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GUILHERME BOULOS: Struggles of the Roofless

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ADAM HANIEH: Petrochemical Empire

A materialist history of capital and empire, through the lens of the German-American petrochemical industry. What does it mean to see oil, not just as an energy source or transport fuel, but as primary material for contemporary commodity culture—the chemical basis for a synthetic world of things?

MAY ADADOL INGAWANIJ: Philippine Noir

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DAVID HARVEY: *Rate and Mass*

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ROHANA KUDDUS on Ben Bland, *Man of Contradictions: Joko Widodo and the Struggle to Remake Indonesia*. First English-language biography of the Indonesian leader, tracing transformation from candidate of hope to ornament of the old oligarchy.

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BEN JACKSON on John Stewart, *Richard Titmuss: A Commitment to Welfare*. Formation and trajectory of the LSE's central theorist of social policy and the post-war welfare state.

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INTRODUCTION: BRAZIL

The homeless can be found in virtually every country of the world. But perhaps nowhere have they become a mass movement as significant as in Brazil. There, in the country's largest city, they have found a leader of national impact in Guilherme Boulos. Running for president in 2018, he came tenth with less than 1 per cent of the vote. Running for mayor of São Paulo just two years later, he came second with over two million votes. A charismatic speaker and organizer, Boulos—aged 39—belongs to a generation that has not produced many examples of dynamism on the left in the North, where figures like Iglesias in Spain and Ruffin in France remain exceptions. He owes his ascent to the combination of his own gifts with the gravity of the plight of the 'roofless' and the cataclysm of health care in Brazil, under a ruler presiding over the second highest number of deaths from COVID on the planet. Politically, the debacle of Bolsonaro's tenure has redrawn the institutional map of the country. The alarm of middle-class layers who earlier supported the hard-right President is now turning normal bastions of the establishment into a disaffected fronde. The same Supreme Court which mandated the imprisonment of Lula has suddenly reversed itself to release him. Under threat of impeachment Bolsonaro, who once excoriated the marshlands 'Centre' of Congress, has turned to it for protection. With Lula currently holding an overwhelming lead in opinion polls for the 2022 presidential election, his former arch-adversaries of the PSDB—Cardoso in the lead—have announced that their long-time bugbear is, after all, preferable to the incumbent, presaging the dangers of an embrace of the PT by the centre-right. The PSOL, of which Boulos is now the leading representative, has always been to the left of the PT, often fiercely so, but in this conjuncture is standing with no sectarian reservation firmly by Lula. The stakes in the outcome are high. Latin America has started to roll back the gains of the right of recent years, with the victories of López Obrador in Mexico, Alberto Fernández in Argentina, Luis Arce in Bolivia, Pedro Castillo in Peru, and the rise of Gustavo Petro in Colombia and of Gabriel Boric—of Boulos's own cohort—in Chile. Lula's return to power, and to his roots in working-class radicalism, on a popular crest could make the region a beacon of non-conformity once again.

GUILHERME BOULOS

STRUGGLES OF THE ROOFLESS

Interview by Mario Sergio Conti

As a coordinator of Brazil's homeless workers, the Movimento dos Trabalhadores Sem Teto, you are also a leading figure in the Party of Socialism and Liberty, one of the most dynamic sections of the Brazilian left outside the PT (Workers' Party). As PSOL candidate in the November 2020 São Paulo mayoral election, you won over 40 per cent in the second round—some 2 million votes. Could you start by telling us about your background and political formation?

I WAS BORN in São Paulo in 1982, into a middle-class family. My father's family background is Lebanese, my mother's family is from Brazil's Northeast. My parents are both doctors and teach at the University of São Paulo. They were political, with progressive ideas—they work in Brazil's public-health sector, the SUS, and always vote for the left—but not militants. That background gave me opportunities that most Brazilians lack. I didn't have to start working in my teens; instead I was able to dedicate myself to my studies, to have access to books and, later on, to get a good university education.

My militancy began at a pretty young age. I would say it sprang from two sources. First, from my sense of indignation: in Brazil, it is enough to have eyes to be indignant about the gaping inequalities here. São Paulo, in particular, is a deeply segregated city, full of contradictions—on the one hand, a city of extreme wealth, where the bulk of Brazil's GDP is concentrated; and on the other, of extreme poverty, of people living on the

streets, of millions out of work or under-employed. This troubled me, it was like a call to action.

And second, my militancy came from reading, which led me, like many young people, to the left. I joined the youth wing of the Brazilian Communist Party when I was sixteen, while still studying at a fee-paying school. Then I moved to a state school, as a political choice, feeling that my commitment would make more sense in a working-class environment—it would be more coherent in terms of the positions I was coming to defend. At the new school, I worked with the other kids to fight for better teaching conditions. We organized groups—study groups, groups to demand a voice for students in the school board's decisions. One time we organized a strike, when the school tried to impose school uniforms, but without giving the students the means to buy them—their families had no money. One day, the school barred entry to those not wearing a uniform. So we organized a student strike and succeeded in getting the rule reversed.

Could you describe how the Communist Party functioned?

When I joined, in 1997, the PCB had just been through a devastating split. It was founded in 1922, and for decades, up to the military coup of 1964, it was the hegemonic force on the Brazilian left. From the coup through to the 1980s, it was still an important reference point. With the restoration of democracy, it began to adopt increasingly moderate positions, until eventually the leadership changed the Party's name and, in effect, refounded it as a different party altogether. A minority of members tried to maintain a formation in the tradition of the PCB. By the time I joined, it was a small organization, and the youth wing, the UJC, was even smaller. We were trying to rebuild a fighting party.

Why did you leave?

I began to see the contradiction between the doctrinal position of the Party, speaking in the name of 'the people', and its not being willing to build something with the workers themselves. It was a vanguardist idea, detached from reality. I began to understand that if we wanted to work towards a broad social transformation, it was more coherent to build something that directly involved the popular layers. It wasn't just my decision. There was a group of us in the UJC and we left it together. We had a period of discussion about what to do next—not everyone took the

same path. Some of us made the decision to join the MTST, the struggle of the *sem teto*—those without a roof—because it expressed the extreme of Brazilian poverty: those without even a place to rest their head.

Did you help to create the MTST, or was it already in existence?

It was already in existence—we joined in 2001. The MTST had been set up in 1997 by a group of militants from the Movimento Sem Terra (MST), the rural landless workers' movement, who saw the need to go beyond the countryside and organize in the cities—today, 87 per cent of the Brazilian population is urbanized. From that grew the work of the MTST. I first got involved by going along to one of the MTST occupations and helping to carry out political education sessions there, having discussions with the militants. And from that time on, I got more and more involved, to the point of living in one of the occupation sites. I was twenty years old at that point.

At the same time, you started studying philosophy at the University of São Paulo, where you took part in a study group on Hegel. Why was that?

I decided to study philosophy because it was the discipline I found most difficult to master autodidactically. I had read quite a bit in the social sciences, politics and economics, and I was interested in philosophy, partly due to my father's influence. But I had great difficulty in reading philosophical texts because of their density and felt I would need support in order to study them. That was one of the reasons that led me to the Philosophy Department. Another was that I was thinking of becoming a teacher. For me, philosophy was not just a positive discipline, or a form of knowledge detached from the world: it meant the possibility of broader reflections on questions of life, ethics and practice.

It was through Marx that I came to Hegel. I had read Marx when I first became a militant. It was a major theoretical inspiration and is still a reference point for me today. I felt the need to study Hegel in order to understand Marx better. For the first two years I was able to dedicate myself almost entirely to my studies, but after that I was living at an occupation site, so I couldn't study as much as I would have liked. Hegel is still a touchstone for me, for his historical and dialectical perspective: analysing each political, social, economic and cultural fact from the perspective of its historical construction. To understand our

reality involves comprehending the processes of transformation that brought us to it. To overcome the reality we live in now, we need to turn our eyes both to the past and to the future. Of course, many Brazilian thinkers have been important to me. In order to understand Brazil and Latin America, you can't take a Eurocentric approach, or apply Marx mechanically. One author in particular whose work deepened my understanding of Brazil was the sociologist Florestan Fernandes.

How would you compare being a militant in the UJC and in the MTST—in practical and theoretical terms?

They were radically different. As a party militant, at least as I experienced it at the time, the main task was to convince people of the justness of the party's programme. There was an extreme, almost idealistic, valorization of theory. You could even call it naive: thinking that you already have the answers, and that producing social transformation is just a matter of making the whole working class aware of these truths. In the popular movement of the MTST, militancy comes from people's practical experience, from their concrete struggle for housing—which, from a doctrinal party perspective, might be seen as a corporatist, purely economic struggle, without the potential to transform social and political structures. In this respect, a great lesson that I learned in the MTST is that any transformation has to start from concrete objective conflicts, and that the practical, organizational construction of social and political coexistence is more important than an abstract programme. No matter how successful a programme may be, the building of a movement is subject to the contradictions of real life, and the programme changes in interaction with a community.

