



# The Revolutionary Imperative

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**Abstract:** In the last three decades in the advanced capitalist world, the idea of revolution has largely slipped from political view. The neoliberal moment seemed to smother any political possibility other than capitalism, but with that historical phase now itself fading, it may be a good time to revive the idea of revolution if for no other reason than that revolutions do happen. Certainly, the political right is concerned about the possibility of revolts resulting from the social privation resulting, in turn, from the global economic crisis. This essay attempts to explore and reanimate the notion of revolution, both historically and in the present context.

**Keywords:** revolution, capitalism, neoliberalism, crisis

If one may say of the revolutionary period that it runs wild, one would have to say of the present that it runs badly (Søren Kierkegaard, 1846).

He only earns his freedom and his life who takes them everyday by storm (Goethe, *Faust*)

People are either not familiar with their history, or have not yet learned that revolution is but thought carried into action (Emma Goldman, *Anarchism: What it Really Stands For*, 1910)

Søren Kierkegaard is generally seen as a religious philosopher rather than a social or political revolutionary, but it must be admitted that his diagnosis of the pitiful state of social affairs, just 2 years before the widespread revolutionary upheavals of 1848, are eerily familiar today. In the global economic and social crash that began unfolding in 2007, presaged by many protracted albeit largely unheeded warning signs, one could hardly find better evidence that, as regards contemporary capitalism, things are running very badly. Of course, this is hardly news to the majority of the world's population for whom things running badly is the daily bread (or lack thereof) of capitalism. In their very different ways the widespread (if largely unreported) revolts of sub-continental India and the movements that brought Chavez and Morales to power in Venezuela and Bolivia, the uprisings in the Parisian *banlieue* and in the streets of Greece, give heft to Kierkegaard's wry observation, but they

also verify the conclusions of Red Emma, as Goldman was known, that “revolution is but thought carried into action”.

### **A Bad Time for Revolution?**

In a world hypnotized by the raptures of the neoliberal moment, the very idea of revolution has, in the global North at least, not just fallen out of fashion but removed itself to the infinite horizon of never-never land—excepting of course those historical revolutions such as the American and French that underpin and are championed by bourgeois rule. Just as there are good Muslims and bad Muslims, there are good revolutions and bad revolutions. We know George Washington today as a hero of American independence over the tyranny of European feudal monarchy; we do not remember him as a terrorist bent on tearing down the prevailing social order. With the exception of those revolts that established capitalist societies, revolution is simply erased from the memory banks of future social possibility. The various ideologies of the period marched in not-so-surprising lockstep with such denial. Margaret Thatcher’s much reviled yet brilliantly proscriptive assessment that there is no alternative (to free market capitalism) may have become the mantra of the political right, but it also became the unspoken defeatism of much of the left who, while we fought it, had no effective response to the dissolution of social choice into market necessity. Her follow-up claim that there is no such thing as society, only individuals, seemed to seal the impossibility of any social action outside the rubric of free market capitalism—everyone to their own lifeboat in neoliberal seas. Meanwhile, Frances Fukuyama’s 1989 assessment that the end of history is nigh, although now largely renounced, not least by Fukuyama himself, equally set the ideological mood for the last decades of the twentieth century: if indeed we are at the end of history—capitalism über alles—what in the world could revolution mean? The very possibility of revolution was rendered ideologically absurd. Even to retain the possibility of revolutionary change was widely perceived as a hopelessly irrelevant utopianism.

In retrospect we will probably find the violence to the political imagination wrought in the last three decades quite exceptional if not unfathomable. The visceral fury of neoliberalism, from the torture of bodies to the torture of continents, obviously undergirds this assault on political imagination. The tragedy is less the political onslaught by the right than the political non-response of the left. Thus Donna Haraway, precisely because she is such an imaginative, creative, original and self-reflexive thinker, once voiced our predicament directly, drawing a collective gasp from a 300-person audience: “I think the most difficult problem that I face, if I own up to it”, she said, “is I have almost lost the imagination of what a world that isn’t capitalist could look like. And

that scares me” (Harvey and Haraway 1995:519). To put it this way is a testament to Haraway’s brilliance and in no way a critique; it is an indictment of us all. And since then, things have only become worse. We have, almost all of us, largely lost the political imagination of a different future, at best holding on to the empty shell of revolutionary possibility, and this very much expresses the conceptual and political violence of the last few decades. But it is not historically unique. Thus from 160 years ago, Kierkegaard follows his pithy remark on revolutionary times with a stinging rebuke that might well have been written today:

