

Appendix

Nothing will Ever be the same

Ten thesis on the financial crisis*

Uninomade

UNINOMADE IS A NETWORK COM-
PRISED OF MILI-
TANTS, SCHOLARS,
RESEACHERS, STU-
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UNINOMADE HAS
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SITY, COMMON. THE
GROUP HAS ALSO
PUBLISHED SEVERAL
BOOKS: *GUERRA
E DEMOCRAZIA*
(MANIFESTOLIBRI,
2005) AND *CRISI
DELL'ECONOMIA
GLOBALE. MERCATI FI-
NANZIARI, LOTTE SO-
CIALI E NUOVI SCENA-
TI POLITICI* (OMBRE
CORTE, 2009), AND
SOON AVAIBLE IN
ENGLISH TRANSALA-
TION, *CRISIS IN THE
GLOBAL ECONOMY:
FINANCIAL MARKETS,
SOCIAL STRUGGLES,
AND NEW POLITI-
CAL SCENARIOS*
(SEMIOTEXT(E), 2010)

THESIS 1. THE CURRENT FINANCIAL CRISIS IS A CRISIS OF THE WHOLE CAPITALISTIC SYSTEM

The current financial crisis is a systemic crisis. It is the crisis of the whole capitalistic system as it has been developing since the 1990s. This is dependant on the fact that the financial markets today are the pulsing heart of cognitive capitalism. They finance the activity of accumulation: the liquidity attracted to the financial markets rewards the restructuring of production aimed at exploiting knowledges and the control of spaces external to traditional business.

Furthermore, thanks to the distribution of capital gain, financial markets play the same role in the economic system that the Keynesian multiplier (activated by deficit spending) did in the context of Fordism. However--unlike the classic Keynesian multiplier--this leads to a distorted redistribution of revenue. So that such multiplier is operative (> 1) it is necessary that the financial base (i.e. the extension of financial markets) constantly grows and that the matured capital gain is on average higher than the average wage depreciation (that, since 1975, has been about 20%). On the other hand, revenue polarisation increases the risk of debt insolvency which is at the base of the growth of that same financial foundation and lowers the median wage. Here is a first contradiction whose effects are visible today.

Thirdly, financial markets forcefully redirecting growing parts of labour revenues (like severance pay and social security, other than revenues that, through the social state, are translated into state health programs and institutions of public education) substitute the state as the main provider of social securities and welfare. From this point of view, they represent the privatisation of the reproductive sphere of life. They therefore exercise biopower.

The financial crisis is consequently a crisis of the structure of the current capitalistic biopower.

Lastly, the financial markets are the place where capitalist valorisation is fixed today, which is to say the exploitation of social cooperation and the rent from general intellect (cf. Thesis 2).

On the basis of these considerations, it is necessary to understand the difficulty in separating the real sphere from the financial one. Proof of this is the effective impossibility of distinguishing the profits from financial rent (cf. Thesis 8).

THESIS 2. THE CURRENT FINANCIAL CRISIS IS A CRISIS OF THE MEASUREMENT OF CAPITALISTIC VALORISATION

With the advent of cognitive capitalism, the process of valorisation loses all quantitative measuring units connected with material production. Such measurements were in some way defined by the content of labour necessary for the production of merchandise, measurable based on the tangibility of production and on the time necessary for production. With the advent of cognitive capitalism, valorisation tends to be triggered in different forms of labour that cut the effectively certified work hours to increasingly coincide with the overall time of life. Today, the value of labour is at the base of capitalistic accumulation and is also the value of knowledge, affects and relationships, of the imaginary and the symbolic. The result of these biopolitical transformations is the crisis of the traditional measurement of labour-value and with it the crisis of the profit-form. A possible 'capitalistic' solution was measuring the exploitation of social cooperation and general intellect through the dynamics of market values. In this way, profit is transformed into rent and the financial markets became the place where labour-value was determined, transformed into a financial-value which is nothing other than the subjective expression of the expectations for future profits generated by financial markets that, in this way, lay claim to rent. The current financial crisis marks the end of the illusion that financing can constitute a unit of measurement for labour, at least in contemporary capitalism's current failure in cognitive governance. Consequently, the financial crisis is also a crisis of capitalistic valorisation.

THESIS 3. THE CRISIS IS THE HORIZON OF DEVELOPMENT FOR COGNITIVE CAPITALISM

Traditionally, the phenomena of crisis in the world of capitalistic production were classified in two main categories: crises that are derived from the exhaustion of a historical phase which represented the conditions to open a potential perspective of change, and crises that come about as a consequence to a change in the historical phase of the new socioeconomic paradigm that arduously tries to impose itself. The first case has been called 'crisis of saturation', while the second a 'crisis of growth'.

