

THE DEREGULATION OF MORALS

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THE DEREGULATION OF MORALS: THE ULTIMATE PHASE OF GLOBALIZED CAPITALISM

In order to facilitate the reading of this text which engages new complexities of the symptoms of the ultimate phase of globalized capitalism, I have divided this essay into nine interrelated parts:

1. On semantic confusions and transitional rationalizations.
2. On the new “conventional wisdom”: “disembedded” markets and political heteronomy.
3. On the demise of collective time-space continua.
4. On “gagged” politics and the T.I.N.A. syndrome.
5. On anonymous transactions, nonrepetitive strategies and “one-shot” games.
6. On naked nomads roaming in a normless “hyperspace.”
7. On individual responsibilities and collective commitments.
8. On the decline of symbolic exchanges and reciprocities.
9. Disembedded “free rider” morals and systemic instability. On the historical irony of instrumental rationality.

“The time is out of joint”

Hamlet

1. ON SEMANTIC CONFUSIONS AND TRANSITIONAL RATIONALIZATIONS

If the effects of globalization on social representations, meanings and categories seem ubiquitous, they are probably most spectacular in respect to fundamentals. However it might be defined or measured, regardless of the questions concerning its historical originality and reversibility, and independently of whether it should be resisted, deplored or celebrated, the advent of globalization has radically changed the way we look at the world around us. Indeed, the idea of closed, homogeneous and circumscribed “societies” is no longer seen as self-evident. The possibility of separate social entities and organically discernible social “wholes” is being questioned in its inner logical core. And by extension, within this new context, the notions of “naturally,” “logically” and “functionally” distinct and separate social “spheres,” branches or “levels” are also increasingly challenged. The basic “unities” of analytical social thought are being displaced.

Thus, the elemental words by means of which the social environment is perceived and represented are being deprived of their obvious meaning and connotations. For the first time since they were discursively “invented,”¹ the fundamental “generic” conceptual constructions of the notion of particular “societies,” “economies, and “polities” seem incapable of functioning as universally internalized matrixes of cognitive clarity and taxonomic pertinence. The notion of “concrete totalities” is therefore open to reconsideration, both empirical and theoretical.

In this respect therefore, we all appear to be lying in a state of “transition”² towards a new global historical “systemic” entity. But the conceptual conditions of this entity remain beyond our immediate experience. We are therefore incapable of approaching and interpreting totality otherwise than in tentative terms. The postmodern decline of grand narratives and discourses announced by Jean-Francois Lyotard seems to be accompanied by

¹ “Regardless of the implications of the recognized existence of “separate levels” in the organization of “real” social structures, the idea of their “functional differentiation” is coextensive with the historical emergence of liberal individualism. From Hegel to Parsons, the structure of the social system as a whole is perceived as a set of the separate “subsystems” serving particular “functions.”

² Strictly speaking and to the extent that all social formations contain various overlapping modes of production, all historical societies are and always have been “in transition.” Cf Etienne Balibar *Cinq etudes de materialisme historique*, Paris, Maspero, 1974

a growing difficulty to define and circumscribe social and political objects and “orders.” In such times of conceptual turbulence therefore, epistemological vigilance against the temptations of “hermeneutic subjectivism” appears all the more necessary.³ Indeed, even if its symptoms seem obvious, the “meaning of change” must remain open. Like “unknowable” primitive societies, the incomprehensible “transitionality” of our own societies tends to be conceptualized with transitional, untested and largely inept categories and tools. The emergence of “genuinely” new concepts is not possible until the “concrete situation, the system itself in which they are to be thought, has been radically modified.”⁴

However tentative, the interpretation of both its structural foundations and historical perspectives, the symptoms of the emerging global entity are too well known to elaborate upon. The astronomical increase of cross-border capital flows,⁵ the free transfer of knowledge and information all over the world, the growing mobility of labour power, the despatialization and internationalization of major entrepreneurial activities and the withering away of their traditional spatial limitations, all these announce the dawn of a new “unchartered” era. There can be no doubt that the relativization of circumscribed jurisdictional, functional, normative and symbolic “borders” entails major semantic readjustments, factual overlappings and taxonomic confusions. Within the emerging “meta-territorial” and “trans-geographic” context, most analytic approaches are challenged and most certitudes dissipated. In this sense, it would seem that we are all back to square one.

If this is obvious in respect to the organizational structure of economic transactions, it is equally true in relation to the functions, competences and representations of narrowly defined political systems. For the first time in recent history, most fundamental questions concerning the taxonomic “spatiality” of decision making processes seem unanswerable in the pertinent ways we have been accustomed to. Indeed, the modes of existence of power systems appear to be moving along an infinite and indeterminate Moebius

³ Cf. Ernest Gellner *Language and Solitude. Wittgenstein, Malinowski and the Habsburg Dilemma* Cambridge, U.P. 1998, p.176

⁴ Fredric Jameson *Valences of the Dialectic*, London & Brooklin, Verso, 2009 p. 135

⁵ The rates of change are veritably astonishing. Between 1975 and 1996, crossborder transactions in bonds and equities as percentages of GDP increased from 4% to 151% in the U.S., from 5% to 196% in Germany, from 1,5% to 83% in Japan and from 1% to 435% in Italy. (David Held, etc. *Global Transformations*, Stanford University Press, 1999, 224) The process seems irreversible, with several trillions of dollars crossing international borders every day. The interests involved are literally astronomical. No wonder that after having having been seriously discussed for some years, the Tobin tax project seems by now completely abandoned.

strip with no beginning and no end, no front and no background, no up and no down, no inside and no outside, no center and no periphery. Long established intuitive rationalizations are being overruled and well rehearsed topological metaphors defied. Thus, the mental conditions underlying the perception of space, movement and the relations between their nodal elements seem to be literally bursting into thin air.⁶ To all intents and purposes, more and more social phenomena seem to be taking place neither “here” nor “there.”

2. ON THE NEW “CONVENTIONAL WISDOM”: “DISEMBEDDED” MARKETS AND POLITICAL HETERONOMY.

In what follows, I intend to examine some of the incidences of this radical translocation, mainly in respect to the traditional functions of political subsystems. And within this context, I shall insist on the importance of the fact that most⁷ organized political systems seem increasingly denuded of significant segments of their territorially circumscribed sovereign powers and “competences,”⁸ and, by extension, of their internalized spatial integrity, identity and “meaning.” Indeed, to all intents and purposes,

⁶ Cf. Paul Virilio *Open Sky*, London & New York, Verso, 2008, p. 13

⁷ Obviously, the “degree” and “scope” of effective “practical” political functions and competences of independent States are inevitably bathed in the ongoing changes of international power equilibria. Despite their “closed” logical and ideological structure, the notions of autonomy, independence and sovereignty must be bathed in the moving waters of historical contingency and reality. Indeed, ever since the beginning of the modern State system, even if all independent States are “equally sovereign” by definition, some have always been “more sovereign than the others.” In this sense, the inequalities in the exercise of effectively real political power are hardly the product of globalization. What seems to be new, however, is the redefinition of the strategic relations of the political activities of States and globalized private economic decisions. Indeed, the uneven political capacities of States to influence and profit from the evolution and functions of deregulated globalized markets appears to be an open and crucial political issue on the world scale. It is precisely in this sense that the hegemonic antagonism between the U.S. and China should not be interpreted as a mere conflict of power; it is also a conflict of ideas about the logic underlying the intrinsic articulation between political and economic power. (Cf. David Harvey *The New Imperialism*, New York, Oxford U.P. and Giovanni Arrighi *The Long Twentieth Century. Monet, Power and the Origin of our Times*, London, Verso, 1994. See also Giovanni Arrighi *Adam Smith in Beijing*, London, Verso, 2007)

⁸ This is probably the main reason undermining the political systems’ credibility and depriving them of their intrinsic glamour, prestige and “boldness.” (Cf. Alain Badiou: “*Peut-on penser la politique?*” Paris, Seuil, 1985) To the extent that most major decisions affecting collective interests are now taken in an inscrutable and unlocalizable transterritorial “elsewhere,” the essence of politics is irrevocably impaired. (Cf. Ulrich Beck *Risk Society. Towards a New Modernity*, London, Sage, 1996) It is within this “sovereign elsewhere” that decisions on what is to be done are really taken, under circumstances that must be seen as “exceptional” not because of their nature but because of their dislocation in respect to traditionally institutionalized power forms. In this context, long standing dogmas organized around spatially defined State-bound “political theologies” and based on the symbolic monopoly of sovereign decisional power are being substituted and supplanted by abstract and despatialized “technological theologies” based on the sovereignty of objective rationality.

invisible, uncontrollable and floating globalized “markets” seem to function as unofficial, yet universally recognized “exo-political” *loci* effectively empowered with essentially “political” decision making. What was once conceived as the “eminent domain” of politics is now literally chased out of the fields of competence of official political systems, with most decisions that seem liable to shape the collective destinies of societies and the future of the world being reached under the auspices of “privately” organized networks and instances. The traditionally inalienable institutional and symbolic privilege of circumscribed political subsystems is thus being rapidly eroded. By unilaterally imposing and implementing their whims and options, the new “private” and de-territorialized decision making centres are becoming increasingly independent from most “public” and territorialized political authorities. In this sense, the explicit institutional “separation” of social powers and jurisdictions imposed by liberalism is being challenged in its logical, organizational, semantic and also, by extension, normative core.⁹

The issue does not only refer to the institutional functions of organized powers. Even more important is the question of the ideological and cultural implications of the radical shift in the current perceptions of the “social order” and its traditionally fetishized constituent elements. Indeed, henceforward, it would seem that the (thin and ambiguous to start with) line separating the political from the economic, the public from the private, the collective from the individual and the State from Society is being utterly desubstantialized and transposed. And it would also seem that within this fluid context, the self evident symbolic preeminence of social collectivities, political systems, social contracts and closed social and normative orders is withering away. Even though these developments are not entirely inconsistent with individualist liberal principles, the actual scope and scale of the ensuing political de-substantialization is clearly unprecedented. Henceforward, both the meaning and the structure of “societies” appear as open and debatable issues.