How is the MTST organized?

It is both fluid and centralized. In this sense, it is quite similar to the MST, the Landless Workers' Movement. Fluid because, to the extent that the movement consists of occupying land, militants get their training through practice, in discussions that result in immediate actions. The movement is open to those who get involved in it. There are countless people who are now in the leadership of the MTST who at first were only fighting to have a place to live. They join the occupations with their little bit of tarpaulin, and they quickly turn into militants. It's a degree of organizational openness that's inconceivable in a centralized party. At the

same time, because it is a fighting organization, it needs centralization and discipline. The MTST lives in a daily confrontation; it is constantly up against the police, the government, the owners of land earmarked for real-estate speculation. There are risks of infiltration by provocateurs, by people who want to occupy a piece of land and then resell it for profit, people linked to organized crime, by militia members. It is a direct confrontation, which requires planning and organization because we are up against an array of local and territorial power structures.

How are tactical and strategic decisions taken? For example: 'Let's occupy here and not there', 'Let's support such-and-such a party and such-and-such a candidate in the elections'.

These decisions are taken at meetings of the participants. The movement holds a planning conference at the beginning of each year to discuss what to do. Each state elects representatives to the national coordinating group, which in turn formulates the MTST's overall plan—regarding elections, for example. There are around thirty national coordinators, of which I'm one. We held election seminars to discuss which parties to support, and to decide on our candidates for the proportional lists. So, my PSOL candidacy for President of the Republic, in 2018, and then for Mayor of São Paulo, in 2020, were subject to the agreement of the MTST. As an MTST coordinator, I am not authorized to take the decision to be a candidate individually.

You enter the leadership of the MTST by being elected to it from one of the occupations—when we take over tracts of land that are not fulfilling a social function. They involve thousands of people, perhaps 3,000 shacks on a piece of land. To an outsider, it seems chaotic: a busying crowd without anyone in overall control. But internally we divide the occupation into smaller groups. In an occupation with 2,000 families, we create ten groups of 200 families. Each group paints its shack a different colour, and each gets a name: G1, G2, G3 and so on. Within each group, the initial meetings are organized by more experienced militants, and the new occupiers elect coordinators from among those who volunteer, by putting their hand up and saying, 'I can coordinate.' Each group has four or five coordinators. They organize daily tasks and take charge of the collective spaces. Each group has a communal kitchen, organized with a rotation of tasks. Everyone takes part in building the kitchen and the shared bathrooms. The coordinators have both practical and political

tasks. They have daily meetings with participants from earlier occupations, discussing events and getting practical guidance drawn from past experience. The coordinators also attend political education courses, and the backbone of the MTST emerges from these.

There are also people who join the movement that don't come directly from the struggle for a home, but through political and ideological affinity. The entry point for them is through the brigades, which are opened up on an annual basis to people who are not without a roof but who identify with the movement and want to contribute to it. There is the Education Brigade, teachers who run literacy courses at the occupation sites. The Gardens Brigade helps to create community gardens. The Architecture Brigade is made up of professionals who help with the construction of homes. All the brigades are voluntary.

As well as this political work, you went on to study psychology and became a psychoanalyst. Did you have personal motivations for doing so? Do you think there is a correlation between mental-health issues and the material deprivations suffered by working-class people?

There was a personal interest, since I'd had depressive symptoms in my early youth. But what led me to psychoanalysis was my experience in Argentina with the *piquetero* movement in 2001–02. I spent a month there, during the upsurge of the *piqueteros*—a movement of the unemployed, organized territorially, a bit like the MTST. Their slogan was, 'The *barrio* is the new factory.' The *piqueteros* were among those responsible for the overthrow of three Argentine presidents and two interim ones within the space of a few months. I was in Argentina just after the Pueyrredón Bridge massacre in Buenos Aires, where two militants were murdered at a blockade. I went to a neighbourhood on the periphery of Buenos Aires where there was a meeting they called a 'reflection group'. It was coordinated by two psychoanalysts who brought people together in a circle and created an environment for listening—listening to people who had never been listened to before. They had just lived through traumatic situations, like being made redundant and evicted from their homes; or they had lost their partners, or seen their families destroyed. I will never forget that: for the power, for the strength that was present there. It was a catharsis that brought forth all the experience of suffering, of humiliation, of every sort of oppression and violence that people had lived through. I left convinced of the potential of psychoanalysis for the

transformation of people, of their bodies. And of the need for procedures like this to reach the base of society, the excluded, to help them take their destiny into their own hands, with the support of the community. It was a tool for those who couldn't afford to pay for psychological treatment. I came back from Argentina and started studying psychoanalysis.

Another thing that intrigued me, when I went to live in an MTST occupation, was something that I heard said again and again, in different ways. I remember the first time, listening to a comrade who was coordinating a community kitchen. She said that this was a space for sharing, for coexistence, for taking root. It was the type of space that had been lost in the overwhelming dynamics of urban capitalism. In the occupation people talked, recounted their cases, their stories, explained how they had ended up there, took steps of their own. She said that, before coming to the occupation, she had been living with relatives, dependent on their hospitality. She was diagnosed with severe depression and ended up taking several psychiatric medications—she couldn't even get out of bed. She was driven to the MTST occupation by economic conditions, the precarious situation in which she lived. But once there, she told me, 'I threw the medicines away because I didn't need them anymore.' That might sound naive. But, no—at different occupations, from different people, I heard the same narrative.

Through study and research, I tried to understand what this meant. My master's thesis in psychiatry is about the correlation between mental suffering, poverty and collective organizations. I could begin to understand, with psychoanalysis, how far situations of humiliation, of material and social deprivation, helplessness, unemployment, family breakdown, an environment of violence or loneliness, how all of this is linked to psychological suffering, especially depression. Depression does not only affect the middle class, far from it. It hits the dispossessed. Yet on the other hand, when these people feel part of a group, when they are no longer alone, when they feel important to others, acts of solidarity serve equally as acts of healing. Commitment and collective projects are good for people on a psychological level. There is no doubt that unemployment, homelessness, violence and humiliation are causes of psychological and subjective breakdown. And coexistence, bonds of community, can help rebuild subjectivities that have been ravaged by barbarism, by the urban dynamics in which people are isolated and lost in the middle of an anonymous crowd.

How does the MTST deal with drug trafficking, banditry and alcoholism? For example, the MST at one point prohibited the consumption of alcohol at its occupation sites.

An occupation is not an island. It is conditioned by all the social and political influences that predominate on the urban peripheries. Some rules of coexistence have to be established. A basic rule is that you cannot sell an occupied lot of land. Upholding this is extremely difficult, because it challenges powerful interests, even mafia groups, who want to take advantage of the occupations to make money and exploit people. Every occupation has its own internal rules, which are voted on in an assembly. I understand the MST's prohibition, but in a camp in the countryside you have almost complete control over the territory. In the city, someone only has to cross the street and they are in another community. So, our rules are based on collective decision-making and participation. The community itself sets limits in relation to drinking, hours and conduct. That's the only way to deal with these situations.

Does the fight for housing remain limited to that one goal?

Our struggle has several levels. The most immediate is the struggle for housing, for occupied land to be shared out in allotments and the construction of new buildings. The struggle does not stop there, because it isn't enough to have a housing estate if there are no public services, infrastructure or transport. In the central city districts, these are often there already. But on the urban peripheries, where there are pockets of irregular housing, the state is only precariously present—or else it arrives through the violent form of the security forces.

The objective of the MTST is not to reproduce this logic, but to combat it. Fighting urban segregation means, on the one hand, fighting for housing together with public services and infrastructure, on the peripheries; and on the other, demanding the expropriation of unused property in central city districts, to create social housing in areas that already have services and infrastructure. In other words, we have to fight against the segregation of centre and periphery, which means confronting the real-estate speculators. We need to exercise the right to the city and organize around the public budget, to demand investment in the districts where the poor live and to rethink the question of food in the cities. That is why we are creating organic gardens and public spaces. When we bring the

place where we live closer to the place where we work, we're contesting the vehicle-based model of city planning—so often, the commute is from the periphery to the centre. The MTST is fighting for an alternative type of city; that is why it is resisted so bitterly. It is demonized because it threatens real-estate capital, confronting the speculators and their segregated city. This was a live issue during my campaign for Mayor of São Paulo. There are people from rich neighbourhoods who don't want to *see* the poor. When you take up the cause of social housing in a central district, an area of high property prices, it touches the interests of a small but wealthy layer—and that stirs up their prejudices.

