

Power and Capital

By Adam Katz

GABlog

September 24, 2020

<http://gablog.cdh.ucla.edu/2020/09/power-and-capital/>

I have always operated as if, since the originary hypothesis founds a new form of thinking that is essentially indigestible by the existing disciplines, and therefore necessarily at odds with those disciplines, it should be aligned with other marginal indigestibles in the field of knowledge. Hence, my attraction to thinkers like Wierzbicka who, if respected within the field of linguistics, does not seem to me to have had much impact on it; or Marcel Jousse, who takes the notion of mimesis too literally and thoroughly even for the mimetic theorists. Clearly, Jonathan Nitzan and Shimshon Bichler, of whose *Capital as Power: A Study of Order and Creorder* I was previously aware, but which I actually sat down to read at the urging of Joel Davis, fits into this category. So, this post will “welcome” Nitzan and Bichler (perhaps without their consent, were they to be asked) into the anthropomorphics “fold,” and I would expect them to be a regular feature from here on in. Like Wierzbicka and Jousse and, of course, the originary hypothesis itself, Nitzan and Bichler have a very simple hypothesis with ramifications that cut down forests of disciplinary obfuscation. I don’t remember when or how I first came across their work, because I’m pretty sure it wasn’t from any website or publication, whether on the left or right, since as far as I can tell *Capital as Power* has had almost no impact on any discussions anywhere. If I were to try and prove myself wrong on this point, I would look to the kind of anarchist spaces where one might find discussions of the work of the recently and far too soon departed David Graeber, with whose work (and, I suspect, with whose politics) Nitzan’s and Bichler’s has affinities.

As the title of their book indicates, Nitzan and Bichler eliminate the politics/economic distinction by arguing that capital is simply a mode of power. What is power? Power is “confidence in obedience” (17). With such confidence those with power reshape the social order in accord with the principle of its own power. Nitzan and Bichler draw upon Lewis Mumford’s notion of the “mega-machine” here, understanding power as circular and self-perpetuating—the ancient emperors impressed millions of slaves into vast infrastructural projects, not primarily because they wanted giant infrastructure built and wars fought, but because it impressed their own intentionality on the world and increased their confidence in the submission of the ruled. This means that there must be some “other” to power, a positive to power’s negative pole: that other is “industry,” which they see, following Thorstein Veblen, as a “hologrammic” system in which all the productive activities in society contribute, governed by what Veblen called “the instinct of workmanship,” and are irreducible to price or any other measure. Bichler and Nitzan very convincingly show that all attempts within the field of economics to quantify such “factors of production” as labor, capital and machinery are arbitrary and intellectually dishonest. This in itself makes them thinkers of the “iterative center” rather of the anarchic, quasi-sacrificial “big scene.”

Here is their definition of capital as power:

The capitalist mode of power is counted in prices, and capitalization, working through the ever more encompassing price system, is the algorithm that constantly restructures and reshapes this order. Capitalization discounts a particular trajectory of expected future earnings. For any group of capitalists—typically a corporation—the relative level and pattern of earnings denote differential power: the higher and more predictable these earnings are relative to other groups of companies, the greater the differential power of the corporation’s owners. (9)

I would like to single out in particular the discounting of a particular trajectory of expected future earnings. If the ownership of a particular piece of land, for example, can be expected to be worth ten million dollars in ten years, then that determines the value of the land to me now—how much am I, or anyone, willing to spend now in expectation of that 10 million in 10 years? But I think it would be better to say that it is not so much the expected value of that land as what its owner will be able to ensure its value will be. The valuation of the land is from the start an exercise of power: the owner will be able to carry out the actions or create the conditions that will yield those earnings. That might include access to governing powers that allow the land to be used in certain ways, and it might include preventing others from using surrounding properties in certain ways. Securing the obedience of members of the city council is necessary for the land to be capitalized in this way, but this doesn’t mean that the capitalization is an economic activity that depends upon an autonomous, political power—it means that the members of the city council are themselves capitalized, and, say, donating to their campaigns or establishing a local media to exalt them and demonize their rivals are part of the same process of capitalization, as investing in the media outlet or the politician is also part of the discounting of a particular trajectory of expected future earnings. The fact that everything in the world and every human activity can be capitalized in this way is the source of capital’s unique and very flexible and effective mode of power.

