

The Currency of Devastation

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SIMON DURING IDENTIFIES TWO FORMS OF IDEOLOGY, social capitalism and neo-liberalism, without drawing a distinction between the political economy of capitalism, which is strictly about the production, accumulation and reproduction of surplus value, and its manifold ideologies as mediated by various national states. State interventions in the process of surplus accumulation are collapsed with capitalism, which, of course, wants to influence such interventions to drive the motor of infinite accumulation. The dominance of the ideology of neo-liberalism is a sign that capitalism wields more ideological influence over states, nationally and internationally, than it did formerly. Consequently, During speaks as the subject of neo-liberalism, and on its behalf, when he declares that ‘no us/them or friend/enemy paradigm takes us very far in this matter’. For what lies concealed in this declaration is the suggestion that the social division of labour—class—no longer matters when, in fact, it matters a whole lot more precisely because the state is no longer obliged to intervene in matters of income distribution, education, health care, social welfare, and the like. Or rather, it does, but to the benefit of corporate interests. During proceeds to make the egregious claim that globally distributed ‘capitalist profits’ are raising income in ‘impoverished parts of the world’ without taking into account the possibility that the forces of convergence that increase income in one sector or country may not automatically discount the rise in general global inequality. Thomas Piketty, for instance, has demonstrated how income inequality has grown since the 1980s

and concludes, unambiguously, that the 'forces of divergence' are dominant over the 'forces of convergence' in the twenty-first century (27). Piketty's analysis bears out Immanuel Wallerstein's contention, made in the 1970s, that fluctuating global disequilibrium is an insurmountable feature of the system of capital accumulation (Wallerstein 349-50). If During is thinking of China as neo-liberalism's exemplary state, then he is fundamentally incorrect. China's economic advances, which are faltering in the light of the crisis of 2008, are built on state-sponsored policies as well as ideologies of the Communist Party of China. It has little to do with the delinked ideology of neo-liberalism as understood in the north. China's system is not neo-liberal or delinked from national concerns, but a carefully orchestrated sponsorship of capitalism by the socialist state.

The ideology of social capitalism was not simply based on the idea of social justice; in fact, social justice is really an epiphenomenon. The ideology was possible because of the unpredicted decrease in income inequality in the countries of the north led by the United States and sparked by global wars and other related shocks. Piketty notes that the top decile in America claimed 45-50% of national income in the period 1910-1930, decreasing to 30-35% in the 1940s. Thereafter inequality stayed more or less the same until it rose sharply through the 1980s, and the trend continues into the present (23). The ideology of neo-liberalism emerges in the 1980s precisely because income disparity, that is, the appropriation of surplus by a select coterie of capitalists and high managers, had to be justified by the state at the expense of interventionist policies formerly made possible by a different set of circumstances. The moment one thinks of neo-liberalism as an ideology of capitalism derived from current trends in income distribution, which, in turn, testifies to stagnant economic growth and the increasing accumulation of surplus in the hands of the few, a different picture emerges of the relationship between the precariat, neo-liberalism and the present crisis generated by capitalism.

First, however, a few words on the precariat. During identifies two kinds of precariat without identifying them as such. The first ostensibly comprises those 'who fall outside citizenship, stable employment, and state support'; in other words, individuals who are compelled to sell their labour power sporadically and at a rate probably below the minimum wage without being able to claim a citizen's rights (to education, health or welfare) as well as state protection from targeted exploitation. Intellectual workers, who are consigned to sporadic sessional employment, form the second kind of precariat. The implied collapse of the two types of unskilled menial labour and highly-skilled intellectual labour takes no account of the social division of labour because the precariat is regarded as a 'new social group'. During forgets that the irregular nature of the precariat's employment does not erase the social division of their labour, and the different

wages they receive for their relative skills. The first type is clearly composed of unskilled persons who cannot sell their labour regularly, legitimately or under the protection of the state in which they find themselves. They are the unskilled and semi-assimilable migrant workers who move from the south to the north because of a combination of push and pull factors. Their vulnerable and lowly paid labour permits other groups to maintain a more privileged relationship to capital. So an undocumented Mexican housemaid might allow a documented American couple to draw on two substantial incomes while raising a small family. The second type of precariat is hardly in the same position. The sessional intellectual stands in a less privileged position to the tenured academic certainly, but surely their position is far more privileged in relation to the first type of precariat. They are mostly documented citizens with some state entitlements who attract wages as skilled labourers that are in excess of subsistence. They might be paid hourly, not receive holiday pay nor attract compensation when taken ill, but their circumstances are incomparable to those of the unskilled and undocumented migrant precariat. Both are different creatures of the current state of global capitalism and this difference has to be grasped in the context of the social division of labour. During neglects to include a third type, entirely made up of unassimilable labour, located in fourth world polities such as sub-Saharan Africa. This group cannot be even partially incorporated into the capitalist mode of production and so are excluded from the precariat.