In a certain sense, the question is as old as liberalism itself. Indeed, in spite of, or probably even because of the formal and inconclusive character of the institutional separation between the public and the private, the reality of their continuing inner articulation remains hidden behind a veil of universal rationalizations. The liberal notion of the “public” sphere is embedded in

⁹ The demise of traditional taxonomic certainties entails the gradual emergence of “hybrids” overlapping the lines of stable categories and the weakening of stable normative orders. (Cf. Mary Douglas *Purity and Danger. An Analysis of Concepts of Pollution and Taboo*, Harmondsworth, Penguin, 1970)

congenital contradictions reflected on the fact that the capitalist State is at the same time obliged to ensure the smooth long term reproduction of the dominant system of capitalist social relations and to interpret this necessity in terms of the general public interest. This is probably the best kept “secret” of liberalism. In Karl Marx’ words, “the imaginary generality of particular interests is protected by means of the imaginary particularity of the general interest.”¹⁰ This is precisely the reason why no capitalist State and no liberal “public space” can ever function in total independence from the dominant capitalist economy.¹¹

However, actual transformations run much deeper. The ongoing process of autonomization of the market system from territorial political authority and control goes far beyond the conventional protection of the free market from “unwarranted” interventions. Market freedom no longer refers only to the traditional legal, organizational and ideological autonomy of independent economic actors from “arbitrary” exoeconomic forces. The “free market” is increasingly being thought of in quasi fetishized terms, as a privileged area subjected to minimal normative constraints. Deregulated “economic” practices tend to be liberated from virtually all formerly pre-established limitations, rules, regulations and social obligations. In this sense, at least tendentially, economic transactions seem to be developing within a literal normative void.

This mutation is tantamount to a systematically and deliberately induced general organizational and normative “disembeddedness” of markets from “societies.” The historical process described and analysed by Karl Polanyi¹² appears to be approaching its logical conclusion and historical culmination. After more than two centuries of incessant conflicts and debates, the deliberate¹³ political institutionalization of market autonomy now appears complete. At last, the liberal capitalist world seems to have “solved” the antinomies following the unstable coexistence and the fluid sociopsychological and ideological equilibria between “embedded” and “disembedded” activities, between pure and free unmitigated economic

¹⁰ Karl Marx *Kritik der Hegelschen Staatsphilosophie, in Die Fruehschriften*, Kroener, Stuttgart, 1953, S. 59

¹¹ And this is the fundamental reason why the “relative autonomy” of a State in separation from the economy must remain a structural feature of the modern liberal organizations. In this respect, Nicos Poulantzas’ numerous analyses, beginning with his *Pouvoir politique et classes sociales*, (Paris, Maspéro, 1968) still remain eminently pertinent.

¹² Karl Polanyi *The Great Transformation. The political and economic origins of our time*. Boston Beacon, 1957.

¹³ “*Laisser faire* was planned. Planning was not.” (o.c. p. 141)

rationality and mandatory circumscribed behavioural patterns, between the archetype of *homo economicus* and a persevering *homo socialis*. There can be no doubt that one of the most spectacular side effects of deregulation is considered in the prospect that the inherent “irrationality of the social” may at last be not only rationally resisted but also institutionally abolished. And it is in this sense that the liberation of markets is acclaimed as the ultimate form of historical emancipation. This is precisely the unprecedented feature of ongoing neoliberal “deregulation.”

Indeed, until recently, and despite the explicit protection of the functional autonomy of the economic system, the structural “disembeddedness” of the free market from society remained limited and conditional. In this sense, therefore, normative emancipation remained more rhetorical than real. Most economic transactions still took place within given, circumscribed, generally accepted and self contained sets of constraints emanating from given social, normative and political “environments.” Inevitably, the institutional and ideological separation of the public and the private “spheres” was thought of, guaranteed and implemented within indivisible and well defined and circumscribed societies. However defined and protected, the “relative autonomy” of separate “spheres” was institutionalized and idealized only as part and under the auspices of given, coherent and indivisible normative “wholes.”

Accordingly, political subsystems were still competent, albeit within limits, to legislate on the necessity, pertinence and enforceability of generally valid social rules and behavioural regulations. National States embodying general interests (real or fictional) could still be entrusted with decisions relating to the modes and incidence of redistribution of income and wealth, the effective “protection” of a closed national production and domestic markets,¹⁴ the social priorities lying behind economic, fiscal and monetary policies and the general normative framework of social relations. The imaginary national collective entity or “society”¹⁵ was considered in terms of an organizational and symbolic whole consisting of distinct interests and embodying, on

¹⁴ The end of national “protection” brought about by global deregulation is only a side issue of the generally forced integration of all countries and all areas of the world into the new global system of division of labour. Henceforward, even if theoretically conceivable, projects of “delinking” societies (in Samir Amin’s terms) from the world system appear increasingly impracticable even impossible. (Cf. Fredric Jameson, *Valences of the Dialectic*, o.c. p. 418) The world is not an agglomerate of self-contained systems. Increasingly it is called upon to function as a hypersystem delimiting the structure and functions of all its components.

¹⁵ Or, in Marxist terms “economic and social formation.”

principle, all social activities lying within a coherent multifunctional and multilayered “political” collectivity. Under these circumstances, the State was seen as both separate from society and “emanating” from it. Gradually, political legitimacy was being founded on the underlying general interest towards promoting “collective progress.” The liberal State was conceived as a responsible “pastor”¹⁶ ensuring a modicum of collective welfare for all persons lying under his authority and jurisdiction.

But the content of progress is obviously debatable. All the more so that the capitalist state is tied to its fundamental class role of ensuring the long term reproduction of the dominant social relations. Thus, the public decision making system was seen in terms of a constant, open and all enveloping political and ideological struggle. The necessity to preserve the class system would have to be interpreted as congruent to the promotion of the “general interest.” In this sense, the relative autonomy of the State is both a functional and an ideological necessity. If it is to remain legitimate, the political system must be able to present itself as capable of real decision making. In this sense, liberal political legitimacy cannot possibly do without the idea of political sovereignty. To the extent that the paths of progress must appear debatable, political decisions cannot present themselves as preordained by exopolitical authorities.

Thus, to the extent that “non sovereign” politics appear as a contradiction in terms, the articulation between sovereign political systems must obey a specific set of formal rules. The emergence of the international community and international law is an elaborate system of rules and norms pertaining to the relations between sovereign and autonomous collective “subjects.” Even therefore if societies and States are obliged to obey the rules of the international game, entering the game is not mandatory. Sovereignty implies that all actors are free to define the extent of their participation in the international system. Political authorities are therefore entrusted with circumscribing the desirable “degree of openness” towards the outer world and to the modes of isolation and/or integration and the structural relations of the societies they “represent” with the systems lying outside the spheres of their exclusive territorial and symbolic competence.

The 1980s, and even more the 1990s, mark a spectacular reversal of this trend. Together with the gradual ascendancy of neoliberal ideas and the

¹⁶ Cf. Michel Foucault “Omnes et singulatim. Vers une analyse de la raison politique.” *Le Debat*, No 41, Sept-Nov. 1986

demise of the Soviet bloc, the advent of globalized deregulation marks the beginning of a new era announcing the structural restriction of the institutional, ideological, “philosophical” and “existential” sovereignty of territorial political sub-systems. Indeed, it is henceforward taken for granted that the stability and reproduction of economic life and social relations can be ideally ensured with a minimum of active interference from political authorities within a global environment that is given, immutable and inescapable. “What” end-state should be seen as “desirable,” “by what means” this “desirable” end-state is to be attained and within “what spatial and social context” this end-state is conceivable and pursuable are issues to be decided upon not as a result of “internal” political consultations but on the basis of a global and allegedly “exo-political” transhistorical rationality. Among other things, the reign of universal “rationality,” following the heralded “end of history” announces the end of unilateral sovereign capacities of societies to freely define their life patterns, their goals and, even more to the point, the modes of their articulation in the world system.

