ABSTRACT

The capitalist society made a radical shift from the collective regulations that characterized the ancient economies—marking individuality as the basic product of its rationality and exhibiting personal relations not in religious terms, but as mediated by the exchange of commodities. In order to understand this change, I will analyze the state economies in order to assess where it detours from the pre-capitalist or pre-state economies. First, I will trace the morality behind the project in the Protestant ethics that inverted the basic principles of the old feudal festive morality. Then, I will introduce the basic concepts of the Enlightenment that accordingly, replaced the old mythical system with the blind trust in the concept of the progress. A special prominence will be given to the critical reaction to the Enlightenment project and in particular, on Hegel’s dialectical theory. The Marxist theory will be also analyzed, both as an open criticism to the bourgeoisie culture and in the light of Hegel’s total system.

In turn, I will engage in comparing some key ingredients of the capitalist ideology, from the early market inception of Adam Smith to the late neoliberal economic theory of George Gilder, who tried to attach the universal appeal to capitalism, linking it with the practices of the primitive economies.

(Keywords: enlightenment, Protestantism, George Bataille, Homo Economicus, political economy, Karl Marx, G.W. Hegel, Adam Smith, George Gilder)

INTRODUCTION

The concept of state economy dates back to the end of the 18th century, at the outset of the historical process that brought about the formation of nation-states all around Europe. The inception of these new states was followed by the completely new outlook of the way society should be organized. The subsequent rise of the market economy as the essential product of the capitalist society, and communism as a contestant system, marked the formation of the new ideologies alongside the revolutionary spread all over the globe. I will try to mark few distinctive traits that were especially important for the rise of the capitalist thought and the development of the, in Bataillean terms, restrictive economy.

PRE-STATE ECONOMIES

The pre-capitalist economy forecloses activities that have no specific end beyond consumption or satisfaction: “Idleness, the pyramid or alcohol” Bataille invokes:

...have the advantage of consuming without a return -without a profit -the resources that they use: They simply satisfy us; they correspond to the unnecessary choice that we make of them. In a society whose productive forces do not increase-or increase little-this satisfaction, in its collective form, determines the value of wealth, and thus the nature of the economy. (Bataille, 1988, p.119)

The whole morality was based on the religious doctrine, where the actions like sacrifice, festivity and the luxury are meant to absorb the excess energy of the society and to produce proximity to the sacred. The whole movement, from the closeness of the individual existence and towards the openness for the communication, is determined by Bataille as the workings of the festival. The role of the festival is undoubtedly crucial in the primitive societies. Bataille reflects on the potent connection between the economy of the generous exchange, the
escape from individuality and the general spirit of communication in the ancient societies:

There is a more intense communication in exchange based on generosity than there would be in immediate gratification. More exactly, festivity assumes the introduction of movement - the negation of withdrawal into self, hence a denial of the supreme value of avarice. The sexual relation is itself communication and movement; it has the nature of a festival. (Bataille, 1991, p.43)

Similarly, during the Middle Ages, the society was still heterogeneous, built in a vertical line from the peasants, up to the clerics and the nobles. They depended on each other and thus the economic organization was following the vertical plane. For example, what the peasants got from clerics in exchange for the money and servitude to erect and sustains gigantic churches, was the proximity to the sacred within the very monuments they helped erect: from the nobles, they exchanged the tax they have to pay and the service in the wars the monarchs led, for the moral principles of glory and prestige they exhibited in wars following the monarch, not to mention the actual land given to them by the rulers of the land.

THE RISE OF THE STATE AND THE PROTESTANT ETHICS

Max Weber was the first to recognize the connection between the spirit of Protestantism and that of the capitalism. He stated that the economic system of feudalism included God as an essential goal of the economic activities. Thus, the investment into the building of churches and into various religious festivities was directed towards a closer communion with God.

