

## A PERMANENT ECONOMIC EMERGENCY: WHAT IS THE LEFT TO DO?<sup>1</sup>

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During this year's protests against the Eurozone's austerity measures—in Greece and, on a smaller scale, Ireland, Italy and Spain—two stories have imposed themselves. The predominant, establishment story proposes a de-politicized naturalization of the crisis: the regulatory measures are presented not as decisions grounded in political choices, but as the imperatives of a neutral financial logic—if we want our economies to stabilize, we simply have to swallow the bitter pill. The other story, that of the protesting workers, students and pensioners, would see the austerity measures as yet another attempt by international financial capital to dismantle the last remainders of the welfare state. The IMF (International Monetary Fund) thus appears from one perspective as a neutral agent of discipline and order, and from the other as the oppressive agent of global capital.

There is a moment of truth in both perspectives. One cannot miss the superego dimension in the way the IMF treats its client states—while scolding and punishing them for unpaid debts, it simultaneously offers them new loans, which everyone knows they will not be able to return, thus drawing them deeper into the vicious cycle of debt generating more debt. On the other hand, the reason this superego strategy works is that the borrowing state, fully aware that it will never really have to repay the full amount of the debt, hopes to profit from it in the last instance.

Yet while each story contains a grain of truth, both are fundamentally false. The European establishment's story obfuscates the fact that the huge deficits have been run up as a result of massive financial sector bail-outs, as well as by falling government revenues during the recession; the big loan to Athens will be used to repay Greek debt to the great French and German banks. The true aim of the EU guarantees is to help private banks since, if any of the Eurozone states goes bankrupt, they will be heavily hit. On the other hand, the protesters' story bears witness yet again to the misery of today's left: there is no positive programmatic content to its demands, just a generalized refusal to compromise the existing welfare state. The utopia here is not a radical change of the system, but the idea that one can maintain a welfare state *within* the system. Here, again, one should not miss the grain of truth in the countervailing argument: if we remain within the confines of the global capitalist system, then measures to wring further sums from workers, students and pensioners are, effectively, necessary.

One often hears that the true message of the Eurozone crisis is that not only the Euro, but the project of the united Europe itself is dead. But before endorsing this general statement, one should add a Leninist twist to it: Europe is dead—ok, but *which* Europe? The answer is: the post-political Europe of accommodation to the world market, the Europe which was repeatedly rejected at referendums, the Brussels technocratic-expert Europe. The Europe that presents itself as standing for cold European reason against Greek passion and corruption, for mathematics against pathos. But, utopian as it may appear, the space is still open for another Europe: a re-politicized Europe, founded on a shared emancipatory project; the Europe that gave birth to ancient Greek democracy, to the French and October Revolutions. This is why one should avoid the temptation to react to the ongoing financial crisis with a retreat to fully sovereign nation-states, easy prey for free-floating international capital, which can play one state against the other.

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More than ever, the reply to every crisis should be *more* internationalist and universalist than the universality of global capital.

## A New Period

One thing is clear: after decades of the welfare state, when cutbacks were relatively limited and came with the promise that things would soon return to normal, we are now entering a period in which a kind of economic state of emergency is becoming permanent: turning into a constant, a way of life. It brings with it the threat of far more savage austerity measures, cuts in benefits, diminishing health and education services and more precarious employment. The left faces the difficult task of emphasizing that we are dealing with *political* economy—that there is nothing ‘natural’ in such a crisis, that the existing global economic system relies on a series of political decisions—while simultaneously being fully aware that, insofar as we remain within the capitalist system, the violation of its rules effectively causes economic breakdown, since the system obeys a pseudo-natural logic of its own. So, although we are clearly entering a new phase of enhanced exploitation, rendered easier by the conditions of the global market (outsourcing, etc.), we should also bear in mind that this is imposed by the functioning of the system itself, always on the brink of financial collapse.

It would thus be futile merely to hope that the ongoing crisis will be limited and that European capitalism will continue to guarantee a relatively high standard of living for a growing number of people. It would indeed be a strange radical politics, whose main hope is that circumstances will continue to render it inoperative and marginal. It is against such reasoning that one has to read Badiou’s motto, *mieux vaut un désastre qu’un désêtre*: better a disaster than a non-being; one has to take the risk of fidelity to an Event, even if the Event ends up in ‘obscure disaster’. The best indicator of the left’s lack of trust in itself today is its fear of crisis. A true left takes a crisis seriously, without illusions. Its basic insight is that, although crises are painful and dangerous, they are inevitable, and that they are the terrain on which battles have to be waged and won. Which is why today, more than ever, Mao Zedong’s old motto is pertinent: ‘Everything under heaven is in utter chaos; the situation is excellent.’

