sentimental outburst, he pulled out his wallet and showed her picture to the Palestinian mother. It is easy to discern the falsity of such a gesture of empathy: the notion that, in spite of political differences, we are all basically human beings with the same loves and worries neutralizes the impact of the activity the soldier was engaged in. As such, the only proper reply of the mother should have been: "If you really are a human being like me, *why are you doing what you are doing now?*" The soldier could then only have taken refuge in reified duty: "I don't like it, but it is my duty . . ."—thus avoiding the subjective assumption of his duty.

The point of such humanization is to emphasize the gap between the complex reality of the person and the role he has to play against his true nature. "In my family, our genes are not military," as one of the soldiers interviewed in Claude Lanzmann's *Tsahal* (1994) says, surprised to find himself a career officer.²⁷ Ironically, Lanzmann here follows the same technique of humanization as does Spielberg, the object of Lanzmann's utter contempt. As in *Shoah*, in *Tsahal* Lanzmann works entirely in the

²⁷ "Tsahal" is a Hebrew acronym for the Israeli Defense Forces.

present tense, refusing any archival battle scenes or narration that would provide some historical context. From the very beginning of the film we are thrown *in medias res*: various officers recall the horrors of the 1973 war, while, in the background, we see audio-machines reproducing authentic recordings of what went on at the moment of panic, when Israeli units on the eastern side of the Suez canal were overrun by Egyptian soldiers. This "soundscape" is used as a trigger to transport the interviewed (ex-)soldiers back into their traumatic experience: sweating, they relive the situation in which many of their comrades were killed, and react by fully admitting their human frailty, panic and fear—many of them openly admit that they feared not only for their lives, but for the very existence of Israel itself. Another aspect of this humanization is the intimate "animistic" relationship to weapons, especially tanks. As one of the interviewed soldiers puts it: "They have souls. If you give a tank your love, your care, it will give you everything back."

Lanzmann's focus on the Israeli soldiers' experience of a permanent state of emergency and the threat of annihilation is usually cited to justify the exclusion of the Palestinians' perspective from the film: they are seen only late on, reduced to the non-subjectivized background. The film does show how the Palestinians are *de facto* treated as an underclass, subjected to military and police controls and detained by bureaucratic procedures; but the only explicit critique of Israeli politics in the film is that formulated by Israeli writers and lawyers (Avigdor Feldman, David Grossman, Amos Oz). On a benevolent reading, one could claim (as Janet Maslin did in her *New York Times* review of *Tsahal*) that "Lanzmann lets these faces speak for themselves," letting the oppression of the Palestinians appear as a background presence, all the more overwhelming in its silence. But is it really so? Here is Maslin's description of a key scene towards the end of the film, when Lanzmann engages in debate with an Israeli building contractor:

"When the Arabs know there will be Jews here for eternity, they will learn to live with it," insists this man, whose new houses are being

erected on occupied territory. Arab workmen labor busily behind him as he speaks. Confronted by the thorny questions that his settlement-building work raises, the man contradicts himself freely. He also digs in his heels. "This is the land of Israel," he insists obliquely, whenever Mr. Lanzmann, who has made it his mission to explore the Israeli people's relationship with this land, poses one of the many questions that have no answers. Eventually, the director finally gives up arguing, smiles philosophically and throws his arms around the builder. At that moment, he expresses all the ruefulness and frustration seen in *Tsahal* and does it in a single gesture.²⁸

Would Lanzmann also "smile philosophically and throw his arms around" the Palestinian laborer in the background, were the latter to express a destructive rage against the Israelis for having reduced him to a paid instrument of the expropriation of his own land? Therein resides the ideological ambiguity of *Tsahal*: the interviewed soldiers play the role of their "ordinary human selves," they embody the masks they have constructed to humanize their acts—an ideological mystification that reaches its unsurpassable ironic peak when Ariel Sharon appears as a peaceful farmer.

