

CAPITALISM INC.

THE »PHAGIC« CHARACTER OF CAPITALISM

An Essay by Anil K. Jain

The (multinational) »corporation« is a central juridical and organizational formation in (global) capitalism. It is, in a certain sense, the »body«, the corps and core of the capitalist system. But one can go further and say: »*in-corporation*« is not only the basic mode of its expansion, it is its basic principle.

No doubt, capitalism is to accumulate wealth by the *exploitation* of labour force. Or to be more general – and more accurate, especially in respect of the current, »post-Fordist« situation: it is the exploitation of any power, spatial, temporal, cultural, technological *difference* (see also Jain: *The »Global Class«*). Capitalism is thus, by definition, *destructive (and contradictory)* – as the differences that build the »ground« of its possible »gains« are at the same time levelled, destroyed by its »unifying« force: global competition results in the global spread of »the different«, which, then, becomes »the same«. In consequence, again and again, new differences have to be traced, or, when difference is finally eliminated in the »real« world, it has to be »virtually« created. Maybe – referring to Schumpeter's dictum of a »creative destruction« (see *Capitalism, Socialism and Democracy*; ch. 8) – this »simulation« of difference in reaction to global unification is the only really »creative« element in the destructive, contradictory system of modern capitalism, which in the end results in the »death« of reality through hyperrealization (see in addition Baudrillard: *Simulacra and Simulation*).

But capitalism *means* more than and goes far beyond that. How else could a destructive and self-contradictory system like capitalism have survived in history and have defeated its antagonistic powers if it were just an economic (dis-)order based on the exploitation (and elimination) of difference? How could it expand and conquer not only global space(s) but infiltrate and colonize all spheres of (social) life and culture (see e.g. also Jameson: *Postmodernism*)? It seems as if it were related and rooted to a stronger power: *the absorbing power of integration*. Capitalism might then be interpreted as the expression of a basic human desire: the »death wish« to dissolve the boundaries of the self, to be united with the universe, to be not only part of but to melt into the whole. Capitalism is »pure«, self-destructive love, but also unlimited greed, the drive to endless expansion. It has a »phagic« character and tries to realize dissolution by the reversed means of »cannibalism«: the *principle of in-corporation*. If that were true, obviously, capitalism would be linked much closer to the spheres of emotion and instinct than to reason. However, that statement sounds rather odd and demands a further explanation as it is in sharp contrast to most of the common, i.e. both: (post-)Marxist and (neo-)»liberal«, views of capitalism.

Until the present the most influential and »compressed« concept of capitalism is given in the »*Manifesto of the Communist Party*« (1888 [1848]) by Marx and Engels. They, too, clearly revealed the expansionist character of capitalism and its tendency to tear down all borders. Today, this

description is often (mis-)interpreted as an anticipation of current globalization processes. To call it once more into memory:

»All fixed, fast frozen relations [...] are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses his real condition of life and his relations with his kind [...]

In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations [...]

(Section I)

The (fast forward) driving force of this economically unifying (but socially and politically dividing) process is seen, however, in the »cold« rational laws of the capitalist economy, of which the »bourgeoisie« is the class-»agent«:

»The bourgeoisie, wherever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his »natural superiors«, and has left no other nexus between man and man than naked self-interest, than callous »cash payment«. It has drowned out the most heavenly ecstasies of religious fervor, of chivalrous enthusiasm, of philistine sentimentalism, in the icy water of egotistical calculation.« (Ibid.)

In the view of the Frankfurt School exactly this type of cold, (agnostic) »instrumental reason« is made responsible for the destructive dialectic of the Enlightenment – which is clearly linked to capitalist development (see Horkheimer: *Eclipse of Reason* as well as Horkheimer/Adorno: *Dialectic of Enlightenment*). In order to adapt to the one-dimensional regime of a totalized market, man (and woman) has to act according to instrumental reason and to suppress all incompatible emotions and desires. Only by means of consumption is a repressive form of de-sublimation made possible (see Marcuse: *One-Dimensional Man*). This argument is borrowed to a large extent from Freud and especially his late works, where he developed the – more general – argument of a latent hostility towards civilization, which precisely roots in this force to suppress desires (see *Civilization and Its Discontents*).

The civilization Freud referred to was a bourgeois (and that is indeed a capitalist) one. Taking this into account, one might be tempted to conclude that Freud was not describing a general law but revealing a latent power-structure, a »dispositive« of capitalist order. What he, however, could not explain was *how* bourgeois culture succeeds in surviving. On the contrary, under the impression of war, in a moment of total decay, he presupposed that the destructive elements could become dominant and provoke violent »outbreaks« if permanently suppressed – as the capacity of an internalization of violence, which is the central civilizational »coping mode«, is limited. Therefore, although being critical about final »success« (and pointing to some relevant

contradictions), Marx, Freud and the Frankfurt School alike paint a picture of bourgeois culture and capitalism that places rationality and control in the foreground.