There is no lack of anti-capitalists today. We are even witnessing an overload of critiques of capitalism’s horrors: newspaper investigations, tv reports and best-selling books abound on companies polluting our environment, corrupt bankers who continue to get fat bonuses while their firms are saved by public money, sweatshops where children work overtime. There is, however, a catch to all this criticism, ruthless as it may appear: what is as a rule not questioned is the liberal-democratic framework within which these excesses should be fought. The goal, explicit or implied, is to regulate capitalism—through the pressure of the media, parliamentary inquiries, harsher laws, honest police investigations—but never to question the liberal-democratic institutional mechanisms of the bourgeois state of law. This remains the sacred cow, which even the most radical forms of ‘ethical anti-capitalism’—the Porto Allegre World Social Forum, the Seattle movement—do not dare to touch.

## State and Class

It is here that Marx’s key insight remains valid, perhaps today more than ever. For Marx, the question of freedom should not be located primarily in the political sphere proper, as with the criteria the global financial institutions apply when they want to pronounce a judgment on a country—does it have free elections? Are the judges independent? Is the press free from hidden pressures? Are human rights respected? The key to actual freedom resides rather in the ‘apolitical’ network of social relations, from the market to the family, where the change needed

for effective improvement is not political reform, but a transformation in the social relations of production. We do not vote about who owns what, or about worker–management relations in a factory; all this is left to processes outside the sphere of the political. It is illusory to expect that one can effectively change things by ‘extending’ democracy into this sphere, say, by organizing ‘democratic’ banks under people’s control. Radical changes in this domain lie outside the sphere of legal rights. Such democratic procedures can, of course, have a positive role to play. But they remain part of the state apparatus of the bourgeoisie, whose purpose is to guarantee the undisturbed functioning of capitalist reproduction. In this precise sense, Badiou was right in his claim that the name of the ultimate enemy today is not capitalism, empire or exploitation, but democracy. It is the acceptance of ‘democratic mechanisms’ as the ultimate frame that prevents a radical transformation of capitalist relations.

Closely linked to the necessary de-fetishization of ‘democratic institutions’ is the de-fetishization of their negative counter-part: violence. For example, Badiou recently proposed exercising ‘defensive violence’ by means of building free domains at a distance from state power, subtracted from its reign (like the early Solidarnosc in Poland), and only resisting by force state attempts to crush and re-appropriate these ‘liberated zones’. The problem with this formula is that it relies on a deeply problematic distinction between the ‘normal’ functioning of the state apparatus and the ‘excessive’ exercise of state violence. But the ABC of Marxist notions of class struggle is the thesis that ‘peaceful’ social life is itself an expression of the (temporary) victory of one class—the ruling one. From the standpoint of the subordinated and oppressed, the very existence of the state, as an apparatus of class domination, is a fact of violence. Similarly, Robespierre argued that regicide is not justified by proving the King had committed any specific crime: the very existence of the King is a crime, an offence against the freedom of the people. In this strict sense, the use of force by the oppressed against the ruling class and its state is always ultimately ‘defensive’. If we do not concede this point, we *volens nolens* ‘normalize’ the state and accept its violence as merely a matter of contingent excesses. The standard liberal motto—that it is sometimes necessary to resort to violence, but it is never legitimate—is not sufficient. From the radical-emancipatory perspective, one should turn it around: for the oppressed, violence is always legitimate—since their very status is the result of violence—but never necessary: it is always a matter of strategic consideration whether to use force against the enemy or not.

In short, the topic of violence should be demystified. What was wrong with 20th-century Communism was not its resort to violence *per se*—the seizure of state power, the Civil War to maintain it—but the larger mode of functioning, which made this kind of resort to violence inevitable and legitimized: the Party as the instrument of historical necessity, and so on. In a note to the CIA, advising them on how to undermine the Allende government, Henry Kissinger wrote succinctly: ‘Make the economy scream’. Former US officials are openly admitting today that the same strategy is applied in Venezuela: former US Secretary of State Lawrence Eagleburger said of the Venezuelan economy on Fox News: ‘It’s the one weapon we have against [Chavez] to begin with, and which we should be using, namely the economic tools of trying to make the economy even worse, so that his appeal in the country and the region goes down’. In the current economic emergency, too, we are clearly not dealing with blind market processes but with highly organized, strategic interventions by states and financial institutions, intent on resolving the crisis on their own terms—and in such conditions, are not defensive counter-measures in order?

