

WAR, PEACE AND THE CRISIS OF REPRODUCTION OF HUMAN CAPITAL

Part B: The 'War On Terror'

Introductory note

The term “reproduction of human capital” does not refer to the simple reproduction of labour power but to its expanded reproduction. It refers to the production of a disciplined, enhanced, qualified labour power, through productive investment in the quality of education, in health, in family planning; that is, in the formation of social capital. Falling (or rising) birth-rates, student riots and welfare demands can lead to a “crisis of reproduction of human capital”. This, when combined with workplace struggles, leads to a general crisis of exploitability of labour. That was the case in the late 60's-early 70's in the “West”. Today, as we show in this article, the crises of reproduction of human capital in the 70's and 80's in the “West” and in the so-called “Third World” have been aggravated by the violent politics of deregulation which tried to confront the results of the previous social conflicts. All this has led to a **generalized crisis of reproduction of capitalist relations**, which appears as an “economic crisis” and is dealt with, unsuccessfully, through the use of more violence.

Our text is partly based on explanations of the present crises given by G. Caffentzis, J. Holloway, W. Bonefeld and S. Federici (see Bibliography). This doesn't mean that these comrades are responsible for the inadequacies of our analysis.

A summary of the first part, which was about the war in Kosovo and Serbia, had been published three years ago in various publications, e.g. Theorie Communiste, Discussion Bulletin, etc.

The present paper (part II of 'WAR, PEACE AND THE CRISIS OF REPRODUCTION OF HUMAN CAPITAL') was presented and debated at the recent summercamp in the Czech Republic organised mainly by German comrades.

Ta Paidia tis Galarias (TPTG)
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The onset of the crisis

1.

In the late 60's-early 70's, there started the decomposition of capital-labour relations in the “West”, as they were consolidated after the war. Keynesianism, as a mode of

domination and disciplining-integrating class antagonism, reached its limits. Through Keynesianism there was attained a spectacular rise in productivity, effective exploitation of work through fordism and the generalization of the model of “mass production-mass consumption”.

The post-war settlement was based on the “exchange” of alienation, boredom and control with consumption and guaranteed survival, but it met with the fundamental **contradiction** of the capitalist relation: the degradation of concrete labour to abstract labour, the subordination of living labour to dead labour always entail the danger for capital of a revolt against this condition. That’s what happened in the late 60’s-early 70’s: sabotage, absenteeism, high turnover, wildcat strikes, a revolt against work in factories and offices.

The unions tried to manage the crisis channelling the discomfort into wage rises. The result was that while the rate of exploitation rose, due to the rise in the organic composition of capital, the extraction of surplus-value became more expensive, since capital introduced more and more dead labour against the undisciplined living one. Historically speaking, what was new in this period was the “indirect cost” of exploitation, the expenses for the welfare state, which were added to the direct cost. Since the capitalist state, as a welfare state, invaded more and more aspects of life, the alienated social organization, society as a factory, created movements against the state control, around education, housing, health, transportation. It’s the period when the struggles of wageless housewives, the minorities, the “surplus population” for more benefits and less control came to the fore. It was through these struggles that the contradictory relation between the working-class and the welfare state became obvious: the increase in benefits presupposes subordination to the alienating form of the capitalist state, while the state itself becomes a terrain of class antagonism and its control gets crushed from within.

The struggles in the factory to disconnect wages from productivity and for the control over the labour process and the struggles of subjects such as blacks, women and the unemployed for increases in social benefits, for income without work, were the two sides of the same coin, of the same revolt.

This created a crisis of reproduction of the capitalist relation, which affected the unions as well as the social democratic parties. This crisis of the exploitability of labour power, this crisis of class relations in all aspects of everyday life, manifested itself in the expansion of credit, as private capitals as well as states were taking loans to meet the demands of the working class and it was expressed in a mystified form, as a monetary, economic crisis.

In 1973 the Breton Woods system of fixed exchange rates was abandoned. This system was an institution created by the victorious powers of the 2nd World War and was based on dollar and gold being international money and national currencies being tied to the dollar in fixed parities. That’s how 1) Keynesianism, the management of demand through money, got internationalized, since, as the dollar became international money, the inflationary expansion of credit in the US and Western Europe became part of the

international money flow and 2) fixed parities secured a kind of protectionism of the national economies against the international money flow. However, as we mentioned before, credit money —loans given to productive capital, consumer workers and the states— got bigger and bigger. To this, eurodollars were added, which were given to Europe after war by the US through the Marshall Plan. As a result, in the late 60's, the international money market outside national regulation was huge. Capitalist states and private banks outside US acquired 40 billion dollars, a figure which surmounted the US reserves in gold. [1]

So what happened was that increased expansion of loans by states and private capitals in order to meet increasing social demands produced an accumulation of deficits. However, the lag in productivity of labour, the states' inability to contain social unrest and the increase in public debt led to monetary instability. Therefore, both the convertibility of dollar to gold (1971) was abandoned as well as the system of fixed exchange rates (1973). Actually, not only a monetary system was abandoned, but a whole world of social relations. The welfare state came under a crisis, being blamed for causing the crisis itself. The new strategy of capital's counterattack was to be the restructuring of state expenses, the strengthening of the police functions of the state and the deepening of divisions within the working class.

“Globalization”, restructuring of state expenses and the politics of money

2.

During the 70's, there was a general tendency for capital in the “West” to abandon its industrial base, to turn itself into money and to seek more lucrative ways of expansion. The loss-making factories closed down, the buildings and the machinery got sold, the undisciplined workers got fired. A part of capital turned into money was transformed into productive investment in countries with plenty of cheap labour where primitive accumulation of capital in the form of enclosures of communal land went on unhindered —some of these countries became known as “Asian tigers”, “new industrial states”, etc, according to bourgeois propaganda. However, the main bulk of capital remained in the form of money. What was added to that were the petrodollars that were accumulated by the multinational oil companies, the European banks and the oil producing and exporting states because of the rise in oil prices after 1973. This huge sum of money was recycled into loans given to productive capital, and to nation-states, particularly in the south, to reorganize their production and check social unrest. Besides, it financed the introduction of new technology in North America, Japan and Europe.

As a result, there occurred a sudden change in the relation between productive and money capital with the latter appearing to be no longer subordinated to production but a cause in itself. This changed, in turn, the relation between nation-states and global capital mobility.

In the first period of the capitalist counterattack, in the late 70's, Keynesianism was replaced by a monetarist, deflationary politics. The increase in the rates of interest put a limit to credits, direct and indirect wages were reduced, state expenses as well, factories closed down, the most militant workers got isolated, the role of the unions within the state became less vital, the policy of full employment was abandoned.

Although such a strategy managed to reduce inflation (that is, the consumption potential of the working class), to increase unemployment and insecurity and put a limit to working class demands, it failed to increase investments and profits.

Moreover, from Mexico to England and the Gulf, new social struggles began against the first national austerity programmes. A lot of “developing” countries came to the brink of bankruptcy 1) due to their inability to impose austerity and 2) because of the fall in oil prices and the rise of interest rates in the US after 1980. They had borrowed when the interest rates were low but they had to pay back with high interest rates and moreover they could not discipline their workers. When Mexico declared a moratorium of payments in 1982, the international debt crisis began. Then, it became clear to the IMF, the World Bank and the like, that continents like South America and Africa could become credible again only if new credits to pay the old loans were followed by really drastic austerity measures like devaluation of national currencies, cutbacks in state expenses, wage freezing, privatizations. These measures were also favourable to the modernizing factions of the national capitals who wanted to get rid of their previous social-democratic policies. So, Structural Adjustment Programmes were imposed in more than 100 countries from 1983 until the 90's. [2] *This violent decomposition of the world proletariat is what the bourgeois propaganda calls “globalization”.*

3.