It is interesting to note how a similar "humanization" process is increasingly present in the recent wave of blockbusters about superheroes (*Spiderman*, *Batman*, *Hancock* . . .). Critics rave about how these films move beyond the original flat comic-book characters and dwell in detail over the uncertainties, weaknesses, doubts, fears and anxieties of the supernatural hero, his struggle with his inner demons, his confrontation with his own dark side, and so forth, as if all this makes the commercial super-production somehow more "artistic." (The exception in this series is M. Night Shyamalan's outstanding *Unbreakable*.)

In real life, this humanization process undoubtedly reached its apogee in a recent North Korean press release which reported that, at the opening game on the country's first golf course, the beloved

²⁸ Janet Maslin, "Tsahal: Lanzmann's meditation on Israel's defense," *New York Times*, January 27, 1995.

president Kim Jong-Il excelled, finishing the entire game of 18 holes in 19 strikes. One can well imagine the reasoning of the propaganda bureaucrat: nobody was going to believe that Kim had managed a hole-in-one every time, so, to make things realistic, let us concede that, just once, he needed two strikes to succeed . . .

Unfortunately, the same kind of "humanization" ruins *The Baader Meinhof Complex* (2008), the otherwise interesting depiction of the fate of the first-generation Red Army Faction group (Ulrike Meinhof, Gudrun Ensslin, Andreas Baader) in Germany. The subjective standpoint of the film, the position implicitly offered to the spectator as the point of identification, is that of Meinhof, a "terrorist" who nonetheless remains "human," beset by fears and doubts, engaged in constant reflection on her predicament, in contrast with Ensslin and Baader who are presented as brutally inhuman in their "angelic" perfection. The gap that separates them appears at its clearest in their respective suicides: Meinhof hangs herself in despair, as her entire ethico-political universe falls apart, while Ensslin and Baader take their own lives as a coldly planned political statement. (In this respect, Meinhof is the counterpoint to the chief police investigator coordinating the hunt for the terrorists, played by Bruno Ganz: in contrast to his colleagues, who just want to exterminate the terrorists, the chief also reflects on the causes of terror and shows consideration for the wider ideologico-political context.)

We should fearlessly extend this insight into the problematic of false "humanization" to the very basic collective form of "telling stories about ourselves," to the symbolic texture which provides the foundation of a community (ethnic, lifestyle, sexual, religious. . .). Kant's distinction between the public and private uses of reason can be of great help here: the key problem with forms of so-called "identity politics" is that they focus on "private" identities—the ultimate horizon is that of the tolerance and intermingling of such identities, and every universality, every feature that cuts across the entire field, is rejected as oppressive. Paulinian universality, in contrast, is a struggling form. When Paul says, "There are no Greeks or Jews, no men or women . . .," this does not mean that we are all one happy human family, but rather that there is one big divide which cuts across all

these particular identities, rendering them ultimately irrelevant: "There are no Greeks or Jews, no men or women . . . there are only Christians and the enemies of Christianity!" Or, as we would have to put it today: there are only those who fight for emancipation and their reactionary opponents; the people and the enemies of the people.

No wonder that the topic of "toxic subjects" has been gaining ground recently. In her book *Toxic People*, Lillian Glass identifies 30 types of such people, some with humorous labels such as "the Smiling Two-Faced Sneaky Back-Stabber."²⁹ She provides a Toxic People Quiz to help readers identify which category a suspect toxic terror falls into and suggests ten techniques for handling them, including Humor, Direct Confrontation, Calm Questioning, Give-Them-Hell-and-Yell, Love and Kindness, Vicarious Fantasy, etc. Conceding that, to some degree, we are all toxic, Glass also offers a "Toxic Image Inventory" enabling us to identify our own destructive forms of behavior.