The move from the feudal festive organization of life and the capitalist mobilization of productive forces is a result of the Luther’s and Calvin’s disdain for the operations of the Catholic Church. Bataille clearly situates the raft:

What differentiates the medieval economy from the capitalist economy is that to a very large extent the former, static economy made a non-productive sumption of the excess wealth, while the latter accumulates and determines a dynamic growth of the production apparatus. (Bataille, 1988, p. 116)

The difference is reflected in the very organization of the societies. The new morality of Luther produced changes in the society whereby, “Contemplative idleness, giving to the poor and the splendor of ceremonies and churches ceased to have the least worth or were considered a sign of the devil.” (Bataille, 1988, p. 122)

Calvin’s reformation followed Luther’s with a specific hint that formed the spirit of capitalism. Calvinism was basically a mixture of Christian values with the principle of productive activity: the same ideology pervaded the whole ethics of Protestantism. The logic of salvation—meant for the afterlife—did not allow for any possible way of expressing glory, splendor or excess on earth. Goux summons the whole operation of the protestant ethic:

A complete desacralization of life…was necessary for the world of production and exchange to become autonomous according to the principle of restricted utility. The profane and prosaic reality thought by contemporary economics can be constituted only by excluding outside the field of human activity – through the total secularization of ethical values – any impulse towards sacrifice, toward consumption as pure loss. (Goux, 1990, p.208)

In line with the new organization of economy, the protestant ethic would not direct the energy and the economic activities towards God. The excessive energy will be redirected into the profanity of everyday life. God and the divine glory were replaced with the new concepts of investment and production.

“Even today”, writes Bataille, “in a given region, one sees Protestants being drawn to business and Catholics more to the liberal professions. It seems that there is an affinity between the frame of mind of a hard-working, profit-calculating industrialist and the prosaic severity of the reformed religion.” (Bataille, 1991, p. 115)

In general, the society became organized on the principle of investment and not on
consumption. That gave way to the rise of the capitalism. The capitalist organization of life followed the flat structure of investments and the subsequent gain, in the form of surplus value or profit. The old economies did not specifically orient themselves towards the increase of wealth: any increase in the wealth by means of marriages or military conquest was supposed to be consumed outright. That society was static in hierarchy and acquisition of wealth. Capitalist society, on the other hand, produced the possibility for the movement towards the profit increase that will be used sometimes in the future- or be endlessly reinvested-but, certainly not consumed instantly. As a result, all the activities that were favored in the past and were not put to productive use were strongly condemned by the protestant morality.

Justin Raimondo—by connecting the spread of Protestant ideas on the territory of US (former New England)—reveals that the ultimate goal of the project was the formation of a Big Government:

Thus from the beginning the prohibitionist movement and the so-called Social Gospel—support for economic regulation, labor unions, and Big Government in general—were intertwined. Social improvement meant the abolition not only of drunkenness but also of poverty, child labor, sexual promiscuity, and inheritable diseases. The solution: Big Government, which would abolish poverty, outlaw child labor, crack down on promiscuity, and establish a program of eugenics that would sterilize the flawed, the weak, and the criminal element so that only ‘healthy’ children would be born. (Raimondo, Anti War, 2014)

The tendency towards the formation of the strong governments is also the result of another project that in Europe was called the Enlightenment.

The Project of the Enlightenment

The project of the Enlightenment is, first of all, a result of the French revolution and the ideas of justice, liberty, and self-determination. The philosophies of Rousseau and Kant contributed to the project, postulating reason and scientific advances as the tools to put dominance over nature. The old archaic ideas taken from the myth were completely neglected, and were treated as nothing more than a superstition. The new man would impose his will over nature and over others to perfect the humanity and bring— in Kant’s words—maturity to life. Hegel’s philosophy advocated the creation of total system that will sweep away the local traditions and practices. In his discussion about the development of the Enlightenment project, Christopher Rocco argues that the consciousness:

... which once worked by thought and concepts, now refers to method alone. Indifferent to the qualitatively and individually unique, insensitive to multiplicity and particularity, impatient with tradition and history as well as with religion, metaphysics, and philosophy, the domination of discursive logic in the conceptual sphere tends to domination in actuality. The aim of enlightenment is the subsumption of all particulars under the general. (Rocco, 1997, p. 189)