Indications are, indeed, the only achievements of the age; and its skill and inventiveness in constructing fascinating illusions, its bursts of enthusiasm, using a deceitful escape from some projected change of form, must be rated as high in the scale of cleverness and of the negative use of the strength of the passionate, creative energy of the revolution in the corresponding scale of energy. But the present generation, wearied by its chimerical efforts, relapses into complete indolence. Its condition is that of a man who has only fallen asleep towards morning: first of all come great dreams, then a feeling of laziness, and finally a witty or clever excuse for remaining in bed (Kierkegaard 1962 [1846]:33–34).

Reading Kierkegaard today serves as a powerful invite to scrounge our collective political imaginations for some projected change of form.

If revolutionary change is largely perceived as utopian today, this is a judgment that emanates from the left as much as the right. Postmodernism, in retrospect, posed left but was in many ways a child of neoliberalism. But in a more serious vein, the indictment of left utopianism gets a much more sustained life in the power of the contemporary poststructuralist sensibility. Emanating primarily from Europe, this sensibility has grown to dominance on the left alongside and not entirely disconnected from the rise of neoliberalism. With clear echoes from the 1960s, the central political implication of this admittedly variegated new left sentiment is that aspirations for revolutionary change are outmoded, patent failures, and unrealistic in the present age, and with its emphasis on discourse (rather than, for example, ideology) the implication of much post-structuralist work would seem to be that one changes the world first and foremost by changing how we think and talk about it. This goes along with a greater or lesser rejection of political parties as vehicles for change and a rejection too of the state as a target for political action (cf Holloway 2005). In the case of Antonio Negri and Michael Hardt’s *Empire* (2001), and subsequent work, this is quite explicit: the multitude is already always in power, the state slips from focus, and the only political task that remains is for the multitude to realize the power it already possesses. In the meantime, while the axe of anti-utopianism is so often aimed at the neck of the left—even from within the left—it is important to note that the

most blatantly utopian project of the last 30 years is, quite obviously, neoliberalism and its progeny, globalization. The initial promise of a flat playing field (ie global equality of capitalist opportunity) has quite predictably evaporated into a world of steeper social and economic gradients than anything witnessed since the Great Depression: for every new entrepreneur from Bangalore, Silicon Valley or Shanghai, there is deeper poverty in the slums of Lagos, immigrant communities of Los Angeles, or hovels of Kolkata. As lamentable, certain left academic streams, whether influenced by poststructuralism or by a more nihilist utopianism, have followed the same broad road in search of flat (or blank) ontologies.

There are exceptions. In their various ways, the anti-globalization left at the turn of the century and the anarchist groupings which have a longer history and still work in opposition to neoliberalism, globalization and capitalism have all tended to have a far more powerful sense of a different social future. Both before and after Seattle (1999), on all continents, the hopefulness and indeed the successes of these movements, even as they were being repressed, were crucial in announcing the bankruptcy of neoliberalism. They took on the centers of global power in a way that few others did. Whether the various strands that have developed out of this now-fragmented global opposition grow into a revolutionary movement remains to be seen, but at present its ethos is not especially revolutionary, even as it strives for fundamental social change. For all of the organization that is involved, sufficiently so to draw extraordinary police infiltration and repression around the world, and recognizing the extraordinary diversity of these networks, its primary focus seems to be on events and the spectacle more than revolutionary organizing.