Following this model, the current crisis could be defined, unlike the one in the '70s and in the same way as the one in 1929, as a 'crisis of growth'. It finds its harbingers at the beginning of the '90s, when the characteristics of cognitive capitalism began to configure themselves and the last phase of the crisis in the Fordist-Taylorist paradigm (or 'post-Fordism') was brought to an end.

In fact, ever since the second half of the '70s the irreversible crisis of the Fordist-Taylorist paradigm, founded on the productive model of the large company and Keynesian policies born from the 1929 crisis and the Second World War, has been developing.

During the '80s, in the so-called post-Fordist period, there were different social and productive models that precluded the surmounting of Fordism without, however, being able to establish a dominant and hegemonic paradigm.

At the beginning of the '90s, after the financial crack in 1987 and the 1991-1992 economic recession (alternating with the fall of the Berlin Wall and the first Gulf War), the new paradigm of cognitive capitalism began to unravel itself with all its contemporary force and instability. The role of the financial markets, together with the transformations in production and labour, were redefined in this context, while the role of the nation-state and Keynesian welfare were structurally modified; this meant the decline of forms of public intervention as we had known them in the preceding historical stage.

Today's financial crisis, which follows other crises that have taken place in the last fifteen years, systematically and structurally highlights the inconsistency of the regulatory mechanism of accumulation and distribution that, up until now, cognitive capitalism has tried to give itself.

Let it be clear, however, that talking about the current crisis in terms of 'crisis of growth' does not mean in any way advocating the 'automatic' triumph of the present phase in a positive and socially satisfying way. At the moment, in fact, not only it is still impossible to recognise an exit strategy for such crisis, but the very nature of crisis itself is changing. It is no longer limited, if it ever was, to a descendent phase of the economic cycle in linear relation to the development that preceded it and the struggles that follow it. In the case of 1929, the crisis was overcome with the Fordist regulation paradigm thanks to the New Deal and the Second World War. Today (cf. Thesis 9), such a perspective cannot be given. Where capitalistic accumulation is reproduced in the subsumption of the common, the crisis becomes, in fact, a permanent process. In this framework, the very category of economic cycle should be radically rethought, in the light of the transformations in labour, the impossibility for capital to organise the productive cycle a priori and the shifts of the spatial-temporal coordinates determined by globalisation. The occurrence of economic-financial crises in such a brief time span (from the East-Asian crisis of '97, to the fall of the Nasdaq in 2000, up to the crisis of the debt system and subprime loans, to name but a few), making the reconstruction of the cyclic dynamics--even if only ex-post--impossible, demonstrates this fact. This means that many roads are open. It is up to the will of transformation and social movements' political action to choose the right one.

THESIS 4. THE FINANCIAL CRISIS IS A CRISIS OF BIOPOLITICAL CONTROL--A CRISIS OF GOVERNANCE THAT DEMONSTRATES A SYSTEMIC STRUCTURAL INSTABILITY

The current financial crisis demonstrates that an institutional governance of the processes of accumulation and distribution founded on finance is not possible. The (ex-post) attempts at gover-

nance that have been launched in the last few months are hardly able to affect the crisis under-way. It couldn't be otherwise if one considers that the BIS (Bank for International Settlements) estimates the value of derivatives in circulation at about \$556 trillion (equal to 11 times the world GDP). Over the course of last year, this value was reduced by over 40%, destroying more than \$200 trillion in liquidity. Once more, toxic assets circulate according to a 'viral' modality, and it is literally impossible to know where they are nesting.

The monetary interventions of the injection of new liquidity carried out worldwide until now do not amount to more than \$5 million: a mere drop in the ocean of value, a sum structurally insufficient to compensate for the losses and invert the tendency to decline. What follows is that the only possible political governance is to attempt to modify the climate of trust, or rather, act on languages and conventions, in full respect of those institutions, real and/or virtual organisations that are able to dynamically influence the so-called 'public opinion'. Nevertheless, against an 'excess' of the effective weight of the crisis, which is not quantifiable even for the operators most intimate to financial market dynamics, thinking to stigmatise fraudulent behaviours or to inject doses of trust seems completely inadequate and impracticable.