In this sense, globalized neoliberal deregulation is founded on three separate but closely linked normative assumptions. On a broader philosophical level, overall social progress is seen as generally identical with the maximization of capitalist development and growth. On a narrower instrumental level, this optimal growth can only be reached as a result of free, unlimited and unrestrained competition among individual economic actors. Finally, on a spatial-organizational level, growth is practicable and conceivable only if inextricably linked to the all enveloping and globally integrated world capitalist system. These axioms, underlying as they do the perceptions of “overall utility” and the patterns of “ethics” put forward in order that this utility should best be served, entail a radical transformation of the mental content of the categories of “public good” and “common interest.” All “essential” meanings seem now bathed in what can be thought of as a new “universal folklore.”¹⁷ The modes of decodification of the meaning of “progress” are by now seen as globally given and immutable.

Thus, for the first time, the world seems called upon to willfully obey a universal set of rational rules. Even if diverging interpretations must still be tolerated on principle, the prevailing cognitive and normative system is seen as inescapable and irreplaceable. Irrefutable logic renders all other options inconceivable. Ideally therefore, whatever its long term implications and

¹⁷ Cf. Michel de Certeau : *L'écriture de l'histoire*, Paris, Gallimard, 1975, p. 186

side effects, the new “world order” is not founded on brute force but on its inherently immutable transhistorical rationality. By now, it is in the name of collective liberty, consensus and non violence that the imposition and long term reproduction of the global system is rhetorically ensured. All collective actors, (states, nations and classes) are called upon to obey globally accepted norms in the name of their timeless intrinsic validity.

Furthermore, the forms of ideological violence seem to be following a well trodden path. In exactly the same way that under capitalist relations of production, all free human beings must voluntarily submit to the “rational” regulations of the labour market, all free states and nations are now called upon to voluntarily comply to the “rationality” of universal deregulation. In both cases, it is the threat of immediate social and economic destitution that obliges free individual and collective agents to rationally opt for the inevitable. Thus, even though wars, threats, unrestrained violence and direct international interventions are still prevalent all over the world, their overall efficiency is shadowed if compared to the overwhelming incidence of the universal “pure” economic violence¹⁸ imposed by the universally acknowledged productivist developmental “wisdom.” And, at least in our modern world, there is no more “legitimate” form of violence than the violence that emanates from the universal historical recognition of its logical inevitability.¹⁹

Hopefully therefore, after having got rid of all uncontrollable “rogue states,” the emerging globalized capitalist world claims to be reproducible on the sole basis of universally internalized forms of an “objectively” imposed instrumental rationality. It is hoped that, henceforward, the consolidation of the emerging globalized order will be pursuable through peaceful and consensual processes. To the extent that all divergences from the axioms of global competitive developmentism will be severely sanctioned by the neutral market logic, societies appear as objectively “un-delinkable” from the global environment. Obviously therefore, it is now be taken for granted that nobody in his “right senses” will ever opt for irrational solutions. Even if our globalized world is not the “best of all possible worlds,” it is seen as the only conceivable rational world, the only world founded and organized on the universal and transhistorical basis of rationality. And this is probably the most important insidious after effect of the “inevitability” of globalization. To all intents and purposes, the invisible rational chains of the allegedly

¹⁸ Cf. Walter Benjamin. “Critique de la violence”, in *“Oeuvres, I”*, Paris Gallimard, 2000 p. 213-215

¹⁹ Ibidem p. 214

“post-ideological world seem to be more effective than all visible constraints. Indeed, rationality can never be subject to negotiation. The brutal hands of rational masters act in the name of neutral objectivity. Fools must pay the price for indulging in their folly.

3. ON THE DEMISE OF COLLECTIVELY INTERNALIZED TIME-SPACE CONTINUA

Within this new globally deregulated context, it is only natural that the overall development of capitalist relations should have significant repercussions on the entire spectrum of social strategies. In what follows I intend to concentrate on a particular aspect of the ongoing change in the social perceptions of time.²⁰ Indeed, as a “strongly compelling regulatory device”²¹ time determines all forms of individual practices, options and strategies. Inevitably therefore, the explosion and dislocation of territorially integrated economic relations and the concomitant unlimited expansion of economic space carry significant implications on the perception and implications of time horizons. To the extent that individual projects are defined and implemented as “disembedded” from surrounding concrete societies, the sense of the communality of lapsed and projected time and of collectively shared fates within commonly perceived historical totalities is accordingly waning: inexorably, the decline of the symbolic and functional preeminence of “society” entails the withering away of the imaginary communal space-time continuum.

Even if social perceptions of space and time continue to shape social meanings and actions, traditionally established forms of commonly perceived and internalized limits and time horizons are increasingly being substituted by new “disembedded” continuities and discontinuities. The emergence of new partial representations of time and space entails new fragmentations and taxonomies. Indeed, like space, the lapse of social time is increasingly being perceived independently from its collective implications. The disappearance of stable internalized limits, borderlines and prospective homogeneities is followed by the emergence of unstable, moving and individualized spatial and temporal matrixes. Thus, both spatiality and temporality are conceived

²⁰ I can not possibly discuss the enormous philosophical question of time otherwise than by distinguishing, together with Paul Ricoeur, between objective cosmological time, subjective existential time and collectively perceived social time. (Cf. Fredric Jameson, *Valences...* o.c. p. 484 ff) In what follows, for obvious reasons, I shall only refer to the last form.

²¹ Norbert Elias *Time: an Essay*, Oxford, Blackwell, 1992, p. 45

as bathed within the moving aims and volatile expediencies of contingency. Each single strategy, entrepreneurial or otherwise, is prone to be elaborated on the basis of its own particular coordinates. Prospects and priorities are defined in their own chosen space and in their own projected time. Together with market transactions and political rationalizations, the common “futures” seem privatized, fragmented and deregulated.

It is no accident therefore that an increasing number of major private economic ventures and prospects seem to be deliberately organized and implemented within ever shorter time horizons. Indeed, the growing “financialization” of capital seems to respond to the increasing surplus absorption problem,²² a fact entailing an exponentially increasing need for immediate outlets for idle fractions. In contrast to traditional industrial capital that tended to anticipate the forms of an accumulation through simple reinvestment, disembedded financial capital is liable to reevaluate and revise its plans and commitments on a daily basis. While traditional investments could still be ideally conceived, in Keynes’s terms, “as permanent and indissoluble as marriage,”²³ monetary and financial speculation must opt for the quickest possible returns. Indeed, competitive speculation is a speculation on time horizons. If anything, therefore, global deregulation increases transtemporal structural instability and, by extension, volatile and short term speculative opportunism. In this sense, growing financialization is both the cause and the effect of increasing volatility and unpredictability.

This having been said, it may be presumed that the development of individual economic strategies in respect to time must be closely tied to the evolving forms of economic uncertainty. And as mentioned, the rise of speculative capital is an important factor of uncertainty in itself. Indeed, by their very nature, financial market forecasts speculate not on objective probabilities or on what is thought to be the “likeliest” real outcome of uncertain situations, but on hypothetical “third degree” estimates about what the “average opinion expects the average opinion to be.”²⁴ Financial forecasts are therefore even less dependable, more unpredictable and more volatile than forecasts pertaining to changing forces of demand and supply in circumscribed markets of material commodities. The “unstoppable”

²² Cf. David Harvey *The Enigma of Capital and the Crises of Capitalism*, London, Profile Books, 2010 p.30

²³ John Maynard Keynes *The General Theory of Employment, Interest and Money*, London, BN Publishing, 2008, p. 104

²⁴ *Ibidem* p. 101

deregulation of finance²⁵ is tantamount to an equally unstoppable deregulation of economic forecasts.

However, uncertainty is not only dependent on the particular strategic logic of financial speculation. The increasing disembeddedness of the economy from society is historically significant on another level as well: most economic decisions seem to be taken with diminishing regard to the permanence and stability of given social environments. The de-substantialization of circumscribed political entities is closely linked to the withering away of the quest for social stability and homogeneity. In this sense, independently from its technological and economic roots, the expansion and deregulation of space is closely linked with the forms of its political organization. The despatialization of politics is tantamount to the depolitization of space.

Thus, the uncontrolled dominance of financial markets is unthinkable otherwise than in function of the growing incapacity or unwillingness of political authorities to impose even a minimum of limits and constraints. The desubstantialization of political subsystems and the dominance of speculative capital thus emerge as mutually dependent and reinforcing processes. "Liberated" from the historical risks and uncertainties of space-bound social environments, private rational speculative activities see themselves as structurally relieved from the all traditionally acceptable normative intermediation of political authorities. And this is the context within which they increasingly opt to "beat the gun" by outwitting together with the crowds,²⁶ all extant societies and legal orders. The disembeddedness of markets from societies implies that a growing part of "pure" rational economic strategies tends to see itself as potentially "untouchable" from most political and normative exoeconomic factors. Henceforward, market forces are abandoned to the olympian "purity" of undaunted self-regulation. In ideotypical terms, it would therefore seem that absolute economic deregulation is tantamount to a complete autonomization of the "rationality" of economic behaviour from all "irrational" remnants of past "societies" and, therefore, of history. By now, entrepreneurial risks and uncertainties are bounded neither by society nor by history, but only by markets, rationality and contingency. It would seem that a utopian²⁷ *laissez faire* is freely evolving within its own self contained, metahistorical and untouchable world.

