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A PREFACE TO THE GENEALOGY OF NEOLIBERALISM

I.

In my book *Force of God: Political Theology and the Crisis of Liberal Democracy*, published last year by Columbia University Pressⁱ, I argue that the current global crisis of liberal democracy is a “crisis of representation.” In some ways, this statement is both tautological and gratuitous. The question of liberal democracy as we understand it historically is all about the problem of “representation.”

Contrary to Rousseau’s effort to radicalize social contract theory with his postulate of the *volonté générale*, or “general will,” – which, as many critics have rightly noted, can easily be misconstrued as an argument for totalitarian control of all features of society (the Nazi *Gleichschaltung*) – we have lived through almost three centuries now when political theory, epistemology, and theology have been aligned around the late Medieval trope of a reflexive relationship between words and things.

The trope of an intimate correlation between words and things – *verba* and *res*, *les mœts et les chose*, *Wörter und Dinge* – as the framework for what in the history of philosophy has come to be known as “correspondence theory” harks back to ancient Athens, where democracy was born. The ancient crisis of democracy ultimately derived from the struggle between Socrates and the Sophists, between Platonism and the cheap kind of conceptual relativism associated with a crude nominalism, which the latter hawked in the agora.

These epistemological debates, persisting in some guise for millennia, have never been esoteric preoccupations for cloistered thinkers removed from the “practical” affairs of Western political theory. They are founded on the commensurability between *to logos* and *ta onta*, between an ordering of speech in accordance with what we consider to be reliable markers of reference between what we say and what we experience.

Such a linguistic ordering in a primordial way is also inseparable from the articulation of “law” or *nomos*, the very architecture of common life which for eons has been severed from its instinctual signaling of collective solidarity, its *Blut und Boden* tribalism. The common life demands an account that is given within the discursive formations that are appropriate to its age, its *episteme*

in Foucault's terminology. It is unsustainable without the power of *logos*, on which even the most rudimentary form of the *polis* is founded.

Foucault begins his famous "archaeological" inquiry entitled *Les Mots et Les Choses* (in English *The Order of Things*) with the recognition that all representational systems on which "knowledge" — and by extension all social and political speculation — is dependent on reliable and consensual methods of classification. "Our culture," he writes, "has made manifest the existence — of order, and how, to the modalities of that order, the exchanges owed their laws, the living beings their constants, the words their sequence and their representative value; what modalities of order have been recognized, posited, linked with space and time, in order to create the positive basis of knowledge as we find it employed in grammar and philology, in natural history and biology, in the study of wealth and political economy."¹

But what happens when this reflexive, or reflective, relationship breaks down because of the episodic and involuntary intermixing of cultures, grammars, and conventions of discourse, as we have seen in terms of thoroughgoing social breakdown and disorder resulting from the geographical dislocations of peoples as well as mass migrations, such as the *Völkerwanderung* that changed the face of Europe entirely from the late fourth through the eleventh centuries?

The political crisis and the representational crisis turn out to be conjugate and dependent variables with each one thoroughly interwoven with the other. The upshot is not only a new language and new expressions of *nomos*. This sudden, *disarticulation* of the reflexive relationship between "words and things" is experienced as what Foucault terms "heterotopia," an increasingly disjunctive or "deconstructive" method of dealing with and denoting what is the most familiar furniture of everyday reality.

In the political and social arena, such a disarticulation has profound practical consequences. It can easily be construed as strife and chaos.

II.

What we are witnessing today is not only the climax of a long-burgeoning crisis of liberal democracy itself but the tremors of a gigantic crackup of an international system of previously well-functioning ideals and values, which are as much cultural and political as they are economic. The global crisis of political democracy, therefore, emanates from the jumbling of categories used in the machinery of the most "sacred" referencing systems

¹ Michel Foucault, *The Order of Things* (New York Routledge, 20015), xiii.

that delineate fundamental world views and constitute the semiotic cement of human solidarity — the idioms of “justice,” the language of God, or the discursive norms for how we talk meaningfully about the “political” as a whole.

Everything is up for grabs. Multiculturalism, for example, undermines the sense of identity that hitherto had been the bedrock of national consciousness. Amid the so-called “clash of civilizations,” therefore, even so-called “human rights” are relativized and regarded merely as “Western.” They can be contrasted, for instance, with the “Islamic” take of what it means not only to be human, but also to have such “rights.” Instead, they are regarded as “colonial” or “Orientalist” constructs that must be unmasked as mere ideologies.