Hence the crisis of governance is not only a 'technical' crisis but also, most importantly, a 'political' crisis. We have already seen (in Thesis 1) that the condition for financial markets to be able to support phases of expansion and real growth is a constant increase of the financial base. In other words, it is necessary that the share of global wealth redirected toward financial markets continually grows. This implies a continuous increase in the relations between debt and credit, either through the increase of the number of people in debt (the degree of financial market extension) or through the construction of new financial instruments that feed on pre-existing financial exchanges (the degree of intensity of the financial markets). Derivative products are a classic example of this second modality of expansion of the same financial markets. Whatever the factors taken into consideration, the expansion of financial markets is necessarily accompanied by both the increase in debt and by the speculative activities of the risk associated with it. It is an intrinsic dynamic in the role of financial markets as a founding element of cognitive capitalism. Speaking of an excess of speculation due to manager or bank greed makes absolutely no sense and can only serve to deviate the attention from the true structural causes of this crisis. Necessarily, the final result is the insustainability of an ever-growing debt, above all when high-risk sectors of the population begin to be too far in debt: the social strata that, following the process of labour precariousness, find themselves in the condition of not benefiting from the wealth effect that participation in the stock earnings permitted the more well-to-do social classes. The insolvency crisis in real-estate mortgages thus finds its origin in one of the contradictions of contemporary cognitive capitalism: the irreconcilability of an unequal revenue distribution with the necessity of widening the financial base to continue to develop the process of accumulation. This contradictory node is nothing other than the coming to light of an irreducibility (an excess) of life of a large part of social components (be they singular fragments or definable as class segments) to capitalist subsumption. An excess that today is expressed in a multiplicity of behaviours (from forms of infidelity to company hierarchies, to the presence of communities that oppose territorial governance, from individual and group exodus from the dictates of life imposed by the dominant social conventions, all the way to the development of self-organisational forms in the work world and open revolt against the old and new forms of exploitation in the slums and the megapolis of the global South, in Western metropolises and in the most recently industrialised areas of South-East Asia and South America).

This is an excess that declares in unison, from the four corners of the globe, that it will not pay for this crisis. The irremediable instability of contemporary capitalism is also a result of this excess.

THESIS 5. THE FINANCIAL CRISIS IS A CRISIS OF UNILATERALISM AND A MOMENT OF GEOPOLITICAL RE-EQUILIBRIUM

The current crisis puts the financial hegemony of the United States and the centrality of Anglo-Saxon stock markets in the process of financialisation into question. The exit from this crisis will necessarily mark a shift in the financial barycenter towards the East and, partially, South (i.e. South America). Already on the level of productivity and control of commercial exchanges, which is to say on a real level, the processes of globalisation have always highlighted a shift of the productive centre towards the Orient and the global South. From this point of view, the current financial crisis puts and end to a sort of anomaly that had characterised the first phase of the diffusion of cognitive capitalism: the movement of technological centrality and cognitive labour to India and China while maintaining financial hegemony in the West. As long as the development of Eastern countries (China and India), Brazil and South America was pulled along by the processes of externalisation and delocalisation set by the large Western corporations, it was not possible to identify a spatial dystonia between cognitive capitalism's two main variables of command: the control of currency-finance on the one hand, and the control of technology on the other hand. At the end of the '90s the newly industrialised countries began to put the Western and Japanese technological leadership into crisis, through the passage from a productive model based on imitative capacity and knowledge distribution to a productive model able to favour processes of generation, appropriation and amassing of knowledges, already starting with the formation of 'human capital'. The 1997 financial crisis, that, beginning with the devaluation of the Thai bat, particularly hit the Asian and South American stocks (other than the Asian countries of the ex-USSR), enabled Anglo-Saxon financial markets to reassert their supremacy on a global scale, but in any case didn't impede the shift of techno-productive leadership Eastwards. So a first contradiction within the global geoeconomic equilibrium came to pass: Western supremacy in finance, Eastern supremacy in the 'real' economy and in international exchange. This is an unstable equilibrium that, for the first five years of the new millennium was stalled de facto by the permanent war in Afghanistan and Iraq, and that is essentially at the base of the failure of the various international commerce summits--from Doha (in November 2001) to Cancun (in September 2003) up to Hong-Kong (in December 2005).

Nevertheless, the growing American debt (both domestic and international) and the necessity of widening the extension of financial markets with further relations of debt and credit increasingly at risk made it so that this equilibrium, already unstable, couldn't last long. The current financial crisis put an end to this spatial dystonia. Technological and financial supremacy are tending to rejoin one another on a geoeconomic level. As a result, cognitive capitalism as a paradigm of bio-economic accumulation is becoming hegemonic even in China, India and in the global South. Let it be clearly stated, however, that the sometimes radical differences between different spaces and times through which capitalistic processes of valorisation, and through which the composition of work commanded and exploited by capital is continually re-articulated, have ceased to operate. Nor it is possible to forge a series of skeleton-key concepts, indistinctly applicable to Nairobi,

New York and Shanghai. The point is rather that the very sense of the radical differences between places, regions and continents must be re-compressed within the heterogeneous interlacing of the productive systems, temporalities and subjective labour experiences that constitute cognitive capitalism.

