

Ships in the Night: A Reply to Boris Frankel

During a recent discussion at the Arena Centre where Boris and I outlined contrasting accounts of the nature of the economy today, someone commented: 'This discussion troubles me because I can agree with both of you!' While I am not about to agree with what Boris has argued in his comment on my article, it is fruitful to reflect on the reasons for this apparent paradox. How could two papers which were saying such different things be taken up in a way which seemed to allow agreement with both?

Although we both claim to be speaking about the Australian economy, the argument could be made that we take hold of it in such radically different ways that it might as well be regarded as a different object. Thus any possible relation between one way of speaking about the economy and the other is so unclear that the two arguments pass each other in the night and one can feel that both are plausible. Boris obviously does not think it should be possible to have such an 'agreement' and neither do I. But the onus is on us to clarify the differences further if it is to be possible to exchange views and criticisms and move towards some consensus on the disastrous condition of the economy today. For it is what this economic collapse means and how, if at all, it relates to recent social transformations which are the critical issues. We must keep that in the foreground of our arguments.

After all, we now face unemployment at its highest level since the 1930s with no convincing signs of recovery; youth unemployment and educational pressure on young people at crisis levels sufficient to place under threat the relation of the generations; and, within the employed sector, social differentiations which in effect wipe out much of the middle-range of occupations and incomes. Bankruptcies are at record highs, foreclosures on housing mortgages are rife, homelessness is becoming a way of life for many families, not to mention our youth. Suicides are rising, drug cultures strengthen their hold on those who experience a crisis of meaning. *This is a major structural crisis.* In my view it is unprecedented and requires novel interpretations if it is to have an appropriate response. As Boris sees it, there are some novel features in the situation but by and large modern political economy is able to do the job.

My problem is that I am asking those who are interested in these questions to take a step back from the economy as we have previously viewed it before interpreting it, *because the economy is now framed by processes which radically change its meaning*. In particular, these framing processes — for example, the changed mode of personal formation or the revolution in how we relate to nature through intellectual technique — redefine and deepen the nature of the crisis which now confronts us. Reading Boris's comment, I would say that one line of difference between us, which runs deeper than the particular disagreements he writes of, is that he sees no point in engaging these framing processes. Consequently, claims that I make, which rely for their meaning on stepping outside of the economy as previously conceived, are normalized by placing those same claims within the familiar categories of political economy. Let me try to go into this for it lies at the heart of the abovementioned tendency to speak past each other. But it must be emphasized that there is no suggestion here of intention by Boris or myself to sidestep this or that view: to the best of my knowledge I am trying to speak of two different frames of interpretation which give different meanings to the same events and in part bring into represented reality different events. I will give three examples of this kind of 'disagreement' before dealing with some other comments made by Boris.

The first example relates to the way the information revolution, or high technology, is typically given recognition within political economy. By and large it is studied as if it were merely another form of technology. This is to say its effects are studied but there is no conceptual framework which could lead one to give the information revolution special meanings. Even political economists who put a fair emphasis upon the significance of high technology — Michel Aglietta, the theorist who initiated and theorized the Fordist/neo-Fordist debate for example — do so in this 'empirical' manner. Boris repeats this view in his fleeting references to the 'new technologies' and the emergence of the global market; he assumes that their meaning is readily available, given the categories of political economy, and so he can readily move on to the next point. He does not see that here is a development which forces us to think of economy quite differently, and why should he if his categories do not signal a cultural break in the way in which we now take hold of nature?

Political economy has always taken technology as a given. It is not that it does not anticipate technological change but it recognizes it at the point of its materialization within the productive process. What this leaves completely unexplored are the structural processes, and their meanings, associated with the development of

high-tech. And for high technology, as opposed to earlier forms of technology, this is a fateful absence in political economic method. For these meanings cannot be grasped without some way of exploring the role and the nature of the social practice of the intellectual culture in the emergence and continued elaboration of high-tech.