At about the same time, the flow of money started going back to the North promoting a mass expansion of credit and war investments. In the 80's the US became a huge importer of capital and commodities and the politics of debt this time meant an increase in discriminations within the proletariat —between those who are “worthy” to take loans and have credit cards and those “unworthy” to do so. This new hierarchy of wealth and poverty, a new hierarchy of “consumers” and “excluded” ones, is manifested in various ways in international relations as well as within “multicultural” societies.

So, anti-Keynesianism could no longer be detected in the policy of credit —on the contrary, credit started expanding again— but in the destruction of the old redistributive function of the welfare state. This new expansion of credit caused a split in the resistance of the workers against austerity. On the one side, there is the “efficient” part of the working class: the skilled, flexible, fully employed workers, who work as “partners” in the new sectors of the economy, who have shares in the company, take loans, and the more credit they get the more they work. On the other side, there is the expendable part of the precarious, interchangeable workers who have to work harder to get their welfare

benefits. However — as the collapse of the “new economy” showed — the condition of precarious workers often forebodes bad news for the “efficient” ones.

What happened therefore in the “West” was not a frontal attack against the working class as a whole. State expenditure increased in Europe and was used for the technical recomposition of the class. Some forms of reproduction of labour power got privatised and took the money form. The ideology of social inequality as a natural human condition got glorified.

On the whole, the welfare state which was an institution of integration and expanded reproduction of the working class, was gradually transformed into an institution of controlling the minorities and those “excluded”, an institution of imposing poverty and low-paid work.

However, when we mention the privatization of some forms of the reproduction of labour power, of some functions of the welfare state, we do not mean that the state is too weak to exercise a national economic policy. The state remains the manager of the national variable capital, the manager of the social wage supervising the privatization of the pension system, for example. Private or company pension schemes create individual pension accounts which are invested in the stock market and can bring profits or losses.

On an international level, the reform of the pension system, in particular, and the expansion of stock markets, in general, try to tie up money which has so far been idle - the savings of the workers - with capitalist investment. In Greece, for example, state pension funds had up to now been used as loans to companies, but in a limited and selective way. Now everywhere, as far as pension reforms are concerned, the strategy of capital aims at the maximum quantity of money capital that can be valorized. So, they aim at tying up the whole life of every worker/pensioner with the expectations of capitalist accumulation.

Dependent on the investments of the pension funds or of whoever manages their pension money, the workers/future pensioners get highly individualised: their future consumption is tied up with their shares in the stock market, they tend not to get involved in collective struggles against “their” company fearing that the price of the shares might go down, and their division into sections gets intensified through the creation of the occupational funds. In any case, the reform of the pension system increases the rate of exploitation, lengthens working time and puts the worker’s subjectivity in the service of capitalist accumulation.

As Simon Clarke has said, “*while Keynesianism was the ideological expression of the attempt of capital and the state to respond to the generalised aspirations of the working class in the post-war boom, neoliberalism is the ideological expression of the subordination of working-class aspirations to the valorization of capital*”.[3] This statement is particularly clear to those of us who have gone through counter-cultural experiences and see now how they are sold back to us as “differentiated consumption”, to

those of us who had the ideology of self-organization and anti-statism and receive it back as “self-management” of our pension account.

4.

The change in the relation between nation-states and global capital meant also a change in the forms of global capitalist domination. Political decisions, which continue being taken by the national governments, get more and more directly integrated into the global movement of capital. The transnational organizations (IMF, World Bank, WTO, EU) organize the **global terrorism of money** and at the same time they function as think tanks, issuing directives so that economic and social reforms in every nation-state are made on similar lines. However these changes are not without problems for capitalist states: it gets more and more difficult for them to exercise traditional policies of consent as well as their particular ways of decomposing/technically recomposing each nationalized proletariat. That’s why in the last two decades we can observe an increase in social turmoil that has led the tension between universalism and nationalism to a dead end.

Capital certainly has strategies but it is not almighty. The domination of money is the proof of capital’s weakness. Money is dominant because production continues not to be sufficiently profitable for capital, however production is the only solid basis of capital’s self-expansion. Despite appearances, the constant movement of money capital shows how insubordinate the working class is. The restructuring of the subordination of labour to capital remains to be seen. Those workers who work as temps one day and are unemployed the next can never be the model producers of surplus value, while those who are “good” consumers and investors are not necessarily “good” workers. Just like a company's shares: the increase in their face value does not necessarily prove that the company has increased its real profits.

Social estrangement and political fabrication of security

5.

Now, let’s turn our attention to the other side of capital’s strategy of counter-attack: the unprecedented intensification of social control and the repressive functions of the state. However, we can only understand how such a development became possible if we examine how the working class had been recomposed technically after WWII and how it failed to turn its political recomposition in the late 60’s-early 70’s into a durable community of struggle.

The working class communities of Western metropolitan areas had been formed before WWII around the neighborhood, the "extended" family (contrary to the "nuclear" family that is prevalent today), the vicinity of the workplace to the residential area, and the existence of formal or informal mutual help networks (e.g. the working class community of London’s East End provided support to its members, in the day-to-day problems that

arise in the constant struggle to survive). [4] The redevelopment that took place after the war in the framework of social-democratic/welfare state regulation and the constitution of working class divisions (national, income, sectoral ones), led to the gradual weakening of the aforementioned bonds that held together the working class communities, until their total dissolution and disappearance.

The process of redevelopment entailed a radical rearrangement of the urban space aiming at the isolation of workers as well as at a controlled reintegration, according to the planned requirements of production and consumption.[5] The result was the disintegration of the traditional working class neighborhood and the detachment of the workplace from the residential area. As a consequence these changes had in turn the fragmentation of the "extended" family which was replaced by the nuclear "family of marriage", and at the same time, the development of the welfare state, which penetrated all spheres of life (education, housing, health, insurance), leading either to the atrophy of the autonomous worker organizations or to their integration into capital, as for instance in the case of unions. All these, combined with a big demographic change caused by the influx of immigrant labour, brought the dissolution of working class communities.

The rise of youth subcultures — an aspect of the general revolt in the 60's against alienated life — should be considered in this context as an attempt to re-compose working class community. They were attempts to transcend the real social relations through an "imaginary" relation. A representative example is the subculture of skinheads which appeared in London's East End at the end of the 60's. Skinheads saw themselves as the inheritors of the community where their parents grew up: "*When people kept saying skinheads, when they're talking about the story of us coming up from the East End, this has happened for generations before, past... I mean where does skinhead come into it? It's a community, a gang, isn't it, it's only another word for community, kids, thugs, whatever...*". [6] Skinheads attempted to reassert working class values, to recreate the lost community through the "mob", to revive the neighbourhood that the city-planners and the speculators rapidly destroyed. In other words they strove to preserve their parents' identity: solidarity within the group, hostility towards "outsiders", conception of masculinity, neighbourhood, community, style. They felt threatened from everywhere: teachers, police, courts, social workers, philanthropists, immigrants, "good guys", and this created the need for solidarity within the group. In attacking Pakistanis (paki-bashing) they expressed a ritual and aggressive way to defend the social and cultural homogeneity of the community against the intrusion of different cultural patterns (in comparison with immigrants from the West Indies, with whom they had friendly relations). In attacking homosexuals or "queers" they reacted to the erosion of the parent culture stereotype of masculinity.

The subculture of skinheads failed to recreate the community. The cause of this failure is the simple fact that real social relations cannot be replaced by "imaginary" ones. *The only community that could be created then and now is the community of struggle, that is a movement of the working class against itself as labour power, against the separations that exist within it.* So, the failure to create a community of struggle is due to the failure of the youth subcultural revolts to overcome the ghettos they created, the failure of the

workplace struggle committees to go out of the factory or company gates and overcome sectoral limits, the failure of State workers to collaborate with the State's "clients" and attack the very notion of the "client", the failure of young workers to go beyond their individualised mobility from one workplace to another, the failure of the "minorities" to confront their nationalist leaders.

6.