Albert J. Bernstein goes a (rhetorical) step further, mobilizing horror-mythology and speaking directly of emotional vampires preying on us whilst masquerading as ordinary people—they may lurk in your office, your family, your circle of friends; they may even share your bed.³⁰ Bright, talented, and charismatic, they win your trust and affection, and then drain you of your emotional energy. Their main categories include self-serving Narcissists, Hedonistic Antisocials, Exhausting Paranoids, and over-the-top Histrionic Drama Queens. As might be expected, Bernstein also offers a range of defense strategies guaranteed to keep such blood-sucking creatures of darkness from sucking you dry.

The topic of "toxic subjects" is expanding much further, beyond its immediate reference to interpersonal relations. In a paradigmatic "post-modern" way, the predicate "toxic" now covers a series of properties which may belong to totally different levels (natural, cultural, psychological, political). Hence, a "toxic subject" might be an immigrant with a deadly

²⁹ See Lillian Glass, *Toxic People*, New York: Simon & Schuster 1995.

³⁰ See Albert J. Bernstein, *Emotional Vampires: Dealing With People Who Drain You Dry*, New York: McGraw-Hill 2002.

disease who should be quarantined; a terrorist whose deadly plans need to be foiled and who belongs in Guantanamo; a fundamentalist ideologist who should be silenced because he is spreading hatred; or a parent, teacher or priest who abuses and corrupts children.

But in a Hegelian gesture of universalization, one should accomplish here the passage from predicate to subject: from the standpoint of the autonomous free subject, is there not something "toxic" about the very idea of a parent, this parasitic mediator who subjects the subject to an authority in the very process of establishing it as free and autonomous? If there is a clinical lesson to be learned about parenthood, it is that there can be no clean, non-toxic parent: some libidinal dirt will always stain the ideal parental figure. And one should push this generalization to the end: what is toxic is ultimately the Neighbor as such, the abyss of its desire and its obscene enjoyment. The ultimate aim of all rules governing interpersonal relations, then, is to quarantine or neutralize this toxic dimension, to reduce the Neighbor to a fellow man. It is thus not enough to search for contingent toxic components in (another) subject, for the subject *as such* is toxic in its very form, in its abyss of Otherness—what makes it toxic is the *objet petit a* on which the subject's consistency hinges. When we think we really know a close friend or relative, it often happens that, all of a sudden, this person does something—utters an unexpectedly vulgar or cruel remark, makes an obscene gesture, casts a cold indifferent glance where compassion was expected—which makes us aware that we do not really know them; we become conscious of a total stranger in front of us. At this point, the fellow man changes into a Neighbor.

As if in an ironic nod to Giorgio Agamben's theory of the state of exception, in July 2008 the Italian government proclaimed a state of emergency throughout Italy in order to cope with the problem of the Neighbor in its paradigmatic contemporary form: the illegal entry of immigrants from North Africa and Eastern Europe. Taking a demonstrative step further in this direction, at the beginning of August, it deployed 4,000 armed soldiers to control sensitive points in big cities (train stations,

commercial centers . . .) and thus raise the level of public security. There are also now plans to use the military to protect women from rapists. What is important to note here is that the emergency state was introduced without any great fuss: life goes on as normal . . . Is this not the state we are approaching in developed countries around the globe, where this or that form of the emergency state (deployed against the terrorist threat, against immigrants, and so on) is simply accepted as a measure necessary to guarantee the normal run of things?

So what is the reality of this emergency state? An incident on September 20, 2007—when seven Tunisian fishermen went on trial in Sicily for the crime of rescuing forty-four African migrants from certain death in the sea—will make it clear. If convicted for "aiding and abetting illegal immigrants," they faced between one and fifteen years in jail. On August 7, the fishermen had dropped anchor on a shelf 30 miles south of the island of Lampedusa near Sicily, and fallen sleep. Awakened by screams, they saw a rubber boat crammed with starving people, including women and children, wallowing in the rough waves and on the point of sinking. The captain decided to bring them to the nearest port on Lampedusa, where he and his entire crew were then arrested. All observers agree that the true goal of this absurd trial is to dissuade other boat crews from doing the same thing: no action was taken against other fishermen who, when they found themselves in a similar situation, were reported as having beaten the migrants away with sticks, letting them drown.³¹ What this incident demonstrates is that Agamben's notion of *homo sacer*, the one excluded from the civil order who can be killed with impunity, is fully operative in the heart of the very Europe that sees itself as the ultimate bastion of human rights and humanitarian aid, in contrast to the US and the excesses of the "war on terror". The only heroes in this affair were the Tunisian fisher-men, whose captain, Abdelkarim Bayoudh, simply stated: "I'm happy about what I did."