To achieve this kind of abstraction, the project treated the individuals, not like thinking subjects but as objects—the same way nature was treated scientifically. The system asked for the homogeneity between the elements of the society (the individuals). That meant that all the particularities that do not fit the wholeness of the system (non-identities) will be oppressed and removed in order not to contradict the system. The contradiction, according to Ross Wolfe still remains. He points out that:

The original tensions remain, hidden beneath the integral veneer. Officially unrecognized, the sides (identity and non-identity) quietly seethe in their incommensurability — until they boil over into open violence. Disillusioned by the synthetic identity which only served to mask non-identity, and unable to bring itself to accept qualitative difference (determination), identitarian thinking opts for extermination, carried out at the political level. (Wolfe, 2010)

Theodor Adorno and Mark Horkheimer, in their seminal work The Dialectic of the Enlightenment, openly accuse Hegel’s dialectics as responsible for the rise of fascism and the planned (in a strictly bureaucratic
manner) termination of the Jews. They claim that:

\[\text{Man's domination over himself, which grounds his selfhood, is almost always the destruction of the subject in whose service it is undertaken; for the substance which is dominated, suppressed and dissolved by virtue of self-preservation is none other than that very life as functions of which the achievements of self-preservation find their sole definition and determination: it is, in fact, what is to be preserved. (Adorno & Horkheimer, 1969, p. 54-55)}\]

In other words, the project of the Enlightenment, in order to preserve life, effectively brought termination of life on massive scales. The ideas of liberty, progress, and justice, according to Horkheimer and Adorno, brought about the disciplinary society where the democracy is only an excuse for the total control and domination of the government of all the spheres of life. The result, as Rocco states, is disastrous, “The more homogeneous a society becomes, the more its members are subjected to the repetition, standardization, and uniformity of productive and administrative processes at all levels and in all spheres of existence, the more that society disintegrates.” (Rocco, 1994, p.83)

Even Hegel was aware of the shortcomings of the Enlightenment project. In his famous book *The Phenomenology of Spirit*, Hegel posited the idea that, at the end of the 18th century, the post-revolutionary European societies, after the destruction of the religious idea and the faith, developed the unhappy consciousness. The post-religious communities were invaded with the scientific/rationalist discourses that brought about the coldness of the economic interests and mechanization of life. As a result, the communal life was lost. “The instrumental reason” that characterized the era of the Enlightenment was created in an abominable synthesis of reason and efficiency.

The Enlightenment gave primacy to the knowledge and science in the place of the myth: in other words, it brought the “disenchantment of the world”. The fantasy and the allure of the mythical world were replaced by the flat world of utility and production. Replacing the myth, the enlightenment became another myth. The myth of the progress still dominates the societies both in the East and on the West.

**The Economy and the Logic of the Enlightenment**

The idea of progress and the total domination over nature produced an unprecedented rise in the economy. The massive rise in productivity-supported by the scientific advancements of all sorts-presented a system that could supposedly solve the basic problems in the society and bring justice to the world. The logic of equivalence, as the core concept behind the exchange, promised to polish the social inequalities. In order to achieve such a grandiose task, the system had to form a grandiose bureaucratic administration respectively. Paradoxically, that system, created to free the individual, became the oppressor, since the groups that administer it “assume superiority disproportionate to the rest of the population.” (Rocco, 1994, p.80)

The technocratic apparatus—now unquestionable the basic pillar that regulates every activity in the society—has completely overturned the original ideas of the project. As Rocco comments, “Enlightenment … brings both liberation and slavery, freedom and constraint, self-conscious transparency and ignorant opacity about what it is we are doing to ourselves, to our world, and to others.” (Rocco, 1994, p.79)

The ecological disaster, the unprecedented excess of violence on a global level, the institutional crises of the systems of education and the health care, and the massive political corruption and manipulation are the by-products of the project. At the level of economy, the creation of the-in Adorno’s words-cultural industry produced the negation of any dialogue and opposition in the society. Rocco (1997) claims

The images of the culture industry reproduce and strengthen rather than question existing social and political boundaries. The result is not an image of society bent by contradiction, but the false identity of society and individual that urges the smooth integration of the latter into the former. If any passion is evinced, it is a passion for identification. In the context of culture as industry, tragedy that once meant protest now means consolation. (p. 193)
Adorno is a prominent critic in the long line of thinkers that took Marxist philosophy as the basis for their criticism of capitalism. I need to resort for a while to some concepts that Marxism developed over the years in order to move closer to the episteme of modernity.