Given that history is scattered with revolutions of every stripe, how could this broader loss of political imagination have come about? It is not simply a question of ideological but also practical political change. Several events have been crucial. First, the implosion of the so-called socialist world is often seen as the fulcrum of the post-socialist transformation. The capitalist turn in China after 1978 and the implosion of the Soviet Union and Eastern bloc after 1989 are obvious markers, and it has to be said that globalization as we know it and the wars in Iraq (at the very least) could not have occurred without the integration of the Chinese economy and the dismantling of the USSR. And yet it also has to be said that the USSR had become its own political disaster by the 1930s and had largely denounced any revolutionary intent that was not explicitly supportive of Moscow—socialism in one country. Second and just as important, the widespread defeat of anticolonial movements and national liberation revolts from the 1960s onward fueled the sense that revolution was futile. Some revolutions were overthrown from outside, others imploded, still others were coopted, while others yet devolved into internal chaos. Often some amalgam of all these

forces was at work. The Nicaraguan revolution of 1979, for example, was viciously undermined by CIA-sponsored contras but this should not disguise internal problems; the Iranian revolution of the same year began among oil workers as an ouster of the US-backed Shah but was co-opted by Muslim clerics; attempts at postcolonial reconstruction in Central Africa, from Rwanda to Chad, not to mention parts of India, have devolved into genocidal bloodshed that still owes significantly but by no means wholly to the arbitrary and malicious colonial carving up of the postcolonial landscape. Frantz Fanon was extraordinarily perspicacious in this respect. Even in the belly of the beast, revolutionary Black Power was watered down into a pro-capitalist subsumption of politics into the halls of Washington DC (Johnson 2007).

Third, the stage for the ideological victories that vanquished revolution from the tableau of the possible was set in significant part by the defeat of the revolts of the 1960s. These were nothing if not transnational from Paris to Mexico City, Tokyo to Prague and quite apart from the indictment of capitalism they broadly represented a rejection of any kind of Stalinist politics which was seen as corrupt, violent, and a sign of the failure of utopianism. But they were also eclectic: student revolts here, workers revolts there; feminist and environmental struggles alongside anti-racist and civil rights revolts; the anti-Vietnam War movement and much more, all shot through to a greater or lesser extent with hippie libertarianism. The proto-revolution of 1968 eventually imploded not just under the weight of state repression, which spanned from the state murder of students in Mexico City to the assassination of Black Panthers in the USA, but it also collapsed into a self-made vacuum of inadequate organization and, yes, a certain utopianism of its own.

Neoliberalism is badly wounded today, dominant but dead we might say (Smith 2008), but whether it is fatally wounded or not remains to be seen. Naomi Klein's *Shock Doctrine* (2007), although explicitly not a revolutionary book, probably provides the most damning indictment. Poststructuralism, as any kind of oblique ideological alternative, is also ailing, faltering under the weight of its own utopian anti-utopianism. Although many of its progenitors deserve better, this wide-knit intellectual tradition has, especially in the English-speaking world, engendered the implicit assumption that to change the world it is necessary first and foremost to change the discourse. In the face of global social- and political-economic crisis, this presumption seems increasingly lame. It is a very particular moment. An old Soviet-era joke has it that the history of the future is fixed; it is the history of the past that keeps changing. We could make the same observation today about the history of neoliberalism, even (or perhaps especially) as its ideological power fades. Whereas 10 years ago, the future seemed fixed and change impossible, the global economic meltdown and recession

have wrecked this neoliberal certainty, and the social and political future suddenly looks radically open.

## **A Good Time for Revolution**

The global economic crisis has been blamed on many things, but as the meltdown deepened in late 2008 and incredulity passed into blanket denial and confusion among the captains of industry and finance it became popular to put the blame on a certain psychological collapse by business (Sen 2009:29). The market, by such an account, would be a bit like an economic ouija board whose power is entirely dependent on the faith of participants. So far, no one has actually believed this explanation sufficiently to propose that in order to solve the world's global economic crisis, such psychological collapse should be addressed by having the world's bankers all submit to group psychological therapy.