What is the social composition of the homeless movement, in terms of class, gender and race?

There was a survey undertaken by the Inter-Union Department of Statistics and Socioeconomic Studies (DIEESE), in one of the MTST's largest occupations, the Povo Sem Medo (People Without Fear) encampment in São Bernardo, a city in the industrial belt of São Paulo where the PT was born. It was very illuminating, and broke down all kinds of preconceptions. The view that has been built up of the movement—in order to attack it—was that it is made up of people who don't want to work, who don't want to have to buy their own homes. The research showed that the enormous majority of the people at the occupation are workers. In general, they are informal, precarious workers, people who, even after working all their life—in construction, recycling, the service sector—weren't able to keep hold of their houses. That's why they are in the movement. A majority of people in the MTST are black, and a majority are women. The same is true of the MTST's leadership, which reflects that composition. In the case of women, this has to do with their role as protagonists in the struggles of their communities. The struggle for housing and services in the periphery has historically been driven by women, to a huge extent. And the internal organization of childcare, of welcoming new people, of handling issues of behaviour and food security—all of this has been led by women in the occupations.

How does the MTST relate to other organizations? Are there activists in the movement from political parties, religious groups or NGOs? Is the MTST part of any international alignments?

The movement seeks to have the broadest possible relationship with the left. There are people from various parties working in the MTST, from the Workers' Party to the PCdoB, and people who do not necessarily identify ideologically with the left. Today, the strongest relationship is with the PSOL, due to a shared political conception, a common analysis of the conjuncture and position in relation to the dominant class. There are Catholic priests and nuns, and evangelical pastors. The movement values autonomy and doesn't want to become a mouthpiece for any party, because that would sap away its strength. But we don't shy away from common actions. Right now, with the COVID-19 pandemic, we have expanded the activities of the MTST's solidarity kitchens, to meet the worsening crisis of hunger by distributing food to those who need it. This was done with the help, for example, of the Small Farmers Movement (MPA), which is passing on food from family farming to the kitchens, and the Oil Workers Federation (FUP), who have donated gas canisters for the kitchens. The MTST is also part of the Frente Povo Sem Medo (Front of the People Without Fear), a coalition of dozens of black, feminist and youth movements.

Internationally, our closest relations are with other urban movements in Latin America. We have built Resistência Urbana Latino-Americana, a coalition which brings together movements in Argentina, Colombia, Bolivia, Chile and Ecuador. We also have contacts with the European left. In Spain, with Podemos; in Portugal, with the Left Bloc; in Germany, with Die Linke. We had an exchange with housing movements in South Africa, whom we contacted through the mediation of some sectors of Caritas, from the Catholic Church.

What were the economic and political factors that led to so many people being homeless in Brazil?

The overall dynamic of the economy—the shift from productive investment to asset speculation—has precipitated a real-estate boom in the big cities. In São Paulo, the value of a square metre of land rose by over 200 per cent between 2007 and 2014. There was a huge influx of capital to the cities, public-works projects were carried out, and there was a credit-fuelled real-estate boom. But none of this was met by urban reform. There was a lot of market speculation, which was reflected again

in rising land values and—very directly—in higher rents. Many urban workers in Brazil pay rent, which kept rising, to the point where families were spending 80 per cent of their income on it. In the end, the choice was between eating or paying the rent. This generated the social conditions for the growth of occupations, because people had no other alternative. There was also a political factor: the population's growing lack of faith in institutional politics. Fundamentally this is a crisis of the model set up by the Constitution of 1988, which promised to reduce inequality, but didn't deliver. It promised people greater participation in politics, but democracy has never been fully realized. The MTST, in common with a whole generation of social movements, is an expression of frustration with the limits of the Brazilian democratic model.

Finally, Brazil is experiencing a crisis in workplace organizing, caused by the technological revolution and deindustrialization, especially intense in Latin America. A category of precarious workers has been created, itinerant labourers who live off intermittent work outside the protection of the labour laws, doing a spell of work here, another over there. For them, it's hard to build a collective identity around the workplace. The formation of the urban peripheries may bear a certain analogy to the processes of nineteenth-century industrialization that Marx analysed—creating the conditions for workers' self-organization by concentrating thousands in big industries, under the same conditions of exploitation; they developed forms of class consciousness and methods of struggle. Twentieth-century capitalism, especially its Latin American model, uprooted millions of workers from the countryside and from industry, relocating them on the peripheries of the big cities, where they face the same conditions of exploitation and experience similar problems. This has generated local neighbourhood movements. In the last twenty years, we have seen various movements emerging outside the dynamics of industrial work and union organization.

In the peripheries of the big cities, PT governments often benefited contractors, including gangster companies like Odebrecht, which had on its payroll politicians and executives in eleven countries, from Angola to Peru, Guatemala to Argentina, Mozambique to Mexico. How did the PT's urban policy benefit the homeless?

The main programme the PT developed in this area, Minha Casa, Minha Vida—My House, My Life—illustrates the situation. It was launched in

the wake of the 2008 crisis to avert bankruptcies in the construction sector, which had been hit by the subprime-mortgage crisis in the United States. It was an injection of public resources into construction, and at the same time a popular housing programme. But it was shaped by the interests of the construction companies, which was reflected in the urban environments it produced. *Minha Casa, Minha Vida* maintained the logic of peripheralization—because it was in the interest of the developers to build on faraway land, which was cheaper. It resulted in tiny, poorly built flats—because the financing received by the construction companies wasn't conditional on the quality of the housing built. There was a permanent struggle between the government and social movements, including the MTST, and through tremendous pressure we achieved some improvements in the third phase of the programme. But then came the 2016 coup against Dilma. Michel Temer took over the government with the support of the ruling class and ended the programme.

That said, it is worth adding: the MTST worked hard to prevent Dilma from being ousted from the presidency, to prevent Lula being arrested and disbarred from the 2018 presidential election. This was because her removal and his arrest came about through a manipulated and illegal process, as has since been proven. The MTST activist base in São Paulo turned out in force at the Metalworkers' Union headquarters in São Bernardo when Lula took refuge there, on the eve of his arrest, and I made a point of visiting him in jail, in Curitiba. His imprisonment was a violation of democracy and of popular sovereignty. One does not have to be a Workers' Party supporter to recognize this.

To explore this further: the great growth of the MTST took place under the PT governments, from 2002–16, during Lula's two terms in office and Dilma Rousseff's one-and-a-half. In other words, more Brazilians became homeless during the governments led by a left-wing party. What did the PT do right, and what did it do wrong, in your opinion?

The successes of the PT include its programmes to combat poverty and hunger, and expand access to education and the university—and a foreign policy that placed Brazil in a less subordinate position in relation to the United States. The main problem, or limit of the PT governments, was that the party flinched when the moment came to go for broader structural transformations. After Lula's arrival in government in 2003, PT policies—the growth of the domestic market, expansion of credit,

Bolsa Família, increase in the minimum wage—helped to stimulate economic growth, though this was also due to external factors: commodity prices were high, China was growing at double-digit annual rates, there was strong international demand for Brazilian raw materials. But the fact is that, under Lula, the economy grew 4 per cent per year from 2003 to 2010. This allowed these policies to be implemented without the need to change anything structural—that is, without disturbing the privileges of the ruling class. It was possible to make concessions to those at the bottom of the social pyramid without taking anything away from those at the top, in what was often described as a ‘win-win’ situation. While there was economic growth, the public budget could grow too, and a large part of that could be earmarked for social policies. Conflicts over distribution were circumvented. But a policy of this kind is based on a favourable economic cycle; this cannot last forever. When that cycle ended in 2013, as an after-effect of the 2008 international crisis, the PT government was at a crossroads. A choice had to be made. It chose not to confront the bigger structural problems, which would have required increased popular mobilization.

In my opinion, the conditions existed in which the government could have won that confrontation. They would have had the political and social support to carry out progressive tax reform, to settle the distributive conflict in a way that would have been fairer to the majority. They would have needed to provide stronger incentives for industrialization and infrastructure projects, such as basic sanitation and mass transportation. These investments would have lessened inequality in Brazilian society, where the wealthiest 1 per cent of the country’s population receive 50 per cent of the overall national income. They also should have regulated the financial market and the banks, which had profited enormously under the PT government. And finally, they should have implemented political reforms, so that the country could not be held hostage to the metrics of ‘governability’ of a political establishment that arbitrarily removed Dilma from power. The coup against her was carried out by the same parties that had previously supported her—the same political establishment that today supports Bolsonaro. In short, there was a lack of audacity and popular organization. A left-wing government accommodated itself to a situation in which there were some gains for the poorest. But when the crisis came, it had no strength to resist the pressures for economic retraction, which resulted in political regression.