31 See the report by Peter Popham, "Tunisian fishermen face 15 years' jail in Italy for saving migrants from rough seas," *Independent*, September 20, 2007, p. 30.

The formula of "reasonable anti-Semitism" was best formulated back in 1938 by Robert Brasillach, who saw himself as a "moderate" anti-Semite:

We grant ourselves permission to applaud Charlie Chaplin, a half Jew, at the movies; to admire Proust, a half Jew; to applaud Yehudi Menuhin, a Jew; and the voice of Hitler is carried over radio waves named after the Jew Hertz. . . . We don't want to kill anyone, we don't want to organize any pogrom. But we also think that the best way to hinder the always unpredictable actions of instinctual anti-Semitism is to organize a reasonable anti-Semitism.³²

Is not this same attitude at work in the way our governments are dealing with the "immigrant threat"? After righteously rejecting populist racism as "unreasonable" and unacceptable given our democratic standards, they endorse "reasonably" racist protective measures . . . Like latter-day Brasillachs, some of them, even the Social Democrats, tell us: "We grant ourselves permission to applaud African and East European sportsmen, Asian doctors, Indian software programmers. We don't want to kill anyone, we don't want to organize any pogrom. But we also think that the best way to hinder the always unpredictable actions of violent anti-immigration protests is to organize reasonable anti-immigrant protection." This vision of the detoxification of the Neighbor presents a clear passage from direct barbarism to Berlusconi barbarism with a human face.

The figure of Berlusconi as a "human, all too human" leader is crucial here, since Italy today is effectively a kind of experimental laboratory of our future. If our political scene is split between permissive-liberal technocracy and fundamentalist populism, Berlusconi's great achievement is to have united the two, to have captured both at the same time. It is arguably this combination which makes him unbeatable, at least in the near future; the remains of the Italian "Left" now resignedly accept

³² Quoted by Radbod, "Challenging Mind," available online at <http://www.europalandofheroes.com>.

him as Fate. This silent acceptance of Berlusconi as Fate is perhaps the saddest aspect of his reign: his democracy is a democracy of those who, as it were, win by default, who rule through cynical demoralization.

What makes Berlusconi so interesting as a political phenomenon is the fact that he, as the most powerful politician in his country, acts more and more shamelessly: he not only ignores or neutralizes any legal investigation into the criminal activity that has allegedly supported his private business interests, he also systematically undermines the basic dignity associated with being the head of state. The dignity of classical politics is grounded in its elevation above the play of particular interests in civil society: politics is "alienated" from civil society, it presents itself as the ideal sphere of the *citoyen* in contrast to the conflict of selfish interests that characterize the *bourgeois*. Berlusconi has effectively abolished this alienation: in contemporary Italy, state power is exercised directly by the base *bourgeois* who ruthlessly and openly exploits state power as a way of protecting his economic interests, and who washes the dirty laundry of his private marriage problems in the style of a vulgar *reality show* in front of millions watching on their TV screens.

The last genuinely tragic US president was Richard Nixon. As two outstanding films about him (Oliver Stone's *Nixon* and the recent *Frost/Nixon*) demonstrate, he was a crook, but a crook who fell victim to the gap between his ideals and ambitions and the reality of his acts, and who thus experienced an authentically tragic downfall. With Ronald Reagan (and Carlos Menem in Argentina), a different figure of the president entered the stage, a "Teflon" president whom one is tempted to characterize as post-Oedipal: a "postmodern" president who, being no longer even expected to stick consistently to his electoral program, has thus become impervious to criticism (recall how Reagan's popularity went up after every public appearance, when journalists enumerated his mistakes). This new kind of president mixes (what appear to be) spontaneously naive outbursts with the most ruthless manipulation.

