

THE ECONOMY OF DIFFERENCE¹

An Essay by Anil K. Jain

ABSTRACT:

Any economy is fueled by difference: the difference between what we got and what we need, or – expressed in the terms of market economy – the difference between offers and demands. In an »ideal« economy these differences should be equalized, i.e. the needs should be satisfied, offers and demands should correspond. Capitalism, however, does not work »ideally«. It relies on the exploitation of difference. So difference must be sustained – sometimes even by violence. Yet, (modern) capitalism cannot limit itself, stagnation is its biggest enemy, and its resulting expansiveness creates a basic contradiction: the movement of capitalism is globalizing, but the unification that goes along with globalization exactly destroys the economic basis (of its expansion) – difference. Thus, as the »natural« differences are leveled, the only »solution« is to create (new) artificial differences.

This contradictory tendency has interesting and dramatic effects on difference as a theoretical concept, on the personality and on space and place. Difference becomes a core concept, and (the discourse of) difference itself works today as a »dispositive«: a power-structure that governs and excludes. On the level of personality we can see the effects of a complete(d) alienation. We have to incorporate difference and become »strangers to ourselves« as we are forced to internalize concepts like multiplicity, hybridity and flexibility. Any moment of fixed identity (which could also provide anchor points for practices of resistance) has to be eliminated. Similar with place: there is a permanent pressure for hyperreal production and simulation. The places have to stage their particularity in order to attract attention, people and capital. But their difference has to be compatible with the needs of global capitalism. More and more, they lose their character as »real« places, and they do become hyperreal non-places: »imagined localities«.

1. GROUNDWORKS AND VISION: DIFFERENCE AS THE GENERAL BASE OF ECONOMY AND THE EQUALIZATION OF DIFFERENCE(S) AS THE GUIDING PRINCIPLE OF AN »IDEAL« ECONOMY

Economy is the sphere of the production and the distribution of goods. Why do we need goods? Because we are material beings and because we thus have needs and desires. What is a desire?² It is an expression of difference: the difference between what we need and wish and what we got. So what is the base of economy? Is it resources, is it labor, is it knowledge, or is it not rather, on a more general level, human desire and accordingly: (the expression of) a difference?

Difference is the trigger and the fuel of the economic process. Without difference there would be no point to any kind of production (or distribution). And the difference between our desires

and reality keeps us (and economy) in motion: desire seeks satisfaction, and satisfaction is followed by (new) desires. The material character of the human being continuously creates needs (which, of course, are not exclusively »material«). So we have to relentlessly gather and produce the goods that we need and desire (and deserve).³

If this view on economy were correct, what would be the guiding principle that lies behind it? As described: desire is created from difference. And desire is directed towards satisfaction – the bridging of the gap. Thus, the tendency of economy is towards equalization. At least an »ideal« economy would work towards an equalization of the (initial) difference between reality and desire (or to put it »economically«: offers and demands).

This tendency towards an equalization of difference indirectly also implies a »sense« of social equality as »pure« desire is blind to class and status, and it does not know any hierarchy of people or peoples. It is only »measured« by the feeling of intensity and satisfaction.⁴ The »ideal« economy and its equalizing tendency is, therefore, not hegemonic, unifying or resulting in an elimination of difference (also in the sense of otherness). It is rather a radical movement on the road towards equalization (understood as satisfaction and fulfillment), not allowing any difference to dominate and master our desires – be they material (nutrition, warmth, ecstasy, etc.) or immaterial (freedom, bondage, knowledge, etc.).⁵

Obviously, this draft of an »ideal« economy is only a (maybe utopian, maybe terrifying) theoretical model.⁶ But it clearly points to a reality: any economic system is, by necessity, based on differences, otherwise economic exchange would not exist and would not be possible. Only where different people are producing different products, an economy beyond self-sufficiency can evolve and develop. Thus, in (economic) reality, there is not only the initial difference between what we need and what we got (as the very basic »engine« of economy), but there are also differences of needs, differences in things to offer and differences in capabilities, etc. Difference is at the core of economy – and thus economy has to »deal« with it.

2. APPROACHING »REAL« ECONOMY: A »DIFFERENT« VIEW ON THE BASIC CONTRADICTION(S) OF CAPITALIST ECONOMY

Difference being the drive of economy is especially true for capitalism – our »real« economy. The capitalist system is, for sure, not an »ideal« economy. It could be rather described as its contrary. Whereas the tendency of an ideal economy is towards the equalization of difference, capitalism must sustain it in order to exploit it, and capitalism seeks to create ever new desires instead of satisfying them. In its expansiveness capitalism is, however, equalizing – in the sense of a unifying, imperialist movement. It, therefore, destroys the differences that are at its base. How can this expansiveness (and the contradiction that it creates) be explained?