The counter-attack of capital we have been experiencing the last 20 years, known also as "neoliberalism", has accomplished some undeniable gains for capital: it has reduced direct and indirect wages, it has increased unemployment and the sense of insecurity, it has exploited the devaluation of certain sections of the working class (immigrants, black people of the ghettos of the American cities, etc) in economic, as well as, in political and ideological terms.

Neoliberalism wouldn't have achieved its purpose if the ground of its development hadn't been prepared by social-democracy for decades. We are referring to the fragmentation of the working class into distinct "interest" groups, the decomposition of the working class communities which were transformed into parts of the social factory, and the development of the democratic ideology of the worker-citizen. Neoliberalism also wouldn't have been able to achieve its purpose if the working class struggles of the 60's and the 70's hadn't failed to constitute a community of struggle, as we said before.

From the onset of the capitalist restructuring that followed the crisis, the most downtrodden and insecure proletarians reacted violently to their equally violent devaluation. Failing to recompose a proletarian community, they directed this violence mainly against one another (mugging, gang wars, etc.), though both molecular attacks against the commodity (vandalism, looting) and events of greater extent took place, such as the L.A. insurrection or the riots of the British and French suburban youth.

Taking advantage of the conflicts within the working class and responding to the ghetto revolts, the state and related institutions (think tanks, conservative intellectuals, scientists, and mass media) developed an ideological arsenal which aimed at the penal management of social insecurity through demonizing particular social categories (immigrants, black people of the ghettos, drug users, etc.), that is through the criminalization of surplus, devalued and maladjusted proletarians. They created moral panics in this way. On the other hand, it was easier to get the consent of the most "integrated" segments of the working class, on the basis of existing separations, the lack of a unifying class movement and a general sense of labour insecurity. Sometimes, these segments of the working class even demanded the intensification of policing and surveillance from the state, the upholding of law and order.

In addition to the devaluation of labour power and the deregulation of fordist labour relations, a whole series of practices mark the beginning of a penal state that disciplines and keeps under surveillance those parts of the working class who fight back, that

eliminates the surplus and politically dangerous elements, that produces and reproduces the ideology of "individual responsibility and success".

7.

"The operation of A.M.E.L. security system was based from the beginning on the theory of Zero Tolerance. According to this theory no crime (offensive behaviour or violation of regulations) can be considered unimportant, in other words we consider every offensive behavior seriously and therefore an issue that we should face. Every deviation from laws or regulations is controlled, so that a small offence (e.g. begging) will not be followed by a bigger one (stealing) and this in turn by an even more serious one, such as a robbery, for example."

Metro, Informational Publication of A.M.E.L. (Attica Metro Company, Athens)

Neoliberal politics was put into practice in the purest form in the United States, where this meant thousands of job cuts in industries that were transferred to the capitalist "periphery". The part of the working class that was mainly hit was the one that had been in the frontline of the working class revolts of the 60's, the black proletariat of the ghettos, which was mainly employed in these industries. At the same time, the deregulation of labour relations and the imposition of "flexible" and devalued work were accompanied by an attack against the social wage; that is, the reduction of state expenses for unemployment benefits and the parallel enactment of the imposition of work (workfare) for claimants. These policies created the phenomena of mass degradation (an indicative example is that of Detroit, where things came to a pass and messes were organised for the new poor). The general sense of social insecurity and the deepening inequalities within the working class led to its further fragmentation (whites vs. blacks and Chicanos, blacks vs. Koreans and so on...).

The counterattack of capital intensified violence in the ghettos and the poor neighbourhoods of the ex-mass workers, both at the level of everyday life and the level of resistance against state power (police). Violence grew to the extent of a limited civil war (L.A. 1992). Therefore, the next step capital and its state had to take was the further intensification of surveillance and control, employing the neo-conservative ideology of "zero tolerance", something that eventually led to the appearance of a penal state where once the welfare state stood.

The ideology of "zero tolerance" was originally formulated by James Q. Wilson in 1982. [7] He put forward the theory of the "broken window", where no more, no less, he claimed that the disorder of proletarian neighbourhoods leads unavoidably to the commitment of more serious violent crimes. This theory was complemented by Charles Murray, who, in his book *Losing Ground* (1984), stated that the "welfare state" was responsible for the "moral degeneration", the "idleness" and the "mob violence" of the proletarian strata most heavily hit by deregulation.[8] The icing on the cake was put by Lawrence Mead with his book *Beyond Entitlement: The social obligations of Citizenship*,

where he openly expresses "the necessity of resorting to the authority of power" to reform the morality of the unemployed and devaluated workers, who are poor because of their "dysfunctional and corrupted" way of life (sic). Inspired by these ideas and exploiting the propaganda of the mass media, Rudolph Giuliani, mayor of NYC for many years, put in practice the dogma of "zero tolerance" in 1993 (not coincidentally, right after the L.A. Revolt).

We concur with Loïc Wacquant who makes the tenable assertion that: "*The hypertrophy of the penal state corresponds to the deliberate atrophy of the welfare state*". [9]

The main characteristics of the penal management of the social crisis in the U.S.A. are the following:

- i. A 500% increase in the number of prisoners between '75 and '98 with (300,000 to 2,000,000)
- ii. The creation and development of a surveillance web (dragnet) employing new technologies (databases) that enabled the quadrupling of the number of people under penal surveillance (900,000 to 3,700,000). This web is extended to the surveillance of the claimants of the U.S. state in matters concerning work, education, drugs (and sexuality), and puts them under the constant threat of administrative and penal sanctions. These people mainly come from the most devalued parts of the proletariat which were thrown into labour insecurity, or got a job in the "black" economy. It is more than obvious that the aim of these policies is, on the one hand, to neutralize potentially dangerous proletarian groups and, on the other hand, to impose behavioural patterns that are adapted to the reality of the devalued labour.
- iii. The introduction of mass, unskilled labour inside the prison; a measure which is complementary to the workfare that is imposed on those who are outside the walls. Both are methods used for devaluating labour. Well-known companies such as Microsoft or TWA employ prisoners. [10]
- iv. It should be emphasized again that the dynamics of the penal system is applied mainly in the degraded neighbourhoods and areas, and in the ghettos. Another example is that despite the fact that the percentage of black drug users corresponds to their percentage in the population, three quarters of those arrested come from them. This penal practice is utilized in the demonization of certain parts of the working class and in the deepening of divisions, since, in the end, the criminality rates are determined by political decisions. Criminalizing the most degraded parts of the population also enables the disciplining of the rest, who, facing the threat of marginalization, waver over reacting against the imposition of new labour relations.
- v. We must also note that the reduction of the expenses for the welfare state does not entail a general reduction of public expenses, since the establishment of the penal state in the U.S. demanded huge financial resources. The issue for capital is not just to reduce the cost of the welfare state but to intervene universally into what was known as a social-democratic regulation in order to dissolve it. *Neoliberalism is not so much a new regulation, as it is a surveillance and a deregulation policy.*

8.

Britain's case differs from that of the United States, since the imposition of neoliberal politics was confronted with hard resistance and was thus much delayed. The first attack against the British working class was launched in the second half of the 70's by the Labour government which tried to face the crisis of profitability and social reproduction. The policies they implemented created more unemployment, affecting particularly youth. The reaction of the latter was rather explosive: the proletarian subcultures (punks, skins, hooligans, rastas) —with most of them living on unemployment benefits— tended more and more towards delinquency and violence both among themselves and against the police.

Thatcher and her advisers took advantage of this situation. They tried to put the blame on welfare and unemployment benefits, presenting them as the basic cause for the "corruption" of youth, while at the same time they promoted the ideology of individual responsibility-initiative-success, giving promises for loans to small companies. This kind of politics was named then by some analysts as "authoritarian populism".