The contemporary atrophy of neoliberalism is due to at least five causes.<sup>1</sup> First, the 1997–1999 Asian economic crisis exposed the failure of neoliberalism on its own economic terms, convincing several high-profile adherents from Jeffrey Sachs to Joseph Stiglitz to launch withering critiques and mea culpas. Second, trenchant political opposition, especially in Latin America, challenged the economic, social and political ideas and quite brutal practices that were foisted on that continent. This began famously with the US-supported 1973 coup (11 September) overthrowing democratically elected Salvador Allende and the subsequent involvement of the Chicago Boys (Chicago economists including most prominently Milton Friedman) with Pinochet's murderous and fascist regime. This culminated most visibly in the election of leftist regimes from Venezuela to Brazil to Bolivia but also in the building of social movements across the continent. Third, the anti-globalization movement of the late 1990s and early 2000s from Vancouver to Genoa, Seattle to Cancun also exposed the brutality and hypocrisy of neoliberalism; while it soon fragmented, that movement deserves considerable credit for translating the discontented indictment of neoliberalism into an open global challenge. Fourth, the Iraq War led by the USA and the UK, which only served to reveal the geoeconomic imperialism behind the so-called war on terror, was a drastic diplomatic mistake even in the Bush administration's own terms, not to mention the brutal incompetence with which it was prosecuted. By the first years of the twenty-first century, then, an already stagnating neoliberalism was, at best, filling in the social and geographical interstices of a project that had already stalled. The economic collapse that gathered after 2007 with the US subprime crisis, and the consequent global economic meltdown, was only the final and fifth nail in the neoliberal coffin. Although an easing of the stock market decline in mid 2009 encouraged some economists and politicians

to predict an attenuation of the crisis, others looking more globally at the drop in industrial production and global trade detect an even steeper decline than in the Great Depression beginning in 1929 (Eichengreen and O'Rourke 2009). As ever, of course, the depth and extent of economic decline is highly uneven across the globe, and its future course is unpredictable.

Neoliberalism may be dead yet still dominant, but its self-immolation opens up real political possibilities. One of the greatest violences of the neoliberal era was the closure of the political imagination. Even on the left, perhaps especially so, the sense became pervasive that there was no alternative to capitalism. Revolutionary possibility was generally confused with utopianism, the history of revolutions notwithstanding, and revolution was collapsed into a caricature of inevitable failure. The history of the Russian revolution in particular was widely reduced to a story of utopian affront to human nature, a Sisyphean challenge to the inevitability of human greed that undergirds capitalism. For many too, revolution became equated with a conspiracy of some vanguard party. This is not the place for a detailed evaluation of Lenin's notion of the vanguard party, nor for a recount of the history of the Russian revolution. Suffice it to say that even a cursory history would show that the 1917 revolution was not invented by the Bolshevik Party. Rather, in the summer of 1917 Lenin was squeamish about the immediate prospects of revolution, calculating that the Russian working class simply did not have the power or ability to carry it out. Only 3 months before the uprising happened, when it was clear that the wider proletariat gave not a whit for Lenin's conservative judgement, did the Bolsheviks realize that the fury of the working class and peasantry was so complete and so visceral that they had no choice but to catch up. Lenin's *State and Revolution*, published in August 1917, marked the Bolshevik transition to an engaged revolutionary posture.

By 2009 the global economic crash and its destruction of business as usual put the question of revolution back on the agenda for many. Wouldn't the economic crisis potentially lead to revolt in cities around the world? Even before the crisis, the Chinese government conceded that in 2005 there were an extraordinary 74,000 violent uprisings and demonstrations in that year alone, presumably making China not only the epicenter of capitalist expansion on the planet but also of class struggle. While the left may be tentative about recovering the prospect of political revolt in response to the social deprivations of economic crisis, the right has no such reticence. The fear of revolt is actually a deep-seated dread for the world's ruling classes. In a Canadian interview in 2009, Niall Ferguson, the Harvard apologist for the British Empire, predicted that before the crisis was resolved, "There will be blood". Before it is all finished, he continued: "It will cause civil wars to break out, and it will topple governments . . . and bring in governments that

are extreme . . .” (quoted in Scoffield 2009). In fact, the governments of Latvia and Iceland were early casualties of the economic crisis with others faltering. Civil unrest, domestic and otherwise, is also on the minds of the CIA and Britain’s MI5 and on the minds too of the militaries of both countries. Accordingly, the CIA in 2009 added the global economic crisis to its list of top security threats.

The political right, this would suggest, understands that the future has become radically open, and not necessarily in an auspicious way for them. The left needs to catch up with this same recognition and grasp the opportunity. Since the 1970s, the left in much of Europe and North America has not only been in retreat but has broadly bemoaned its own lack of power, focusing instead on the viciousness of top-down state and corporate might, treating workers and peasants all too often as little more than victims. As anger at the economic crisis builds, as old movements remake themselves, and as new movements emerge around (and often combining) issues as diverse as immigrant rights and police brutality, environmental destruction and labour organizing, decimated social services and indigenous rights, a political reconstruction of the left is urgent.