We have to look here at the inner logic of capitalism. Capitalism has a »phagic« character: it is driven by a (regressive) desire for dissolution – in order to achieve unification with eternity. It is thus the expression of a latent death wish. However, its (paradox) way to dissolution is endless expansion. Capitalism has to move forward. It has to incorporate everything in order to fulfill its desire to ossify and unify. (See Jain 2002a)⁷

Accordingly, the latent desire of capitalism can never be satisfied. Capitalism cannot rest. This would mean stagnation. So it has to go further – at any cost. It is destructive, limitless. But there are also »economic« reasons why capitalism has to expand. Capitalism seeks to accumulate. Thus, it has to »produce« surplus. But how is surplus in capitalism created? Marxism tells us: by the exploitation of labor force. But this is only one way to achieve surplus. A more general analysis would conclude that surplus is created by the *exploitation of (any kind of) difference*. It can be, for example, a power imbalance (yes, between capital and labor, or, between the »First« and the »Third World« etc.), a (technological) competitive edge or a cultural difference (conveying ideas for new product lines or just creating export possibilities). The possible surplus, which is implied in such differences, is mainly realized through spatial progression, since only expansion allows the achievement of »critical mass« in production and the opening up of new, unsaturated markets.

Thus, capitalist economy has to approach global space, and the resulting globalization means – however (superficially) locally adjusted – a homogenization, a (sometimes rather forceful) »equalization« of global spaces. (Advanced) capitalism, which is no more caught in the borders of the state, therefore undermines the base of its economy, since, in its globalizing dynamics, it eliminates the differences which constitute the »ground« for its (necessary) economic growth. This is the central contradiction of capitalist economy: capitalism rests on the exploitation of difference. At the same time it destroys difference by its expansive movement – the only form of »equalization« that global capitalism produces.⁸ Accordingly, difference is the central resource of surplus accumulation in capitalism as well as the central problem of capitalism. Capitalism is an economy of difference; it not only exploits difference, but it is dependent on difference. By its expansive, unifying movement, it is, however, destroying difference – and thus it is destroying its base.

How can this dilemma, this contradiction be resolved? There is only one way out: wherever they are destroyed and seem to evaporate, differences have to be (»virtually«) created. And wherever certain »valuable« forms of difference (like poverty or a harmless but appealing cultural »flavor«) still can be found and exploited, they are (often violently) sustained. This also implies a transformation of desire(s): they are formed according to the needs of capitalism, new (secondary) desires are created without ever being *fully* satisfied (see also note 8). But not only desire is re-designed. The psychological consequences go deeper than a mere transformation of desire, the dilemma of difference in global capitalism affects the whole personality. On the spatial level we may observe an »imaginary« re-invention of places. And even on the level of theoretical concepts one can make out unexpected shifts:

3. IDEOLOGICAL »REFLECTIONS«: THE (FALSE) PRAISE OF DIFFERENCE AND HYBRIDITY⁹

Not a very long time ago, any form of difference and especially hybridity was associated with impurity and inferiority. Difference created suspicion and fear and was a reason for exclusion and rejection. Hybridity pointed to ambiguity and changeableness and thus meant inconstancy, inconsistency and unreliability. At least ideologically it seems that there is a radical change. Not only do we face an increased interest in questions of difference and hybridity, also associated attributes like ambivalence or flexibility are highly praised. The reason for this shift is to be seen in the contradictory dynamics of global capitalism: the other, which/who was first »discovered«, subjugated and eliminated, is now – that he/she/it is about to dissolve – »taken in«, and difference is »reconstructed«.

This is also ideologically reflected. Difference becomes a core concept, and »hybridity, diaspora and post-coloniality are now fashionable and even marketable terms« (Hutnick 1997: p. 118). Difference is »colonialized« or as Bauman (1997: p. 55) puts it: »[...] ours is a *heterophilic* age. For sensation-gatherers or experience-collectors that we are, concerned (or, more exactly, forced to be concerned) with flexibility and openness rather than fixity and self-closure, difference becomes at a premium.« Especially in current (social science) discourse otherness and difference are highly appreciated concepts. In certain fields, like cultural and postcolonial studies, difference and hybridity are mainstream topics and virtually define the »identity« of the discipline (see as a crude example Bronfen/Marius 1997).

The theoretical »backing« for this movement to the peripheral, to the marginal space of difference is mostly extracted from the highly influential work of French poststructuralist philosophers: Foucault, Deleuze, Lyotard, Derrida, Levinas etc. But also authors like Rorty, Bhabha and others have contributed a lot to this very recent praise of difference/otherness. This is done in various conceptual frameworks and one should not generally question the concern for the other, for the suppressed and the marginal which is expressed here. However, their discursive dominance and public presence show that many of these concepts are quite compatible with »global capitalism«: the cultural neo-imperialism of the post-Fordist era. Difference and its discourse more and more become themselves a regime, a power structure, a »dispositive«. The one who opposes the discourse of difference opposes power in discourse.