The tactics that were followed by the British state in the first years of the 80's was the intensification of policing the "problematic areas". These tactics provoked a big wave of revolts that swept Britain in 1981 (Brixton, Toxteth, Manchester, Liverpool, ...), the summer of a thousand Julys, as some British comrades called it then. The riots resulted, on the one hand, in the suspension of unemployment benefits cuts and, on the other hand, in the replacement of the tactics of tension with the tactics of "secondary control" or "community policing", according to which individuals would be disciplined by a community of property-holders who defend their individual property in their own neighbourhood. The novelty of the British-type of neoliberalism lies in the fact that for the first time there takes place a generalised attempt to demonize whole parts of the working class.

If the number of prisoners is again used as a measure of the intensification of state surveillance and control, as a measure of the degree of the penalizing functions of the state, it will be seen that during Thatcher's rule a slow but continuous increase in the number of prison inmates took place, which was followed by a significant decrease during Major's rule because of prison revolts. After 1993 though, the increase becomes rapid, despite the decrease in the criminality rates in the same period.

1994 was a critical year, as far as the British state policy of penal management of the crisis is concerned. An attempt to transmit the neoliberal ideas of Murray and Mead had taken place in the previous years with the help of the think tank *Institute of Economic Affairs* and the mass media. Until the mid 80's it was common knowledge that these ideas were associated with the politics of American far-right republicans. The centre-leftwing Blair government proved that all capitalist factions now agree, both on the deregulation of labour relations, the imposition of workfare and the draconian cuts in the welfare expenses, and on the penal management of social insecurity (e.g. the Criminal Justice Act that passed in 1998 is considered as the most repressive law of the post-war period).

9.

Things are not very different in the other E.U. countries. There is a common European policy considering both deregulation and cutbacks in welfare expenses, and penal management of insecurity. A common element in all European states' policies is the demonization and criminalization of immigrants. And they all take part in the "war against drugs" (sic).

As far as immigration is concerned, demonization is employed, on the one hand, as a tool for the deepening of divisions within the working class, and, on the other hand, as a means to control the composition of immigration flows. At the same time, pointing at a supposedly "great threat" for the society makes the resort to a more intense surveillance and repression policy a lot easier.

The politics of the "war against drugs", as it was called in the U.S., is a fine example of the marginalization and extermination of the maladjusted and, in the end, useless population strata such as drug addicts, tramps, etc. Of course, we should not overlook the business side of the issue, since drug trafficking is in fact a rapidly developing and profitable sector of the economy (especially for the police, drug barons, etc).

10.

Ideology (just like the economy and politics) is a form of the antagonistic capitalist relation and it is therefore a terrain not only of class struggle but of integration as well, as long as the capitalist relation itself is not destroyed. In this sense, it is a terrain of capitalist domination, but within a constant antagonistic process that has not yet been resolved to the advantage of the revolting proletarians. The constant struggle for meaning manifests itself even within language, through the production, extension or even detournement of meanings.[11]

The media as a controlled, separated and alienating form of publicity is one of the basic ideological mechanisms of domination. It doesn't only reflect the dominant ideology but also plays an active role in its formation, mediating class antagonism on the level of meaning (always to the advantage of capital and its state).

Part of the arsenal of capital's continuing (counter)attack against the insubordinate or surplus living labour, the media exploit cases of violence in order to demonize certain sections of the working class, helped also by the theories of state sponsored intellectuals. Similarly to what happens in other terrains of alienating mediation (the state, the unions) there are "conservative" and "progressive" media. The former call for the intensification of policing, surveillance and control in their pure form while the latter combine the same policy with appeals for the integration of the "problem groups" into the community of

capital through welfare rehabilitation programmes that also include the imposition of work (workfare).

11.

What about Greece? The Greek model of capitalist development after WWII differed from the western one and was characterized by:

- an expanded reproduction of small-holding
- widespread forms of labour relations other than the typical fordist relation which was dominant in the “West”
- an underdeveloped welfare state, whose functions had been undertaken by the family.

The coming of the ‘80s was marked by the revolt of a big part of the youth against family and traditional values. This revolt was mainly expressed in the appearance of violent subcultures (punks, football hooligans, etc.) and assumed even political characteristics (appearance of a youth anarchist movement), while, on the other hand, there emerged the problem of drugs for the first time. Therefore, the first would-be folk devils for the mass media were the hooligans, with all the babble about football violence, and the anarchists. The main objective of the demonization campaigns in that phase was the disciplining of the youth that seemed unwilling to be integrated in the "people's state" of PASOK, part of which had become the Left.

In the 90's, the capitalist state tried to confront the crisis of profitability and social reproduction through successive reforms in education, the constant "flexibilization" of work relations, a big increase in the number of illegal immigrant workers (mostly of Albanian origin), wages reductions, cutbacks in social benefits and public services, the closing down of loss-making factories and successive pension reforms. The objective was the general devaluation, disciplining and division of the labour power, the reduction of the direct wage and the social one. Here, as in the “West”, what followed promptly was a dominant feeling of social insecurity.

In order to check class struggles caused by the initial neoliberal policy, capital followed a double-sided strategy, as it did in the “West”. One side of this strategy was the politics of money, the politics of individual debt (consumer loans, credit cards) and gambling. (By 1999 more than one in ten Greeks had become a shareholder). The other side was the criminalization and penalization of immigrants, particularly the Albanians. Since they were the most impoverished and isolated section of the working class they proved to be the most expedient one. This was done mostly by the media that fabricated a new type of crime: the "crime committed by Albanians". The sources of information the media used were the official state agencies of social control (like the police) with which they have been exchanging information on a constant basis since the 90's.

The criminalization of Albanian immigrants aimed at providing a particularly low-paid labour force and minimalizing welfare services, which, of course, drag the biggest part of

the class to the bottom. At the same time, this strategy deepened the divisions, since the blame for the general condition of unemployment, deregulation and insecurity was put on the immigrants who "take our jobs and on top of everything they rob us and kill us". Finally, the illegality of their actions produced by their illegal status and their poverty (and which is also related to the growth of "underground" capital: drugs, prostitution) is being used as a justification — or even a demand — for an increase in policing, surveillance and control, extended to "native" proletarians as well. Control of wages is not enough — the life of proletarians as a whole should also be controlled.

The demonization reached the point of bringing about racist phenomena; in some cases "native" people took the law into their own hands and even committed murder for trivial issues. Hence, the state was forced to show its antiracist face (complementary to the racist one) and to intervene because it was obliged to control the unpleasant effects of a division that had become a threat to the labour peace. At the same time the "progressive" mass media stepped in, reversed the dominant discourse and tried to contain the monster they created, by promoting the image of the "hard-working Albanians, a people respecting family values and whose children excel in the school". This reversal did not cease to reproduce the stereotypes since the image of the "Albanian criminal" was not abandoned at all. In this manner, they have once again legitimized the state functions of control, covering up the institutional violence with the condemnation of the "extreme fascistoid all-greek macho" (who, of course, was nurtured by it).

So, it seems that even if they start from different points, "conservative" and "progressive" mass media converge: although the former call for pre-emptive measures and intensification of policing, while the latter put the emphasis on the modernization of the police, social programmes and "citizen's security", in both cases the mottos are the same: intensification of surveillance and control, penal management of social insecurity.

12.

If we look into the issue of "law and order", of surveillance and security, in a macrohistorical perspective, we will discover that the capitalist state has been a penal state since the beginning of its existence.

One of the main components of the penal state is the imprisonment system. The prolonged confinement as a crime punishment method has an actual age of only two centuries, since other methods prevailed before, like corporal punishment for the poor, fines for the more prosperous and, in the most extreme cases (cases of murder or relapse), the death penalty. Detention played a secondary role as a temporary situation until the dispensation of justice. [12]

The old police-state got the "consent" of proletarians coercively, through the use of violence; in other words, it didn't really get it at all. The transition from the police-penal state to the welfare state also signals the transition from brute force to the political and ideological organisation of social consent. The notions of political and social crime

change. [13] In the post-war society of mass production–mass consumption the notion of the "common enemy within" expands to include every one who is "different" (youth and political minorities). The second proletarian assault in '68 provoked the temporary expansion of the welfare state and integration. However, when the crisis of profitability and social reproduction becomes threatening, the state initiates the neoliberal strategy as a response, and, on the ideological terrain, from the end of the 70's the "common enemy within" starts being characterized as "terrorist".