In the wake of the anti-globalization movement and the subsequent rise of various anarchist political tendencies, and building on critiques of the old left, it is often argued that a politics appropriate for the present era should not focus on the state. A poststructuralist sensibility vaunting the interstitial power of daily social interaction displaces the state as a crucial focus of political revolt. The conquest of state power for many is accordingly a misguided strategy (cf Holloway 2005) and the focus instead should be on creating political disruptions that can translate into social openings and spontaneous political change, thereby expressing a power that already exudes from the populace (Hardt and Negri 2001, 2004). The problem with this approach seems to be twofold. In the first place, it misconceives the goal of revolution as simply taking power over the state, the replacement of one regime with another. Only a willful misreading of marxist political theory could make such an elementary mistake. It not only disavows a whole history of revolutionary thought but it also conveniently erases Engels and Lenin’s argument about the withering away of the state. This precisely at a time when neoliberals from Wall Street to the City of London were trumpeting their own withering away of the state. Such an argument hides the political target, whether that target be the state, corporate class power, or other sources of power, and it finds an uncomfortable parallel in the anti-state doctrines of neoliberalism. Second, the invocation of political spontaneity as a means to a different future conjures up its own utopianism. A revolution of the discursive self is necessary, whether connected to political movements or not, but it is not a sufficient means to revolutionary social change. “Change yourself and the world will change with you” was a hopeful

1960s slogan which had its genuine uses, but the need for political organization is not thereby dissolved. It takes a considerable idealism, however, to trust the discursive self to dissolve the power of the state—military, ideological, economic, political—as an impediment to social change.

At the same time, it is equally necessary to eschew any cheap economism. An all too common mistake on the left has assumed that economic hardship automatically brings political uprising in its trail: the more people are squeezed economically the more they will revolt. In reality, the question of political revolt is much more complicated. For sure, people do not tend to revolt when times run well, and political organization is certainly vital for bringing revolts to fruition. But economic hardship in no way guarantees revolt, and it can in fact bring about its opposite as happened in the wreckage of Weimar Germany leading ultimately to fascism. Political organization is necessary but in and of itself it is not the sufficient condition for successful revolt. People generally revolt for two reasons: they revolt if they are so desperate that they feel they have nothing to lose; or they revolt if they think they can win.

“Revolutions . . . come like a thief in the night.” So wrote Trinidadian revolutionary C L R James in his book, *Beyond a Boundary*, which reads the history of imperialism through an autobiography of his cricket life (James 1993:239). The debates between Lenin and Luxemburg in the lead-up to the Russian and eventually German revolution focused on exactly this tension between organization and spontaneity. Unfortunately codified in the Marxist tradition, these debates need to be put in historical and geographical context as arguments about the immediate prospects and means for revolution from Munich to St Petersburg, from 1917 to 1919. Many years later, Henri Lefebvre makes a complementary point which speaks to the present and simultaneously rehabilitates a sense of utopian possibility. For Lefebvre (2003) utopian thinking steps back from the real without losing sight of it. Given the violence done under neoliberalism to our sense of political imagination and possibility, although this observation was first made in 1970 it seems a powerful and appropriate corrective today. We could do a lot worse than to return to the Russian revolution and reassess the forgotten history of social, cultural, political and economic innovation and imagination that took hold, even amidst the worst of political and wartime conditions from architecture to film, poetry to painting. As Lefebvre once observed: “Between 1920 and 1930, Russia experienced a tremendous burst of creative activity. Quite amazingly, Russian society, turned upside down through revolution, managed to produce superstructures (out of the depths) of astonishing novelty” (Lefebvre 2003:183–184).