MARXISM AND THE BOURGEOISIE

Initially, it must be said that in principle, there is no difference—at the level of the desire for totality—between the capitalist system (based on the idea of the Protestant Ethics and the Enlightenment)—and the Marxist project.

For instance, Bataille claims that there is no fundamental difference between Calvinism and Marxism. Both tend to limit people’s non-productive actions and resort all their energies towards activities related to restricted economy—the economy of things. “The fundamental proposition of Marxism” summons Bataille (1991):

...is to free the world of things (of the economy) entirely from every element that is extraneous to things (to the economy): It was by going to the limit of the possibilities implied in things (by complying with their demands without reservation, by replacing the government of particular interests with the ‘government of things’. (p. 135)

Marx’s materialistic philosophy was based on the idea that the only way to get rid of the things is to go through things, until man is not any more enslaved by them. But since he is so much against religion as such, Marxism did not offer true liberation from things to form sovereignty at man. What Marxism did well though, was the establishment of the proper criticism of the capitalist society: the trend, which still persists to this day. Marx’s view on the early bourgeoisie, for instance, still resonates with preciseness and rigor:

The bourgeoisie cannot exist without constantly revolutionizing the instruments of production, and thereby the relations of production, and with them the whole relations of society...Constantly revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all newly formed ones become antiquated before they can ossify. All that is solid melts into air... (Marx, Section 1, 1848)

“The capitalist bourgeoisie” concludes Bataille (1991) “relegated the construction of churches to a subordinate plane, preferring to construct factories instead.”(p.132) People were not practicing actions towards the divine, towards the sovereignty and the true self-consciousness. The new order, the order of things, based itself on the new alliance of reason, science and technology. The endless production of things and the mechanical way of life became dominant force in the society. Market became the new God—the perfect solution for the new economical movement. In the Poverty of Philosophy, Marx gave a potent description of the market system of exchange compared to the old one:

There was a time, as in the Middle Ages, when only the superfluous, the excess of production, was exchanged. There was again a time, when not only the superfluous, but all products, all industrial existence, had passed into commerce, when the whole of production depended upon exchange...Finally, there came a time when everything that men had considered as inalienable became an object of exchange, of traffic and could be alienated. This is the time when the very things which will then had been communicated, but never exchanged; given but, never sold; acquired, but never bought – virtue, love, conviction, knowledge, conscience, etc. – when everything finally passed into commerce. It is the time of general corruption, of universal venality, or, to speak in terms of political economy, the time when everything, moral or physical, having become marketable value, is brought to the market to be assessed at its truest value. (Quoted in Kellner 1989, p. 20)
The Political Economy of the Market

Money and time become the only measure of value. They offered possibility for the rise of the financial markets—the most important markets in the capital world—where money can be invested and speculated. In criticizing this new mode of thought, Bataille, quotes the famous saying by Benjamin Franklin:

> Remember that time is money. He that can earn ten shillings a day by his labor, and goes abroad, or sits idle, one half of that day, though he spends but sixpence during his diversion or idleness, ought not to reckon that the only expense; he has really spent, or rather thrown away, five shillings besides. Remember, that money is of the prolific, generating nature. Money can beget money, and its offspring can beget more, and so on. Five shillings turned is six, turned again it is seven and three pence, and so on, till it becomes a hundred pounds. The more there is of it, the more it produces every turning, so that the profits rise quicker and quicker. He that kills a breeding sow, destroys all her offspring to the thousandth generation. He that murders a crown, destroys all that it might have produced, even scores of pounds. (Franklin, 1748, p.1)

In the initial stages of the development, value was created in relation to the time spent to produce something—forming the so-called use value as a result. Later the value was created on the market, by the willingness of the potential customers to pay the price, thus creating the exchange value. The whole movement of the market economy swerved from what is useful to people to what attracts them.