It is not only a question of whether the intellectual culture and its related groupings, the intellectually trained, have gained a place of significance in the social structure which is no longer comparable with the social settings known by Karl Marx or Adam Smith. Important as this may be, it can only be recognized in its full significance if the productive technique of the intellectually trained can be seen to be an expression of an intellectual mode of social relation of a type never systematically engaged with production in the past. And one of the keys to whether it is worth referring to a postmodern economy, or some such way of marking off today's economic setting from the modern one, is the way in which an extended mode of social relation carried by the intellectual culture — one which valorizes social relations which are technologically mediated — is carried over into the communications revolution and there contributes to the remaking of the fundamentals of the social structure. These relations, which do not seem like relations at all because they do not require the presence of the other, are now enormously powerful in relation to markets, modes of production and life settings. The means of extension have themselves been revolutionized: they are no longer predominantly the printed word, but media of image and information.

In a setting where such structured processes dominate in an instrumental mode, there is a tendency to give no significance to the embodied presence of the other, nor to a nature available to the senses: from the standpoint of production, the emergent logic is a framing of production by the intellectually trained and their extended productive technique (which takes nature apart at a level not available to the senses and begins to displace the tangible productive labour force). The market and general social settings are also radically extended by the emergence of the media which draw us into a new balance between abstract and more tangible social relations.

These are not matters appropriate to theoretical nicety. They are not embroidery to be brushed aside, for they lie at the core of any answer to Boris's question of just what is different about a postmodern logic. They also strike right at the heart of what constitutes an appropriate practical response to our crisis for, as I will argue below, without an interpretation able to give some such significance to the information revolution, it is not possible to see

how it carries a new level of contradiction implicit in the contemporary crisis.

The second example is an amplification of the first. In his comment, Boris is of the view that I do not give enough attention to processes of accumulation in today's settings. This may well be so for, in my article, I was preoccupied with the nature of the market in order to rethink theories of economic rationality. Even so, when Boris denies 'that the accumulation process of the "modern market" has been rendered obsolete', he has a particular concern in mind which is a misreading of my argument. What Boris argues here is the continuation of manufacturing in the period of what I was referring to as postmodern economy. The example he uses is that of Germany and other European countries where manufacturing has boomed during the past decade despite the tidal wave of postmodern culture. Indeed this criticism of my argument is simultaneously a criticism of Habermas and Wellmer who have argued that 'Marx's concept of class and the theory of value had lost their usefulness as science and technology had become the decisive productive force'. And they begin to speak of new contradictions such as the control of the 'subject' through chemical means by drawing on the sciences.

Here Boris's emphasis on manufacturing suggests that I was associating the information revolution with a post-industrial service economy. Far from wishing to deny the possibility of a manufacturing boom, I am wanting to emphasize that while manufacturing may boom, it is on different terms to earlier booms. And these terms to my mind are the critical issue. It is not my argument that modern accumulation processes disappear; only that they are now dominated by processes which frame the productive process such that modern accumulation is assumed, in a transformed mode, within postmodern accumulation. Increasingly manufacturing is framed by the 'labour' of the intellectually trained, framed by processes outside the concerns of classical political economy. I have in mind here the rise of 'intellectual capital', national research strategies and high technology in industry; the new significance of the intellectually trained in industrial strategy and of intellectual training as the dominant mode within training for work. The need for workers engaged in concrete tasks begins to wane while the total number of people in employment also begins to contract. And if this is the effect, no level of manufacturing boom will alter the crisis this transformation carries for Marx's theory of class and his labour theory of value. For a grounding assumption of the labour theory of value — that the practical producer of the commodity, who gives expression to both mental and manual capacities, is the normative focus of political practice

— can no longer hold *in a taken for granted way*. It was an essentialist assumption and is now contradicted practically by historical change.