This new kind of taxonomy is in many ways, as Foucault has driven home to us, the outgrowth of a new philosophical sophistication about the strategic role of language. Just as Jacques Lacan took structural linguists and used it as a psychoanalytic boring device to lay bare the inevitability of scission, fracture, or “lack,” in the imagined unity of desire and enunciation, so Foucault was able to see through the subterfuge of formal logic and the belief in a “universal” structure of communication to demonstrate how the so-called “linguistic turn” in late modern philosophy was but a subtle testament to the long-brewing crisis of representation.

Foucault’s early explorations of the close relationship between history, language, and knowledge become his later semantic operating system for the analysis of post-industrial society. In essence, Foucault’s approach in such works as *The Archaeology of Knowledge* and *Madness and Civilization* morphed slowly into a powerful cultural-hermeneutical collection of tools for mapping and diagnosing the symptomatology of what has come to be known as “neoliberalism.”

The concept of neoliberalism is one that has arisen, especially since the end of the Cold War, as both a general economic descriptor and a quasi-political and critical-theoretical notion for explaining both the nature and effects of globalization. There is growing agreement among scholars that Foucault, in his lectures at the Collège de France delivered from the late 1970s to his death in 1984, was the first to identify the underlying forces and factors that we now know as neoliberalism.

During his slowly evolving historical study of the transition from what he called “the disciplinary society” to the advent of “biopower” Foucault deftly made us aware that the forms of social control and political authority in the post-industrial period cannot be merely reified as some kind of axis of “power/knowledge” without examining their *semiotic* makeup, that is, the way they function in a garden variety context as *interoperable sign-processes*. Even “economic” processes can no

longer be taken apart in the way they were in Marx's day as mere "dialectical" or *material* phenomena. They must be seen as modalities of *linguistic rule-making* which both precede and provide the final shape for the "objects" of political criticism and cultural change-making.

Why does any of the foregoing really matter? The last few months have been tumultuous and unnerving for the proverbial "global elites" who, according to the newly fashionable discourse, comprise the minions for what is alternately termed "international capitalism" or "neoliberalism." The nomination of Donald Trump for President of the United States and the shock of the Brexit vote in England have set off a squall line of on-the-spot, overwhelmingly reactive commentary all across the ideological spectrum, ranging from a newly vocal self-confidence on the part of what has come to be known as the "alt-right" (which one writer has defined as "a motley crew of sub-cultural political identities, [which] consists of the conservatives, identitarians, dissidents, radicals, outcasts, anarchists, libertarians, neo-reactionaries, and other curious political formations") to the kind of anti-egalitarian hysteria epitomized in James Traub's rant in *Foreign Policy* that "it's time for the elites to rise up against the masses."

At the same time, there have been tentative, and often fumbling, efforts to cast what is happening in more encompassing, analytical terms than merely slinging in the familiar, thought-stupefying clichés about dark, atavistic insurgencies fired by "racism" or "populism" or "nativism" or "nationalism" or even "fascism." Predictably, these diagnoses have been couched in the jargon of neo-liberal economism - wage stagnation, income inequality, the outsourcing of manufacturing, the domination of elections by "big money," insufficient government spending on education or job retraining, etc. And the "cultural" side of the equation, manifested in anti-immigrant sentiment among the working classes along with a supposed rejection of "global elites" and "cosmopolitanism," is routinely blamed on the inherent character defects of the insurgents themselves - their parochialism, their entitlement, their "white privilege," their ignorance, their social and moral backwardness, their susceptibility to demagoguery, and on and on.

The economic dislocations that are allegedly causing what French far-right party leader Marine LePen with signature bluster termed a "populist spring" (invoking obviously false analogies to what happened in the Middle East starting in 2011) have not all of a sudden become apparent, even to the "experts" or to the populace at large. They have been visible and full-blown since the financial crisis of 2008, and were even predicted by some savvy economic seers since the turn of the millennium. The conventional wisdom that it is the lack of "real income growth" since the Great Recession that has all at once amped up popular frustration belies a more subtle and diffuse structural dynamic within the global

order that these knee-jerk economicistic explanations are incapable of bringing to light.

Radicals and those who call themselves “progressives” these days are accustomed to laying the blame for the crises, injustices, and social and political dysfunctions of our time at the feet of two rough beasts that are alternately named as both “capitalism” and “neoliberalism.” Often, the two are rhetorically conflated as one. The problem with this conflation, as the key theoreticians of the latter such as Foucault and David Harvey have repeatedly showed us, is that the former, historically from Smith through Marx onward, has functioned largely, although not exclusively, as an economic construct, whereas the latter is a term saturated with various unrecognized political significations and hidden intentionalities, thus betraying its hybrid nature.

“Neoliberalism” is not a term that can be simply interchanged with “capitalism,” a word to which Marxism gave a kind of overdetermined meaning and which is becoming less and less useful as a descriptor, other than to name the obvious, a complex and expansive worldwide webwork of markets and financial mechanisms that power them.