And yet our poststructuralist sensibility today is still wary about revolution. In the English-speaking world especially, poststructuralism

has come to be treated as an antidote to Marx and Marxism. It is not too much of an exaggeration to say that Foucault in particular has been raised to the status of the anti-Marx. If anyone can be posited as a progressive political alternative to revolution it is surely the author of *The Order of Things*. But this represents a gross disservice not only to Marx but to Foucault whose political sensibility was nowhere so confined. Indeed, Foucault revealed himself on at least one occasion as a proponent of revolution. Writing about the 1979 Iranian revolution, in a piece entitled *Useless to Revolt?* Foucault (2000) was quite explicit about the ineluctability of revolution. “Revolts belong to history”, he observed, “but in a certain way they escape from it. The impulse by which a single individual, a group, a minority, or an entire people says, ‘I will no longer obey’, and throws the risk of their life in the face of an authority they consider unjust seems to me to be something irreducible. . . . People do revolt; that is a fact, and that is how subjectivity (not that of great men, but that of anyone) is brought into history, breathing life into it.” Revolution here is a quite practical affair. As Lefebvre (2003:19) put it earlier, “Revolutionary events generally take place in the street.”

## Of New Deals and Stealth Neoliberalism

Social change and political transformation are not optional but a fact, and the status quo, as it used to be said, is not much to quo about. The only question is the form that social and political transformation will take. Sometimes it can be gradual, sometimes cataclysmic, often somewhere in between, but it is always the subject of power struggles, explicit or muted. The global economic meltdown after 2007 has already brought political and economic changes that would have seemed impossible only months earlier. Heavily bound up in financial capital, the Icelandic economy crashed virtually overnight; banks in Britain and the US have been nationalized; Citicorp alone had by early 2009 received \$60 billion of taxpayers’ money with another \$340 billion of loan guarantee on the table; meanwhile the Spanish bank Santander, broadly immune from the global banking crisis, is buying up smaller banks around the world including the USA; two of the three largest North American auto companies have gone bankrupt, with the union and the US and Canadian governments owning the majority of the restructured companies. In the case of General Motors, in the first phase of reconstruction, only 10% of the reconstructed company remained in private hands. Through various bailouts and stimulus plans, the US government had by April 2009 committed an estimated \$12.7 trillion in guarantees, a figure that almost matches that country’s annual gross domestic product (*New York Review of Books* 2009). In the UK, it is estimated that government spending now accounts for almost 50% of national income, with the national debt

approaching £1000 billion (Giles and Briscoe 2009). Change can and does happen quickly: the question is, in whose interests?

Various national governments have introduced economic stimulus plans very much after the model of the Keynesian New Deal of the 1930s. A Keynes revival is in full swing. The US plan has been to date the largest; the plans in Europe and European economies are generally smaller; while the Chinese plan emphasizes infrastructure development. The call for a New New Deal has also been picked up by many on the left as a realistic response to the global crisis. There is clearly a sense that capitalism has changed fundamentally, indeed in early 2009 French President Nicolas Sarkozy hosted a high-powered symposium entitled "New World, New Capitalism". Nobel prize winning economist Amartya Sen (2009:27) argues that the most forceful question today concerns the nature of capitalism and whether it can be changed. Sen reviews Keynes' arguments from the 1930s and his advocacy of state economic stimulus policies, yet finds the British economist of limited use. He clarifies a broad historical misconception by reminding us that Keynes was not especially concerned with such social issues as inequality, welfare and social services. (On the latter issue he makes the point that even Otto von Bismarck had more to say on social services than Keynes; Sen 2009:29; see also Cowen 2008.) Looking to the present, Sen argues that in the US context, the single most effective stimulus might involve state health care spending, and he proposes the models of China and the southern Indian state of Kerala as working models. In the end, however, Sen rejects the call for a new capitalism, going so far as to say that capitalism may no longer be a useful term.

Others on the left have not relinquished the language of capitalism, and for good reason, yet have also embraced, however tentatively, the notion of a New New Deal (cf Harvey 2003:210). But doesn't the aspiration for a New New Deal seem quite unambitious and in fact get the cart before the political horse? This becomes clear from a glance back at the original New Deal. In the first place, the US New Deal of the 1930s, with Keynesian variants around the world, was not always a great deal for everyone. To take just the example of housing, the creation of the Federal Housing Authority mortgage insurance program was supposedly intended to open up home ownership to a larger section of the lower middle and working classes. In fact, over more than three decades, it operated as a means to foster white suburbanization; out of several hundred thousand successful applications for mortgage insurance a small minority were in cities and an even more minuscule number went to African American families (Checkoway 1980). The folly of the New New Deal also becomes clear from the fate of the Obama administration's early efforts in 2009.