Yet the Habermasian critique, which refers to the heightened significance of science and technology, is much too ready to simply abandon the normative assumptions of a labour theory of value. To reconstruct those assumptions in the light of a major transformation — an approach I would wish to defend — can be a rather different process to one which works within terms which can give no significance to the labour of the hand. Not only does Habermas abandon a social account of the processes at work, he also has no account which can give sufficient value to the rounded expression of human capacities including those of the body in work. It is not that he does not touch on real possibilities when he speaks of cultural contradictions which will deny all subjectivity, but these are long-term tendencies abstracted from any tangible sense of social and cultural choice or the nature of the social strata which gain privilege in contemporary social settings. This has significant consequences for politics. While it is my argument that some major rethinking is in order, Boris misses the mark in trying to place my approach within that of Habermas.

The third example of where, it seems to me, we talk past each other is with reference to the postmodern market itself. Boris agrees that new technologies and the media have led to a different form of the market: they have 'extended the market into family and other spheres'. The question is what significance is one to give this. My view is that Boris normalizes it whereas if there is any aspect of political economy which needs to be radically re-crafted it is the way in which it handles the question of consumption.

If one reads Karl Marx and Adam Smith one is struck by the way in which consumption is treated as a process which is to be taken for granted or one which places constraints on production from time to time but is not a matter of special interest. Aglietta, in his work on Fordism and neo-Fordism, takes some important steps away from this tendency but still allows his observations to be drawn back into a modified political economy. The reason for this attitude towards consumption is that one's sense of need is typically structured by cultural orientations and settings which are beyond the realm of the economic itself. The culture is taken for granted; what is contested are the relations of production.

And this is to say that this background setting is essentialized by political economy. In other words Adam Smith and Karl Marx are open to the charge of essentialism in that they assumed certain kinds of background conditions in their analyses of the economy. They both treated the system of production and the market as

relatively discrete from the settings of intellectual inquiry and labour formation. If one takes a theme like solidarity, which has been so important in left labour movement politics, it can be argued that whatever solidarity (or co-operation) one found in the productive enterprises was partly a consequence of the mode of co-operation necessary in production, *partly a consequence of settings of self-formation* which took a relatively co-operative or solidaristic form. If Smith or Marx could reasonably take these background conditions for granted, to assume them beyond the circumstances of their time is essentialist. This is 'clear' to us today because our settings are different.

The market today, which I ventured to call a postmodern market, is framed by processes which are generated in the new relation between the intellectually trained and the social structure. The new technologies, as noted earlier, extend the reach of the market into a more developed form of globalism and they speed up the processes of exchange enormously. But, most crucially, this market no longer takes for granted certain consumption dispositions set within processes of self-formation which are unavailable to it. The market enters into the process of self-formation, facilitated by the techniques generated by technologized image, and sets in motion consumption desire. It engenders self-other relations which are fleeting and are in the model of the fetish.

This then is a development which is concealed by a mere reference to the extension of the market into the family. We are speaking here of an emergent cultural formation which transforms the meaning of economy. The market no longer stands relatively differentiated from formative settings; it has a technique which increasingly takes the form of domination. There is a need for people with a certain creative flair, people who can engage in those creative processes which frame up the 'retailing of style'. This in turn generates a need for a 'generic cultural skill', not unlike the generic productive skills implied by 'flexible skilling', which allows one not to be caught in any one style: the technique of choosing between styles. Thus the intellectually trained, the carriers of such techniques, typically staff key positions which facilitate the cultural lifestyle.

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While I do not really think that this argument is 'impressionistic', as Boris has put it, I am very willing to concede that it is by no means in a fully developed form. It does have a structure, it draws into the foreground a set of interrelations rather than 'lists' of concerns but, most of all, if it is to take up such issues as the theory of value or of the state, it needs to be developed further. As it stands it does appear to conflict fairly strongly with Boris's

account of the nature of the present crisis. I will now concentrate on these matters.