Neoliberalism is really not about economics, but about *values*, (as I argued extensively in *Force of God*) instantiating them in almost invisible routines of symbolic exchange that have profound economic effects. The “economic” form of neoliberalism, as we are beginning to realize, is merely a contingent manifestation of what Foucault dubbed the biopolitical means of “governmentality.” Ever since Adam Smith, we have derived the familiar types of political organization from economic means of production and distribution (as implied in the eighteenth-century concept of “political economy”).

Thus, a productive analysis of neoliberalism requires in many ways, as Maurizio Lazzarato has made clear to us, an investigation into the value-sources of our social and economic condition — a good, old-fashioned, Nietzschean “genealogy of morals.” According to such theorists as Foucault, Harvey, and Lazzarato, neoliberalism (taking into account their different degrees of emphasis) amounts to a configuration of power relations in an expressive articulation of embedded social valuations which, in turn, frequently employ the rhetoric of economicism — and economic “well-being” — both to mask the reality of elite domination and to exploit the humane instincts of those who are dominated. In short, *homo neoliberalismus* only wears the colorful costumes of classical *homo economicus*.

Like Frank Baum’s Wizard of Oz, *homo neoliberalismus* is a grand illusionist who manipulates our willingness to be enchanted by what Nietzsche called the “highest values” to our ultimate servitude. Every historical form whereby this articulation is made manifest consists in what Foucault called a *dispositif*, an

"apparatus" whereby power, knowledge, discourse, and personal inclination are mobilized and intercalated to produce such a magic theater of signs, what Michael Lerner has termed without irony the "politics of meaning."

Neoliberalism is the munificent politics of personal meaning in the late era of consumer capitalism that masquerades as an old-style conservatorship of economic interest (consider the constant polemical sop of preserving the "middle class"), while relentlessly encumbering through an endless financialization of their private wherewithal and assets (credit cards, mortgages, student loans, taxes) that become the sole "property" of banks, hedge fund managers, and "crony capitalist" allies within government.

Just as the double-sided *dispositif* of the Middle Ages was the castle on the hill (protecting town and manor against the armies of rival feudal lords) and the cathedral (building thick stone fortifications to insulate the unity of the holy catholic faith against the wiles of the devil), and in the industrial era it was the factory with its concentration of productive power supposedly protecting the social order against want and idleness, in the twenty-first century it has become the corporate-university-financial-information complex, leveraging some of the most insidious and efficacious strategies of Foucauldian biopower to guarantee globally diverse populations not just the "democratic" delights of self-improvement and personal advancement, but a solid defense against all the terrors and predations that have gone before in human history.

These defenses are not merely virtual. They involve real weaponry, usually to protect whole populations as has been the case in large part of most Western military interventions since the 1950s. To quote Foucault: "Wars are no longer waged in the name of a sovereign who must be defended; they are waged on behalf of the existence of everyone."² The idea that wars can be fought simply for conquest, or to shield sovereignty from whatever threatens it for whatever reason, defers now to a conviction that blood and treasure must be expended only for higher, binding "humanitarian" moral purpose, to which the occasional United Nations interventions authorized by the Security Council consistently call our attention.

Kantian morality in its more diffuse and global-political guises becomes the subtle template for a new *universalistic* biopolitics rotating around the Foucauldian double axis of "power/knowledge." The same holds true for "domestic struggles" and the challenges of civil society where actual armaments are only deployed in the most extreme instances. The vast taxing, regulatory, and welfare apparatus of the state replaces classical *raison d'état*, and the new "governmentality" of

² Michel Foucault, *History of Sexuality I*, trans. Robert Hurley (New York: Random House, 1980), 137.

neoliberal biopower, whose coercion is primarily “discursive,” supplants the disciplinary systems of the moribund industrial order.

The power of “moral shaming” which in an earlier era was available only to political and social leadership with its privileged access to broadcast communications, now is extended to the masses through social media who, while believing themselves to be masters of their own opinions, dutifully carry out the “soft-coded” value imperatives of the neoliberal hegemony.

As Foucault so brilliantly brought to light in his Collège de France lectures, the advent of biopolitics in the modern age is the result of a long, sequestered, yet inexorable evolution of the valorization of what he calls the “pastorate” in Western culture. For Foucault, who relies more on Nietzsche than many of his current readers are wont to acknowledge, the pastorate are the custodians of what the latter famously dubbed the “moral-Christian” metaphysics that has suffused Western epistemology from Plato forward. The pastorate encrypts the real in terms of a signifying praxis of ethical responsibility for the lowly, the mediocre, and the ordinary, all the while elevating the “priestly” function of guilt assignment and assuaging in such a manner that curial power is perpetually reinforced and multiplied.