These considerations cannot but shatter the comfortable subjective position of radical intellectuals, even as they continue their mental exercises so relished throughout the 20th century: the urge to ‘catastrophize’ political situations. Adorno and Horkheimer saw catastrophe in the culmination of the ‘dialectic of enlightenment’ in the ‘administered world’; Giorgio Agamben defined the 20th-century concentration camps as the ‘truth’ of the entire Western

political project. But recall the figure of Horkheimer in West Germany of the 1950s. While denouncing the ‘eclipse of reason’ in the modern Western society of consumption, he simultaneously defended this same society as the sole island of freedom in a sea of totalitarianisms and corrupt dictatorships. What if, in truth, intellectuals lead basically safe and comfortable lives, and in order to justify their livelihoods, construct scenarios of radical catastrophe? For many, no doubt, if a revolution is taking place, it should occur at a safe distance—Cuba, Nicaragua, Venezuela—so that, while their hearts are warmed by thinking about faraway events, they can go on promoting their careers. But with the current collapse of properly functioning welfare states in the advanced-industrial economies, radical intellectuals may be now approaching a moment of truth when they must make such clarifications: they wanted real change—now they can have it... .

....In the domain of socio-economic relations, our era perceives itself as the age of maturity in which humanity has abandoned the old millenarian utopian dreams and accepted the constraints of reality—read: capitalist socio-economic reality—with all its impossibilities. The commandment you cannot is its *mot d’ordre*: you cannot engage in large collective acts, which necessarily end in totalitarian terror; you cannot cling to the old welfare state, it makes you non-competitive and leads to economic crisis; you cannot isolate yourself from the global market, without falling prey to the spectre of North Korean *juche*. In its ideological version, ecology also adds its own list of impossibilities, so-called threshold values—no more than two degrees of global warming—based on ‘expert opinions’.

It is crucial to distinguish here between two impossibilities: the impossible-real of a social antagonism, and the ‘impossibility’ on which the predominant ideological field focuses. Impossibility is here redoubled, it serves as a mask of itself: that is, the ideological function of the second impossibility is to obfuscate the real of the first. Today, the ruling ideology endeavours to make us accept the ‘impossibility’ of radical change, of abolishing capitalism, of a democracy not reduced to a corrupt parliamentary game, in order to render invisible the impossible-real of the antagonism that cuts across capitalist societies. This real is ‘impossible’ in the sense that it is the impossible of the existing social order, its constitutive antagonism; which is not to imply that this impossible-real cannot be directly dealt with, or radically transformed.

This is why Lacan’s formula for overcoming an ideological impossibility is not ‘everything is possible’, but ‘the impossible happens’. The Lacanian impossible-real is not an *a priori* limitation, which needs to be realistically taken into account, but the domain of action. An act is more than an intervention into the domain of the possible—an act changes the very coordinates of what is possible and thus retroactively creates its own conditions of possibility. This is why communism also concerns the real: to act as a communist means to intervene into the real of the basic antagonism which underlies today’s global capitalism.

## **Freedoms?**

But the question persists: what does such a programmatic statement about doing the impossible amount to, when we are confronted with an empirical impossibility: the fiasco of communism as an idea able to mobilize large masses? Two years before his death, when it became clear that there would be no all-European revolution, and knowing the idea of building socialism in one country to be nonsense, Lenin wrote:

*“What if the complete hopelessness of the situation, by stimulating the efforts of the workers and peasants tenfold, offered us the opportunity to create the fundamental requisites of civilization in a different way from that of the West European countries?”<sup>2</sup>*

Has this not been the predicament of the Morales government in Bolivia, of the Chavez government in Venezuela, of the Maoist government in Nepal? They came to power through ‘fair’ democratic elections, not through insurrection. But once in power, they exerted it in a way which is partially, at least, ‘non-statal’: directly mobilizing their supporters, by-passing the party–state representative network. Their situation is ‘objectively’ hopeless: the whole drift of history is basically against them, they cannot rely on any ‘objective tendencies’ pushing in their way, all they can do is to improvise, do what they can in a desperate situation. But, nonetheless, does this not give them a unique freedom? And are we—today’s left—not all in exactly the same situation?

Ours is thus the very opposite of the classical early 20th-century situation, in which the left knew what had to be done (establish the dictatorship of the proletariat), but had to wait patiently for the proper moment of execution. Today we do not know what we have to do, but we have to act now, because the consequence of non-action could be disastrous. We will be forced to live ‘as if we were free’. We will have to risk taking steps into the abyss, in totally inappropriate situations; we will have to reinvent aspects of the new, just to keep the machinery going and maintain what was good in the old—education, healthcare, basic social services. In short, our situation is like what Stalin said about the atom bomb: not for those with weak nerves. Or as Gramsci said, characterizing the epoch that began with the First World War, ‘the old world is dying, and the new world struggles to be born: now is the time of monsters’.

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<sup>2</sup> V. I. Lenin, ‘Our Revolution’ [1923], in *Collected Works*, vol. 33, Moscow 1966, p. 479.