In this sense, their concepts meet with the (neo-)liberal notion of a *homo economicus* who is a rational actor and merely subscribes to his/her self-interest. But unlike in Marxism, in (neo-)liberalism the order of capitalism is, of course, not interpreted as self-contradictory or suppressive. »Liberals« would rather state that – through the somewhat »tricky« concept of a *transcendental utilitarianism*: the fabulous »invisible hand« of Adam Smith – the common good is achieved by the rational pursuit of self-interest (see *The Wealth of Nations*). However, keeping this distinction away a stunning consensus becomes apparent: the rational (cool-)»heart« of capitalism.

Even Weber, who explicitly wanted to oppose any »reductionist«, exclusively economy-centred view of capitalism (and i.e. especially Marxism), did not cut the supposed link between capitalism and (Western) rationalism. His classical »cultural study« in »*The Protestant Ethic and the Spirit of Capitalism*« tried to reveal a strong influence of religion. He sought to prove that the rise of Protestantism not only coincided but basically contributed to the development of (modern) capitalism. In his eyes the two were intertwined: Only by what Weber calls »worldly asceticism«, austerity in combination with an ethics of work, economic growth and the accumulation of enormous wealth were possible, for it assured permanent reinvestment. Together with rationalization and bureaucratization, Protestant discipline built an »iron cage« (see ch. V, pp. 181ff.) – the »business center« of occidental capitalism, which is, according to Weber, more advanced than any other economic order. As he puts it: »The greed of the Chinese Mandarin, the old Roman aristocrat, or the modern peasant, can stand up to any comparison.« (Ibid., ch. II) But it is exactly the (rational) control of greed that makes the success and superiority of occidental capitalism – which deeply roots in the values of Protestantism.

We thus might – well justified – accuse Weber of being ignorant of other cultures. It is, however, more striking that he seemingly did not even really understand the logic of his own culture: modern capitalism. It was only Daniel Bell who clearly revealed a central contradiction: capitalist economy demands the reinvestment of capital and relies on a disciplined labour force. On the other hand, it builds on dedicated consumerism, on unrestrained, joyous buyers who waste the goods that are thrown on the market by the capitalist machinery of over-production (see *The Cultural Contradictions of Capitalism*). Obviously, the rationally calculating and disciplined personality and the latter are quite different characters and will never live together happily. This (cultural) contradiction of the capitalist economy, however, can be »dissolved« because it rests in a well questionable interpretation of capitalism that Weber shares, as described, not only with Marx but with most other interpreters of capitalism – a view centred on control, discipline and rationality.

It is just this view that creates (and thus seeks) contradiction. Let us try and look at capitalism from a different angle: rational control and an ethics of work might have been ways to success in the early days of modern capitalism but not in its advanced stage, which we face today. Accurateness and diligence are what we expect from machines. Man ought to be »creative«, and waste and a joy of consumption contribute much more to the capitalist economy than what Weber called »worldly asceticism«. But there is a good point in Webers analysis, too: the link between capitalism and religion – although it might be the »wrong« link. And here we can come back to Freud: In the beginning of »*Civilization and Its Discontents*« he quotes »a friend«, Romain Roland (a famous French intellectual and spiritual seeker with a strong affinity to Hinduism), with the statement that religion is, more than anything else, about »a sensation of »eternity«, a feeling as of something limitless, unbounded – as it were, »oceanic««. Maybe it is exactly that search for an »oceanic feeling« that builds the common ground of religion and capitalism – a drive to both dissolution and (unbounded) expansion.

In the case of capitalism (which is at the centre of interest here) the drive to expansion is not only conspicuous but compelling in terms of economic laws. That was already outlined by Marx and Engels (see above), and is even more obvious now. Thus, Hardt and Negri are easily able to characterize the empire (of modern capitalism) as »a decentred and deterritorialising apparatus of rule that progressively incorporates the entire global realm with its open, expanding frontiers.« (*Empire*; p. xii) But what about dissolution? Psychologically, expansionism rests on the desire for unification. And the desire for unification rests on the deeper wish to be united with eternity: i.e. to dissolve. Expansion is the (regressive) way there, not the final goal. It is like an atavism – the cannibal's seek to *incorporate* the enemy's powers: a »consumer« ritual of victory but also a sign of intended »fusion« (which is paralleled in Christianity with the Eucharist ceremony). It is therefore, in the end, an expression of unlimited, incorporative love – a kind of love that makes indeed suffer a lot: others and oneself. A deep wish of dissolution and fusion is (symbolically or in the real world) fulfilled, but in a regressive manner. And that is exactly the latent attraction of the capitalist principle. The aggressive drive to expansion is combined with elements of joy and devotion. Voracious greed is the motivation behind the »corporate« mergers (which, rationally analysed, do not pay in most cases). Consequently, capitalist economy works in many ways in a »phagic« manner: like a phagocyte it defeats its contestants by a »mantling« and absorption. The enemy is »incorporated« and becomes part of the »self« or respectively the »game« (by modes of repression and violence and by modes of seduction). Capitalism is thus not at all an expression of »individualism« (nor of freedom) – that would be merely an ideology. On the contrary, because of its absorptive drive to expansion one has to abandon autonomy. Capitalism demands full submission to its principles and order. And the final goal is not the accumulation of capital, it is dissolution.