Another limit was summed up by José Mujica, former president of Uruguay. In a kind of self-criticism of the Latin American left, he once said that our governments have created consumers, not citizens. The popular masses had access to some consumer goods, which is fine. But there was no simultaneous contestation of social values. In other words, the Bolsa Família was created, the minimum wage was increased, some were able to buy their own homes with financing from public banks—but that came with an endorsement of individualism, of the logic of meritocracy, and people who were able to improve their lives a bit went on to vote for Bolsonaro, not understanding how much those policies had been linked to a social and political project.

What do you think of André Singer's analysis of 'lulismo'?

André Singer's books—*Os sentidos do lulismo* (2012) and *O lulismo em crise* (2018)—are indispensable reference points. He described the 'meaning' of *lulismo* as a 'feeble reformism': a set of public policies that reduced poverty but avoided mobilizing for structural reforms and confronting the ruling class. I believe Lula himself adopted this characterization, up to a point. The big question is whether the conditions of possibility for this model still exist. Now, with the international crisis aggravated by COVID-19, with China no longer growing so fast, and the Brazilian economy stagnating since 2015—it is impossible to imagine any augmentation in workers' rights that does not come at the expense of the privileges of those at the top of the social pyramid. This question is crucial, and should guide Brazilian politics in the post-Bolsonaro era.

When did you decide to involve yourself in party politics, and why did you choose the PSOL?

I joined the PSOL in 2018. But this was the culmination of a long process of change within the party itself. The PSOL emerged from a dissident fraction of the PT's parliamentary caucus, which resisted a social security project for public servants that had been defended by Lula in his first term. This meant that, in its early years, the PSOL's brand was its anti-PT line. From 2016, with the right-wing coup against Dilma, things began to change. The party has remained very critical of the PT, and defends the project of creating a new left; it is against the alliances that the PT is making with the right—we think that the coalition to transform

Brazil must grow out of social movements. At the same time, however, since 2016 we have been battling tirelessly to unite against the right and against the coup. These changes of PSOL's were very similar to those of the MTST. Hence we grew closer.

The MTST took the decision to align with the PSOL because we came to the conclusion that social-movement activity, while fundamental to any process of transformation, was not in itself sufficient. This was at the point when the political crisis had worsened, with the coup against Dilma and Lula's imprisonment in 2017. We understood that we needed to take our battle into the realm of institutional politics. The convergence with PSOL came about because we agreed there was a need for a left-wing project that had breadth and unity, in order to combat the nascent growth of the extreme right. A project that would be non-sectarian, but would continue to raise those demands that had not been realized by the PT governments. The PSOL is the party which today is most in tune with the new social movements and critical layers of the youth.

What was your experience as the PSOL presidential candidate in 2018?

On a personal level, the 2018 campaign was very important. I travelled all round the interior of Brazil; I encountered realities of which I knew nothing. I got to meet the regional leaderships—I went to many very different communities and learned how different social classes live. It was an apprenticeship that taught me a lot and I will always cherish that memory. At the same time, 2018 was a toxic election, marked by hatred and fear. Bolsonaro managed to steer the campaign, not just with 'fake news', but using the language of the engineers of chaos of the international far right. He managed to capitalize on the discourse of anti-politics and turned it into a weapon of hate. There was no space to discuss projects, ideas—it was a proscribed campaign.

How did your run for mayor of São Paulo in 2020 differ from the presidential campaign?

Although the MTST is a national organization, my political activity has always carried more weight in São Paulo because this is the city in which the housing crisis is concentrated. The strength of the MTST in São Paulo, which lay behind my 2 million votes, was anticipated by very few people. Those of us in the movement, however, knew we could count on

our grassroots. Not only that, but by 2020 the Bolsonaro government was worn out, and we had a position of strength, socially. Because of this we were able to have the discussions that had been banned in 2018.

The mayoral campaign mobilized hope and engaged people from below. São Paulo politics had been seen as the prerogative of professionals or those with economic interests, but that changed through the PSOL campaign: politics was seen as an instrument of transformation. There was also a generational divide. The youth were the dynamic centre of our campaign, and they expressed themselves through social media. On the eve of the second round, an electoral poll by Datafolha showed that among those over 60, we lost by 70 to 30 per cent. But among voters under the age of 25, we won by 65 to 25 per cent. And, our campaign managed to break out of the bubble of middle-class progressives in the universities, which is where the Brazilian left has tended to grow. This time, our best vote came from the outskirts of the city, where we won in seven major districts. In other words, our message reached the popular areas.

What have the Bolsonaro government and the COVID-19 pandemic meant for the homeless?

Both have been tragedies. At one of the biggest rallies of his 2018 election campaign, when he was already through to the second round, Bolsonaro declared in São Paulo: ‘I will wipe out the MST and the MTST.’ He explicitly identified the social movements as enemies to be destroyed. In power, he put a stop to whatever remnants still existed of the social programmes. Today there is no federal policy for the construction of social housing—at a time of abysmal and persistent economic crisis. We have 15 million unemployed people, the highest rate on record. This means more people needing support of all kinds, starting with not having a place to live. The homeless population of Brazil have been abandoned to their fate by Bolsonaro, who is still threatening them with repression and with the criminalization of the MTST.

When the pandemic began, the situation worsened catastrophically. The main public-health guideline was for people to stay at home. This recommendation ignores the fact that millions live in atrocious conditions, with five or six members of the same family in a single room. With schools closed, children stayed at home all the time, with no computer and no online education. How can one practise social distancing,

in houses without the basic preconditions of hygiene, such as running water? It is simply not possible to defeat the virus under these conditions. To top it off, Bolsonaro has refused to take part in vaccine procurement, which has slowed to a trickle.

The MTST has organized a series of initiatives. One was to demand through the courts that a part of the nation's hotel capacity be made available to house the street population. Another was an action in the Federal Supreme Court: we managed to get a moratorium on evictions during the pandemic. This barbarity was already underway: about 12,000 families were evicted from their homes in the middle of the pandemic. A few months ago, together with PSOL and the Despejo Zero (Zero Evictions) campaign, we managed to get the Federal Supreme Court to put a stop to it. We also managed to get Congress to approve a law preventing evictions, but it is now in the hands of Bolsonaro. We filed another lawsuit in court to prioritize the vaccination of homeless people, due to their being at increased risk. The federal government—and a large number of the state governments and municipalities—had no policy in place to help the homeless during the pandemic.

The MTST, and you personally, are leading demonstrations calling for Bolsonaro's removal from office. A significant part of the left, especially sectors of the PT linked to parliamentarians and governors, think it is better to wait for the election in 2022, hoping that Bolsonaro will wear himself out in the meantime. What is your view? Is the ouster of Bolsonaro a priority, given he's so far down in the polls? Is impeachment a realistic possibility, given the make-up of Congress?

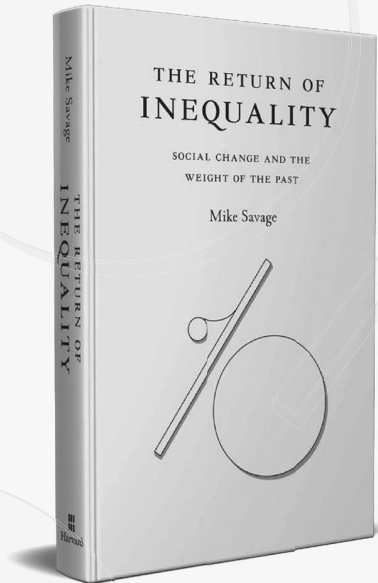
The idea of leaving Bolsonaro in power to wear himself out—draining his support, to weaken him before the 2022 election—is not only immoral, but tactically idiotic. First, because the Brazilian people are bleeding: already more than 550,000 have been killed by COVID. Bolsonaro isn't about to change his approach to the pandemic. On the contrary, he is still campaigning against masks, against tests, against vaccines. How many deaths will there be by the end of 2022? And second, leaving him in office means assuming that there is a normal political environment in Brazil: that the PT will be able to win the election and take power, without any problems; that Bolsonaro will abide by the Constitution. It isn't like that, and it won't be like that. There are real, everyday risks of a putsch in Brazil. Bolsonaro relies on the armed forces, the state police and their

gangster militias. Moreover, he is brazenly paving the way for a coup d'état. His government is packed full of generals; he has been doling out pension packages to soldiers and police officers, and encouraging his civilian supporters to take up arms. Yes, he has lost a part of his base; he isn't the favourite to win the election. Knowing this, he is claiming that the vote will be rigged and that they should use printed ballots rather than voting machines. He is aiming at something more serious than the invasion of the US Capitol, with more time to prepare, banking on the influence he can wield in the Armed Forces and among the states' police forces, and the much lower degree of democratic stability there is in Brazil, compared to the US.