This kind of “revaluation” of values, which according to Nietzsche can be traced back to the Christian church in its earliest instantiations, elevates confession over innocent vitality, self-abnegation over self-affirmation, systemic social distributions of Hegel’s “unhappy consciousness” with its irremediable guilt psychology that are endlessly absolved and administered by way of spiritual triage by the pastorate itself. Foucault writes that from the late Middle Ages all the

...struggles that culminated in the Wars of Religion were fundamentally struggles over who would have the right to govern me, and to govern them in their daily life and in the details and materiality of their existence...This great battle of pastorship traversed the West from the thirteenth to the eighteenth century, and ultimately without ever getting rid of the pastorate.³

Once the promise of heaven dissolves into the various secular heterotopias for the “pursuit of happiness” from the Enlightenment onward, the pastoral oversight of spiritual credits and debits is transformed into the benevolent biopolitics of the liberal state.

In short, the battle for democracy, beginning with the English Revolution in the 1640s, was both an insurgency against the

³ Michel Foucault, *Security, Territory, Population: Lectures at the Collège de France 1977–1978* (New York: Picador, 2009), 149.

clerical “pastorate” as the proto-structure of biopolitics in the West and, at the same time, a campaign to install new mechanisms of biopower in the form of various “republics of virtue,” such as Cromwell’s Protectorate, Robespierre’s National Convention, and even Lincoln’s authoritarian redesign of the federal government around militant Christian nationalism during the American Civil War. Bismarck’s *Staatssozialismus*, though not an obvious example of democratic biopolitics, can be added to this list, inasmuch as it laid the groundwork for the full governmental *appareil* of the secular pastorate in the twentieth century.

III.

But what Foucault misses, according to Lazzarato in his analysis of the genesis of the biopolitical apparatus, is how the “virtuous” and “humanitarian” secular democratic state, which deliberately sought to replace the political imago of the Catholic church as the guarantor of what today we would term “social justice,” was founded on a grand economy of both debt and indenture. One can easily read Dostoevsky’s parable of the Grand Inquisitor in this manner.

Drawing his arguments from on-the-ground study of workers and employment trends, Lazzarato is perhaps the first, genuine critical theorist of the “knowledge-based economy.” Lazzarato has devised the notion of “immaterial labor” as the key instrument of exploitation throughout the neoliberal order. For Lazzarato, capitalism from its beginnings has always been founded on expropriation, i.e., “capture.” Whereas nineteenth century capitalism expropriated the labor of the working class, the post-industrial, neo-liberal order has expropriated the future financial capacities of Richard Florida’s new “creative class” through an ever-expanding apparatus of debt and financialization.

In his book *Governing By Debt*, Lazzarato describes the present-day private university – in particular, the American university – as the primal scene of exploitation in the same way the factory could be characterized in the nineteenth century. “In the production of knowledge,” Lazzarato writes, “class division no longer depends on the opposition between capitalists and wage-earners but on that between debtors and creditors. It is the model the capitalist elites would like to apply to all of society.”⁴ But this debt, which he calls the “debt of life,” is founded as well on a cultural and socio-psychological agency of capture which neoliberalism exploits quite effectively. Debt and guilt are interchangeable signifiers in this process, as the dual meaning, for example, of the German word *Schuld* implies.

⁴ Maurizio Lazzarato, *Governing By Debt*, trans. Joshua D. Jordan (New York: Semiotext(e), 2015), 66.

The university “expropriates” the individual self-worth as well as the financial assets of the new, highly educated “indentured servant,” which the neoliberal order simultaneously demands become a responsible “global citizen,” one who is constantly “sensitive,” self-conscious, and prepped to make amends for their privileged status vis-a-vis multitudes of disenfranchised “others” (while donating to grand political and social causes) through constant re-education, personal re-invention, and a willingness to sacrifice for the greater good in ways that ultimately benefit primarily the ruling elites of the world.

The uneducated – the now obsolete menial laborers who still inhabit the economically faltering knowledge societies – are cast as the moral scapegoats in the same way people of color were throughout the colonialist and industrial eras, as David H. Freedman notes in his caustic article in *The Atlantic* entitled “The War on Stupid People.” Because these “useless,” uneducated holdovers from a bygone era of industrial production have frequently retained the chauvinism and biases that were systematically employed to set them against other wage earners in previous generations, the same divide-and-conquer strategy has now been ruthlessly engineered by the neoliberal elites themselves to camouflage the reality of the new system of exploitation, which casts its net over peoples of all colors.