²⁵ David Harvey, o.c. p. 16

²⁶ Keynes, o.c. p. 101

²⁷ Cf. Pierre Rosanvallon: *Le capitalisme utopique. Critique de l'ideologie economique*, Paris Seuil, 1979

But this is not all. The gradual substitution of stable long term commitments by short term speculative ventures is significant for a further reason. The autonomy of the economic “space” has “freed” the market not only from the limits of closed circumscribed environments but also from most normative and legal constraints embodied in sovereign territorial States. To all intents and purposes, capital is increasingly immune to the dangers and threats of “prejudicial” extra-market conventions and constraints. Plunged in an “objective” and “neutral” normative limbo, capital accumulation may now disengage itself from all irrational and detrimental remnants of “collectively oriented” preconceptions and preoccupations. And immunity to normative restraints seems tantamount to a generalized irrelevance of all longterm social implications.

In brief, the growing uncertainty of the economic environment seems to run hand in hand both with the normative emancipation of market forces and with the strategic restriction of time horizons. At least at the hegemonic level of high finance, the implications of the ongoing paradigm switch are therefore unmistakable. The emergence of the new spaceless economic system is followed by the increasing proliferation of short term, consecutive and disjointed bids for immediate profit.

4. ON “GAGGED” POLITICS AND THE T.I.N.A. SYNDROME.

The ascension of speculative capital is inextricably linked to the galloping technological developments. The spectacular diminution of the cost of transport in conjunction with practically costless and instantaneous communication have liberated capital from the tyrannies of both spatial and temporal distance. However, political and ideological factors have played an equally if not more important role. Indeed, as mentioned, the overwhelming dominance of a purely speculative global capital would not have been historically possible were it not for the seemingly irreversible demise of the capacity and will of (most)²⁸ national States to impose limitations and constraints on global financial operations taking place within their proper sovereign jurisdiction. Whatever its technological and economic foundations, the decline of territorial legal and normative exclusivities within circumscribed spaces is primarily a political development to be explained in political terms.

²⁸ See however footnote No 7

In this sense, the emergence and consolidation of the new capitalist strategies should be seen in the light of the ongoing redefinition and the articulation between political and economic power. Indeed, there can be no doubt that the clear distinction between the “competences” of these two separate *loci* of power practices and conflicts, as first defined by the liberal paradigm,²⁹ is undergoing radical transformations. Henceforward, the logic behind the institutional separation of the two “spheres” goes far beyond the need to “protect” private property and the global market forces from the potential arbitrariness of whoever happens to control the legal (or illegal) means of violent repression. Political power is now restricted not only in respect to its effective limits but also in respect to its imaginary object and *raison d’être*. By now, the institutional and ideological definition and logic of this separation seems to have become an important issue in itself.

It is therefore important to underline that the *ratio essendi* of the political subsystem seems by now to be thinned out to its bare essentials. Deprived of their long-established competences and responsibilities and bereft of their traditional sovereign aura, most political subsystems see themselves as obliged to abstain from actively intervening in the shaping of collective priorities and destinies. Even if the notion of the public interest has not disappeared, its implementation is increasingly reduced to ever narrower regulatory, “technical” and tactical margins. This is precisely what is implied through the emergence and literal substitution of the loaded words “government” and “politics” by of the allegedly neutral and technical term “governance.”

This is an obviously insidious rhetorical choice. Indeed, if the “unanswerable” and “undecidable” essence of politics³⁰ is to be successfully confined to the pre-set and pre-arranged channels inspired by the new dominant “conventional wisdom,” the scope and objects of political action must be not only consensually redefined, but also aptly renamed. Ideally, therefore, effective economic deregulation is followed by a newly defined set of political “gag rules.” Above and beyond the formal “constitutional” limits emanating from inalienable human rights, the “practical” fields, ranges

²⁹ This is the reason why the separation between these two “forms” of power is a historical product of liberal rationalizations. Obviously, in hindsight, “political” power must always be capable of extracting the material resources necessary for its proper reproduction while “economic” power must be able to make use of the repressive means that ensure its perpetuation. But the conceptual distinction between current forms of wealth appropriation and the effective use of current means of necessary violence is clearly historical.

³⁰ Alain Badiou, o.c.

and competences of political decision making are being seen in terms of their newly defined *raison d'être*. Indeed, henceforward, the organization of democratic polities seems to be restricted to the narrow limits imposed by the transhistorical and transspatial expediencies defined by instrumental developmental rationality. In this sense, the emergence of the idea of governance seems to respond to this implicit transformation of an idea of politics "relieved" from the burden of the responsibility to preserve and promote the general and indivisible social cohesion, harmony and glory of the self-instituted *demoi*. Thus, both in its object and in its perspectives, the representation of the political seems translocated. By concentrating on the "quantitative" demands of economic growth and development³¹ the quantifiable and calculable "politics of governance" may be seen as "rational" and "controllable."

This is precisely the context within which the new structural and functional political heteronomy emerges. Indeed, by now, capitalist States seem to think of themselves as acting within the increasingly narrow limits imposed by "objective circumstances." Indeed, when priorities and options appear linked to quantitative criteria, there remains little room for debates and decisional ambiguities. Hence the emergence of a "permanent state of emergency."³² But this state of emergency is not defined by exceptional and unforeseen conjunctural menaces to the smooth reproduction of the prevailing system of power relations, by the contingency and uncertainty of the evolution of a structurally disembedded market. The depolitization and technocratization of the political subsystem as a whole is tantamount to a permanent dependance of politics on uncontrollable exopolitical decision making. The advent of radical uncontrollability is historically equivalent to the emergence of a permanent state of emergency.

³¹ Ironically, it would seem that dominant liberal rationalizations have followed in the steps of Soviet planners who at some point felt obliged to renounce from thinking in terms of a constant reshuffling of "productive relations." The absolute priority attributed to the development of "productive forces" resulted in the long term emasculation of the ethical content of the socialist project. The overall historical effects of this deliberate "technicization" of politics proved overwhelming. By now, indeed, the reign of "productivism" and "developmentism" seems to have impregnated the whole rational world. (See f.e. Cornelius Castoriadis: "Reflexions sur le 'developpement' et la 'rationalite'," in *Domaines de l'homme. Les carrefours du labyrinthe II*, Paris, Seuil, 1986, p. 131 f.) It is therefore no accident that henceforward "responsible" political systems are ideally composed of "growth specialists." Never before has the world been so far from Keynes' utopian dream of a "splendid" time when "economists can get themselves thought of as humble competent specialists, like dentists." (John Maynard Keynes, *Economic Possibilities for our Grandchildren*, (1930) in *Essays in Persuasion*, London & New York, Norton & Co. 1963, p. 373)

³² Founded on the famous opening phrase of Carl Schmitt's *Politische Theologie "soveraeen ist, wer ueber den Ausnahmezustand entscheidet,"* Giorgio Agamben's elaborations are of paramount importance. (*Homo Sacer. Il potere sovrano e la nuda vita*, Torino, Einaudi, 1995)

Thus, the social “whole” must be effectively preserved without however being tampered with. And this is precisely the reason why the complex role of the State in the process of social reproduction must be redefined. While the maintenance of law and order through the enactment of the State monopoly of legal violence remains of pivotal importance, its responsibility in the shaping of collective cohesion, homogeneity and welfare is steadily declining. In this context therefore, not only do repressive functions seem to prevail over “specialized” ideological functions. Moreover, the relaxation of publicly induced ideological coherence is followed by an increasing need for practical prohibitions organized under the auspices of States. It is normal that in crises and “exceptional situations” those entrusted with the responsibility for the reproduction of the dominant system of social relation should find themselves in a permanent state of alert.³³

Within this context, optimal forms of political intervention *must* be given in advance and defined on the basis of the narrow pre-established criteria of necessity and quantifiable optimality. Indeed, both the preservation of the free market order and its quantitative development must be protected from all unwarranted interventions and preserved at all costs. This is what the dominance of the all embracing TINA syndrome (There Is No Alternative) really amounts to. The political subsystem is entrusted with the “impossible” responsibility for preserving a system that must nevertheless remain essentially “off public limits.” While market relations must be guaranteed by a public domain, their shaping lies openly beyond its competence. For the first time, the territorial political system seems to be increasingly obliged to bow to the (unuttered) commands of transterritorial exo-political rulers.

On the other hand, it is also normal that rationally acting capitalists should tend to see themselves as virtually autonomous from all hitherto established legal and normative orders. Like fearless buccaneers (and the maritime tycoons that followed in their steps) they feel free to hoist their black (or opportunity) flags and appropriate with all available means whatever is visibly “accessible” and “dispossessable” in an open and unlimited sea of global opportunities. It is therefore natural that in such contexts, unconditional rational acquisitiveness should reign *sans dieu ni maitre*. Human and social costs are disregarded with the indifferent alacrity of one who lies beyond all conceivable restrictions and prohibitions.