The wager of Berlusconi's indecent vulgarities is, of course, that the

people will identify with him insofar as he embodies or enacts the mythical image of the average Italian: "I am one of you, a little bit corrupt, in trouble with the law, I fall out with my wife because I am attracted by other women ..." Even his grandiose enactment of a noble politician, *Il Cavaliere*, is more like a ridiculously operatic poor man's dream of greatness. And yet, this appearance of his being "just an ordinary guy like the rest of us" should not deceive us: beneath the clownish mask there is a mastery of state power functioning with ruthless efficiency. Even if Berlusconi is a clown without dignity, we should therefore not laugh at him too much—perhaps, by doing so, we are already playing his game. His laughter is more like the obscene-crazy laughter of the superhero's enemy from a Batman or Spiderman movie. To get an idea of the nature of his rule, one should imagine something like the Joker from *Batman* in power. The problem is that technocratic administration combined with a clownish façade do not themselves suffice: something more is needed, namely—fear. Here enters Berlusconi's two-headed beast, consisting of the immigrants and the "Communists" (Berlusconi's generic name for anyone who attacks him, inclusive of the British right-of-center liberal journal, *The Economist*).

Oriana Fallaci (who was otherwise rather sympathetic towards Berlusconi) once wrote: "True power does not need arrogance, a long beard and a barking voice. True power strangles you with silk ribbons, charm, and intelligence." In order to understand Berlusconi, one has only to add to this series a talent for stupid self-mockery. *Kung Fu Panda*, the 2008 cartoon film hit, provides the basic coordinates of the functioning of contemporary ideology. The fat panda bear dreams of becoming a sacred Kung Fu warrior, and when, through blind chance (beneath which, of course, lurks the hand of Destiny), he is chosen to be the hero to save his city, he succeeds ... However, throughout the film, this pseudo-oriental spiritualism is constantly being undermined by a vulgar-cynical sense of humor. The surprise is how this continuous self-mockery in no way impedes on the efficiency of the

oriental spiritualism—the film ultimately takes the butt of its endless jokes seriously. Similarly with one of my favorite anecdotes regarding Niels Bohr: surprised at seeing a horseshoe above the door of Bohr's country house, the fellow scientist visiting him exclaimed that he did not share the superstitious belief regarding horseshoes keeping evil spirits out of the house, to which Bohr snapped back: "I don't believe in it either. I have it there because I was told that it works even when one doesn't believe in it." This is indeed how ideology functions today: nobody takes democracy or justice seriously, we are all aware of their corrupted nature, but we participate in them, we display our belief in them, because we assume that they work even if we do not believe in them. This is why Berlusconi is our own big Kung Fu Panda. Perhaps the old Marx brothers quip, "This man looks like a corrupt idiot and acts like one, but this should not deceive you—he is a corrupt idiot," here stumbles upon its limit: while Berlusconi is what he appears to be, this appearance nonetheless remains deceptive.

The "New Spirit" of Capitalism

The fear of the "toxic" Other is thus the obverse (and the truth) of our empathy with the-other-reduced-to-a-fellow-man—but how did this syndrome arise? Boltanski and Chiapello's *The New Spirit of Capitalism* examines this process in detail, especially apropos France. In a Weberian mode, the book distinguishes three successive "spirits" of capitalism: the first, the entrepreneurial spirit, lasted until the Great Depression of the 1930s; the second took as its ideal not the entrepreneur but the salaried director of the large firm. (It is easy to see here a close parallel with the well-known passage from individualist Protestant-ethic capitalism to the corporate-managerial capitalism of the "organization man."³³) From the 1970s onwards, a new figure

³³ For a detailed description of this passage, see Luc Boltanski and Eve Chiapello, *The New Spirit of Capitalism*, London: Verso 2005.