Just as Marx called religion the “opium” of the masses a century and a half ago, so excessive types of secular idealistic political crusading could in many instances be considered the heroin of the degreed classes. As various writers have emphasized in recent months, the promise of neoliberalism was always that worker sacrifices, including the breakup of unions, longer working hours, deferred employment through a commitment to higher education would “lift all boats,” as the saying went, and usher in a new era of productivity and prosperity. While productivity has increased, prosperity has not, and it is those who are the bottom of the economic food chain who are the ones who are showing the first, real signs of rebellion.

Although such an “economy” had been interwoven for centuries with the “pastorate” itself – a phenomenon which, when driven to excess by the Renaissance, popes helped to spark the Protestant Reformation – there was always within all variations of Christianity the built-in breaker of Jesus’ ethical and spiritual teachings of the Sermon on the Mount. In other words, the pastorate in its “cure” of bodies and souls was always compelled to temper the pain of debt with forgiveness. Secular biopolitics as the heir to the pastorate has never had such a constraint. In fact, according to Lazzarato, the biopolitics of the neoliberal order is incorporated at its very power centers on the dispensation, regulation, perpetuation, and discursive dissimulation of indebtedness.

In *The Making of Indebted Man*, Lazzarato shows how under neoliberalism the “subjectivity” of a caring society is alchemized through the magic of political rhetoric into a thoroughly instantiated and embedded system of personal liability and fief-like servitude. “It is debt and the creditor-debtor relationship that make up the subjective paradigm of modern-day capitalism, in which ‘labor’ is coupled with ‘work on the self,’ in which economic activity and the ethico-political activity of producing the subject go hand-in-hand.”⁵ Such “work on the self,” can be the entrepreneurial praxis of what in popular lingo is known as “self-help” and “motivational” training, which is usually geared to some kind of profitable economic enterprise.

That, of course, is not to be confused with Weber’s notion of a “worldly asceticism,” which characterized the Protestant ethic as the moral template for early merchant capitalism. The latter modality of “work on the self” was always, to employ Kant’s famous terminology, enjoined strictly by an “imperative of pure practical reason.” It had no utilitarian end in view whatsoever. It was what today we call “de-ontological.” It amounted to a striving for “holiness” and was purely soteriological.

In contrast, the neoliberal version of self-entrepreneurship never relied on any strategy of seeking after righteousness. It was always a quest for personal satisfaction. In a word, it was the groundplan, as Daniel Bell noted over a generation ago in his *Cultural Contradictions of Capitalism*, for a broad, socio-psychological shift from a morality of maximized productivity and deferred gratification to incentivized self-indulgence – i.e., the inverted “imperative” to consume which lubricates the wheelworks of consumer capitalism nowadays on a global scale.

IV.

In line with Harvey’s assessment it becomes easy to see that the imperative to consume cloaks itself in the “evaluative” patois of personal freedom, the very generative grammar of neoliberalism with its honey-tongued celebration of “rational actors” making choices that ultimately confirm the wisdom of “markets.”

But, as Lazzarato points out, “the debt economy is characterized not only by antiproduction but also by what we might call antidemocracy.”⁶ He cites the way in which the Greeks in the summer of 2015 were subjected to ferocious austerity measures by both the International Monetary Fund and the European Union. Harvey, a well-known historian as well as theoretician, stresses that neoliberalism was always a system of co-optation or, as Gilles Deleuze and Felix Guattari call it, an “apparatus of capture.” In a nutshell, neoliberalism has captured the moral passions and

⁵ Maurizio Larzzarato, *The Making of Indebted Man*, trans. Joshua D. Jordan (New York: Semiotext(e), 2012), 38.

⁶ Ibid., 158.

sentimentality of educated cultural progressives in the developed world to advance the causes of the new planetary “captains of industry.”

According to Harvey, neoliberalism was launched in the 1970s as a counterpunch by economic elites against the ascendancy of the “social state” in the postwar era that forced upon them income redistribution through taxation and the effective enfranchisement, for the first time, of organized labor. According to Harvey, “an open project around the restoration of economic power to a small elite would probably not gain much popular support. But a programmatic attempt to advance the cause of individual freedoms could appeal to a mass base and so disguise the drive to restore class power.”⁷

Neoliberalism picked up and preyed upon the street cries of political radicals for the loosening of restrictions by the state on moral behavior as well as more individual autonomy and “grass-roots” control of social and educational institutions. The ubiquitous New Left slogan of “freedom now,” expropriated from the traditions of Western liberal political economy itself, became the basis for what Nietzsche would call the “revaluation” of all organizational value-standards and norms for evaluation.