³³ Once more, it is now becoming obvious that the primary and inescapable function of all forms of government is policing. (cf. Jacques Ranciere, *Aux bords du politique*, Paris, Gallimard, Folio, 2004, p. 112)

Thus, the articulation between economic and political power seems to be entering a new era. For the first time in modern history, and in spite of Karl Marx,³⁴ growing segments of the ruling bourgeoisie seem capable and entitled to take their collective future into their own intrepidly rational hands. By imposing their globalized laws, rules and norms, they are able to arbitrarily bring under their “privatized” “normative jurisdiction” over the vast domains opened up in the ungoverned transterritorial deserts and seas. At last, the “impossible dream” of an effective self-governance of the dominant classes, in full autonomy from any kind of limitative political intermediation seems on the verge of being fulfilled.

But this is not all. The advent of globalization has brought about a significant modification of the internal composition of capital. Indeed, in the same way that, at some past point, banking and financial capital emerged historically as the dominant capital fraction clearly distinguishable from industrial capital, it would now seem that financial capital is undergoing further significant internal mutations. At least since the late 90’s, after the legal distinction between investment and deposit banking was abolished,³⁵ “purely” speculative capital became the rule. By now, most if not all national and international banks, organized funds and financial corporations³⁶ appear to be growingly abandoning their traditional strategies. Most profitable ventures are not planned in anticipation of stable flows of money returns and interests on loans to predictably “sound” material productive economic ventures. Increasingly, deterritorialized short term financial speculation occurs within a globalized “casino economy” dominated by the integrated giant network of financial power.³⁷

However, this strategic switch is not confined to intrinsically speculative financial fractions. The incidence of disembedded forms of strategies is gradually increasing within the ranks of industrial capital as well. Despite the fact that, by definition, most industrial concerns are still tied town to land-bound assets and machinery, liquidations, reshufflings and relocations

³⁴ The essential role of the capitalist State in ensuring the internal coherence of class power is a central point of the Marxist legacy. (Cf Karl Marx «*Le 18 Brumaire de Louis Napoleon Bonaparte*,” Paris, Editions Sociales p.102 f. See also Nicos Poulantzas *Pouvoir politique et classes sociales*, Paris, Maspero, 1968, p. 139 f.)

³⁵ For details see David Harvey *The Enigma*. o.c. p.20-21

³⁶ It is no accident that the business interests of most if not all ancient well established banks (including those run by the proverbial Zurich gnomes) are only partially channeled within the context of their traditional role in providing long term funds to productive activities.

³⁷ Cf. David Harvey, *The Enigma*. o.c. p. 20

of capital from one country and one branch to another are unprecedented both in scale and in scope. Thus, short term mobile diversifications seem gradually to be permeating most active sectors of the economy. Albeit in unequal ways, proportions and rhythms, all fractions of capital appear to be irrevocably drawn into the brave new world of strategic disembodiedness. Thus, different forms of income producing activities do not seem to give birth to clearly distinct strategies. Profits, rents, interests, “quasi-rents”³⁸ and “intellectual rights” of all sorts seem increasingly overlapping and interchangeable. Virtually all forms of maximizing lucrative activities seem to follow similar operational blueprints. The participation in the global “markets”³⁹ is followed by a global *modus operandi*. Henceforward, strategies are defined with little regard to the structural particularities of concrete societies and economic branches. More and more, the production of material commodities simply tends to follow the rules imposed by dominant deterritorialized speculation. In this sense, industrial capital is not only economically dependant on financial capital. It also increasingly emulates its particular strategies and rationalities.

This novel feature is important in regard to time horizons. Indeed, by now, most dominant strategic considerations seem to concentrate on short term speculative ventures. In place of the traditional concerns for stability, coherence and long term viability of investments steadily embedded in given social and economic environments, we see the emergence of a new set of strategic keywords: the quest for versatility, diversification, adaptability, flexibility, convertibility, volatility and unrestrained speculative opportunism seems by now ubiquitous. It is no accident therefore that most internalized behavioural regulations and rules catering to stability should be increasingly circumvented if not totally ignored. Within the globalized “hyperspace,” and in response to the ongoing demise of most closed legal and normative territorial orders, speculative ventures are bathed in an unlimited contingency of opportunities.

³⁸ Joseph Schumpeter *History of Economic Analysis*, London, George Allen & Unwin, 1950, p.678-9

³⁹ The emergence of the new notion of “markets” in the plural is significant of the new situation. Disembodied from society and delocalized, the “markets” are a synonym for autonomous and floating fractions of speculative capital. While the “market” in the singular referred to a economic structure, markets are seen as economic actors in their own right.

5. ON ANONYMOUS TRANSACTIONS, NONREPETITIVE STRATEGIES AND "ONE-SHOT" GAMES.

Within this context, the dominant rules of the economic game are undergoing significant mutations. Traditional investment strategies were defined within the commonly perceived social space and time of the society in which these strategies were integrated. In its greatest part, both industrial and financial capital, continued to be functionally and symbolically embedded in their national economic, social and institutional environments. Under the circumstances therefore, it is only natural that a significant part of the ruling classes should tend to develop an in-built "rational" interest in participating in commonly defined and imagined destinies and in preserving social and environmental "stability," homogeneity and cohesion. The relations of capital with the circumscribed territorial entities Nation-States against their foreign competitors, pushed "national bourgeoisies" towards (partially) identifying their long term interests with those of their respective societies. Thus, despite their antagonistic relations with the exploited indigenous working population, they were not always against measures improving the lot of the indigenous working population and therefore enhancing social and ideological cohesion. Even if never the rule, "paternalist" strategies were nevertheless conceivable as rational options.

In this sense, one of the most important political and ideological side effects of globalization resides in the fact that universal deregulation automatically entails the withering away of preferential treatment and most forms of political protection of national capital. Thus, there is no intrinsic reason why capital should identify its interests with any environment. It is therefore natural that most traditional "national bourgeoisies" should be increasingly marginalized to the effect that all fractions of the bourgeoisie should be opt for disengaging their strategic options from the collective entities in which they happen to be operating. Indeed, speculative activities are increasingly marked by an equally "rational" disregard for all considerations of long term social and environmental stability. Unlike traditional "investors" whose decisions took into account the permanence, durability and repetivity of long term economic environments, "speculators" act and decide on each separate deal in a social and normative vacuum independently from any collective predicaments and burdens. The concern for social stability is being undermined with inevitable repercussions on worldly perceptions. Indeed, instability tends to breed detachment and anomie. Thus, from a totally different angle, recent developments seem to run against the unconscious "compulsion towards repetition" ("*Wiederholungszwang*") that provides the

foundation for most institutional arrangements. Rational private economic strategies are constantly redefined disregarding past decisions and are indifferent to future effects and implications. By focusing on immediate and contingent maximization, disembedded economic calculation is tied to moving contingencies. Put in games-theoretical terms, it would seem that the rules of the game are being reversed. Rational repetitive games seem to be giving way to equally rational non-repetitive and disjointed "one-shot bids."

But this is not all. Indeed, to the extent that "nonrepetitive bidders" are increasingly unconcerned with reenacting an internalized past and anticipating a long term future, they also tend to be pronouncedly indifferent in regard to the behavioural aspects of whoever they might be dealing with, and by extension of all "other" participants in the game. Indeed, in typical game theoretical terms, the players are now assumed to be all alike: "any and all differentiating properties ought to be embedded in the description of the game."⁴⁰ Thus, one shot speculative strategies have no rational reason to indulge in traditional practices of "reciprocal recognition" of their business partners and contractual counterparts or to conceive their strategies as dependent on long term stable and consistent patterns.⁴¹ Tendentially, therefore, both the symbolic importance of personalized reputations, characteristics and idiosyncratic features and the validity to implicitly accepted and mutually recognized normative rules catering to stability and permanence seem increasingly irrelevant. When no repetition or reenactment of identical or similar future deals between the same partners can be planned or anticipated, the only normative condition of pursuing the deal is the effective enforceability of each particular contractual arrangement for itself. Under these circumstances, the fundamental liberal need for a general legal security (the "*Rechtssicherheit*" Max Weber insisted upon⁴²) seems to be waning. Everyday options and decisions are gradually being detached from considerations catering to an idealized preservation of a fetishised timeless and repetitive legal order. In this sense, social equilibria are increasingly detached from the "normality" of inbuilt symbolic rhythms. The system is reproduced not in function of an axiomatic stability and

⁴⁰ Cf. Martin Shubik *Game Theory in the Social Sciences. Concepts and Solutions*, Cambridge. Mass. The MIT Press, 1984 p. 16-1

⁴¹ On the incidence and effects of repetitive games on the rational patterns of economic cooperation see Robert Axelrod: "*The Evolution of Cooperation*", New York, Basic Books, 1984, Chapter 8. See also Nikolai Luhman: "Familiarity, Confidence, Trust. Problems and Alternatives", in D.Gambetta (ed.) "*Trust. Making and Breaking of Cooperative Relations*", Oxford, Blackwell, 1988.