Precarious lives, whether menial or intellectual, migratory or situated, may be understood in terms of the periodic crisis capitalism generates because of the contradictions that haunt the nature of its political economy. Capitalism generated just such a crisis in 2008, and we still find ourselves in the midst of it. Crises may be sidestepped, as During notes, but—alas—only provisionally. The reasons are as follows. Marx points out that the *essential unity* of purchase and sale only shows up in a crisis because of the *deliberate separation* of the two within the capitalist system. Purchase and sale become independent of each other when they should be unified. Money is the factor that creates the time-space lag between purchase and sale, demand and supply, production and consumption, thereby separating what should be strictly interdependent. In a crisis, money, which latently contains the exchange or surplus value of the commodity, cannot be re-converted into commodities without incurring loss. So there is a breakdown in the production of the commodity, its metamorphosis into money and money's reversion into commodity at the point of reproduction. In the intervening period between purchase and sale (or time-space lag), money 'as a measure of value' may become separated from money 'as realization of value', leading to the interruption of the purchase-sale unity (455-6). When ordinary consumers in the US purchased real estate prior to the 2008 crisis, they did so in a time of stagnant wages but rising value in real estate (calculated at around 10% annual appreciation). They could have decreased

their consumption, but were unscrupulously permitted and even encouraged to borrow money by assorted banks and subprime lenders. Thus stagnant wages did not entail the stagnation of consumerism. Given their incomes, however, many of these purchasers could not repay their debt, and the creditors started to foreclose on their properties. There was a glut of such repossessed properties in the market which meant that houses could not be resold above or even at the price for which they were bought. Their value plummeted, resulting in phantom suburbs bereft of people. In accordance with Marx's theory of crisis as a chain reaction bedeviling the capitalist system in general (453-4), this led to the collapse of banks, the bankruptcy of businesses, big and small, retrenchment of workers, and universal turmoil from which few countries escaped. When money cannot be converted into commodities that engender surplus *in a given period of time*, there is the possibility of a crisis. Financial or spectral capital simply delays the time of the crisis since it is not tied to processes of material production.

The point is that the spectrality of financial capital shows up every time there is a crisis in actual material production and reproduction. Speculation and the exchange rate are not emancipated from material reproduction, but that is the ruse of neo-liberalism. The ruse is that money makes money when money is simply a latent form of the commodity. At some point—and this point may be delayed but not unto perpetuity—money must be converted into a commodity that is not money, and that's when the ruse is exposed. A crisis occurs if money cannot spawn profitable commodities. If Daring is correct in his assessment that 80% of the US population live in a condition of 'material insecurity', it is because, in a period of economic stagnation and crisis, the overabundance of devalued commodities (which, as above, is only revealed in the separation of the purchase-sale unity) is bound up with the overabundance of devalued labour. For labour power inheres as surplus value in the commodity, and if the latter becomes undervalued, then so will the former. The rise of the precariat of both types is predicated on the devaluation of the labour inhering in commodities, whether the labour involves construction work or imparting education. Furthermore, the devaluation of labour and increasing global income disequilibrium go hand in glove.

Just as growth relies on the fluid unity of the sale-purchase exchange, so labour is an integral component in the production of commodities involved in this transaction. At the time of crisis, where the unity of the two becomes evident in the lack of sale and purchase, in their actual separation within the capitalist economy, the question arises as to the effect of this state of affairs on labour, which becomes, like houses, overabundant. What happens to the carpenter, the brick-layer, the roofer, the iron-worker, the electrician and the plumber? Wage labour is a commodity and therefore it, too, cannot be sold at its former price or sold at all: hence redundancies, reduced wages and sporadic employment. The

oversupply of intellectual labour in the north is bound up with the substantial remuneration this kind of skilled labour attracts. But what happens when too many such labourers join the industry or when the industry suffers from the general global crisis that it cannot circumvent? The result is the precariat in the sense of precarious intellectual labourers, teaching assistants, sessional teachers and the like. The overabundance of intellectual labourers in the time of crisis where growth in every sector slows or declines leads directly to the creation of workers who are employed sporadically, paid at the basic level for their skills and denied the benefits that accrue to their tenured counterparts. Their actual labour, therefore, is devalued in comparison to the labour of the tenured intellectual. Tenured academics are overpaid in the time of crisis precisely because the industry has to make up the shortfall by producing sessional workers who sell their skilled labour for basic wages and benefits.

During, then, proceeds to observe that nothing can be done about the present state of affairs, and recommends that we, in the humanities, adjust to the neo-liberal global order, thereby upending the relationship of base to superstructure, symptom to trauma. When the technologies of production change (with, say, the revolutionary advent of the information technologies), so do social relations (with, say, the emergence of cyber workers, producers, gamers, consumers, bloggers, virtual site owners and managers) and knowledge regimes and ideologies (with, say, the emergence of new disciplines, teaching and research areas). The obligation is not to cynically adjust to the ideology that explains this state of affairs as if it were natural, but to investigate the workings of capitalism under the guise of neo-liberalism and to anticipate what the future holds for those who cannot be fully assimilated into this crisis-stricken system. Not only that, however. The current trend to naturalise neo-liberal ideology is itself defeatist given the apocalyptic environmental crisis generated by the long epoch of capitalism. We cannot afford to adjust to a system that is built on the principle of infinite extractability of surplus value from oceans, minerals, plants, animals, workers, asteroids, and the like. We, as intellectual workers, are obliged to turn the imagination into a revolutionary enterprise which, in the long run, might illuminate the planet's future with a different light—a light that encourages the creative spirit to revive its 'primal capacity for non-extractive wonder where the radical difference of the other at the limit point of language elicits the ethical [and survivalist] response of letting the other be in and for itself' (Mishra 115). Without an end to the infinite dynamic of surplus accumulation, we will merely have adjusted and attuned ourselves to the bleakest of futures. In this future our wages will be paid—with interest—in the currency of devastation.

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