The situation in Brazil is critical and urgent. We need to do battle precisely because Bolsonaro is weaker now, and we have to prevent him regaining strength. Impeachment is the first priority of Brazilian politics. There are objective, legal and constitutional grounds for it. We need to build the broadest possible popular mobilizations for impeachment, of all the parties and social movements. Obviously, we have a political problem with Congress. Bolsonaro has allied himself with the dregs of the corrupt Brazilian political system, venal Congressmen happy to block impeachment in exchange for posts and cash. They are known as the *Centrão*—the Centre—and they always act this way. But the situation is not immutable. If popular pressure increases, if the congressional committee investigating the Bolsonaro government's handling of the COVID crisis reaches any concrete and intelligible conclusions, the situation will change. The rats will flee the sinking ship. It is vital, therefore, to go for Bolsonaro now. It won't be easy, but it is a necessary task and a feasible one for the Brazilian left.

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ADAM HANIEH

PETROCHEMICAL EMPIRE

The Geo-Politics of Fossil-Fuelled Production

THE LAST TWO decades have witnessed an extraordinary surge in radical scholarship on oil. Starting with Timothy Mitchell's path-breaking work on the transition from coal to oil and its part in the emergence of 'carbon democracy', a series of important contributions have sought to weave oil more fully into the narration of 20th-century capitalism.¹ Scholars have retold the story of oil from the perspective of anticolonial protagonists in Latin America and the Middle East, situating these against the broader backdrop of the Bandung moment.² Other work has critically interrogated the putative claims of 'oil security' and supply scarcity that have long underpinned traditional accounts of US oil expansionism.³ Alongside this historical revisionism, a rich set of ecological-Marxist accounts have sought to integrate oil more systematically into the rhythms of accumulation, profitability crises and uneven global development—an analytical shift that bears directly on the challenges of climate change and the energy transition.⁴ This literature has significantly widened the conceptual purview of oil; from debates around finance and neoliberalism to discussions of contemporary aesthetic and cultural forms, oil can now be found as a core analytical referent.⁵

Common to all this new work is the attempt to situate oil as part of the actual making of social categories and patterns of political and economic power. As such, this literature upends many of the traditional tropes that have governed thinking about it, including notions of 'peak oil', oil as geopolitical 'prize' or oil as a 'curse' that inevitably damns resource-rich countries in the South to a future of bloated and parasitic Rentierism.⁶ These longstanding certitudes served to animate oil with some sort of

determinative and semi-mystical power; in their place, attention has been refocused on the social relations in which oil is embedded and that give particular meaning to it as a commodity. There is, in other words, a strong echo of Marx's critique of commodity fetishism in contemporary writing about oil—an attempt to see oil's power as deriving not from some 'thing-like' nature, but rather arising through its co-constitution with the relations of capitalism itself.

Nonetheless, there is a palpable absence in this expansive, revisionist reworking of our thinking about oil. Almost without exception, this scholarship treats it solely as an energy source or transport fuel—disregarding completely the other aspect of oil's mid-20th century emergence as the dominant fossil fuel: the birth of a world composed of plastics and other

¹ Timothy Mitchell, *Carbon Democracy: Political Power in the Age of Oil*, London and New York 2011.

² Bernard Mommer, *Global Oil and the Nation State*, New York 2002; Christopher Dietrich, *Oil Revolution*, Cambridge 2017; Giuliano Garavini, *The Rise and Fall of OPEC in the Twentieth Century*, Oxford 2019.

³ Mazen Labban, *Space, Oil and Capital*, New York 2008; Robert Vitalis, *Oilcraft: The Myths of Scarcity and Security That Haunt US Energy Policy*, Redwood City CA 2020.

⁴ John Bellamy Foster, *The Ecological Revolution*, New York 2009; Jason Moore, *Capitalism in the Web of Life*, London and New York 2015; Andreas Malm, *The Progress of This Storm*, London and New York 2018; Geoff Mann and Joel Wainwright, *Climate Leviathan*, London and New York 2018; Roberto Ortiz, 'Oil-Fueled Accumulation in Late Capitalism: Energy, Uneven Development and Climate Crisis', *Critical Historical Studies*, vol. 7, no. 2, Fall 2020, pp. 205–40.

⁵ On the relationship between oil, financialization and neoliberalism, see Mazen Labban, 'Oil in Parallax: Scarcity, Markets and the Financialization of Accumulation', *Geoforum*, vol. 41, no. 4, July 2010, pp. 541–52; and Caleb Wellum, 'Energizing Finance: The Energy Crisis, Oil Futures and Neoliberal Narratives', *Enterprise & Society*, vol. 21, no. 1, March 2020, pp. 2–37. On oil and culture, see Ross Barrett and Daniel Worden, eds, *Oil Culture*, Minneapolis 2014; Imre Szeman, 'System Failure: Oil, Futurity and the Anticipation of Disaster', *South Atlantic Quarterly*, vol. 106, no. 4, Fall 2007, pp. 805–23; Matthew Huber, *Lifeflood: Oil, Freedom and the Forces of Capital*, Minneapolis 2013.

⁶ For an excellent critique of peak oil and notions of scarcity, see Mazen Labban's *Space, Oil and Capital* and 'Oil in Parallax'. Robert Vitalis's *Oilcraft* takes a new look at the 1970s oil crises and the US–Saudi relationship, taking aim at the idea of oil security as the main driver of US foreign policy in the Middle East. Adam Hanieh, 'Rethinking Class and State in the Gulf Cooperation Council', in Joel Beinin et al., eds, *A Critical Political Economy of the Middle East and North Africa*, Redwood City CA 2021, presents a recent critique of Rentier State Theory as applied to the Gulf States of the Middle East.

synthetic products derived from petroleum.⁷ From the 1950s onwards, a wide array of naturally derived substances—wood, glass, paper, natural rubber, natural fertilizers, soaps, cotton, wool and metals—were systematically displaced by plastics, synthetic fibres, detergents and other petroleum-based chemicals. This ‘petrochemical’ revolution enabled the *syntheticization* of what had previously been encountered and appropriated only within the domain of nature; the very substance of daily life was transformed, alchemy-like, into various derivatives of petroleum. Here is oil not as energy source, but as feedstock, the literal raw material of commodity production itself.⁸

The making of a synthetic world is a missing piece in understanding the place of oil in contemporary capitalism.⁹ It is a story that begins in the early 20th century with the growth of the chemical industry in Germany and the US, subsequently moving through the rise of fascism and two

⁷ A partial exception to this oil-as-fuel assumption is work on agriculture and the Green Revolution, which often acknowledges oil as a raw material utilized in the expansion of fertilizers and pesticides from the 1930s onwards. Jason Moore, for example, has recently emphasized the role of oil in enabling what he describes as the proliferation of ‘cheap food’. For Moore, oil’s place in agriculture turned ‘oil and natural gas into food’: ‘farming was no longer farming. It was petro-farming’: *Web of Life*, pp. 251–2. Another important exception is Matthew Huber’s *Lifeblood*, which presents a fascinating account of oil’s impact on US cultural and political practices, specifically post-war sensibilities of individuality and ‘freedom’. Huber’s work is distinctive for its wider consideration of petrochemicals, including plastics, in this process.

⁸ According to the IEA, around 15 per cent of global oil is used for purposes other than energy or transport, a proportion that has increased from around 9 per cent in 1973: IEA, *Key World Energy Statistics 2019*, pp. 46–7. There is, however, a great deal of uncertainty in these estimations due to problems with data collection and the difficulty of disaggregating the energy and raw-material uses of oil in chemical production.

⁹ There has been little critical engagement with the emergence of the petrochemical industry, although Barry Commoner’s pioneering work of the 1970s provides important clues for how such a history could be written. See in particular Commoner’s *The Closing Circle*, New York 1971, and his *Poverty of Power: Energy and the Economic Crisis*, London 1976. An important book covering some of the issues surrounding petrochemicals and environmental policy (with a foreword by Commoner) is Kenneth Geiser, *Materials Matter: Toward a Sustainable Materials Policy*, Cambridge MA 2001. Significant accounts of the development of the history of petrochemicals from an industry perspective include Keith Chapman, *The International Petrochemical Industry*, Oxford 1991; Peter Spitz, *Petrochemicals: The Rise of an Industry*, New York 1988; and Louis Galambos et al., eds, *The Global Chemical Industry in the Age of the Petrochemical Revolution*, Cambridge 2006.