⁴² *Rechtssoziologie*, Neuwied, Luchterhand, 1960

permanence of social relations but in view of the “procedural” predictability of enforceable separate deals taken one by one.⁴³

This mutation is most evident in respect to the forms of economic rationality. More and more, the organizational structure of economic transactions seems to be approaching the “ideal” type of a totally uninhibited free market. Within a totally destabilized world, deals tend to be reached and finalized between virtually anonymous and mutually unknown (and therefore intrinsically indifferent to each other) sellers and buyers. Not only is the rationality underlying the verdicts of the “objective” and indifferent invisible hand blindly indifferent in respect to reality. Even more significant is the fact that all real foundations and incidences of all economic decisions are seen as irrelevant. Abstract market rationality must therefore be “liberated” from all unwarranted “irrational” social and normative constraints and interventions. This is what “disembeddedness” is all about: depersonalization⁴⁴ of market transactions is equivalent to a general “de-socialization” and de-normativization of economic rationality. In this context, virtual anonymity emerges as a logical and structural side effect of total economic disembeddedness. The disregard for all extramarket “subjective” or social commitments and the detachment from all exoeconomic considerations appear as the condition of the newly emerging perfect market rationality. A market is really “free” only if all economic actors act as indifferent calculating robots.

6. ON NOMADS, NAKEDNESS AND NORMLESSNESS.

Under such conditions, the function of the perfect market is tantamount to total indifference towards economic and social effects on others. In this

⁴³ The growing importance of prearranged forms of “private justice” is only one of the symptoms of this proceduralization of business deals. The global scale of normative deregulation is followed by an increasing autonomy of big business transactions from the symbolic monopoly of particular public national legal systems. In this sense, economic deregulation and decentralization entail legal deregulation. At least in some cases, consensually pre-established forms of “private” transterritorial justice seem to be more trustworthy, cheaper and more efficient than legal orders organized under the auspices of national states.

⁴⁴ Totally depersonalized markets are of course hardly new. However, up to now such markets tended to appear at the fringes of the economic system in the form of “street markets” where anonymous agents act in total ignorance and indifference of anything that lies beyond the particular transaction. In this sense, disembedded street markets appear to be the only perfectly rational markets. It would seem that, ironically, similarly rational disembedded, de-socialized and de-normativized economic strategies are equally operational both on minimal and on maximal scales.

sense, rational economic actors may be seen as roaming nomads,⁴⁵ their strategic advantage being shaped by their unmitigatedly and unrestrainably mobile “freedom”⁴⁶ to define and redefine their options in an unlimited and uncharted geographic and normative space, featuring a conspicuous lack of stable points, well established routes and internalized norms. A space therefore conceived as a purely abstract form and where “land stops being land.”⁴⁷ In order to pursue their private interests successfully, transterritorial rational speculators must decide and act in total disregard of restrictive “borders” and of all effects and implications of their activities on what used to be seen as “societies.” Human beings and interests now move and are distributed not in closed environments but in open, undefined and non hierarchical “tactile” spaces⁴⁸ where all localizations are contingent, relative and indifferent. It should be kept in mind that not accidentally, one of the first preoccupations of all States and stable orders was to contain, control and “police” all nomadic velleities and disorders. And conversely, it should also be considered that the main practical advantage of nomads in respect to all forms of institutionalized power resides in their radical inaccessibility and uncontrollability. And this is the reason why in our growingly “post-normative” world, nomads can aspire to grasp the moving world together with “everything that’s in it.” To the extent that closed spaces, their meaning and their future may henceforward be seen as irrelevant and indifferent, the advantages of nomadic mobility is bound to prevail. T.S. Eliot’s words seem appropriate. Indeed, for globalized economic actors, even if “time was” and “time is,” “time is not” any more.

⁴⁵ The term “nomad” has been repeatedly used to denote the masses of rootless, homeless labourers moving around the world in search of a bare subsistence living. (Giorgio Agamben, *Moyens sans fin. Notes sur le politique*, Paris, Payot, 2002, but also Gilles Deleuze/ Felix Guattari *Mille Plateaux. Capitalisme et schizophrénie*, Paris, Minuit, 1980. The same term has been also used by Zygmunt Baumann, David Harvey and many others) However, the term seems to me equally applicable in respect to the uncontrolled speculative capitalists roaming in a global “waste-land” with no regard for the effects of their actions. Like Attila, and also like Paul Klee’s *Angelus Novus* (as described by Walter Benjamin in his *Theses on the Philosophy of History*) nomads travel, snatch, usurp, exploit, exterminate, dispossess and then simply depart without a second glance on the debris piling behind them.

⁴⁶ The importance of the “freedom” of floating capital owners to convert liquid money into any lucrative strategy is underlined by Georg Simmel. “The value of any given sum of money is equal to the value of every particular object it is equivalent to plus the added value of the freedom to chose between an indeterminate number of objects,— this added value having no approximate equivalent when bound in commodities or labour force,” or for the same reason in fixed investments. (Georg Simmel *Soziologie des Geldes*, French translation *Sociologie de l’argent*, Paris, PUF, 1987, p. 247)

⁴⁷ Gilles Deleuze/ Felix Guattari *Capitalisme et schizophrénie. Mille plateaux* Paris, Minuit, 1980, p.473

⁴⁸ *Ibidem* p. 474

Paradoxically, these newly defined nomadic attitudes of spaceless speculative capital are followed by similar developments on the other side of the class fence. Like capital, increasingly “unemployable” segments of the working population are violently detached from the societies they were born into. The new forms of forced migration with bare survival or “naked life” as the only hope, entail increasing desecularization, devastation and psychological precarization. In this sense, like speculative capitalists, these modern outcasts do not and cannot participate in any kind of common perception of a collective social space and time. Their survival depends on their capacity to initiate movements in the margins between spaces, outside “national” institutional and normative frameworks. By exhausting their adaptability, their flexibility and their opportunism, these outcasts can only hope to survive. In this sense therefore, life options appear as deformed inverted mirrors of capitalist strategies. Having been chased out of their “natural” imaginary space, migrants are pushed towards adopting similarly “nomadic” attitudes.

Not surprisingly therefore, individual survival of increasing masses of destitute people depends on their capacity to circumvent all internalized symbiotic customs, symbolic identifications and society-bound normative constraints. Thus, in this sense, the “open” strategies for preserving “naked life” share a common characteristic with the “open” strategies of “naked profiteering”: both seem to take place outside, independently from and, often, in spite of what used to be referred to as “societies.” Paradoxically therefore, to all intents and purposes, the structural conditions underlying globalized accumulation are marked by an unprecedented structural coexistence of “disembedded” capital and “disembedded” labour. For the first time, the process of disembeddedness seems to operate above and beyond particular class strategies and to be permeating the entire spectrum of social relations.⁴⁹ Whatever the forms of capital accumulation, growing segments of the ruling classes seem to pursue their interests by “hiding” in no man’s lands and to exploit the labour power of no land’s men.

⁴⁹ It should be probably added at this point that a new wide stratum of disembedded “petty rentiers” is also emerging as a significant (if powerless) collective class actor. Indeed, to the extent that an increasing fraction of individual savings is channelled into the speculative financial system, the appearance of a new “globalized petty bourgeoisie” is objectively inevitable. However, while the class characteristics of these new *rentiers* are not unlike those described by Lenin, their political and ideological loyalties are different. Even if they still tend to function as “*classes-appui*” of the hegemonic capitalist system (in Poulantzas’s terminology) their precarious dependency on transterritorial financial entities deprives them of all political weight on the national stage and engulfs them in new insoluble contradictions.

The normative and behavioral side effects of these developments are obviously multiple and complex. Indeed, the growing incidence of nonrepetitive, depersonalized and therefore potentially anonymous “one shot” games and transactions seems to undermine the relevance of most traditionally internalized rules of embedded “entrepreneurial morals.” Characteristically, most archetypal qualities and virtues idealized in internalized bourgeois morality seem increasingly irrelevant. Indeed, together with honesty, consistency, personalized trust, confidence and “loyalty,”⁵⁰ the fetishized aura of legally unbinding but nevertheless morally binding “words,” “tacit understandings,” “promises,” “faces” and “names”⁵¹ seem confined to “embedded” small-scale transactions still integrated within a commonly perceived time and space. And clearly, even these small scale relations are increasingly drawn into the whirlpool of normative deregulation.