4. COMPLETE(D) ALIENATION: EFFECTS ON THE SUBJECT¹⁰

The ideology of difference that evolves in reaction to the contradictions of global capitalism manifests also on the level of personality: the new elite, the »global« class« (Jain 2002b [1999]), consequently imagine themselves as »different«, as cosmopolitan post-humans, far beyond any fixed identity (see in a critical vein Steyerl 2004: pp. 35f.). They use terms like »cyborg«

(see e.g. Haraway 1991) or »quasi-subject« (see Beck et al. 2001) to express this post-human, trans-identical character. And obviously, the hype-r-modern concepts of a »nodal«, multiple identity (see e.g. Gergen 1991) go well together with current management ideologies (like decentralization, participation, flexibility, team-work etc.).

The effect of all this is a new (extended) sense of the term »alienation«: capitalism does not only cause alienation in the field of work and production – where new forms of work organization nowadays create the illusion of a possibility for self-realization within the workspace (which, in reality, often means self-exploitation by identification). Alienation, in its new sense, relates to the initial argument that capitalism is more and more resembling an economy of difference. The alien-other is – as shown above – a central source of surplus accumulation. On the subject-level, alienation – conceptualized as the identification with the different – represents a final stage in the development of individualism: the »emancipation« from the forces of (»fixed«) personal identity and the *internalization of otherness* (in order to make use of it). We might, therefore, call this decentering of the self by a forced »incorporation« of difference a *complete(d) alienation*.

The complete(d) alienation results in a new hierarchy of difference/otherness. But, of course, we do not face a simple reversal in the relation(s) of identity, otherness and difference. It is rather the images that have changed. In practice, similar modes of exclusion as before are still at work. We may witness this, for example, in the reality of power relations or whenever the other (and its ambivalence) is incompatible with the new capitalist order: that is when the subaltern refuse to be embraced – and exploited. Then, very soon, the old mechanisms of suppression and control become effective again.

5. IMAGINED LOCALITIES: EFFECTS ON THE PLACES¹¹

It is a similar story with place: through globalization the category of space and its differences becomes central. This (real) importance of space and its gradients does, however, not mean that the concrete places actually gained relevance. In the »space of flows« of the network society, place loses its specifics and importance (see also Castells 1996). A distinct place, which kept an independent characteristic, can possibly not be integrated seamlessly into the global network – as it would maybe develop a tenacious wilfulness (as its »sense of place«). Indeterminate, freely re-shapeable places are demanded. In order to integrate them into the global network, the »resistance« of the concrete places, which results from the anchorage in history and culture and the linkage to the »lifeworld« of their inhabitants, must be dissolved by the absorbing and – at the same time – disembedding power of globalisation. (Hyper)real »non-places« do come into being.

Following Michel de Certeau (1984 [1974]), who created this term, non-places are (symbolic) places that can be named, but do not bear the character of a (structured) space of action: they

are (urban) transient places, places of restless drift, of an endless search, of absence. They are – as Marc Augé (1995 [1992]) additionally and clarifyingly pointed out – places without identity and history that do not possess real relations to other places; they are merely functional places of passage, like waiting lounges, fast-food restaurants or highways, to which their »users« cannot build a real relationship.

However, it is not so much the functional places of passage that I will refer to here. Instead, I will understand by a non-place a »hyperreal« place that was disembedded from its (lifeworldly) context in order to freely re-form its shape just to expose and stage its difference in contrast and in competition to other places. The equalizing dynamics of globalization leads to this kind of paradox production if a place wants to keep or improve its position in the global network. Thus, the non-places of globalization are *imagined localities*. They were created or re-shaped according to certain images. They are at the same time real and unreal. Similar to the final ossification of the imagined communities of the nation in the process of history (see Anderson 1983) the imagined localities represent a spatial reality that gains momentum with the staging of their fictional characteristic. After a certain time, these non-places are not just a mirror of the images that shaped them, but they reach in fact an »unimaginable« amount of reality.

They ought to bear this exaggerated form of »reality« to credibly expose their particularity, to attract and bind capital, investments and visitors, etc. Mostly, they hide their artificial character by a fiction of authenticity, since otherwise the »miracle of difference« would not work. Their imagined authenticity has to be completed, they are flat and polished spaces, without fractions, without friction, without starting points for practices of resistance. They duplicate in an accomplished manner their imagined reality, they are *more real than the real*, they are hyperreal simulacra of places (see also Baudrillard 1994 [1981]).