World Wars that pitted Germany's coal-based chemical giants against their weaker US counterparts. By the end of the Second World War, the US emerges as the dominant global chemical power. Its dominance, however, is premised on a chemical revolution that takes place during the War itself—the shift towards the use of oil and gas as the main chemical feedstock, rather than coal. This shift was deeply synergistic with oil's rise as the world's primary fuel, and with the emergence of the US as the hegemon of the new oil-centred world order. The new petrochemical industry also carried distinctive and radical implications that fundamentally transformed the nature of post-war capitalism itself—qualitatively increasing the scale and scope of available consumer goods, cheapening the cost of industrial production and enabling huge increases in productivity through labour-saving technologies. The commodification and massification of social life, including the rapid ascendancy of industries such as TV advertising, were in good part based upon the new synthetic products derived from petroleum. All of this was inseparable from continuous scientific and technological innovation, which in turn drove the restructuring of state–business relations and far-reaching changes to industrial organization and the corporate form.

The narrative that follows focuses predominantly on these historical lineaments of our synthetic world. The weight of this history, however, sits elephant-like within the ecological crisis of the present. Petrochemicals are the means through which oil has become woven into the very fabric of our social existence, yet this ubiquity has made them almost invisible to our everyday consciousness. This fact was noted recently by the Executive Director of the International Energy Association, Fatih Birol, who described petrochemicals as 'one of the key "blind spots" of the energy system', poorly understood even by energy professionals.¹⁰ Today, petrochemicals are decisive for the future trajectory of fossil-fuel use: they will almost certainly form one of the fastest-growing sources of demand for oil over the next two decades, and there exists no viable alternative to petroleum as a material feedstock—the basic raw material—for synthetic production. In reducing the problem of oil to simply the question of finding an alternative source of energy and transport fuel, we implicitly confirm the invisibility of petrochemicals. We remake our

¹⁰ IEA, *The Future of Petrochemicals: Towards more sustainable plastics and fertilisers*, 2018, p. 14.

synthetic world as something natural. As such, foregrounding the story of petrochemicals not only opens an entirely new vista to understanding the intertwined histories of oil and capitalism, it points directly to the necessity and challenges of moving beyond both.

Roots of the chemical industry

There was little indication in the early 1900s of the sweeping transformations that would be ushered in by the petrochemical revolution just fifty years later. At the turn of the century, the chemical industry was largely focused around dye-stuffs, utilizing coal as the main precursor for chemical production. Globally, the industry was dominated by Germany's Big Three chemical companies—BASF, Bayer and Hoechst—who, in 1916, established the IG Farben (IGF) cartel in order to coordinate research and divide up European and international markets.¹¹ At that time, the German chemical industry was vastly superior to that of the US or any other European country. Germany supplied around 90 per cent of the world's synthetic dyes up until the First World War. The US dye industry consisted of only seven firms in 1913, employing a mere 528 people with a product value of \$2.4 million; in comparison, the German industry was worth \$65 million and employed 16,000 people. German dominance was backed through an aggressive policy of overseas patent protection; one 1912 survey estimated that 70 per cent of all US patents granted on synthetic organic chemicals were actually German-owned.¹²

The First World War—sometimes described as the chemists' war—would provoke significant changes to chemical production and provide a powerful impetus to the growth of the industry. In Germany, IGF played a central role in the war effort, pioneering the development of poison-gas weapons (utilizing by-products of the dye industry) and synthetic nitrates for the manufacture of explosives and fertilizers.¹³ Despite Germany's defeat and the crushing terms dictated by the Treaty of Versailles, IGF's component companies remained intact and continued to be recognized

¹¹ Peter Hayes, *Industry and Ideology: IG Farben in the Nazi Era*, New York 1987.

¹² Kathryn Steen, *The American Synthetic Organic Chemicals Industry: War and Politics, 1910–1930*, Chapel Hill NC 2014, pp. 17, 64, 55.

¹³ These synthetic nitrates allowed Germany to manufacture explosives despite the British blockade of Chile, then the world's major exporter of saltpetre, an essential ingredient in both fertilizers and explosives.

as world leaders in chemical research and production after the War. In 1925, the cartel was formally reorganized as a single entity, becoming the largest corporation in Europe and the most important chemical company in the world.¹⁴

Across the Atlantic, leading American chemical companies also profited handsomely from the War.¹⁵ In addition to increased demand for basic chemicals, a pivotal moment for the industry came with the passage of the Trading with the Enemy Act (TWEA) in October 1917 and the establishment of a new office called the Alien Property Custodian (APC). Through this office, the American state seized German-owned patents and German-owned businesses, with a particular focus on the chemical industry. Initially, this property seizure was viewed as a temporary act—after all, ‘the United States is not a pirate nation’, opined a 1917 *New York Times* editorial.¹⁶ However, less than a year later, German industrial firms were to be denounced by the APC, A. Mitchell Palmer, as ‘spy centres’ and ‘a knife at the throat of America’.¹⁷ At the end of the War, the APC held an estimated \$700 million worth of seized German assets in 30,000 trust accounts.¹⁸

For the nascent US chemical industry, the TWEA turned out to be an immensely fortunate turn of events. Just one week before the Armistice was declared on the Western Front, the Act was amended to allow the permanent confiscation of chemical patents; thousands of these patents were then sold at a pittance of their reputed value to the newly

¹⁴ Joseph Borkin, *The Crime and Punishment of IG Farben*, New York 1978, p. 37. The author of this fascinating book served on the team that prosecuted IG F for war crimes at the conclusion of WW2.

¹⁵ It has been estimated that DuPont earned \$89 million through its wartime expansion, a windfall of retained earnings that enabled the company to expand research and production significantly after the War: Chapman, *International Petrochemical Industry*, p. 65. Likewise, around 90 per cent of Dow Chemical’s production was devoted to materials such as explosives and mustard gas during the War: Jason Szilagy, ‘American Chemical Companies in the First World War’, *Proceedings of Armistice & Aftermath*, Michigan Technological University Symposium, September 2018, p. 9.

¹⁶ Benjamin Coates, ‘The Secret Life of Statutes: A Century of the Trading with the Enemy Act’, *Modern American History*, vol. 1, no. 2, July 2018, p. 158.

¹⁷ Coates, ‘Secret Life of Statutes’, p. 158.

¹⁸ Steen, *American Synthetic*, p. 23.

established Chemical Foundation, a non-profit organization that was headed by the Alien Property Custodian himself. From there, the Chemical Foundation issued non-exclusive licences to American-owned chemical firms. This mechanism for appropriating German technical knowledge was developed in conjunction with leading American companies, including DuPont, the largest chemical firm in the US at the time, which actually drew up a precise list of patents that should be targeted for seizure.¹⁹ The APC explicitly identified the TWEA and the Chemical Foundation as a means of ‘Americanizing’ the chemical industry, and in later Congress debates, one representative would describe the Act as ‘the only safeguard’ for ‘the existence of the new chemical industry in this country’.²⁰ In this manner, the law constituted a massive lever of capital accumulation for America’s burgeoning chemical sector.²¹

The establishment of the Chemical Foundation as a means of transferring patents to American firms was formally designed to prevent the monopolization of scientific techniques by a handful of firms. In actuality, however, a small number of companies emerged as leaders of the US chemical industry through the 1920s, most notably: DuPont, Union Carbide & Carbon Corporation, Dow Chemicals and Monsanto. These firms benefitted greatly from the transfer of German patents, applying new techniques to expand their output and range of basic chemicals. Of particular importance to these firms was the expanding automobile industry, which provided a steady source of demand for new chemical products at a scale that made production profitable. American chemical companies grew in lock-step with the major car manufacturers, supplying fuel additives such as the anti-knocking agent tetraethyl lead, synthetic rubber for tyres and the first synthetic plastic, Bakelite, for components such as spark plugs, batteries, steering wheels and instrument panels. Indeed, the close association between the chemical and automotive industries was expressed in joint ownership structures—DuPont, for example, owned up to 38 per cent of General Motors in the inter-war years, and when Pierre du Pont passed the presidency of

¹⁹ Steen, *American Synthetic*, p. 299.

²⁰ Coates, ‘Secret Life of Statutes’, p. 159.

²¹ The Trading with the Enemy Act was retained as a permanent mechanism of US foreign policy, later put to use for economic sanctions. See Coates, ‘Secret Life of Statutes’ for a discussion.

the company to his brother in 1919, he went on to become chairman of General Motors.²²

American conquest

The 1920s and 1930s were important decades in basic chemical research, focused particularly on polymers, large molecules made up of repeated chains of smaller molecular units, called monomers. The German scientist Hermann Staudinger first discovered this basic structure of polymers in 1920.²³ His ideas initially met with scepticism but soon found practical application in the development of new synthetic compounds. Through the inter-war years, numerous polymers were discovered (mostly accidentally) in the labs of the largest chemical companies, including plasticized polyvinyl chloride or PVC (1926), neoprene synthetic rubber (1930), polyethylene (1933), nylon (1935) and Teflon (1938).²⁴ However, with the exception of nylon—developed by DuPont scientists over an eleven-year period—these polymers generally lacked significant commercial application. Most importantly, coal remained the key feedstock utilized in the production of these new polymers and the wider chemical industry.