THESIS 6. THE FINANCIAL CRISIS DEMONSTRATES THE DIFFICULTIES OF THE CONSTRUCTION PROCESS OF THE ECONOMIC EUROPEAN UNION

One of the goals of the construction of the monetary European Union was the protection of the Euro area countries from the speculative turbulence of currency markets with the objective of building a strong currency able to form a shield against possible financial crises. In effect, during the 1996-97 and 2000 crisis, the presence of the Euro impeded international speculation from uniting in an anti-European function. However, such argumentation fell when the financial crisis, starting from the heart of American hegemony, brought not only the main Western investment companies to their knees but also began to have effects on the 'real' economy as well.

The answer of half the world's monetary authorities and the main governments hit by the crisis was to supply the most liquidity possible to plug the holes opened in the credit and real-estate sectors. However, such interventions--that have mobilised huge quantities of public money--were done in a random order in the European context, with the level of coordination nearly exclusively technical and never political. The result is that every European state, in concrete terms, moved autonomously and with differentiated modalities. In reality, they pay for having exclusively focused on the monetary union without worrying about creating the premises for a European fiscal policy with a budget independent from the influence of the single member States. Today the tools for a coordinated fiscal intervention able to attribute a real counterattack to the financial crisis are missing. This is an ulterior symptom of the failure to economically and socially (not to mention politically) construct Europe.

THESIS 7. THE FINANCIAL CRISIS MARKS THE CRISIS OF NEOLIBERAL THEORY

The current financial crisis shows how the capitalistic system is structurally unstable and how the free market theory is not able to affront such instability. In the dominant vulgate of neoliberal thought, the free functioning of the market should guarantee not only an efficient accumulation process but also a correct and balanced distribution of income, according to each individual's contribution and commitment. The existence of social differentiation is the ex-post result of the economic agents' choices based on freely expressed preferences.

Such orientation is based on two assumed principles. The first regards the idea that economic process is exclusively exercised in the activity of exchange (allocation), where the consumer (economic demand) determines the offer, all in a context where production capacity, being founded on natural and not artificial resources, is by definition limited and therefore subject to scarcity. The supremacy of the allocative process over production implies that the market becomes the place where economic activity is exclusively determined, thanks to the principle of consumer

sovereignty. This principle is linearly translated into 'individual sovereignty', according to which every individual is the sole judge of himself/herself (the principle of free will) and social variations must be founded solely on the evaluations expressed by single individuals (the supremacy of individualism). Consumer sovereignty, however, reduces individual sovereignty to the act of consumption. This famous free will is thus exclusively articulated in free consumption, but which is not absolute liberty anyway, being confined by an individual's particular spending capability and on market availability. Consequently those that don't have monetary resources that allow them to create demand for good or services in the market, like, for example, many migrants, then don't exist from an economic point of view. What actually counts is not demand--understood as a whole of goods and services that each individual desires to have to satisfy their needs--but rather solvent demand, expressed with cash in hand. Desires that can't be satisfied in markets because of a lack of money, don't exist de facto. Since the sums available for consumption (which are limited by income) depend, for most human beings, on labour wages, one could conclude (although it is denied) that working conditions determine the effective degree of individual liberty.

The second point, closely tied to the first, affirms the preeminence of property individualism as the result of the crisis of industrial-Fordist capitalism and of its transformation into bioeconomic capitalism. Every economic agent is considered the sole actor responsible for the choices of consumption and investment. On the financial side, this is translated into a reduction of national debt into individual debt; on a political and economic level this theoretical approach serves to sustain the banishment of conjectural finance and a legitimation of private consumption based on individual debt. Starting from the ascertainment that the capitalistic system is, as economic accumulation, always a monetary economy that is based on debt, and after the 1929 economic crisis the state has assumed the role of last resort loaner, taking on the responsibility to manage public debt (the Keynesian policies of deficit-spending). Instead, the passage from Fordism to cognitive capitalism, in the name of property individualism, marked the transformation from public debt to individual debt through the financial 'privatisation' of the social rights won after the World War II.