As non-places, the imagined localities share the character of being places of exclusion with the peripheral spaces, but the voidness and difference of the latter is of a different kind: the marginal regions of global space are »different« because, for them, different rules and standards are valid, since, for example, sites of cost efficient production are needed. This form of difference is violently established and sustained (be it through neo-colonial practices or by tariff walls, etc.). Anyhow, the peripheral regions (independent of their actual geographic position) are only partially integrated into the global network – wherever they serve as a production site or as a market. Otherwise, they are shut out, and this exclusion works also symbolically, that is they are not represented in the global consciousness, they are inexistent.

The imagined localities are, to the contrary, (omni)present in the global space and consciousness. They are privileged spaces, but in order to enjoy their privilege they ought to pay the cost of adjustment. They must continuously create and stage their singularity and always have to carefully watch that it does not take the form of deviance. The permanent pressure for a hyperreal

production and simulation of difference inhibits them of becoming real places: places of being, places of community, places of being different.

Consequently, on the level of ideology as well as on the levels of personality and place, difference becomes a central category, but it is also endangered – wherever it does not comply with the needs of global capitalism.

REMARKS:

1. This article represents a kind of theoretical meta-frame and (eclectic) »summary« of several articles in which I was dealing with capitalism, the effects of globalization and difference: »The ›Globak Class«, »Differences in Difference«, »Capitalism Inc.« and »Imagined Localities«. (See references for details)

2. I do not want to make a distinction between need and desire, since, whenever you desire something, you definitely need it, and, whenever you need something, you desire it. There is no objective approach to the question of need and desire (and demand). However, whereas Lacan (1977 [1960]) conceptualizes desire as a hole and gap (in the self) which comes into being because of the difference between need and demand, I prefer to identify the gap to lie *between* desire and reality (see also below). Desire itself is to me something rather »material«, so I am more with Deleuze/Guattari (1983 [1972]) who think of desire as an e-motion and drive (and who like to call capitalism a »desiring machine« – as if capitalism was able to create the reality of desire, not only to shape and restrict it).

3. Reminded of Hobbes? But consider: I do not suppose that following desire will end up in the »war of every one against every one«. I would rather assume that the suppression of desire turns into war (for creating frustration and, thus, aggression), and only a »mislead« desire (as in capitalism) reproduces itself endlessly without ever being fulfilled.

4. Of course, I do not deny the possibility and the reality that our desires are (socially) shaped. However, the mere *drive* that is behind it is blind of these kinds of categories.

5. This kind of an equalizing (ideal) economy would, however, *not* fall into what Bataille (1985) has described as a *restricted ›economy of equilibrium«*, where everything is governed by rational laws and any transaction is based on reciprocity: if you give something you expect to get something (at least of the same value) in return. This kind of reciprocity or payback expectation does not lead to equalization in the sense of »fulfillment« or »satisfaction« (as described above). The logic of (equal) exchange is simply equalizing on the mere level of exchange and is thus not (necessarily) bridging the difference of desire – this may just happen by chance. And (»economic«, i.e. calculating) rationality often rather prohibits the fulfillment of our desires and seeks to control them. What is more, on the social level, it rather makes inequalities stable or results even in their increase. This is a consequence of the logic of (equal) exchange: it does not change anything.

6. Yes, this might be called an »idealistic« concept: the idea of an ideal economy is an imagination, and this image exceeds and *precedes* the real conditions at the same time (as it describes a necessary condition for any economy).

And also those who point to a similarity to the Aristotelian concept might be right – to the extent that an ideal economy, in the sense that I envisioned it, seeks fulfillment but not an »excess« of desires, which, then, probably would end up in exploitation like in the case of capitalism (see below).

7. Capitalism is thus – exactly in the sense of Bataille’s (see op. cit.) alternative vision to the restricted economy of equilibrium (which he originally associated with capitalism) – an economy of excess.

8. The central contradiction of (global) capitalism is, thus, not pauperization and overproduction. A »global« social democracy could most probably solve this problem. It is the question of difference. This question is vibrant on two levels. The first level is the already addressed elimination of difference by globalization processes. A solution for this problem is only the artificial creation and sustainment of difference (see also below). This implies that (in addition to social and spatial inequalities) the difference between desire and reality may never be totally bridged. The demand must always be higher than the offers. And this is the second level on which difference creates a problem for capitalism: it *has to* leave people unsatisfied and this – sooner or later – creates discomfort.

9. See for a more detailed discussion Jain 2001. Large parts of this section were taken from here.

10. Also this part is extracted from Jain 2001.

11. This part is an extract from Jain 2003. Here, there is also an example given with the case of the »global village« Oberammgau.

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