The Second World War, however, drove three major changes to the chemical industry: first, an immense increase in the diversity, output and commercialization of polymers; second, a shift towards the use of petroleum rather than coal as the basic feedstock for polymer production; and third, the emergence of the US as the dominant global chemical power, and the concomitant decline of the German chemical industry. These changes were closely related, implicitly pitting the German and American chemical industries against one another through the mediation of war. In both Germany and the US, there was an intimate connection between the development of industrial chemical techniques, the rapid growth of the leading chemical firms, and the initiative and material support of the state.

²² Steen, *American Synthetic*, p. 443.

²³ Staudinger was later employed as a consultant by IGF during the inter-war years: Chapman, *International Petrochemical Industry*, p. 45. He was nonetheless sympathetic to pacifist ideas, and his first wife Dorothea was an active socialist.

²⁴ The leading developers of these polymers were IGF, DuPont, the British firm ICI and Dow.

In the years preceding the War, IGF continued to be the clear leader in the world chemical industry, despite the increased prominence of American firms like DuPont and Dow Chemicals. IGF was central to Nazi war preparations, with the company's efforts focused particularly on the use of coal to produce synthetic fuels and artificial rubber. Hitler had identified these materials as essential to the success of Germany's future expansion. Lacking the direct colonies of other European powers, and facing the certainty of naval blockade on rubber supplies from Malaysia, Nazi planners placed enormous priority on the development of synthetic alternatives that could ensure German self-sufficiency. By 1937, IGF had become 'completely Nazified': 'almost all of the members of the IG managing board who did not already belong now joined' the Nazis, and 'all Jewish officials of IG were removed, including a third of the supervisory board'. The company was essentially transformed into the industrial arm of Germany's military, producing almost all the country's synthetic gasoline (derived from coal) as well as 'synthetic rubber, poison gases, magnesium, lubricating oil, explosives, methanol, sera, plasticizers, dyestuffs, nickel and thousands of other items necessary for the German war machine.'²⁵

Prior to its entrance into the War in December 1941, the US similarly sought to develop synthetic polymers as potential replacements for metals, natural rubber, wood and cotton.²⁶ Due to the looming shortage

²⁵ Borkin, *Crime and Punishment*, pp. 58, 60. This relationship with the Nazi war machine was enormously profitable for IGF. With each successful German conquest, the chemical company took over factories and looted assets of rival European firms: a step-wise expansion that was to encompass Austria, Czechoslovakia, Poland, Norway and France. IGF also benefitted enormously from the seizure of Jewish property and the use of forced labour in Hitler's concentration camps. The firm built a huge industrial complex in Auschwitz for the production of synthetic rubber and oil that was run by an 'almost limitless reservoir of death camp labour' and 'used as much electricity as did the entire city of Berlin': p. 7. The company's profits between 1941 and 1943 were nearly five times those of 1935, and huge amounts were invested in the expansion of new plants such as those at Auschwitz. For documentation and further discussion, see 'IG Farben at the End of the Second World War', Wollheim Memorial website.

²⁶ With the entry of the US in December 1941, the old Trading With the Enemy Act was once again employed to confiscate German patents, which were made available to any member of the public willing to pay \$15; Arnold Krammer, 'Technology Transfer as War Booty: The US Technical Oil Mission to Europe, 1945', *Technology and Culture*, vol. 22, no. 1, January 1981, p. 75.

of basic raw commodities, these new materials would find widespread use in aircraft, submarines, tanks, tents, parachutes and other essential military items—a US army order even mandated that the rubber combs carried by soldiers be replaced by a plastic version.²⁷ Over the course of the War, production of vinyl resins such as PVC increased nearly fifty-fold, acrylic polymers such as plexiglass increased by a factor of ten and overall production of plastics nearly quadrupled.²⁸ Even the development of radar technology and the atomic bomb was dependent upon two newly invented polymers, polyethylene and Teflon. Given the importance of these new synthetic materials to the Second World War, it would be little exaggeration to term this later conflict the polymers war.

As with Germany, American production of the new polymers initially utilized pre-war technologies based upon the conversion of coal and other organic materials. Over the course of the War, however, a radical transformation occurred in manufacturing techniques. Driven by escalating military demands, production shifted decisively towards the use of oil and gas as the primary feedstocks for synthetic manufacture. This transition was enabled by innovations in petroleum ‘cracking’, a technique that oil companies had been experimenting with through the 1920s and 1930s as part of efforts to increase the quantities of gasoline produced in their refineries.²⁹ In addition to improving gasoline output, cracking also generated significant quantities of other highly reactive hydrocarbons known as olefins and aromatics, which could be utilized as building blocks for synthetic polymers. In the minds of US government planners, this new ‘petrochemical’ industry was viewed as crucial to guaranteeing the supply of essential military materials, including various plastics, aviation fuels and chemicals such as toluene, an aromatic hydrocarbon that was necessary to the manufacture of explosives.³⁰

²⁷ Susan Freinkel, ‘A Brief History of Plastic’s Conquest of the World’, *Scientific American*, 29 May 2011.

²⁸ John Kenly Smith, ‘The American Chemical Industry Since the Petrochemical Revolution’, in Galambos et al., *Global Chemical Industry*, p. 175.

²⁹ Prior to WW2, this largely involved thermal cracking, the use of very high temperatures and pressures to achieve greater control over the yield of refinery products. In the early years of the War, however, this technique was displaced by catalytic cracking—the use of a catalyst to achieve the same results but in easier operating conditions.

³⁰ Toluene production had traditionally derived from coal. By 1944, however, 81 per cent of the toluene supply in the US was made from petroleum: Chapman, *International Petrochemical Industry*, p. 74.

By shifting to petroleum as a basic feedstock, the abundance of US oil and natural-gas supplies would enable these materials to be produced cheaply and at large scale.³¹

Significant levels of US government funding were thus directed into petrochemical research and refinery construction during the War, and manufacturing volumes for basic petrochemicals grew at an unprecedented pace. Between 1940 and 1946, the production of ethyl benzene (used in synthetic rubber) rose from 500 to 135,000 tons, ethylene dichloride (for PVC) from 9,000 to 27,000 tons, ethyl chloride (anti-knocking gasoline additive) from 3,000 to 28,500 tons and ethylene oxide (an antifreeze and fumigation agent) from 41,500 to 78,000 tons.³² These products were not only utilized by the American military but were essential to supporting other Allied powers—Standard Oil's (now ExxonMobil) Baton Rouge refinery, for example, was the largest source of aviation fuel for the Allies during the War and was said to have 'saved England in the Battle of Britain'.³³

Arguably the most important petroleum-based industry that emerged in the US during the War was that of synthetic rubber. Before 1939, 90 per cent of the world's natural rubber originated from just three countries—Ceylon, India and Malaysia—but with Japan's conquest of Asia, American access to these supplies disappeared.³⁴ The US government took various initiatives to conserve rubber—including mandating the first-ever national speed limit in May 1942—but these measures could not satisfy the tremendous demand for rubber coming from all branches of the military.³⁵ Indeed, just six months after the US entered the War,

³¹ Geiser, *Materials Matter*, p. 43.

³² Peter Spitz, *Primed for Success: The Story of Scientific Design Company*, Cham, Switzerland 2019, p. 40.

³³ Spitz, *Primed for Success*, p. 32. More than half of total capital expenditure on Baton Rouge came from the US government: Chapman, *International Petrochemical Industry*, p. 74. In 2010, ExxonMobil used this support to sue the US government for reimbursement on environmental damages it had been required to pay at this refinery. In 2020, the US government lost the case and was ordered to pay \$20 million and partially foot the bill for future clean-up costs.

³⁴ Paul Samuelson, 'The US Government Synthetic Rubber Program 1941–1955: An Examination in Search of Lessons for Current Energy Technology Commercialization Projects', Working Paper MIT-EL 76-027WP, MIT, Cambridge MA, November 1976, p. 4.

³⁵ The so-called 'Victory Speed Limit' of 35 MPH lasted from May 1942 until the end of the War in August 1945.

Ferdinand Eberstadt—then chair of the Army and Navy Munitions Board, and destined to be an instrumental figure in the creation of the National Security Council—claimed that the US would have ‘no alternative but to call the whole thing off’ unless synthetic rubber could be produced in large enough quantities.³⁶ Driven by these fears, the US government embarked on a massive programme to build synthetic rubber plants that could produce rubber derived from petroleum.³⁷ These plants would be government-owned, but operated by private firms on a ‘cost plus management fee’ basis. By the end of the War, over 2 million tons of synthetic rubber had been produced by more than fifty plants.³⁸ This huge expansion permanently altered the nature of American rubber production: in 1941, almost 99 per cent of all US domestic rubber consumption was natural; by 1945, this figure had fallen to 15 per cent.³⁹ Perhaps most remarkably, the US emerged from the War as the world’s largest exporter of rubber; prior to 1939, it had been the world’s largest importer.