The neoliberal ideological crisis rests in the failure of the free market as an efficient mechanism of resource production and allocation and in the role of financial markets as mechanisms of income redistribution. In the first case, we have witnessed a process of financial and technological concentration like never before in the history of capitalism, with all due respect to free competition. In the second case, the redistributive governance of the financial markets has revealed itself to be a complete failure.

THESIS 8. THE FINANCIAL CRISIS HIGHLIGHTS TWO INTERNAL CONTRADICTIONARY PRINCIPLES OF COGNITIVE CAPITALISM: THE INSUFFICIENCY OF THE TRADITIONAL FORMS OF LABOUR REMUNERATION AND THE VILENESS OF THE PROPRIETARY STRUCTURE

In the framework of the structural instability of present-day cognitive capitalism, translated in the current financial crisis, it becomes necessary to rethink the definition of the redistributive variables in a way that they can refer to value production in contemporary cognitive capitalism.

As far as the sphere of labour is concerned, it is necessary to acknowledge that in cognitive capitalism labour remuneration should be translated into life remuneration: consequently, the conflict in fieri that is opened is not merely a constantly necessary struggle for high wages (to put it in Keynesian terms), but rather the struggle for a continuity of income regardless of the labour activity certified by any type of contract. After the crisis of the Fordist-Taylorist paradigm, the division between life and labour time is not easily distinguishable. The most exploited people in the work world are those whose whole lives are put to work. This happens, in the first place, through the lengthening of work hours in the service sector and, above all, in the migrant workforce: a large part of the labour time spent in the third sector activities doesn't actually happen on the job. Wages are the remuneration of certified labour acknowledged as productive, while individual income is the sum of all the returns that are derived from living and relationships in a territory (work, family, subsidies, possible rent, etc.) that determine the standard of living. As long as the separation between work and life exists, a conceptual separation will exist between wages and individual income, but when life-time is put to work it tends to blur the difference between income and wage.

Thus it isn't about opposing wage struggles and income struggles, resigning the former to sectorial resistance and the latter to a simply ideological preposition. The political node is rather rethinking a virtuous combination, starting from the productive transformations and from the subjective materiality of labour's new composition.

De facto, the tendential overlapping between work and life and consequently between wages and income is not yet considered within the limits of institutional regulation. From different points of view, it is sustained that basic income can represent an element of institutional regulation suitable for the new tendencies of capitalism. What interests us most, however, is not slipping toward a theory of social justice, or complaining about the missing acknowledgment of productive rationality or, least of all, about the absence of regulatory devices that allow capitalism to overcome its own crisis. Income is, first and foremost, the identification of a battleground within the changes of contemporary capitalism, which is to say, an element for a political program inside the constitutive processes of antagonist subjectivity. From this point of view, basic income can be seen as a directly distributive, and not redistributive, variable.

As far as the sphere of production is concerned, a second aspect to take into consideration is the role played by intellectual property rights. They represent one of the tools that allow capital to appropriate social cooperation as well as general intellect. Since knowledge is a common good, produced by social cooperation, the surplus value that springs from its use in terms of innovative activity and increases in labour productivity is not simply the fruit of an investment in a physical or individual capital stock (which is to say ascribed to a capitalist defined as a single entity, be it a person or business organisation) but rather depends on the use of social patrimony (or 'social human capital' as some economists say) that is sedimented over the territory and that is independent from the initiative of single entrepreneurs. The rate of profit that springs forth is therefore not the simple ratio between the investment level and stock capital that defines the value of a business, but rather 'something' that the business, with the existent 'social' capital, depends on. In other words, as long as profit is born in measures increasingly consistent from the exploitation

and expropriation of a common good like knowledge for private purposes, it can be partially assimilated to a rent: a rent from the territory and from learning, which is to say a rent that comes from the exercising of intellectual property rights and knowledge ownership.

Now, to paraphrase Keynes in the last chapter of his *General Theory*, one could maintain that, 'The owner of knowledge can obtain profit because knowledge is scarce, just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for the scarcity of land, there are no intrinsic reasons for the scarcity of knowledge'.¹

Even so, over the last few years various liberal theoreticians have maintained the necessity of reducing or even eliminating copyright licensing that, in the long run, risks blocking innovative process. Cognitive capitalism should become, they say, a sort of 'propertyless capitalism', a model that is supposedly prefigured by the web 2.0 and exemplified by the clash between Google and Microsoft. Where capital toils to organise social cooperation a priori, it is forced to chase it and capture it afterwards: accumulation and surplus value consequently pass primarily through a process of financialisation. This is what circles close to financial capitalism have defined as 'the communism of capital'.² Still, admitting that it can do without property, capitalism certainly cannot give up control, even if this means continually blocking the potential of cognitive labour. Here the classic contradiction between productive forces and production relations is re-qualified in completely new terms.