The fabrication of "common enemies within" requires the existence of notions of general interest, such as "development", or "war against crime for the common good". On this basis, groups which circumstantially or permanently get in conflict with state policies and practices, are being isolated, get "socially encircled" and, with the help of the mass media and the organic intellectuals of the state, are characterized as "antisocial minorities", "parasites", or even "terrorist" guilds and gangs. The fabrication of these "minorities" is particularly flexible depending on the ongoing social conditions and circumstances, and the goal is to turn one part of the working class against the other, deepening even more the fragmentation and the division. Leftist armed struggle fighters, drug users, wildcat strikers, youth subcultures: all these social groups have been cast in a chain of permanent emergencies which can only be dealt with by courts and police surveillance. Thus the state took upon itself the role of the "defender of the people" from the various "terrorist" monsters.

In Greece, this dynamic was applied in two main directions: on the one hand, towards workers' struggles mainly in the public sector, and, on the other hand, towards the insurgent part of the youth from the 80's on.

The following notions were utilized against workers in struggle: the "privileged strata" or "middle class wage earners" (pilots, bank clerks, etc.), do not have the right to go on strike, workers' demands are backward and against development, they block "vital social functions" (strikes in the electricity company, in education during the general exams), blah, blah... Whenever struggles turned into open, violent, long-standing confrontations with the state, they weren't just regarded as "antisocial" but as expressions of a dispersed "social terrorism", as well. A characteristic example was the struggle of the strikers of E.A.S. (the Athens Bus Company) during '91 - '92, a militant struggle which was expanded to other parts of the working class. Indicative of the propaganda that had been created then were the statements of prime minister Mitsotakis in April, 1992 about the "terrorist" politics of the E.A.S. strikers. *"The notion of "terrorism" is crucial for the stigmatization of the "antisocial" forms of the "enemy within"... "Terrorism" refers symbolically to an "organization", a "plan" and the antidemocratic/antiparliamentary targeting of the particular "enemy" (E.A.S. Strikers)".* [14]

The same method was applied in its most extreme form against the youth that was politically active in the anti-authoritarian/anarchist milieu. Such a political stance denies any mediations by legitimate social institutions (like the unions or the mass media) and therefore the only possible response on behalf of the state is repression. The "social encirclement" of rebel youth was done through the creation of a climate of "panic",

“violence”, “chaos and terrorism” that supposedly threaten all "citizens" without discrimination, while the state appears as a neutral mechanism that will protect the population from the imminent breach of "social peace".

The “war on terrorism” and the fabrication of international folk devils

13.

We saw that in the US and Britain the initial austerity programmes that were imposed in order to move beyond the crisis of profitability and reproduction of the capitalist relation were soon followed, at the end of the 70's, by a real politics of deregulation. Part of this politics in the so-called "underdeveloped" or "developing" states consisted in the encouragement of national debt, cutbacks in public investment and Structural Adjustment Programmes. This caused new social struggles, new food riots, something which led the dictatorial states (which had come about after decolonisation struggles) into a legitimisation crisis. As the politics of deregulation continued, and capital's strategies for self-preservation were increasingly acquiring a localist character, the opposing factions of capital and the societies of these countries, resorted, more and more, to a war economy. From the 80's onwards, we entered a period of an increasing weakness, on the state's part, in controlling the proletariat, or, to borrow a phrase from the stock-brokers, a period of "great instability".

The Civil War in Algeria

14.

The case of Algeria is characteristic of the political and social process we are trying to describe. The government of the National Liberation Front, which had come about after the victorious result of the war against the French colonisers, had promoted, from the 1960's on, a rapid primitive accumulation which had led to the industrialisation of production. Like almost all other developmental dictatorships of the "third world", it based its legitimisation on a "social contract with the people". The rise in the productivity of work and increased (after 1973) profits from oil, created the material basis of a “socialist” welfare state which guaranteed a steady wage for all, free education and health provisions, housing and basic food supplies.

In the beginning of the 1980's, western capital began a project for regaining control of international oil production. The price of oil began to fall and the interest rates were on the rise. The state, which had borrowed at a time of fat cows and with cheap interest rates, and which now had to pay back the western banks at higher prices, attempted to deal with the "problem" through wage and provision cutbacks. As the resistance of workers and students to the Algerian state's attempts to harmonise itself with the international austerity politics increased, the more repressive the State's response got. Algerian capital was forced to abandon the "social contract" in a country where the savage primitive accumulation of the 1960's and 1970's had caused a massive flight from the countryside. By the 1980's the countryside was deserted, the urban population had

greatly increased, the birth rate was still high while the working-age population continued to grow at even higher rates, the provision of social services was in decline, the number of unemployed (with or without university degrees) was increasing, while absenteeism (mainly in factories of imported technology which tried to function with no skilled personnel) was widely spread. During Chadli Benjedid's presidency (1979-1992), the Algerian leaders tried to control proletarian disaffection by promoting the divisive ideology of Islamism, which through misogyny transforms half the population into a scapegoat responsible for the breakdown of all social expectations. [15] With the encouragement of the state, Islamists invaded the schools, the universities, the television, the mosques; with this "moral crusade" and ideological manipulation, the state believed that it could prevent any dispute over class inequalities. But this did not happen and the whole of the 1980's was marked by periodic movements of students, pupils and workers, as well as by some revolts.

In October 1988, Algiers and many other cities bore witness to one of the most violent food riots (Algeria, for reasons we have outlined above, was a country heavily dependent on the import of food; by 1979, it imported 70% of its food supplies, while the percentage back in 1969 was barely 27%). The demonstrators who came from the poor quarters and the industrial areas attacked government buildings, police stations and hotels, they looted state-owned department stores and in many cases they burned them down. The Islamic groups and left-wing parties, who were initially caught asleep from this spontaneous uprising, got involved later on only in order to confine its scope, to prevent the violence and to demand from the government to resolve the crisis. The government indeed resolved the crisis by calling in the army, who, in its passing, left around 300 dead. The *failure* of both the *hittistes*, [16] who were at the centre of the revolt of 1988, and the industrial workers, the dockers and the railway workers, who had gone on strike before the uprising and had sporadically continued to do so after its suppression, *to create a productive community of struggle against the laws of the commodity*, proved crucial in the immediate aftermath. Chadli's government put forward a programme of political reforms which allowed islamists to enter the game of political representation and express popular disaffection. As the leaders of the National Liberation Front were more and more de-legitimised in people's consciousness as murderers and crooks, the Islamic Salvation Front (FIS) began parading in the streets of Algiers in a show of force, without its sexist, nationalist and pro-capitalist [17] propaganda meeting any resistance from the side of the proletariat. On the contrary, more and more people started seeing in their rising power the avenger of the state repression of the 1988 riot.

The FIS, which won the local elections in 1990 and was confidently marching towards the takeover of power, was economically and electorally based on a large number of big and small merchants, who acted within either the legal or the "shadow" economy: the rich military businessmen, that is, the owners of small factories and commercial shops who had in the past solidified their economic dominance due to their relations to the army (they had served as guerillas during the independence war); the *trabendistes* —street salesmen who re-sold commodities they brought from european cities and who worked for the military businessmen (the *trabendistes* were usually unemployed university graduates); and finally, the small shop owners. Supported by these layers, the leaders of

the FIS became the expression of the expectations of rapid enrichment and social ascent; they promoted the idea of a "free economy" which would transform Algeria into a "California of North Africa", while, at the same time, they added in their ideological propaganda a touch of "moral economy" and solidarity ('umma) towards the poor of the cities. The type of clientelist state promoted by the "fundamentalists" had of course nothing to do with the monolithic, misguiding and purely cultural image of Islam which the western "public" holds. Nor did the military coup of 1992 have anything to do with a "defence of multi-party democracy". Rather, it longed to protect the economic and political privileges of the army from what they conceived to be an extremist tendency of Islamism, an ideology that they themselves had previously promoted.