Second it is important to recall that the New Deal was not a product of Franklin Roosevelt's supposed altruism, regardless of the liberal

accounts that tilt the received histories in that direction. On the contrary, the patrician Roosevelt knew well that a revolt was brewing as a result of the Depression. Unemployment was rocketing, labour strikes were on the rise, the Communist Party was building, many socialists were also on the streets, Hoovervilles (shanty settlements housing the homeless) were mushrooming in cities around the country. The New Deal represented first and foremost a response to the political pressure thrown up by the Depression and the threat of open revolt. It is also important to remember that the original New Deal, whatever its putative social benefit, came with a widespread and often vicious corporate and state repression throughout the 1930s, aimed especially at strikes by unionized workers.

It is in this sense that the call today for a New New Deal gets the Democratic Party policy horse before the organizing cart. The response to global economic crisis has played out quite differently in different countries, but the US response, given the economic, military and cultural predominance of the country, deserves special attention. As the capitalist bailout and stimulus plans of the Obama administration's first year make clear, without political pressure, indeed without the threat of revolt, any supposed effort at a New New Deal is likely to accomplish even less than the original New Deal achieved in the 1930s, namely to buttress existing class and social relations. The New Deal was an instrument of class struggle insofar as it quite deliberately contained the growing revolt in the name of keeping a capitalist hegemony alive. With the Obama strategy, the optimistic mobilization that swept him to power failed to become a movement, at least in the first year of his administration, and as a result the kinds of policies emitting from his administration emphasized bailing out banks, bankers and car executives, often providing failed CEOs with multi-million dollar bonuses and severance packages, while workers suffered concessions and the victims of subprime mortgage corruption were generally faced with foreclosure, propelled back into poverty. In the meantime, despite the multi-trillion stimulus and bailout subsidies to corporations, capital effectively went on strike, refusing to provide capital to homeowners or small businesses. Much as the 1990s leadership by nominally socialist leaders such as Tony Blair or Lula or Schroeder amounted to a stealth neoliberalism, especially compared with the pugilism of George W. Bush, Obama's response to the global economic crisis represents class struggle by stealth. In truth, given the lack of opposition and revolt, in the USA and Europe if demonstrably not in China, very little stealth was required.

While we might disagree with Amartya Sen's conclusion to jettison the language of capitalism, his thoughtful piece on the future of capitalism makes some vital arguments. In particular, he suggests that the economic crisis demands a new understanding of older ideas

(Sen 2009:30). In particular, he has Adam Smith in mind, and he is undoubtedly correct. A latter-day hero of neoliberalism, Adam Smith's work is powerful precisely because it provides an account of the social economy, the economy before economics was divided out ideologically from its social integument. Much as she lionized Adam Smith, Margaret Thatcher denied him, along with a denial of society. Smith's work is preternaturally social even as it vaunts the economic. Sen is right about the salience of Smith, a point too little conceded on the left by many of us who have stopped reading formative work from the eighteenth century. Still Smith was not so much a theorist of capitalist crises as he was an analyst of emerging national economies. Karl Marx, his successor a century later, by contrast, was very much a theorist of the systemic nature of economic crises in capitalist societies, the endemic disequilibrium of capitalism, and he is another whose older ideas deserve a new understanding.

This is especially important today because so much has been made of the fact that by the mid 2000s as much as 41% of officially declared US corporate profits emanated from finance capital (*New York Review of Books* 2009:76). Profit in other words was being generated as interest on investments, paper and electronic capital passed around, rather than on any profitability from the social production of value. Marx's analysis of capitalism, strewn not just throughout the volumes of *Capital* but also elsewhere, both explains and predicts such a crisis, demonstrating that such events are simultaneously cyclical and endemic to capitalism. They come from a mix of three interrelated causes: first, an underconsumption crisis in which consumption lags; second, an overaccumulation crisis in which too much commodity is produced for a market that cannot consume it; third, a longer term crisis in the profit rate which sends capital out of the productive sector into real estate and eventually finance. When the conditions are right, it is easier, cheaper and faster to make money by lending it overnight or for a week or for a year with a guaranteed rate of interest than it is to build streets, offices and factories. For Marx this is a cyclical pattern: as the expansion of the productive economy becomes increasingly competitive and capital moves elsewhere, the crisis accumulates and the financial sector becomes flooded with capital (hence the focus during this crisis on the role of securities, derivatives, and debt/security instruments). With less and less capital devoted to the production of social value, and more and more capital devoted to the legalized gambling of the financial system, the discrepancy between the paper value of capital and its social value in terms of actual work is increasingly wide. At some point, the claims that paper capital makes to produce social value—claims in the form of stocks, bank accounts, hedge funds, securities, bonds, derivatives, debit-credit swaps, currency and so forth—have to be rationalized with the actual social value produced; paper claims to