In any case, major transterritorial speculative games seem irretrievably enmeshed in “liberated” strategic contexts. Even if some⁵² legal regulations must still be obeyed, all internalized customary normative rules appear as growingly outdated and inoperative. Indeed, in the case of nonrepetitive game situations, most unrestrained and self righteous forms of contractual and extracontractual consistency,— once intrinsic components of “soundly rational” business tactics,— are gradually becoming superfluous, burdensome

⁵⁰ According to Albert O. Hirschman, in all economic, social and political systems, lapses from efficient and “functional” behaviour are inevitable. Hence, when faced with prospects of “deteriorating performance,” economic actors seem compelled to choose between the “exiting” from the system and “voicing” dissatisfaction. (Albert O. Hirschman *Exit, Voice and Loyalty. Responses to Decline in Firms, Organizations and States*, Cambridge, Mass, Harvard U.P. 1970, p. 4 f.) In this context, the question of “loyalty” is central in defining the interrelations between “exit”— and “voice”—oriented rational behavioral options. (o.c. p. 76 f.) And the incidence of “loyalty” is clearly contingent on the mirrored “possibility of disloyalty.” (ibidem p. 82) However, the Hirschmanian notions of “loyalty” and “disloyalty” are obviously time-bound and therefore “repetition-bound.” When rational behaviour is integrated in “one shot” short term projects, there can be no rational commitments to any kind of stability of performative behavioural patterns. Strategic options would then appear increasingly one-dimensional. The collapse of functional and symbolic borders implies the waning of compulsions to reproduce intrasystemic predictabilities. In transpatial and transtemporal systems, “exit” strategies may therefore be considered largely meaningless for the simple reason that rational economic actors are not tied to stable systems and their maintainance as such.

⁵¹ The ways and modes of market trust and confidence develop as complex and multilayered historical processes. It should be remembered that the advent of mass production entailed the generalized substitution of the traditional “subjectively” trusted individual “names” and “faces” by the “objectively” trusted established “brand” names providing guarantees of quality and product consistency. But this was not the end of the affair. Indeed, very plausibly, in contexts where deals have no palpable material content whatsoever, and where, therefore, the *personal anonymity of dealers* is coupled with the *structural anonymity of money*, the central ideological importance of trust and confidence tends to appear as increasingly obsolete.

⁵² Considering however the increasing practical possibilities of “choice” among applicable legal orders, mandatory rules are growingly negotiable.

and “irrational.” The traditional forms of articulation of procedural legality to “substantial” morality must accordingly be subjected to constant readaptations, redefinitions and reconsiderations.⁵³ The “meaning” and behavioural implications of mandatory rules is changing. “Honesty is not the best policy” any more, at least not in most cases. Like law, all conventional norms are liable to be circumvented whenever the “functional deficiencies of their official structure seem to generate alternative structures” more adapted to changing social needs.⁵⁴

7. ON INDIVIDUAL RESPONSIBILITIES AND COLLECTIVE COMMITMENTS

This is precisely the reason lying behind the decline of most traditional personalized forms of stable and organized personalized social and economic “networks”⁵⁵ of clients, customers, purveyors and all kinds of business linkages, relations and correspondences. Obviously, I cannot possibly enter into this highly complex and contradictory process. Indeed, the notion of “networking” is plunged in insuperable semantic confusions. It should simply be kept in mind that, with the obvious exception of the family,⁵⁶ individualist liberalism has always been suspicious of most binding and self evident forms of collective cooperation. On the economic level most informal voluntary “understandings” among economic actors, like cartels and trusts are seen as incompatible with the competitive principles of the free market. It must furthermore be remembered that until they were historically imposed after long struggles, even labour unions and corporatist associations were looked down upon or outlawed. Indeed,

⁵³ The growing incidence of “money laundering” practices on a global scale has important ideological and normative implications that are worth underlining. The possibility of legal and successful money laundering is tantamount to a relativization of the notion of an absolute legality. If “off shore” institutions provide the institutional foundation for the total autonomization of capital movements from any territorial political authority, the process of laundering reflects the ongoing process of constantly renaming and reinventing the legitimacy of nonmatively unrestricted global capital. If the social origin of property is theft, its institutional absolutism is provided by laundering.

⁵⁴ Cf. Robert K Merton: ‘*Social Theory and Social Structure*,’ New 1968 enlarged edition, New York, The Free Press, p.127 f. Set in a historical perspective, the same problem was already analysed by Werner Sombart: “*Der Bourgeois. Zur Geistesgeschichte des modernen Wirtschaftsmenschen*” Berlin, 1913, Book II, part 4

⁵⁵ The importance and social “utility” of permanent and more or less institutionalized networks founded on the mutual recognition of persons belonging to the same “recognized group” has been repeatedly analysed by Pierre Bourdieu. These networks provide the essential mechanisms reproducing what he refers to as “social capital.” (Cf. Pierre Bourdieu *La distinction. Critique sociale du jugement*, Paris, Minuit, 1978)

⁵⁶ The historical development of family functions is characteristic of more general transformations. After having led to the demise of extended family bonds, the fetishised nuclear family is increasingly being supplanted by monoparental forms.

virtually all forms of unofficial networking of economic actors are considered incompatible with pure market logic. And this overall normative prohibition of informal bonds is even more unconditional in the public sphere. In liberal systems, clientelism, nepotism and all kinds of preferential treatments appear to be intolerable, corrupt and abominable forms. In this sense, the abomination of “political corruption” and the eulogy of “free competition” are only the opposite sides of the same coin. Both in the public realm and in the free market, special personalized arrangements are seen as incompatible with responsible individual rationality. In the last analysis therefore, private selfishness and public selflessness are products of a common individualist assumption. Liberal morals are to bow to the mandates of abstract rationality.

It is therefore remarkable that the idea of free networking is actually unequivocally promoted and idealized within the “civil society” and the so called “third sector.” Together with personal trust, freely induced altruism and informal cooperation, unofficial networking is now universally venerated. And the same is true in respect to the advent of the new “postmaterial” culture⁵⁷ and the growing concern with all forms of voluntariat. Even if this should probably be interpreted as a discursive way out of the general normative disarray, its ideological incidence is indubitable. Seen from a certain viewpoint, this reaction is, of course, hardly original. Ever since Kant, various forms of appealing to individual moral responsibility have been instrumental in preserving the ideological coherence of dominant ideologies. However, what is new is the explicitly emerging contradiction between generally acceptable individual strategies and generally desirable individual ethics.⁵⁸ Inevitably, the cohabitation of selfish and altruist motivations threatens to dislocate and relativize the dominant forms of instrumental rationality in a world where the distinction of the public and the private is increasingly blurred.⁵⁹

⁵⁷ Cf. Ronald Inglehart *Cultural Shift in Advanced Industrial Society*, Princeton U.P. 1990

⁵⁸ Cf Gilles Lipovetsky *Le crepuscule du devoir*, Paris, Gallimard, 1992

⁵⁹ Remarkably, liberal economists like Nobel prize laureate Robert William Fogel seem at perfect ease when heralding the harmonious coexistence of unmitigated individualist economic rationality with emerging “irrational” and unpaid egalitarian contributions to collectively defined aims. (Cf, R.W.Fogel *The Fourth Great Awakening and the Future of Egalitarianism*, Chicago, Univ. of Chicago Press, 2000) Obviously, the main implicit concern of such approaches is to relegate social reciprocities and solidarities to the “sphere” of private initiatives in full independence from the waning State. However, to the extent that such behavioural patterns are not formally inscribed within the generally valid collective normative system, the “privatization of morals” cannot possibly develop as a universal tendency. It is difficult to envisage a historical rapprochement of Hobbesian and Kantian anthropological prescriptions. Indeed, disembedded and nonrepetitive economic rationalities must entail disembedded and nonrepetitive ethical codes. One is therefore entitled to ask whether this frantic (and seemingly inefficient) quest to reestablish “private” rudiments of irredeemably lost reciprocal forms is nothing else than an alibi, a moral and political rationalization in response to the disarticulating effects of the ongoing demise of collectively organized “public” solidarity.

This contradiction is accentuated within the hegemonic fractions of speculative financial capital. As mentioned, depersonalized rational strategies are mainly geared towards instant profits, rewards and gratifications independently from whom they may be dealing with. And as also mentioned, short term instrumental rationality is only bound by the rules of an ever changing and contingent opportunist expediency. The only valid norms and regulations are those than are immediately enforceable and legally sanctioned.⁶⁰

In this sense, disembedded markets are coextensive with disemebedded morals. Thus, to the extent that appeals to individual responsibility are not followed by socially internalized sanctions, the effectiveness of the re-moralization of society must remain limited. Ethical codes and prohibitions can never be imposed without some kind of social sanctions. Thus, when objective developments seem to run against the social efficacy both of “shame” and “guilt” cultural forms,⁶¹ in other words when no external or internal pressures⁶² oblige the individual to mitigate its selfish and normless behavioral patterns, entropic tendencies are bound to follow. Indeed, we seem to be entering a new phase where the Aristotelian *αἰδώς ἐν ὀφθαλμοῖς* (shame in the eyes) and the internalized *αἰδώς ἐν κατοπτρῷ* (shame in the looking glass) are equally inoperative. Actual behavioral codes appear increasingly detached both from God and conscience and from the Sartrian *regard d'autrui*.⁶³

8. ON THE DECLINE OF SYMBOLIC EXCHANGES AND RECIPROCITIES.

Once more at this point, the change in the perceptions and functions of social time seems to be of major historical importance. The increasing disembeddedness of the economy from society entails the demise not only of most traditionally internalized patterns of social control but also the general weakening of all informal social reciprocities. Indeed, most internalized forms of symbolic exchange that have cemented societies since times immemorial are increasingly bereft of their constitutive normative importance. If all may claim only what derives from legally unimpeachable

⁶¹ For this classic anthropologic distinction cf. John Peristiany, *Introduction to Honour and Shame. The Values of Mediterranean Society*, London, Widenfeld & Nicholson, 1965. See also Agnes Heller *The Power of Shame. A Rational Perspective*, London, Routledge, 1985)

⁶² Following Sigmund Freud distinction between the “dominance of internal authorities” and the “fear of an external authority”, the passage from the latter to the former is considered as a major moral progress of modernity. (Cf. Emile Durkheim *L'education morale*, Paris, PUF, 1963, p.45.