So, different to the teachings of Buddhism, greed rather has to be interpreted as a motor of self-destruction, of dissolution than as a source of (painful) self-production. And different to

Freud, Eros and destruction are better not viewed as the (dialectical) basic drives, but as just two ways to reach to the same goal: the fading of the self into unity and eternity, which liberates from the (exhausting) efforts of self-containment and -preservation. The »real« dialectics of human desire is, therefore, the dialectics of unity/dissolution and freedom/autonomy – which was in its outlines first revealed by Fromm (see *Escape from Freedom*). Maybe the only field in society where, in rare cases, both parts can be fulfilled together is the arts – which are, however, highly endangered to become fully incorporated into the economic totality (see also Adorno: *Aesthetic Theory*).

But to come back to religion: as an absorbing power, capitalism resembles Hinduism (which fascinated Romain Roland so much) more than Protestantism. The various religions, although sharing the same basic motivation, took different courses in history to survive. Judaism e.g. chose – for well understood reasons – the strategy of separation. Christianity and Islam were expansionist but in a missionary way. Hinduism – if it exists, if it is not just a colonial construct – was always absorbing (often misunderstood as tolerance), and that was the secret of its success and power to survive. Only that way could it meet the Buddhist challenge. Though internally highly differentiated – vertically by »caste«: the parallel system of »varna« (colour/purity) and »jaati« (birth/profession/race), and horizontally by hundreds of sects – exactly this »multiple« religious space provides place for any devotional practice and so creates »unity« by absorbency. The case of (advanced) capitalism is similar, whereas it is incompatible with the worldly asceticism of Protestantism. Capitalism appeals to the desires of man and is pocketing even its contestants by its promise of liberating the secret wishes »to spend«. It penetrates all spheres of life and the more tempting and flattering it appears, the more devotionally it is obeyed.

This only superficially reminds of Marx' notion of the »fetishism of commodities«. His term is just a metaphorical expression of the argument that the idea of an exchange-value independent from its use-value is an ideological construct: this way, according to Marx, a commodity is »loaded« with a value, which is not »materially« contained in it but just an effect of how capitalist economy works (see *Capital*; vol. 1, I-4). Those who believe in this kind of metaphysics of value act like persons who worship a fetish. Obviously, Marx is right. But why are people who have to pay the (excessive) price(s) willing to believe in the metaphysics of value? First of all, the fetish of commodity represents a »thing« much more real than any god or goddess. Or to put it into the language of advertisement: »Coke – It's the real thing!« Anyway, its excessive sweetness reveals the consumer's willingness to sticky self-destruction. To follow the path of capitalism demands devotion rather than control – even on the side of the capitalist class. Any kind of rational reflection would end their struggle for just more. The irrational, uncontrolled longing to accumulate and to risk to lose everything in order to never reach to an end is a vast »sign«: capitalism is permanent movement, it cannot stay motionless, and the direction of its movement is towards the abyss – a chasm much deeper than the likely clash of the bubbles of casino capitalism, indeed.

Capitalism therefore seems to work like an »economy of excess«, which Georges Bataille originally envisioned as a counter-model to the restricted mode of »closed economy«, which works on the basis of equilibrium and according to the dictate of instrumental reason (see *Visions of Excess*). But capitalism is not opposed to the human tendency to lose, destroy and waste: it is its expression. The (latent) irrationality of capitalism is thus not a danger to the capitalist order, it is rather its (secret) power. Only by the appeal to desire is it able to survive the contradictions of its economy. And, reversely, to be able to fight the capitalist »empire« one has to reveal and consider this secret power and drive instead of denying it.

The play with excess is, however, a dangerous game. Its boundlessness, its element of lust sustains and endangers capitalism, drives it to dissolution, to the eternity of death. Through permanent expansion and its unifying, levelling tendencies, it undermines its grounds: the exploitation of difference. Here, too, capitalism resembles a phagocyte: to feed until death (to save a superior life). The longing for eternity is nothing but a latent death wish. Eternal life can only be realized by dying. To win is to lose – and that is capitalism.

This is, of course, only one way of reading capitalism. The interpretation of capitalism as a manifestation of instrumental reason is nevertheless justified, too, but as this is a dominant »discourse«, one does not have to do any more justice to it than already done.

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