At the same time, it hybridized these libertarian proclivities with the newfound rage for “social justice,” building upon the realization among the swelling numbers of the college educated that the historic ideals of liberty and equality had been severely compromised by the concentration of state power since the early twentieth century. In Harvey’s words, “neoliberal rhetoric, with its foundational emphasis upon individual freedoms, has the power to split off libertarianism, identity politics, multiculturalism, and eventually narcissistic consumerism from the social forces ranged in pursuit of social justice through the conquest of state power.”⁸

The result, Harvey argues, was the creation of a new more “socially conscious,” meritocratic ruling class which, particularly after the collapse of Communism, employed various political “wedge issues” to gain political dominance and gradually economic hegemony, which became the adhesive for its new, expanding global empire.

The financial crisis of 2008 was indeed the output of predatory lending practices. But it was also promoted by both the Clinton and Bush administrations as a strategy for increasing home ownership among previously marginalized groups – a classic tactic of neoliberalism. The banks, which had sponsored this predatory lending, were immediately bailed out by the very government that had backed them (unlike in previous crises

⁷ David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2007), 40.

⁸ *Ibid.*, 41.

where financial institutions take the hit) under the pretext of forestalling the social chaos which its very practices had engendered.

Neoliberalism seduces with the promise of freedom, but ends up disenfranchising those who are caught up within it, while slapping on the irons of debt servitude. In the end, according to Lazzarato, it can only “govern the economy through drastic limits to democracy and a no less drastic drop in the expectations of the governed.”⁹ Lazzarato draws on the anthropology of Nietzsche to make the case that the substitution within the neoliberal order of the much-vaunted mechanism of exchange (so-called “democratic capitalism”) for the debt regime is the direct result of this seduction. There is no “zero point” from which economic relationships historically emanate. They all begin with initial conditions of dependency and domination.

The concept of economic exchange, mirroring the fiction of the social contract, assumes a voluntaristic set of primal social relationships, when in fact the universal, abject condition that Freud described as “hunger and love,” or basic need and extravagant desire, inevitably prevent the possibility of any original equilibrium as fantasized by the classical political economists. The neoliberal “social state,” which pretends to overcome all historical disequilibrium to the extent that it claims to regulate the means of production while distributing fairly and justly the fruits of collective labor, becomes a “total” system of “capture” – i.e., “expropriation” in the traditional, Marxian sense – of the lives and livelihoods of those who are inscribed within it. The cycle itself is self-reinforcing.

In *Governing By Debt*, Lazzarato argues that the “democratic” promise of future consumption by the neoliberal state betokens a crisis that “does not reveal a mere economic failure but rather a breakdown in the political relationship between appropriation, distribution, and production. Growth cannot pull us out of the crisis, only new principles of appropriation, ownership, and production can.”¹⁰ The growth of the system is inseparable from the growth of the state and its un-democratic machinery of capture.

Interestingly, Lazzarato, in the second chapter of *Governing By Debt*, singles out the American university as the ganglion of the neoliberal debt-capture-expropriation machine. He characterizes the university itself as “the model of the debt society.” According to Lazzarato, “the American student perfectly embodies the condition of the indebted man by serving as a paradigm for the conditions of subjectivation of the debt economy one finds throughout society.”¹¹ The fact that almost 70 percent of students graduating from American universities have financed their

⁹ Lazzarato, *The Making of Indebted Man*, 159.

¹⁰ Lazzarato, *Governing By Debt*, 56-7.

¹¹ *Governing By Debt*, 64.

education through loans, and many with enormous sums, means that even the most highly sought-after forms of employment are but glorified versions of nineteenth century menial labor where every day workers, as the old song goes, got “another day older and deeper in debt.”

The federal government, or the private banks whose student lending operations are secured by the government with no possibility of default, literally becomes the “company store” to which the worker owes his or her “soul.” As Lazzarato stresses, “students are indebted before entering the job market and stay indebted for life.”¹² But this conjuration of a new “universal” class of chattel where the master-slave relationship is no longer one of personal ownership, but a lifelong fealty toward the state itself does not arise from the traditional workings of indenture. “Students contract their debts by their own volition: they then quite literally become accountable for their lives and...they become managers.”¹³ They are not, as in the old paradigm of indenture, merely struggling to survive or feed their families.

They are challenged all the way from grade school onward to be all that they can be, to fulfill their lives by doing some greater public good – in Foucault’s terms, they are “entrepreneurs of the self” who believe they are commissioned to add value not only to their own lives, but to others. Unlike the monks of yore who took vows of poverty, chastity, and obedience, they are joyfully pledged instead to a life of indebtedness, profligacy, and self-seeking all the while under the powerful illusion that they are maximizing “human potential” while relying on the neoliberal state to establish justice.