⁶³ Tcf. Marcel Gauchet *Le desenchantement du monde. Une histoire politique de la religion*, Paris, Gallimard, 1985

contractual rights, no one is obliged to give, to receive or to return anything beyond what is legally due. Hence the diminishing social importance of all kind of “gifts”⁶⁴ and informal duties and responsibilities towards both the “others” and the “whole.” This is one of the most obvious side effects of the substitution of “contract” for “status” in the terms of Sir Henry Maine. Tendentially, informal reciprocal practices can only survive as irrelevant remnants of by-gone rituals.⁶⁵

In full contrast with time- and space-bound formal contacts, the complex transhistorical relations between gifts and counter-gifts are typically circumscribed by their temporal indetermination. And this is not confined to gifts as such. Indeed, the validity and enforceability of all informal reciprocities is usually contingent upon the assumption that mutual bonds and obligations have no meaning if they are not conceived in defiance of time constraints. Gifts and obligations are always restituted in form of counter-gifts and counter-obligations in new and not always predictable ways and, in most cases, at unspecified later dates. It is precisely this temporal indeterminacy that enables instituted reciprocities to function as irreplaceable mechanisms of social reproduction. Long term social stability, solidarity, cohesion and homogeneity can only be ensured through the imaginary permanence of social links and obligations. And permanence can only be thought of as moving within open and indeterminate time vectors.⁶⁶

It is precisely this transhistorical informal social cohesion that is now being increasingly undermined. Indeed, together with the established mechanisms of social reproduction operating under the auspices of States,⁶⁷

⁶⁴ Marcel Mauss's *Essai sur le don* and Bronislaw Malinowski's *Argonauts of the Western Pacific* have recently become objects of a discussion that goes far beyond the limits of cultural anthropology. See, for example, Maurice Godelier, *L'enigme du don*, Paris, Fayard, 1997 and Jacques T. Godbout (en collaboration avec Alain Caille) *L'esprit du don*, Paris, La Decouverte, 2000

⁶⁵ After having insisted on the importance of the frequent etymological relation between gift and forgiving (*don-pardon, geben-vergeben, dono-perdono*) Paul Ricoeur discerns three separate obligations in the gift: giving, receiving and returning are constituent parts of the same reciprocal bond. (Paul Ricoeur : *La memoire, l'histoire, l'oubli*, Paris, Seuil, 2000, 622)

⁶⁶ Cf. Jacques Derrida *Donner le temps. 1. La fausse monnaie*. Paris, Galilee, 1991

⁶⁷ Indeed, the advent of the Welfare State seems to have functioned as a kind of “historical substitute” of the waning of informal social reciprocities. Like all internalized symbolic reciprocities, the bonds uniting the pastor-State to its subjects are seen as obvious, timeless and unconditional. (Cf. Jacques Godbout, *L'esprit...* o.c. p. 75 f.) In this sense, it is the historical combination of the ongoing decline of the Welfare State and the withering away of implicit symbolic reciprocities that marks the actual situation. Indeed, the dynamic development of a system of social relations deprived both of “internal” mechanisms of ideological and moral cohesion and of “external” institutional responsibilities of the organized whole may well prove to be potentially explosive.

most implicit customary reciprocal bonds between members of society (and informal groups) are also withering away. This development is obviously fully consistent with well established liberal premises. The demise of pre-liberal symbolic reciprocities and solidarities in conjunction with the loosening of internalized behavioural morals may be logically regarded as an advance towards an archetypal, perfect individualism. Ironically however, these developments may well entail at the same time, a serious historical menace for the general reproducibility of the system of social relations. Even if the famous Thatcherian dictum “there is no society, only individuals and families” seems to be announcing an idealized era of unmitigated normative hyper-individualism, the modes of reproduction of a totally disembedded system of economic relations remain unknown and problematic. The Polanyian notions of embeddedness and disembeddedness “leaves unexamined the manner in which social (but not “economic”) activities are called into being and dovetailed to fulfill the requirements of different societies.”⁶⁸ In this sense, moral disembeddedness leads to the fragilization of all stable cultural patterns and of all permanent linkages. No more can “worlds be turned into homes” where men and women can feel comfortable and in peace with each other in their allocated places within a meaningful system.⁶⁹ In the last analysis, the general prevalence of self-centered individual responsibility is only the prelude to new variations on the eternal theme of normative anarchy.

9. DISEMBEDDED “FREE RIDER” MORALS AND SYSTEMIC INSTABILITY. ON THE HISTORICAL IRONY OF INSTRUMENTAL RATIONALITY

Under these circumstances, a new unprecedented menace seems to be lurking in the corner. To all intents and purposes, the unmitigated dominance of disembedded hyper-individualist rationality in conjunction with the decline of the idea of society is tantamount to a general idealization of “free rider” behavioural patterns. Even if officially disapproved of and ethically looked down upon, individual normless instrumentality seems increasingly lucrative. But this seems to be developing into a “Catch 22” situation. Ironically, the Mandevillian “private vices” appear increasingly detrimental

⁶⁸ Robert L. Heilbroner *Behind the Veil of Economics. Essays in the Wordly Philosophy*. New York & London, Norton & Company, 1988, p.18

⁶⁹ Ernest Gellner, o.c. p. 5

to the advent of the common welfare they were supposed to ensure. It would seem that “free markets” can only bring about their beneficial effects if they do not operate as “totally” and unequivocally “free.”

The reasons are obvious. In contrast to socially “embedded” markets that engender their own stable and mandatory systems of collectively valid norms, a “whole” consisting of totally “disembedded” uncoordinated individual decisions must remain systemically unstable. Thus, the smooth reproduction of a social whole composed exclusively of free riders seems to be a historical impossibility. Indeed, “free riders” are quintessentially a-social. The maintenance of a “jungle” of fragmented selfish individual rationalities must still depend on the “irrational” survival of a collective social “order” or “vehicle,” the costs (both economic and symbolic) must still be paid by the recalcitrant social actors themselves. If therefore potential free individuals are not obliged to submit to some commonly accepted norms, the result will be total anarchy. And if all rational men and women tend to refuse all collective commitments by thinking, acting and riding as “free agents,” there will be very little left to ride upon. In the emerging normless “Wonderland,” the grin of the Cheshire Cat might well disappear before what is left of its decaying and disintegrating body.

In this sense, the demise of most forms of internalized social controls combined with the withering away of the homogenizing ideological role of the State, the literal elimination of the role of informal “customary rules” as a necessary supplement to “law,” and the ensuing disappearance of collective commitments to the tottering “whole” must entail a growing deregulation, commodification and “privatization” of all moral codes and regulations. This is probably the origin of what is often described as a general “moral crisis.” But this is also the reason why the modes of reproduction of the current system must remain open to all conceivable historical reversals. Obviously, ironical switches can in no case be excluded by “rationality” alone.

To the extent therefore that under capitalist conditions the modes of ideological and symbolic reproduction of the relations of production are not to be organized as “automatic” social processes, the train of liberal history, in the terms of Walter Benjamin, may still be derailed. All the more so that no modern social system has ever been stabilized and reproduced through repressive means alone. The mechanisms of material punishment are enriched and consolidated by investing minds and bodies with internalized disciplinarian prescriptions.⁷⁰ In this sense, some kind of rules, prohibitions and laws must always be materialized as inevitable “discontents,”

“renouncements” and taboos.⁷¹ Indeed, without some measure of normative coherence and ideological cohesion and homogeneity, no “civilization” can possibly exist. It would therefore seem that the unending history is situated, once more, at a critical crossroad. If the ongoing normative deregulation continues in the same direction, this may well prove to be the penultimate phase of globalized capitalism. The ultimate phase must obviously remain unpredictable.

⁷⁰ Cf. Michel Foucault *Surveiller et punir. Naissance de la prison*, Paris, Gallimard, 1975, p. 27 f.

⁷¹ This point, already raised by Sigmund Freud in “*Civilization and its Discontents*” was subsequently pursued by René Girard (“*Des choses cachees depuis la fondation du monde*,” Paris, Grasset, 1978) Imposed by liberal modernity, the historical restriction of traditional status bound and personalized obligations and commitments entailed a gradual abolition of taboos and a concomitant “liberation of desires.” Indeed, embedded as they are in moving forms of antagonistic social mimesis, “desires are en-demic, not epidemic.” (o.c. p. 407-410) And this is precisely the reason why semantic crystallisations of human needs are always circumscribed by unpredictable social contingencies.