value and real value have to be brought back into commensurability, generally requiring a massive devaluation of paper capital. A crisis of capitalism is the quite predictable outcome.

So, if we understand that the capitalist mode of production per se not society, or politics, or economics, not to mention “psychology” is the problem, how do we respond? Why is capitalism such a problem? The problem is that the systemic disequilibrium of capitalism is rooted in that mode of production’s DNA. There are three central components to this. First, and crucially, there are the *social relations of production between classes* where some own the means of production and others have nothing to sell but their labour power. Certainly there are many middle classes, not least many academics and other professionals, but the defining relationship in capitalist societies pits capitalists against workers. There is no rule that says societies have to be organized this way, however. Second, we have *private property*, a comparatively new historical invention, which takes the things made and possessed and occupied in common and donates them to individuals. Third, the social relations between owners of the means of production are governed not by collective or cooperative agreements for productive social ends but by *economic competition*, abetted by the state. The amalgam of these three foundational pillars of capitalism—class relations, private property and competition—creates a mode of social production in which capital accumulation, economic growth with no sense of the social or environmental cost, and outright individual greed are rendered the society’s highest social values.

How did this come about? Actually, the historical victory of capitalism came about through multiple revolutions. The American and the French in the eighteenth century are the obvious candidates, opening both countries up to an unfettered capitalism that supersedes an exhausted, corrupt and unjust feudalism. The British revolutionary wars a century earlier had a similar if less immediately definitive effect. Various other European revolutions and postcolonial struggles from nineteenth century Latin America (1810s) and Europe (1848) to twentieth century Asia and Africa, and indeed 1990s Eastern Europe whatever the cross-border exploitations and oppressions involved, have equally contributed to the making of global capitalism.

Even as the proletarianization of academic labour expands from the ranks of graduate students to adjuncts to contract workers, most tenured or senior First World academics lead relatively comfortable lives, part of the middle classes and generally out of the direct firing line between exploited workers and the capitalist classes, between capital accumulation and environmental destruction. This in no way legitimizes a self-interested analytical laziness that refuses to acknowledge the severity of crises and the severity of its effects on so many people. The future is indeed radically open in a way unprecedented just months ago,

and it would be intellectually shiftless not to anticipate social upheaval of some sort. But it must be recognized too that any move toward a New Deal, either nationally or globally, is likely to come, as with its 1930s predecessor, with a heavy dose of repression, this time deploying the entire repressive architecture put in place after September 11, 2001. Personally, as academics, especially in wealthier countries but also in wealthier classes, many of us may avoid the resulting clampdown, but insofar as the larger society will be heaved up, there is little global intellectual or political security in that judgment.

It may not be premature to suggest that a capitalist way of organizing social life, like feudalism before it, has become exhausted, corrupt and unjust and therefore expendable. Social theorist Slavoj Žižek early sensed the ideological violence to our political imagination wrought by neoliberalism. With an eye on the prospect of planetary environmental destruction or nuclear meltdown, Žižek observes that “it seems easier to imagine the end of the world than a far more modest change in the mode of production”—the overthrow of capitalism (1994:1). Revolution may, as James (1993) suggests, come like a thief in the night, but if there is going to be a heist on capitalism, the thief needs to come with a few tools. Some tools are intellectual ideas; others are tools of the imagination about other possible worlds; still others are our human bodies, but most importantly they are social and political organization for a more humane future. Or as Goethe put it, “one earns one’s freedom and life when one takes them everyday by storm”.

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## Endnote

<sup>1</sup> This paragraph is adapted from Smith (2009).

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