“Capitalism,” as Marx and the earlier generations of political economists understood the word, was precisely the apparatus of the “capture” of the value of the worker’s labor in the guise of “surplus value” manifested in assembly line machinery, real estate housing factories, and of course the speculative price of tradeable securities. Marx, in many ways, did not deviate that much from the theoretical framework of figures such as Smith and Ricardo.

What distinguished “Marxism” in its earliest formulations was the recognition of the invidious fallacy of an economy founded simply on “exchange” and its epochal insight that capital accumulation means “expropriation,” a sophisticated strategy of re-conceiving Proudhon’s celebrated remark, derived from Rousseau, that “property is theft” as well as a cognizance that all economic relations are at even the most primitive level are the augmentation of a system of domination. The inevitable and merciless logic, therefore, of capital accumulation as the engine of

¹² *Governing By Debt*, 65.

¹³ *Governing By Debt*, 69.

class differentiation and class conflict in the nascent industrial age became the cornerstone of the Marxian dialectic.

But neoliberalism from the outset was, strictly speaking, a conscious effort to give capitalism a “human face” by mitigating the human exploitation and suffering Marx had so brilliantly diagnosed in the 1840s. At the same time, neoliberalism was from its inception a coup d’etat masquerading as “democratic” reform. Germany’s “iron chancellor,” Otto von Bismarck, was the one who first envisioned its basic “biopolitical” operating system, seeking to foil incipient proletarian rebellions with such innovations now taken for granted as rudimentary pensioning and the creation of the “common school.” The Great Depression forced the hand of Sozialstaat planners by requiring that similar kinds of anti-insurrectionary measures also be applied in the fiscal and monetary spheres.

John Maynard Keynes, whose grand designs were focused not on transcending but on “saving capitalism,” became therefore the shadow architect of neoliberalism with his revolutionary theories about regulating the business cycle in order to reduce economic risk and, especially, with his programs of artificially stimulating consumption in times of downturn through deficit spending. Although present day, pop-political economists such as Paul Krugman have emphatically denied the historical ties between Keynesianism and neoliberalism, the historical record speaks for itself.

The emerging consensus of historians of the Great Depression seems to be that the first tangible successes for Keynesian economics were registered not by the Western democracies, but by the National Socialists, thus cementing the dubious co-determination from World War II onward of prosperity and militarization in the rise of the proverbial “warfare-welfare state.”¹⁴ It is no accident that President Lyndon B. Johnson, the prime mover of the greatest military buildup since World War II was also the champion of the “Great Society.” However, it was the gross excess of warfare spending on the futile Vietnam adventure over a decade that overstimulated the economy and led to the runaway inflation of the 1970s which, according to Harvey, was the real occasion for the acquiescence to the policies of neoliberalism.

Ronald Reagan’s infamous “supply side” economic policies, though it was shot through with the polemics of classical economic theory, was actually the next major innovation in neoliberal “governmentality” by dint of its maintenance of the now permanently instantiated Keynesian stimulus to consumer spending from military outlays while privatizing many

¹⁴ See, for example, Narinder Singh’s penetrating article “Keynes and Hitler,” http://www.jstor.org/stable/4401913?seq=1#page_scan_tab_contents

government services, which began simultaneously the process of shifting income distribution away from the “middle class” toward corporate-government power brokers.

The belief that Reagan and his conservative successors somehow “reduced” federal hegemony throughout the economy is one of the greatest urban legends of the last quarter century. Reaganism merely re-allocated priorities. The same can be said of Obamaism from a different angle. According to Lazzarato, “neoliberalism represents a new stage in the union of capital and the state, of sovereignty and the market.”¹⁵ The transition from nineteenth century “liberalism” to nineteenth and twentieth (and twenty-first) century “neoliberalism” is nothing more than going “from wanting to govern as little as possible to wanting to govern everything.”¹⁶

The penchant to “govern everything” is built into the debt-driven demand system of neoliberalism, and it is the very leaven, according to Lazzarato, of the growing authoritarianism wherever the imposition of market economies once promised instead the expansion of human rights and personal freedoms. It is not accidental that the same word – i.e., “liberal” – used commonly to characterize state-directed moral “compassion” is the same word baked into the very term neoliberalism.

What distinguishes neoliberalism, as Lazzarato shows in an earlier work entitled *Signs and Machines*, is that it makes capitalism into a “semiotic operator” where real economic conflicts are suppressed by the machine-like processes of cultural differentiation that both forge imagined identities and foster endless divisions which are then “managed” by the purely discursive politics of the centralized state, including state-influenced media (i.e., what is loosely termed “identity politics”).