Boris's view of the crisis in Australia is a dual one. Firstly, he argues that the restructuring aspects of the crisis are best seen in terms of a lag behind Europe which experienced this restructuring twenty years ago. That there has been a lag is probably true, but I am not inclined to give it too much emphasis in the interpretation of the crisis because an engagement with the framing processes spoken of above pushes the temporary difficulties implied by Boris into the background. An emphasis on lags would ignore how the nature of the restructuring process draws us into long-term contradictions, some of which are in the forefront of the crisis today. Moreover, when a country throws off the effects of such a lag, it typically faces the full force of the logic of 'modernizing' processes. And at this point local processes intersect with international ones. In this sense one can argue that a Laurie Carmichael represents the most advanced view of the logic of the new, dominant setting and will accordingly engender the most advanced form of the contradictions carried by that setting.

Having 'disposed' of the significance of the restructuring process in the crisis in Australia, except in terms of a temporary upheaval, Boris then acknowledges that the situation is serious indeed, that it is international, but that we can grasp it sufficiently by reference to a '1930s-style bust rather than a postmodern crisis. State governments are near bankrupt, private investment has slumped and mass unemployment will inhibit postmodern forms of extravagant consumption'. There is no disagreement between us about the matters he mentions as far as he goes. One might say a depression is a depression. Yet to do so is to adopt an interpretation which turns potential critics of society away from the Left. The way in which the categories of political economy appear to account for the present crisis as it materializes within various economic and political institutions is actually a problem, for they can only do so by ignoring those novel developments which are crucial if contemporary sensibilities are to be engaged.

For example, that the crisis of the state and the level of bankruptcies will dampen 'postmodern consumption' is surely true, but this view in no way engages the depth of the personal crisis which such relationships now imply. Where the constitution of persons as fleeting other through the revolution of image leaves them disposed towards consumption as a cultural quest intersects with a crisis of the social structure which can no longer provide the settings of material provision, the crisis is no longer an economic one as previously understood. For in these circumstances people have not only lost the food, shelter and clothing needed for a

decent existence, they have been drawn into social relations of a kind which, by and large, radically diminish those tangible others to which they can turn for emotional support, co-operative action or politics. And if one places the emphasis here on the state rather than the person, one can also see why it has become so difficult for the state to manage consumption and debt, for our desired relations drive us towards consumption and debt for 'reasonable' living. Facilitated by the enhancement of markets made possible by the communications revolution, we constructed a bubble on a world scale which is still a long way from having passed through the phases of painful contraction which follow every money boom. We have not even yet had to cope with the collapse, in Japan, of what may well turn out to be the most significant example of ecstatic consumption in human history.

Nor is it sufficient, as I see it, to speak of unemployment as though our present experience is comparable to the 1930s in any straightforward way. It is a reference which is far too gross to engage with what is happening. Of course, unemployment is at levels which are shocking but any notion of a 'bust' needs to be related to the specific mode of contraction into which our changed social setting has carried us. There are general features in any process of contraction which must be kept in mind, but the way our depression gains its character from the earlier phase of expansion is crucial for politics today. After all, the 1930s depression had a socialist movement which held up an alternative political direction; our setting has so changed, by virtue of what has been regarded as 'development', that such alternatives no longer engage contemporary sensibilities and have lost all credibility. If we are to touch those who are 'unemployed' we must find a way of speaking about how *this* society with *these* cultural assumptions is drawn in the direction of lifetime social redundancy for growing numbers of people, especially the industrial working class, because of the logic of high technology and the movement into social prominence of the intellectually trained. If we are to touch those confused young people who suddenly find that there is no alternative to even more education if they are temporarily to avoid the streets, or those sectors of 'middle Australia' who find that vast numbers of middle-income jobs are being cast aside, producing thereby a radical dualism within the employed sector, the way in which our depression gained its social shape from our phases of expansion is the crucial question. It is the nature of the emergent society and related social strata, its distinctive productive modes and cultural orientations, and the ways in which these generate new forms of contradiction which must be our concern if we are to make a politics out of such a question.

John Hinkson