The mingling of profit and rent is derived from the fact that, in cognitive capitalism, the process of accumulation has extended the very base of accumulation, co-opting the activities of human pursuits that did not produce surplus value in industrial Fordist capitalism, nor were they translated into abstract labour.

From this point of view, the political economic indications proposed by Keynes right after the paradigmatic 1929 crisis could be rewritten taking into account the new elements inborn to cognitive capitalism.

The measure of a basic income substitutes the political policy of high wages, while the euthanasia of Keynes' rentier could be articulated in the euthanasia of the positions of rent derived from intellectual property rights (or cognitive rentier), accompanied by fiscal politics able to redefine the assessable base while keeping in mind the role played by spatial valorisation, knowledge and financial flows. This doesn't paint an ideal picture, but at least defines an area of tension in which to rethink the forms of conflict and the possible conditions to organise new institutions of the common.

Regarding Keynes' proposal to socialise investments, cognitive capitalism is characterised by a socialisation of production facing an ever higher concentration of technological and financial flows: in other words, levers that today allow the control and command of a flexible and out-sourced production. Any political program that intersects such concentration, which is at the base of investment flows, therefore directly affects the proprietary structure and undermines the very capitalistic relation of production at its roots.

The possible 'reformist' proposals that could define a social pact in cognitive capitalism are therefore limited to the introduction of a new wage regulation based on basic income and on a reduced intellectual property right weight, which could possibly lead to the euthanasia of intellectual property rent.

THESIS 9. THE CURRENT FINANCIAL CRISIS CANNOT BE RESOLVED WITH REFORMIST POLITICS THAT DEFINE A RENOVATED NEW DEAL

In the current situation there are no economic or political premises sufficient for a new social pact (or New Deal). It is therefore a mere illusion.

The Fordist New Deal was the result of an institutional assemblage (Big Government) that was based on the existence of three assumptions: 1) a nation state able to develop national economic policies independently, even if coordinated, from other states; 2) the possibility of measuring productivity earnings and therefore to see to their redistribution between profits and wages; 3) industrial relations between social components that were reciprocally recognised and were legitimised on an institutional level, able to sufficiently and unequivocally represent (not excluding margins of arbitrariness) entrepreneurial interests and those of the working class.

None of these three assumptions are present in today's cognitive capitalism.

The existence of the nation-state is put into crisis by the processes of productive internationalisation and financial globalisation, that represent, in their declinations in terms of the technological control of knowledge, information and war apparatuses, the bases for the definition of supranational imperial power.

In cognitive capitalism it is at least possible to imagine--as a reference unit for the economic and social policy--a supranational geographic spatial entity (and not by chance the countries that are protagonists on a global level today, like the United States, Brazil, India and China, are continental spaces quite different from the classic European nation-state). The European community could represent, from this point of view, a new definition of a public socioeconomic space where to implement a New Deal. However, in the current condition, European construction proceeds along fiscal and monetary political lines that represent the negation of the possibility of creating a public space and an autonomous and independent space, not conditioned by the dynamics of the financial markets (cf. Thesis n. 6).

The dynamics of production tend to depend on immaterial production and the involvement of cognitive human faculty, difficult to measure with traditional criteria. The current difficulty of measuring social productivity doesn't allow for a wage regulation based on the relation between wages and productivity.

The proposal of basic income meets opposition and diffidence from various figures. Entrepreneurs consider it, in the first place, a subversive proposal to the extent that it is able to reduce the blackmail of need and dependence on labour coercion. In second place, if basic income is correct-

ly understood as direct remuneration of precedent productive activity (as it should be), without being subject to any condition whatsoever, it risks not being controlled by the hierarchical structure even though being financed through the general taxation system. Instead, a reform proposal of social security cushions would be differently accepted from a hierarchical point of view, even if geared toward expansion (hopefully including 'precarious' workers too, in accordance with flexsecurity). They would in fact be a 'redistributive' measure and not directly distributive (like a basic income would be); in other words, social security cushions transfer rent once a direct distribution of rent is sanctioned and therefore extensively reforming them wouldn't put a dent in the remunerative dynamics of labour. In the second place, being subject to restrictions and exact allocative conditions, social security cushions not only become an element of differentiation and segmentation of the workforce, but are also wholly congruent with social policy with a 'workfare' orientation. Instead, for labour unions, basic income contradicts the work ethic that they continue to base their existence on.