The beheading of the local councils controlled by the FIS, however, did not lead to the downfall of the Islamists. On the contrary, side by side to the Armed Islamic Movement (MIA) which had been created earlier, there rose two new armed factions, the Armed Islamic Union (GIA) and the Movement for an Islamic State (MEI). In the municipalities of Algiers which were controlled by the Islamists, they established networks of economic and moral support of their guerilla struggle without any difficulty. Faced with this unfavourable situation, the state decided on a policy of isolation of these municipalities. As the state abandoned the residents to their own fate, a *feeling of insecurity* developed, enforced by the practice or the threat of use of violence (from thieves, armed Islamists and state's secret agents, as well as soldiers who camped around the municipalities, formed rackets and gangs and sold protection to shop-keepers). The generalised insecurity resulted in people locking themselves up in their houses and the disappearance of any kind of solidarity against attacks to their own neighbours who they did not know and could not thus be sure of their real identity. It was only after the installation of armed Islamic groups in the neighbourhoods, under the guidance of the emirs who ran them, that the uncontrollable crime wave was stopped, by either integrating the criminals in their groups (i.e. integrating them into a form of political crime) or by forcing them to abandon the neighbourhoods they now controlled.

It was at this period, after 1993, that the hittistes entered the islamic groups, infuriated by the boring life imposed by the curfews and forced, by this strategy of terror that both sides utilised, to take sides. From then on, everything was turned into strategies for survival. [18] Petty thieves, hittistes and the most decisive criminals became the temporary workers of political crime; they made contracts of casual work in jobs ranging from driving trucks packed up with explosives up to murdering specific people.

In 1994, the Algerian state re-negotiated its debt to the IMF and introduced, as a result, a new Structural Adjustment Programme which brought the gradual liberalisation of trade, the ending of the state subsidy of consumer goods, the devaluation of the local currency and the privatisation of state businesses. By implementing such a programme, the regime managed to obtain loans and credit from international banks and thus to fund the politics of "security" it was exercising by updating its repressive mechanisms. The liberalisation of the market was a form of war which led to a war economy, or, to be more precise, to the development of a plunder economy, out of which it was not only the state that benefited, but also the emirs through the import-export companies they had created and

which funded their struggle. Being certain for the maintenance of state power, multinational companies such as BP, Exxon, Repsol, Agip, etc., began, from 1995 onwards, investing millions of dollars in the country. Certain parts of the Sahara were declared "exclusion zones" and access to these areas by civilians was banned. The companies even got the right to hire mercenaries to guard them along with the army. The discovery of new oil fields and the completion of oil and gas pipelines towards Morocco and Tunisia allowed the army to stabilise its incomes. By exploiting the "Islamic threat", the state, which at the beginning of the civil war was near collapse, managed to create new sources of revenue.

The Islamic demon was publicly denounced at the Euro-Mediterranean Conference in Barcelona in November 1995, when the 27 countries which took part in it declared their intention to "fight against drugs, organised crime and terrorism". In March 1995, the US gathered leaders from various countries in Sharm el Sheikh in Egypt in an "anti-terrorist" conference. There, the "Islamic threat" was pronounced as "enemy" no.1 and the adoption of measures against the financing of "terrorist organisations" was decided upon. Beyond the "anti-terrorist" law that was blazoned when voted in the US the same year, two new conventions drawn up under the auspices of the UN, were adopted by the majority of nation-states the following years: the International Convention for the Suppression of Terrorist Bombings in 1998 (the air bombing of Iraq, Serbia and Afghanistan by the US and NATO forces were not, of course, covered by this convention!), and the International Convention for the Suppression of the Financing of Terrorism in 1999 (which, of course, did not cover outlays of military budgets). These conventions were later on integrated in national legislation through the various anti-terrorist laws (like the one voted in Greece in 2001).

It was with great sadness that the leaders of the ex-FIS declared that "*unfortunately, our just cause and the armed struggle are not recognised as a legal and legitimate action by the international community*".[19] Today in Algeria the victorious side from the continuous civil war (which has claimed the life of more than 100.000 people since 1992) is clearly the army and the state. But not completely. Today's government of Butteflicha has made certain concessions in the field of privatisations: out of the 100 state-owned companies that were said to be privatised, none had yet been sold by 2002. This was a result of both the resistance of the trade unions and the wish of the military elite to retain a minimum of the clientelist state which can still offer it some kind of legitimacy.

15.

As it can clearly be seen from the example of Algeria and other African states, war is not a "deviation from normal, peaceful life" as the various pacifists imply. Generally speaking, war is the health of the capitalist society and its state. War is a vehicle of social change. As a result of war the technology of surveillance and control of the population is renewed, the strength of the rebel proletarians is decomposed, while the subordinated labor power is technically recomposed, the social wealth is redistributed among the armed factions of capital, the devalorization of "problematic" capital is achieved, and

capitalist enterprises are reorganised as antagonistic poles of accumulated value; finally it is the mentality and the everyday relations among people themselves that change. War, even when chaotic, is necessary. It is imposed by the progress of the capitalist economy. All the liberal democrats, the socialists (red or pink), the individualists, all the partisans of a “regulated” or “free” economy, all the fervent supporters of the “me” ideology or of the “welfare state” are quite simply ridiculous when they express themselves, here and there, against this or the other war.

The "war on terrorism" is the most recent version of the capitalist war. It represents the internationalisation of the "war against crime" and the "war against drugs", coated in different terminology. It is the continuation of the good, old “conventional” war with other means. Like all wars, in order for the public to accept it, it is necessary to define its enemies, its demons. Or, if necessary, to fabricate them.

The politics of terror is the other side of the politics of money. Being used to living, in the “west” or the “third world”, with the constant fear of the scarcity of money, having failed to create a community of struggle against capital, doesn't it follow that we will submit to the dominant propaganda about the “dangers that behold us”, or, in the best case, feel powerless against it? The left-wing/national-liberation struggles of the past and the Islamic jihad more recently both advocated different variations of the capitalist economy. In their conflict with the “western imperialist” demon, they lost, and we are not going to be the ones who will feel sorry for this defeat.

16.

The "war on terrorism" is not merely about the expansion of the so-called “free market economy”, but, in the present phase, it is about unblocking it. The "war on terrorism" tries to violently deal with the accumulated problems of the previous phase of neo-liberal war deregulation on a world scale. In its first phase — the war against Serbia and Kosovo in 1999 — when the crisis of overaccumulation of capital in the States had not yet manifested itself, the rhetoric used was that of “humanitarian interventions”, of the “protection of human rights” which were suppressed by “dictators” a la Milosevic and weakly defended by “good” terrorists a la UCK (KLA).