As Lazzarato observes, “enslavement does not operate through repression or ideology. It employs modeling and modulating techniques that bear on the ‘very spirit of life and human activity.’” Such “machinic enslavement” (as of “Truman show,” or Baudrillardian “hyperreality,” of unacknowledged associations, triggers, and extremely subtle moralizing prompts and cues) “formats the basic functioning of perceptive, sensory, affective, cognitive, and linguistic behavior.”¹⁷ In sum, neoliberalism captures through the barely perceptible codifying processes of ubiquitous “humanizing” education and media while formally indenturing through the financialization and indenturing of the demand that every “good citizen” commit to the “higher values” incarnated in the “soft” governance of the neoliberal state.

¹⁵ *Governing By Debt*, 94.

¹⁶ *Governing By Debt*, 95.

¹⁷ Maurizio Lazzarato, *Signs and Machines*, trans. Joshua D. Jordan (New York: Semiotext(e), 2014), 38.

In 1950, Carl Schmitt, the “grey eminence” and founder of the intellectual discipline we now have dubbed “political theology,” wrote in the aftermath of the catastrophe of the 1940s, just as the new “cold war” between the two superpowers of America and the Soviet Union was rapidly intensifying, that both a new geopolitic and what Deleuze would term a “geophilosophy” was emerging. Such a new global *episteme*, he argued, was the inexorable expression of the appearance of an unprecedented, new topography of value and meaning that radically redistributed the familiar signs and markers of both truth and power. Schmitt, in fact, anticipated by almost three decades Foucault’s observation in *The Birth of Biopolitics* that the formulation of the principles of law (*nomos*) are ensconced from the very beginning at the “site of truth.”¹⁸

Schmitt dubbed this new topography the “*nomos* of the earth.” “Every new age and every new epoch in the coexistence of peoples, empires, and countries, of rulers and power formations of every sort, is founded on new spatial divisions, new enclosures, and new spatial orders of the orders.”¹⁹ This spatial re-ordering cannot in any manner be factored out of the linguistic, or sign, systems employed to rationalize it. *Nomos* means “capture,” and the “enclosures” of labor, labor-value, life-value, and livelihood which these semiotic “machines,” as Lazzarato designates them, systematically carry out and determine how we will envision such a redesign of human relationships *in toto*.

Toward the end of *The Nomos of the Earth* Schmitt posits three possible outcomes in the gradual emergence of this new signifying topography.

The first would be outright the victory of the Western democratic *nomos* – what throughout the Cold War was somewhat tendentiously referred to as the “free world” – or, more darkly, the triumph of Soviet Communism. The second would be the “expansion” of the historically dominant European *nomos* that, according to Schmitt, began with the discovery of the Americas in the seventeenth century and now includes the United States. The third would be a “combination of several independent...blocs,” the so-called “multi-polar” international order that has been described since the fall of Communism as either an ideal or a nascent reality.²⁰

To a certain extent, all of these envisaged *nomoi* have simultaneously come to pass, but what Schmitt did not of course foresee was the way in which such a new “*nomos* of the earth” would be the product of digital communications technologies that

¹⁸ Michel Foucault, *Birth of Biopolitics: Lectures at the Collège de France* (New York: Picador, 2010), 38.

¹⁹ Carl Schmitt, *The Nomos of the Earth in the International Law of Jus Publicum Europaeum*, trans. G.L. Ulmen (Shortlands UK: Telos Publishing, 2006, 79.

²⁰ Ibid., 354-5.

would have been complete science fiction in 1950. Neoliberalism has become the current *nomos* of the earth, and it is not founded on the projection of military power and political influence so much as on the power to capture value through the machinery of sign-making.

What Kurt Appel has called the “new humanism” that challenges the false humanism of neoliberalism is the next item on our agenda.²¹ The kind of humanism Appel describes recognizes the fragility and abjectification of the *real* global condition of peoples who inhabit this *nomos*, while calling for a Christian theological as well as an ethical (in a Levinasian sense) commitment to pull back the Grand Wizard’s curtain so that the truth of our collective existence is finally exposed. It is not simply a matter of pointing to the fact that the emperor has no clothes.

It is the epochal discovery of what the Good Friday/Easter complex of radical *Existenz*-grounded signals of “truth” — what the theological literature has been accustomed to calling the “Christ event” — genuinely signifies in terms of what the New Testament Greek calls *parousia*, the revelation of the historically hidden power that brings empires crumbling to dust and raises the faithful to a new life in Christ.

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²¹ See Kurt Appel, *Preis der Sterblichkeit: Christentum und Neuer Humanismus* (Freiburg im Breisgau, Germany: Herder, 2015).