Lastly, but no less importantly, we are witnessing a crisis of the forms of social representation both in the entrepreneurial area as well as in that of labour unions. Lacking a single organisational model induces the fragmentation both of capital and labour. The first is split between the interests of small businesses, often tied to relations of hierarchical sub-supply, the interests of large multinational corporations and the speculative activities of currency and financial markets, the appropriation of profit and rent from monopolies in distribution, transportation, energy, military contracts and research and development. In particular, the contradiction between industrial capital, commercial capital and financial capital in terms of strategies and diversified temporal horizons, and that between national capital and supranational capital in terms of geoeconomic and geopolitical influence, makes a level of the capitalistic class' homogeneity of intent and the definition of shared goals very problematic. The element that most joins capital's interests is the pursuit of short-term profits (that have origins in different ways), and this makes the formulation of progressive political reforms practically impossible, unlike the era of Fordist capitalism.

Conversely, the work world seems evermore fragmented not only from a juridical point of view but above all from a 'qualitative' point of view. The figure of the salaried industrial worker is emergent in many parts of the globe but is in decline in Western countries, favouring a variegated multitude of atypical precarious, migrant, para-subordinate and autonomous figures, whose organisational and representational capacity is increasingly limited by the prevalence of individual negotiation and the incapacity of the union structures formed during Fordism to adapt.

The overall result is that in cognitive capitalism there isn't space for an institutional political reform able to reduce the instability that characterises it. No innovative New Deal is possible, if not one that is pushed by social movements and by the practices of autonomous institutional-ity through the re-appropriation of a welfare system ravaged by private interests and frozen in public policy. Some of the measures that we have identified, from wage regulation based on the proposal of a basic income to production based on the free circulation of knowledges, are not necessarily incompatible with the systems of accumulation and subsumption of capital, as various neoliberal theoreticians have suggested.³ In any case, new campaigns of social conflict and re-appropriation of common wealth can be started and through which to undermine the very base of the capitalistic productive system, that is the coercion of labour, income as a tool of blackmail

and domination of one class over another and the principle of private property of the means of production (yesterday the machines, today knowledge too).

In other words, we can assert that in cognitive capitalism a possible social compromise of Keynesian origin but adapted to the characteristic of the new process of accumulation is only a theoretical illusion, and it is unfeasible from a political point of view. A fully-fledged reformist policy (which tends to identify a form of mediation between capital and labour that is satisfactory for both), able to guarantee a stable structural paradigm of cognitive capitalism, cannot be delineated today. So, we are in a historic context in which social dynamics don't allow space for the development of reformist practices and, above all, reformist 'theories'. What follows is that, since it is praxis that guides theory, only conflict and the capacity to create multitudinary movements can permit--as always--the social progress of humanity.

Only the revival of strong social conflict on a supranational level can create the conditions to overcome the current state of crisis. We are facing an apparent paradox: to make new reformist perspectives and the relative stability of the capitalistic system possible, it is necessary a joint action of the revolutionary sort, able to modify the axes on which the very structure of capitalist command is based.

We must then start to imagine a post-capitalist society, or better yet, re-elaborate the battle for welfare in the crisis as an immediate organisation of the institutions of the common. This doesn't definitively eliminate the functions of political mediation but does definitively takes them away from representative structures and absorbs them in the constituent power of autonomous practices.

THESIS 10. THE CURRENT FINANCIAL CRISIS OPENS NEW SCENARIOS OF SOCIAL CONFLICT

Socialism has traditionally offered itself to save capitalism from its cyclical crises, dialectically overcoming endemic instability through a superior rationality of development. In other terms, taking on the responsibility to actuate the promises of progress that capitalism has not structurally been able to maintain. Today, the era in which socialism and capitalism have mirrored one another in an assumed objectivity in the hierarchy of labour, technology and production, is happily over.

Once again, only our behaviours can smash the unjust social system that we are forced to live in and develop the material basis for equal life chances and freedom. The situation of economic crisis is palpable. Once again, it is the level of resistance that continually puts the forms of command under stress. There are those who, not able to pay the mortgage, after an initial moment of panic realise that they have at least three years before being evicted, and think. There are those who never believed in the chimera of the stock market and decided to not deposit their severance pay in investment funds, despite the massive media and labour union campaigns that promised lavish earnings in the financial markets.

Such behaviours--together with many others that expressed resistance and insubordination--acquire a particular importance because they represent cracks in the impalpable social control that the rhetoric of proprietary individualism was able to build with the help of a pseudo-imaginary social cohesion, founded on merit and loyalty behaviours.