Capital is articulated with industry, but in an essentially parasitical way—capitalists achieve their differential power relative to other capitalists primarily through sabotage—that is, by preventing industry from performing to its full potential. There are many means of accomplishing this—patent and copyright, price fixing, control of the regulation process and so on. Bichler and Nitzan acknowledge that industry does need to perform—an auto company does need to draw upon a part of the broader hologrammic industry and produce millions of cars—but if industry is given too much free reign, the source of capital’s profit and therefore power will evaporate, so what is ultimately more important is preventing others from producing cars, or better cars, or means of transportation other than cars. They also implicitly acknowledge that some forms of capitalist power are less dysfunctional, that is less destructive of industry than others—there are times when capital needs to invest, expand production and hire workers, and other times when they focus primarily on mergers that serve no one other than capital’s power, or price manipulation (inflation), which always threatens to bring about social disorder or even disaster. This would be true of any form of power. Now, Bichler and Nitzan acknowledge that “industry” is not self-determining and involves choices that can only be made by humans and, therefore, as part of the entire complex of human activity and interaction, must be subject to some broader vision of human good. It is at this point that they trail off into ritual invocations of “democratic” control, without every raising the question of what “democracy” could have to do with their Veblenian notion of industry—what kind of democracy could make decisions about transportation, medical, educational, scientific, systems, much less the articulation

of and “resonances” across these systems, all of which must be done on the terms of the systems themselves. I will also mention here that a remedy for this defect lies in distinguishing power from sabotage, and acknowledging that industry itself in a form of power—at the very least, pedagogical power, as new generations are brought into industry and within industry initiative and intelligence will be deferred to in the name of sharing these capacities.

Since the power of capital depends upon defining and measuring, and then reducing, risk (at least risk to oneself), it also relies upon the science of probabilities. In a brief discussion of “Probability and Statistics” (199-201), Nitzan and Bichler trace this science back to Renaissance thinkers like Blaise Pascal and William Petty, who studied the laws of “chance.” Capital seizes upon this science not to bet on events in the world in a more informed manner, but to control it. But it is also the case that “industry” was dramatically transformed by this science as well, and without it would not have the nearly unlimited capacities Nitzan and Bichler attribute to it. It would seem, then, that capital and industry share a common origin. Charles Sanders Peirce’s assertion that “we are each of us an insurance company” captures this common origin of the new mode of inquiry animating industry and capital. There can hardly be a better example of “capitalization” than insurance, which attributes a current value to the insured’s life (or well-being, or as Bichler and Nitzan point out, to some particular part of the anatomy—a leg for a model, an arm for a quarterback, etc.) based on expected future earnings; while, at the same time, is modern science, which is really applied math, anything more than the determination of probable future outcomes in accord with the data collected regarding some current state of affairs? Was Peirce, unknowingly, a kind of proto-capitalist, or, to use Marxist phraseology, “objectively” pro-capitalist? Is seeing oneself as an insurance company the most abject self-capitalization or a transformation of oneself into a mode of inquiry, inspired by the highest instinct of workmanship?

Nitzan and Bichler seem to me unconvincing in one area—their discussion of the state. Their insistence that capital is power—not dependent on power, not an influence on power, not even just powerful, but a specific mode of power—means that the state cannot be conceptually separated from capital. Nitzan and Bichler make this case by contending that the state is capitalized through the national debt, and we could even push this further by pointing out how the logic of capitalization comes to pervade all manner of state activity, from welfare policy, to crime, to foreign policy and education. Everywhere there is talk of “investment,” and “return” on it; policy alternatives are framed in cost-benefit terms. And yet—even the most gigantic corporations don’t possess armies or nukes. That there must be some distinction between state and capital is in fact consistent with their insistence that some understanding of the good life, irreducible to industry, would have to inform the ends of industry. I can call that articulation of industry “power,” because “power” holds no pejorative connotation for me. Nitzan and Bichler’s analysis makes clear that capital could never really establish anything like a model of the good life, as it is nothing more than capitalizing more and more of the planet. In fact, whatever is good would be good because it has not yet been capitalized, or insofar as it has not been completely capitalized, but that good thing would then immediately become a target of capitalization.