Adam Smith, in what we now know as the classical political economy, worked to explain the workings of the market economy by inventing the projected system of the invisible hand. It basically operates in the absence of the direct exchange between the customers at the market but is regulated by the policy of the prices and the principle of supply and demand. The consumers seek what is best and cheapest—they strive to find the perfect balance of value: all the other players of the market including the competitors have to strive to achieve that which is best but for a very good price. That competitive logic will bring many benefits to the society as the people will get good quality for a good price. The rise and fall of the prices depends on the logic of supply and demand respectively. The state does not need to regulate the production and the quality since the invisible hand activates the true market forces.

In order this idea of a market-as an economic equilibrium that perfectly regulates the ups and downs of the society-to work, economists after Adam Smith—in the so-called neoclassical political economy—invented the actor, the single individual that was supposed to perform, in a rational way, the preferences in the market for which he is willing to pay. This actor was given a name—Homo Economicus.

NEO-LIBERAL POLITICAL ECONOMY

What the case of Homo Economicus showed was that the whole economic determination of the objectified individual actor can be translated into calculations that mathematically could measure the intentions and the perspective of the potential customer. Generally, it is that moment that gave birth to economy as a science.

Neo-liberal political economy was criticized for neglecting two crucial issues: first, by the positioning the single economic actor as the key factor in all the economic analyses they posit that the same individual and his movements can explain all different aspects of the economy and the exchange among people. According to Sorensen (2012), “Marcel Mauss... did not find any markets in the classical economic sense, just as there were no commodities or economic men in the strict sense in the exchanges.” (p. 173) He further contends:

> Homo economicus cannot be encountered in primitive societies, just as one cannot find the moral man of duty or the scientific man. Human actions have always been more than just economically rational, and therefore, according to Mauss, calculating the intentions of economic man does not seem to be the best point of departure for economy as an empirically based science. (Sorensen, 2012, p. 173)
In other words, the scientific claim of the neo-liberal theory is rather dubious when the objectified individual-that is the basis for the calculations-is not present in every economic activity, say in the ancient practice of gifts, for example. Not to mention that the very economy that proudly announces its independence and reliance on science only, is heavily determined by the capitalist political ideology.

The position of the individual desire as the starting energy of the whole economic process is also neglected in the neo-liberal political economy. Either it is considered mechanically, or is looked upon objectively, without taking into account the real energy that makes the economic activity possible-and which, in principle, is not based only on the activity devoted to production only.

Therefore, the neo-liberal political economy—or in more modern terms, micro-economy-can hardly contest to call itself a science but rather, to quote Sorensen, (2012) “…a formalization of the core elements of the political ideology of capitalism.” (p. 174) For these reasons Bataille renamed the micro-economy into restricted economy, to which he confronted his model of the general economy.

Still, some of the economists of the neoclassical liberalism, dominating the political and economic life in the West in the last decades, discovered a curious relation to the practices of modern capitalism, and the gift and expenditure theory of George Bataille.

GEORGE GILDER AND THE GIFT THEORY

In his landmark book Wealth and Poverty (1981), George Gilder, as chief ideologists behind Roland Regan’s economic turn, proposed a surprising link between the multinational capitalism and the spirit of the gift. He openly maintains that the old principle that supply creates its own demand, is in fact the proof the capitalism has adopted a potlatch practice in its operations. He claims “Like gifts, capitalist investments are made without a predetermined return” (quoted in Goux, 1990, p. 211) and goes further:

Contrary to the notions of Mauss and Levi-Strauss, the giving impulse in modern capitalism is no less prevalent and important-no less central to all creative and productive activity, no less crucial to the mutuality of culture and trust-than in a primitive tribe. The unending offering of entrepreneurs, investing jobs, accumulating inventories—all long before any return is received, all without any assurance that the enterprise will not fail—constitute a pattern of giving that dwarfs in extent and in essential generosity any primitive rite of exchange. Giving is the vital impulse and moral center of capitalism. (quoted in Goux, 1990, p. 211)

He constructs the whole theology of chance which he asserts as the true nature of capitalism:

Because no one knows which venture will succeed, which number will win the lottery, a society ruled by risk and freedom rather than by rational calculus, a society open to the future rather than planning it, can call forth an endless stream of invention, enterprise, and art. (quoted in Goux, 1990, p. 213)

Bataille however, did not share the same enthusiasm: “Play in capitalism is somewhat heterogeneous; it is the effect of the relative lack of power. Capitalism would avoid play if it could…Play is restricted to stock exchange.” (quoted in Goux, 1990, p. 215)

What Bataille wants to show is that all the notions of chance, gambling and play, and all the risks taken at performing the economic activities in the modern capitalism are simply alien to it: it is capitalist destiny to be involved in the contingencies of play, since it cannot effectively control the forces dominating the market.