With the manifestation of the crisis in the very heart of internationalised capital, the reaction of the leading faction in the Capitalist International was direct and well planned. By allowing some idiotic Islamists to fly two planes straight into the twin towers and by fabricating an air-raid that supposedly took place at the same time on the Pentagon, the USA not only created the biggest fraud in the history of mankind, but they also fabricated the excuse they needed in order to put into motion a series of long-, and short-term, aims that had already been decided upon. [20] Using “pre-emptive” strikes and the permanent war against the “axis of evil”, which is supposedly threatening the whole “international community”, as its ideological flag, and the deadliest war machine of mass destruction ever assembled as its weapon, the leading faction of the Capitalist International waged war against Afghanistan and Iraq (with more to come) with the aim:

- to further promote the process of "creative destruction" of pre-capitalist subsistence economies —a steady aim of all capitalist wars for the last 60 years;
- to reverse the generalised crisis of the reproduction of the capitalist relation, created by a demanding and sometimes rebellious “surplus population” and by the politics of deregulation itself;
- to put a break on the extremities of the previous generalised war deregulation by creating protectorates which at the same time function as refugee-, and as “social work” camps for the populations of the attacked countries, thus militarising welfare politics (with the help of the NGO's and of “humanitarian aid”);
- to drag along their "own" population in the war by creating a consensus ideology of panic and animosity against the "failed, pre-modern states of the third world who threaten the security of the developed West and must thus be put under its surveillance", to use the language of the neo-imperialist dogma;
- to put the energy resources of Central Asia and the Middle East under its direct control by increasing the number of occupation forces already stationed there since the early 90's, from the Red Sea up till the Pacific;
- to police the impending social and political disorder in Saudi Arabia and Iran; and, through a pro-USA government in Iraq, to strip Saudi Arabia from any possibility of regulating the production and price of oil, thus weakening OPEC; [21]
- finally, to secure the controlled reproduction of the war economy through which the crisis of over-accumulation in the capitalist “centre” is dealt with, and through which the development of the “free market” in the “periphery” is promoted.

17.

It is extremely doubtful whether the strategy of the US and its allies of the sort we described above will be able to resolve the contradictions of deregulation and to lead towards the creation of a new international regime of accumulation. The new enemy fabricated by the dominant propaganda — this of the vague and unspecified threat of “terrorism” — aims to replace, as a dominant ideological form of social consensus, the post-war bogey of “communism” and “totalitarianism”. However, international capital expects from this propaganda more that it can actually deliver. The old world was more easily manipulated by the power-blocks in the following sense: until the 1970's, the two blocks had convinced their subjects that they could realize an abundance of the productive forces. The proletariat took this possible promise of happiness too seriously. In trying to change the relations of distribution and communication, and in refusing routinized work, it threatened to blow up the capitalist form of the development of the productive forces and to undermine all forms of social control. Capital, as we have said, counter-attacked by sharpening the divisions within the planetary working class, by imposing the scarcity of the means of survival and pleasure to a large part of it and by shrinking the productive potential. Thus, because of deregulation and rationalization, the social crises of the late 60's, 70's and early 80's around the world became a generalized crisis of reproduction of the capitalist relation. All this eventually led to the break-up of

the weakest links of capital (from the dictatorships of the eastern bloc to those of Africa, the Far East and Latin America). The proletariat became unpredictable, chaotic and thus even more threatening. If we add to this the progressive collapse of Social-democratic and “Communist” parties, as well as national-liberation guerilla groups, who, as factions of capital, had managed to channel social demands, then we can see why a generalized insecurity in the world capitalist empire is in the air in the last two decades. The fears of the rulers could be summarized in the following question: *"if the crisis of reproduction (which the politics of deregulation, aimed at exploiting for our benefit the explosion of subjectivity —and, fortunately, individualism— of the proletariat, aggravated, while destroying the old forms of surveillance) is all the less likely to be overcome through development policies, could it be resolved through violence?"*. The question has been answered: the forces of security and order are multiplied; the mercenary (private or state) armies are increased; the dogma of security in the old and new metropolises militarizes social relations; war is *now permanent and everywhere*. But, despite appearances, it is not the strength of the rulers which is proven by the mercenaries, the bombings, the high security prisons, the border-troops, the security forces, the patrols and the neighbourhood cops. All these are, on the contrary, signs of their weakness and their insecurity faced with a proletariat which believes nothing and no-one anymore.

The more capital tries to suppress violently the results of its previous strategies of self-preservation, by setting-up an endless list of “terrorists”, presented with ever more stupidity and clumsiness, the more it strengthens the causes of these results by continuing to produce them. The “anti-globalization” movement, which often squints at an impossible alliance with “Europe” (which “Europe”?), vainly tries to remind capital that there is no social peace without guaranteed work and a welfare state. Having experienced the negative results of past concessions, the rulers continue to ignore it. If some people still make much of capital’s quackeries, it is because the barbarians who lurk in its cities remain, simply, chaotic.

18.

Regarding capitalist competition at the level of nation-states: Is France, Germany, Russia, China and Japan really in conflict with the US, as all the variations of left anti-imperialism claim? We fail to see that. No matter how much these countries are discontented by the fact that Washington wishes to unilaterally impose what it considers to be “good” for the world capitalist system —while making sure at the same time that no rival military power emerges again— it is a simple fact that there is nothing they can do about it; apart perhaps from reminding the US that it needs them as much as they need it. The economies of the US, Europe, Japan and China are like communicating vessels. The US absorbs a large part of their exports and they invest part of their incomes in American state bonds, thus funding US debt. No matter how much this drains them from valuable capital, the international policy of privatization that the US-led IMF imposes opens up the way for (mainly european) multinationals to direct foreign investments. Let us also remember that the Clinton's administration turn towards a policy of strong dollar, in the middle of the 90's, was made in order to revive the Japanese economy, something which

contributed to a profitability crisis in the US industry towards the end of the previous decade. As for the “conflicts” within NATO or the UN that one may adduce, ...where can we start from? Let us remind that when the war in Iraq started, not only were dissident voices lowered but the “rivals” of the US offered all kinds of possible assistance (air space, military clearance, AWACS pilots) to the “allied forces”. In early April, Fischer stated that one *"should pay tribute to the allied soldiers who fall in the battlefield"*, while the French PM Raffarin made it clear that *"the opposition of France to the war does not mean that we want dictatorship to win over democracy"*. In order to dispel any doubt in relation to their real intentions, in May 21st, they backed up, after obvious behind-the-curtain deals, the vote that the US brought to the UN, giving up their strongest "weapon": the embargo against Iraq. So much for “imperialist competition”!

Many liberals lately, seeing the decline of the US and the arrogance of the Bush junta, propose a closer cooperation between the US and Europe and the equivalence of dollar-euro in order to avoid imperialist competition. In the last months, the price of the euro against the dollar has increased, something which does not really represent a choice of the american government (theoretically, the downfall of the dollar helps american products become more competitive in the world market, and many american companies have in fact increased their profits because of this downfall), but it rather reflects the increase of capital inflow towards european bonds which are more profitable. If the downfall of the dollar hastens this might cause a massive capital flight from the US at a moment exactly when a clear inflow of 3 billion dollars a day is needed to balance its deficits.

Those who look at international developments from the angle of the competition between the eurozone and the dollar zone ignore that monetary issues and commercial/monetary wars are mystified forms of appearance of problems which arise within the production and reproduction relations, i.e. in the relations of exploitation. Money is not simply a means of exchange and accumulation of profit, or a mere mechanism of regulation of production. Money is the most abstract, capitalist form of social wealth, it is the contradictory, mystifying social power through which social reproduction is subordinated to capitalist reproduction. Behind the US attempt to back the dollar and to make money out of money lies the inability of capital to increase the productivity of labour with any other means but the reduction of labour cost through lay-offs. (According to the Economist, only in February and March 2003, American companies sacked another 450,000 workers).

The recent military campaign of the US is a desperate attempt to extend the present into the future, and thus ends up reproducing the policy of partially substituting productive activities with bombs and money, the expansion of credit and fake profits, the deepening of the divisions within the proletariat, the hypertrophy of the penal state. The increasing crisis of the US external debt, the increase in military and security spending, the overaccumulation of capital and the stock exchange bubble are all results of the weakness to create a new model of exploitation of work and intergration of the working class, without at the same time encouraging its demands; that is, they are the results of the failure to impose a productive and profitable disciplining of the working class.