There is a kind of trap here which reactionaries and revolutionaries alike have fallen into, of seeking out supposedly non-commodifiable and therefore non-capitalizable forms of life. All that can do is paint targets on the backs of those forms of life, serving as a kind of advance guard for capital. There is no alternative to entering the algorithm of capital and power and separating out the competing and entwined modes

of algorithmic order. Peirce concludes his discussion of the self as an insurance company by pointing out that, in the long run (the same long run in which we would all have to agree on reality, I suppose) all insurance companies must go bankrupt—all the calculations, all the precautions, all the hedging, will ultimately come up against the black swan which could not have been anticipated. At that point, for Peirce, we would have recourse only to the old Christian virtues of love, hope and charity, which, regardless of whether we rely on those particular (non-capitalizable?) virtues, suggests that whatever mode of transcendence or presencing enabled us to defer the answers to such pressing questions to the long run will be what succors us in the long run. But what of deferral? Is it not the quintessential capitalist value—the deferral of gratification? It's not quite the same thing. The good bourgeois subject defers gratification out of a fear of consequences, or out of competition with rivals. This is the kind of deferral capital relies upon and exploits. The deferral of mimetic violence precedes the figuration of the violent consequences it defers, and is therefore more like the deferral "industry" elicits, and is never satisfied—it is commemorated in the building of the world. Still, the more localized form of deferral must derive from the more originary one, and so here as well we can see a common origin to industry and capital, in the diverging paths of deferral.

A site of expected earnings can be treated (imagined aesthetically) as a site of eventual bankruptcy and abandon. Single out all the markers of eventual bankruptcy: what would remain of the capitalized practice once all conceivable forms of sabotage have run their course? In a way, it's a very simple approach: what would, say, a workplace look like if it simply maximized everyone's ability to do an important job well? Of course, many workplaces, those mostly performing Graeber's "bullshit jobs," wouldn't even exist. The instinct of workmanship itself would be the "motivation" of activity, which we can't imagine now in any great detail, but which remain in the wake of eventual bankruptcy and abandon. Capitalization is running the practice through the maw of the Big Scene, with the ever growing and yet divisible central matter and an even more rapidly accelerating sacrificial community. Projecting expected earnings incites mimetic struggles spread across institutions which one plans to have already won: "industrial" practices which defer such struggles indefinitely cannot, then, be fully capitalized—this requires that we construct the counter-algorithms of capital. The calculations of industrial improvements would have to be run parallel to and entangled with so as to redirect the calculations of expected earnings. We can at least hypothesize indefinitely deferred future earnings eventually converging with the practices of industry. Right now, this can only be a way of inhabiting disciplinary spaces and infiltrating institutions, but it is simultaneously an implicit model of transformation.

Bichler and Nitzan certainly intend for the "hologrammatic resonance" I discussed in my previous post to serve as a model for the abolition of capital. I think this helps to explain their neglect by the left—they don't provide an "agency" for such transformation that can become a target of political "investment," i.e., that can be capitalized. Thinking in terms of privileged agencies is sacrificial, Big Scenic thinking—it relies upon the imaginary redistribution of the social product and social power in a more "equal" way that can never be determined outside of the mimetic struggles it incites and depends on. But this also means that the hypothesized practices that would promote "industry" must "resonate" across the entire social order. I think that the most concentrated way of approaching this, and one that might actually become fairly realistic even under the rule of capital is a post-sacrificial reconstruction of kinship structures. This will be the subject of a future post.