Still, Gilder undertakes to create the heroic dimension to the formation of capitalist businesses and the operations of the stock-exchange: he even confronts the old idea of the capitalist as a rational, calculating and profit-oriented entrepreneur. In his eyes, modern entrepreneur is not afraid to take risks even if it means loss at some point—even the invisible hand formula is not valid for him anymore:

In fact, a rational calculation of personal gain would impel an individual above all to avoid risk and
seek security. In our world of fortuity, committed to a secular vision, the invisible hand of self-interest acclaimed by Adam Smith would lead to an ever-enlarging welfare state-to stasis and sterility. This is the root of our crisis and the crisis of classical economics today. (quoted in Goux, 1990, p. 213)

What he brought about in the postmodern capitalism of the 80s was the idea of heroic, even tragic grandeur: the entrepreneurs became the avant-garde of the society resembling the artists in their search for the transcendence, flirting with dark underground forces on the way. That was the apology for the postmodern capitalism that, in the process of invading all the oppositional domains of human practice started using the practices of high art theory to effectively complete the project of total world domination. This includes speculations, play of signifiers, language games, shock technique, the juxtaposition of unrelated elements in the illogical context and the flirting with the irrationality and the sub-conscious: in short: all the vestiges that artists used to challenge the bourgeoisie only a generation ago. Gilder criticizes the bourgeoisie rationality more vehemently and with more rigor than some of the main exponents of the High Modernism artistic movements.

For Gilder, the unprecedented consumption of the consumer capitalism and to a large instance, an unproductive one, makes a clear example of the connection between pre-capitalist and capitalist societies. But the difference is not based on quantity as much of quality of squandering of the wealth and on the unproductive expenditure. As Goux comments:

Undoubtedly, no society has squandered so much, produced and spent so much merely for the sake of producing and spending, as contemporary industrial societies. The difference lies in the mode of waste, its social mise-en-scene, its representation, and finally the imaginary of the expenditure. (Goux, 1990, p. 223)

CONCLUSION

The neo-liberal view of the economy as the apology for the capitalist project gained momentum in the 80s-being the golden age of the neo-liberalist thought. The culminating point must have been the publishing of Francis Fukuyama’s The End of History and the Last Man (1992): as with Gilder, who ventured to produce a neoliberal version of Bataille, so did Fukuyama produce an inverted Hegel in order to announce the definite victory of capitalism. However, these theories were strongly refuted by the continental philosophy, mainly from France. Being influenced by Bataille, it shares moments of attraction and repulsion with Hegel’s thought. Guy Debord, Jean Baudrillard, Deleuze & Gattari, Fredrik Jameson and Slavoj Zizek are the ones that are the most important for any further investigation of the problem. Suffice to say, they anonymously promote the idea of the return to concepts of the pre-state economy, as the only way for a permanent resolution of the ragging crises in modern capitalism. In recent works, some of them (notably Zizek) even pronounce the need for the return of the dialectical thought and the complete reevaluation of the main Hegelian concepts.

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ABOUT THE AUTHOR

Ljubisha Petrushevski is President of Euro College, Kumanovo, Macedonia. He also teaches Cultural Studies in Business module at the College. He holds a Doctor of Business Administration (DBA) degree from the Apollos University, USA. His research interest is in cultural anthropology, economy, art, and philosophy. He has so far published two books: B-Film Reader (1996) and The Music of the Hip in Cultural Perspective (2002) as well as numerous articles in Macedonian and international journals. His forthcoming work, The Logic of General Economy in the Culture of the Late Capitalism is to be published in 2016.

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