On the other side, the competition between different forms of capital, or between companies, is not the essence of capitalism; it represents one of the ways of sharing the total socially produced surplus value (another way is the cooperation of capitals). Because labour is forced to produce surplus value under the command of capital as a whole, the strongest capitals —national or transnational— do not only aim at increasing their individual profits but, and this is the most important thing, *they also aim at forwarding their own global solution to the problems of global surveillance, exploitation and reproduction of the planetary working class*. Thus, what arises through competition is the total strategy of capital, while the persistence of the anti-imperialists (left or liberal) in inter-capitalist conflict obscures the real content of this very conflict: the common domination of capitals over the undisciplined working class. Our task is not only to interpret so-called “international relations” but to find new ways to communicate and circulate our disobedience and our struggles against the command of capital.

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Wildcat, *Das Ende der Entwicklungsdiktaturen: die neue Unübersichtlichkeit*, Wildcat-Zirkular, Nr. 65. Archiv: <http://www.wildcat-www.de>

Wildcat, *Globaler Krieg um die Ordnung der Welt*, Wildcat-Zirkular, Nr. 61 and 64, 2002.

Footnotes

1: See W. Bonefeld/ J. Holloway (1996).

2: For a general description of SAPs, see J. Brecher/T. Costello (1994).

3: S. Clarke (1988).

4: See Phil Cohen (1972).

5: "*Such an integration into the system must recapture isolated individuals as individuals isolated together. Factories and cultural centres, holiday camps and housing developments —all are expressly oriented to the goals of a pseudo-community of this kind. These imperatives pursue the isolated individual right into the family cell.*" G. Debord (1967/1995).

6: A skinhead kid, quoted from Stuart Hall and Tony Jefferson (eds.), 1976.

7: Actually, the process aiming to control the surplus proletariat through criminilization had begun much earlier, already in the end of the 60's, at the climax of struggles and social crisis. During Lyndon Johnson's presidency, the law "Omnibus Crime and Safe Streets Act" passed. This law provided for the establishment of the super-agency LEAA, which in the next decade invested billions of dollars in modernizing police and furthering methods of control and surveillance (e.g., the creation of the notorious SWAT forces, the use of informational systems, helicopters, etc.). However, it was only after the proletarian movement had failed that the neoliberal counterattack could advance with "Reaganomics" and "War against Drugs" during the presidency of Reagan.

8: There is a grain of truth in this view, since indeed the youth revolts, e.g. in Britain in 1981, were not only provoked by police oppression but they also rose from the "refusal of work" which was based on the existence of not insignificant unemployment benefits.

9: L. Wacquant (1999).

10: Social-democrats and liberals usually overemphasize the importance of prison labour. We only want to stress that the prison-industrial complex in the U.S.A. is the other side of the politics of money. Furthermore, private prisons have come into crisis watching their profits go down, something that proves that the prison, as well as the "imprisoned" labour, is not profitable and that the prison-industrial complex cannot play the developmental role which the military-industrial complex had played in the past. Its real function is the control of the surplus population, the management of the discontent that was created by the flight (or devaluation) of the industrial capital, furthering also the attack on direct and indirect wages.

11: On this, see the excellent text by the situationist Khayati, *The Captive Words*, in Knabb (1981)

12: See the special issue of Monthly Review, July–August, 2001.

13: The ideology of the "unified society" corresponds to the fordist regulation of the capitalist relation, where interests are supposed to be common, beyond and above class

conflicts. The notions of political and social crime do not correspond now to conflicts where the class sides are clear, but to the attacks of a "minority" against the well-being of "society as a whole". The first attempt to impose this ideology took place in 1936. *"There was a major strike, the Bethlehem Steel strike in western Pennsylvania at Johnstown, in the Mohawk Valley. Business tried out a new technique of labor destruction, which worked very well. Not through goon squads and breaking knees. That wasn't working very well any more, but through the more subtle and effective means of propaganda. The idea was to figure out ways to turn the public against the strikers, to present the strikers as disruptive, harmful to the public and against the common interests. The common interests are those of "us," the businessman, the worker, the housewife. That's all "us." We want to be together and have things like harmony and Americanism and working together. Then there's those bad strikers out there who are disruptive and causing trouble and breaking harmony and violating Americanism. We've got to stop them so we can all live together. The corporate executive and the guy who cleans the floors all have the same interests. We can all work together and work for Americanism in harmony, liking each other... That's one conception of democracy."* (Noam Chomsky, [1991]).

14: D. Belantis, (1995).

15: In 1984, the Chadli government voted for a "Family Code" which heavily restricted women's rights. This code, quoting the law of the Koran, specifically stated that women do not get married but are given for marriage, that only men have a right to divorce, that after divorce the ex-wife is forced to stay in the neighbourhood of her husband so that he can still control her, and that in courts one man's testimony is equal to that of two women! This tactic of the regime served two purposes: on the one hand, women (who consisted of only 5% of the wage earners) were stopped from working outside the house and thus through their (unpaid) housework the cheap reproduction of male labour power was guaranteed, while on the other hand, women who wished to enter the labour market were criticised and accused as responsible for unemployment and for increasing "surplus population".

16: *Hittistes* was the name given to the unemployed youth who spent its time "leaning against the walls" (hit means "wall" in arabic). Their favourite music was Rai whose songs spoke of love, alcohol and boredom, their main preoccupations were football and women and they got by through various illegal activities, while scorning other youths who grew beards and ran behind muslim priests.

17: *'Economic activity, the search for profit, trade and, therefore, production for the market are regarded with as much favour by tradition as by the Koran. One finds extravagant wording about merchants there. It was said that the Prophet declared "the sincere and trustworthy merchant will (on the Day of Judgement) be among the prophets, the just and the martyrs" and that "the merchants are the messengers of this world and the faithful servants of God on earth" According to Holy Tradition, trade is a specially favoured way of earning one's living. "If you derive profit from what is lawful, your action is a Jihad (that is, it is equal to holy war or to every creditable performance done for the cause of God), and if you use it for your family and those close to you, it will be a cadaqa (that is, a pious work of charity)... In the same way, wage labour is considered to be something absolutely normal'.* M. Rodinson (1966).

18: *'Because of these threats families "placed" their sons among the various protagonists: when one brother was called up, it was not uncommon for another to be*

close to the Islamist factions. Thus the young gave each other mutual protection, and each one could bring to his "brother" the vital information that could allow him either to escape police arrest or, if he was a soldier, to avoid being killed when he went on home leave to see his parents. The result... was the development of the profession of arms among young men. As stakes in the fight between the army and the Islamist guerillas, they made their own personal investment in the various war machines (security forces, Islamist factions, groups of criminals, private protection and security agencies) to protect themselves and above all to protect their people. Enlistment was thus due more to compulsion than to any political motivation...'. Luis Martinez, (1998).

19: Anouar Haddam, quoted from L. Martinez, op.cit.

20: For the grotesque story of how the US air force remained passive for one and a half hours (just the time needed for the hijackers to do their job) that morning of September the 11th, as well as other "entertaining" fairy tales of the american government, see the well-researched studies of Gore Vidal (2002) and Thierry Meyssan (2002). In the same texts (as well as in various other articles, e.g. by the German group Wildcat or by Peter Dale Scott— see Bibliography) there is a plethora of facts concerning the economic and geopolitical reasons that had forced the USA to start the military plannings for Afghanistan, Iraq and other countries well before 9/11. It is worth noting a couple more things on this: in 1992, Paul Wolfowitz had supervised the drafting of a "Defence Planning Guidance", which provided for the possibility of taking unilateral action in cases such as Iraq and North Korea. Prepared on exactly the same basis were the reports of Cheney-Ramsfeld-Wolfowitz in January 2001, and of the Baker Institute in April of the same year. Let us also note an interesting study by the military analyst Steven Metz who wrote back in 1999 that "*the onset of serious terrorism within the US would provide a golden opportunity for American political leaders... [who] could thus harness the energy of public passion and use it any number of ways, constructively or destructively*" (It is mentioned by Massimo De Angelis in his text W-TINA-W').

21: The crucial, for the USA, issue of the turn of OPEC, and other countries, towards the euro in the last two or three years is examined in Scott's article (see Bibliography).