An important signal was sent in Italy by the 'Anomalous Wave' movement.⁴ The fact that this movement made a breakthrough regarding the themes of income and welfare of the common is hugely important. It wasn't limited to a mere theoretical elaboration or an avant-garde political position: the problem of income became common sense in the emergency of social composition molded by conflicts over knowledge production and against class de-classification and precariousness. In this way it was de-ideologised, identifying itself in concrete goals (for example the demand for money, or wages, for the free labour provided to support the corporatisation of the university, from internships to vocational training programs, to didactic responsibilities held by precarious researchers). In the Anomalous Wave, the topic of income has therefore become a political program within the crisis, giving concrete meaning to the slogan 'we will not pay for the crisis'.

The critique of knowledge as a commercial product, the acknowledgment that the difference between the moment of education and the moment of production tends to blur (which is where the need to remunerate educational periods comes from), the demand to access material and immaterial services that constitute the environment of social cooperation and general intellect, the production of the common as a new narrative, a new horizon of social relations and cooperation, finally goes beyond the 'public-private' dichotomy: these are, in synthesis, a few programmatic elements that are extremely useful in delineating a political process able to overturn the systemic crisis into a space of possibility for action and proposal.

If we simply look at the European panorama, there are numerous insurgent signals that in the last few months have sprung up: other than the Greek revolt and the social movements that swept across the educational sector in Spain, France and Germany, we can also point to the conflictual tensions that, dealing with different social strata, were manifested in Copenhagen, Malmö, Riga and in other European metropolises. We are dealing with overturning the 'communism of capital' into the 'communism of general intellect', as a living force of contemporary society, able to develop a structure of commonfare and establish itself as an effective and real condition of human choice for freedom and equality. Between the 'communism of capital' and the institutions of the common there is no speculation or linear relation of necessity: it is, in other terms, about collectively re-appropriating produced social wealth and destroying the devices of subsumption and capitalistic command in the permanent crisis. In such a process, the autonomous role played by social movements is increasingly important, not only as a political program and action but also, and above all, as a reference point for those subjectivities, singularities or segments of class that are hit hardest and defrauded by the crisis.

The capacity of the real subsumption of life into work and production processes, the diffusion of pervasive cultural and symbolic imagery from elements of individualism (beginning with 'proprietary' individualism) and 'security' measures construct the main hinges of the process of social and cognitive control of worker and proletariat behaviour. The achievement and the organisation

of an autonomous subjectivity, that already lives in the practices of resistance and production of a new class composition, are necessary conditions for triggering conflictual processes that are able to modify the current socioeconomic hierarchies. From this point of view, all of the excesses and the insurgencies that nomadic subjectivities are capable of achieving and animating are welcome. It is only in this way, like a thousand drops that meet to form a river or a thousand bees that form a swarm, does it become possible to put into motion forms of re-appropriation of wealth and knowledges, inverting the redistributive dynamics, forcing those who caused the crisis to pay for it, rethinking a new structure of social and common welfare, imagining new possibilities of self-organisation and production compatible with the respect of the environment and of the dignity of the men and women who inhabit this planet.

The king has no clothes. The path before us is arduous but, really, we have already begun to walk down it.

NOTES

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Translated by Jason Francis Mc Gimsey and revised by Sabrina Del Pico.

¹ Here we have taken the citation of Keynes from the last chapter of *General Theory*, 'The owner of capital can obtain interest because capital is scarce, just as the owner of land can obtain rent because land is scarce. But whilst there may be intrinsic reasons for the

scarcity of land, there are no intrinsic reasons for the scarcity of capital' and we have substituted the term 'capital' with the term 'knowledge' and the term 'interest' with 'profit'.

² On the discussion surrounding the different interpretations of the formula 'Communism of capital', see Marazzi, *Socialismo*, 155-168.

³ Here we are referring to the debate about the interpretation of basic income as a temporary, mean-tested and conditioned tool to fight poverty. On one side, there are 'pure' liberalists such as Milton Friedman who were in favour of a negative income tax hypothesis and the reduction of state intervention (see Friedman, *Capitalism*). On the other, there are so-called liberals (or social-reformists in Europe), like J.E. Meade (see

Meade, *Agathopia*), or Tony Atkinson (see Atkinson, *Incomes*).

⁴ The Anomalous Wave, or 'Onda anomala' in Italian, was a student movement that broke out in the fall of 2008 after a massive funding cut and organisational reform that threatens to privatise public universities. For resources in English see, <http://edufactory.org> [translator's note].

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