With the end of the War, the US government sought to divest ownership of this immense network of rubber plants to the private sector. Plans were initially delayed by the beginning of the Korean War in 1950, but just ten days after the end of that conflict the US Congress passed the Rubber Producing Facilities Disposal Act of 1953. Much like the seizure of German patents in the wake of the First World War, this Act represented another major transfer of wealth to the US chemical industry, with plants worth a total of \$700 million sold for a mere \$260 million. During Congressional hearings in 1954, one opponent protested that the sale should properly be ‘labelled a giveaway’ and accurately predicted that it would ‘bring about complete domination of the industry by a few mammoth corporations’.⁴⁰ Indeed, the ultimate beneficiaries of the sale were a handful of oil, rubber and chemical firms including Standard Oil, Shell, Goodyear, Firestone and Dow Chemicals. By 1958, just six firms

³⁶ Cited in William Tuttle Jr, ‘The Birth of an Industry: The Synthetic Rubber “Mess” in World War II’, *Technology and Culture*, vol. 22, no. 1, January 1981, p. 38.

³⁷ Initially there was an inter-industry dispute over whether synthetic rubber should be produced from alcohol (derived from grain) or from petroleum. In the end, oil companies won out. See Tuttle, ‘Birth of an Industry’ and Chapman, *International Petrochemical Industry*, pp. 69–72, for an account of these disputes.

³⁸ Kenly Smith, ‘American Chemical Industry’, p. 175.

³⁹ Tuttle, ‘Birth of an Industry’, p. 65.

⁴⁰ James Patton, President of the National Farmers Union, ‘Rubber Facilities Disposal’, Hearings before a Subcommittee of the Committee on Banking and Currency, US Senate, 84th Congress, 1st Session, on S. 691, 4a, 1955.

controlled 79 per cent of all US plant capacity for the main type of synthetic rubber production.⁴¹

The story of rubber illustrates the extraordinary impact that the petrochemical revolution would have on American capitalism. At the beginning of the War, a commercial petrochemical industry did not exist in the US. By 1950, half of the American output of organic chemicals would be made from petrochemicals. By the end of the 1950s, this figure would reach just under 90 per cent.⁴² This transformation of synthetic production was not simply a result of technological innovation or the contingent choices of American war planners. Crucially, the petrochemical revolution embodied a more fundamental shift towards oil as the fulcrum of the world's energy regime, a process that had begun in the early 20th century but that was fully consummated by the War itself.⁴³ The expansion of the oil industry massively increased the availability of basic feedstocks for chemical production; this considerably cheapened the cost of material manufacture because the inevitable by-products of fuel production were transformed into a profitable input for petrochemicals. What was essentially 'waste' had suddenly become an indispensable component of circulating constant capital. In short, at the heart of the petrochemical revolution was a radical change to the wider reproduction of capital: the production of commodities had become derivative—or a by-product—of the production of energy.

Moreover, and no less significantly, all this occurred in the context of a global oil industry that was largely dominated by US firms. By the time of the Second World War, the US was the world's largest producer of oil and gas and held over 70 per cent of global refining capacity, compared to

⁴¹ Stanley Boyle, 'Government Promotion of Monopoly Power: An Examination of the Sale of the Synthetic Rubber Industry', *Journal of Industrial Economics*, vol. 9, no. 2, April 1961, p. 158.

⁴² Kenly Smith, 'American Chemical Industry', p. 178.

⁴³ Lord Curzon famously observed of WWI that the winning side had floated to victory on a sea of oil—all the more so in WW2. Petroleum energy sources were more efficient than coal and easier to transport; they were also cheaper and more plentiful. Naval ships, aircraft and military vehicles all depended upon ready supplies of liquid petroleum fuels. The emergence of a post-war oil-centred world order was also closely connected to the development of the automobile industry (Huber, *Lifeblood*) and the rise of industrial farming (Moore, *Web of Life*). In this sense, the petrochemical revolution can be seen as another core element of oil's consolidation at the centre of the world's energy regime.

only 7 per cent in Western Europe. Five of the famed Seven Sisters—the seven oil companies that controlled 85 per cent of the world's petroleum reserves—were American-owned. At the end of the War, almost all the world's production capacity for ethylene—the fundamental building block of petrochemical production and today frequently described as the 'world's most important chemical'—was located in the US.⁴⁴ There was thus a mutually reinforcing relationship between the rise of American hegemony, the shift to an oil-centred global energy regime and the revolution in commodity production inaugurated by petrochemicals.

Europe subordinated

In late 1944, with Allied leaders looking in growing anticipation to the end of the War, the issue of Germany's long-standing and powerful chemical industry loomed large in the various scenarios of post-war planners. Much of the physical infrastructure of German industry lay in rubble, or was in territory conquered by the Soviet Union. There was, however, considerable scientific expertise, built upon decades of chemical experimentation, scattered through research facilities and laboratories across Germany. Cognizant of this potential treasure trove of knowledge, US oil-company executives began lobbying American officials in August 1944 for a plan to seize this research in the event of Germany's defeat. Competing interests in the US government initially failed to agree on a united approach, but by the end of the year an audacious scheme had cohered.

Two dozen leading US oil-company managers and scientists were temporarily drafted as colonels of the US army, provided with uniforms and secretly ushered into German territory to visit industrial facilities and collect documents from IGF and other German firms. Between February and August 1945, these teams gathered material that ran to over 300,000 pages; their visits continued after the War, and by 1948 a dedicated office set up by President Truman would report that 'more than 5 million microfilmed pages of technical documents, all in German, containing drawings, flow sheets, reports of chemical experiments and meetings of German technical societies' were still being processed. One later historian would describe these events as akin to 'technology transfer' through 'war booty', commenting that 'never in the history of the modern world

⁴⁴ Chapman, *International Petrochemical Industry*, pp. 60, 17.

has a sophisticated industrial nation had at its complete disposal the industrial secrets of another nation'.⁴⁵

With the conclusion of the War, the inextricable connections between German fascism and the German chemical industry were formally recognized at the Nuremberg war-crime trials. Twenty-four leading executives of IGF were indicted and tried at Nuremberg, with thirteen eventually found guilty of war crimes including slavery, mass murder and plunder.⁴⁶ However, in a pattern replicated throughout post-war German big business, those eventually sentenced to prison received extremely short sentences and early pardons and were quickly reintegrated into the top echelons of West German industry. IGF itself was broken up into its original constituent parts of Bayer, Hoechst and BASF. Heading each of these companies into the 1950s and 1960s were the IGF managers of the Nazi era, including those that had served time for war crimes.⁴⁷ Beyond the reconstitution of the Big Three under the auspices of former war criminals, other leading IGF directors were released early from prison and went on to prosperous careers with the US government and American chemical firms.⁴⁸

Alongside the diffusion of German scientific knowledge, post-war planners also sought systematically to shift Germany's chemical industries away from the use of coal-based technologies towards oil. The Potsdam Conference of 16 July 1945 went so far as to ban Germany from utilizing coal as a feedstock for fuel production—a move that forced the expansion of oil refining in order to satisfy the country's need for

⁴⁵ Krammer, 'Technology Transfer', p. 97.

⁴⁶ Borkin, *Crime and Punishment*, p. 121.

⁴⁷ IGF board member Friedrich Jähne, who had been convicted of war crimes at Nuremberg, was hired as the chairman of the Hoechst supervisory board in 1955. Fritz ter Meer, also convicted of war crimes at Nuremberg, became chair of the board of directors for Bayer in 1956. Although he was acquitted of war crimes in the Nuremberg trial, former IGF board member Carl Wurster, who became chief executive of BASF in 1952, had been a 'military economy leader' (*Wehrwirtschaftsführer*) and was awarded a Knight's Cross for War Service by the Nazis in 1943.

⁴⁸ One of these was Otto Ambros, who was found guilty of crimes against humanity—the use of slave labour—at Auschwitz and is credited with the invention of Sarin gas. Ambros was granted clemency by the US government in 1951, becoming an advisor to the US Army Chemical Corps and Dow Chemicals, among other leading US chemical firms. See the entry for 'Ambros, Otto / W. R. Grace and Company' at the Ronald Reagan Presidential Library and Museum website.

liquid fuels.⁴⁹ In 1951 this order was rescinded, but by that stage all four German coal-to-fuel plants in Western-controlled zones had either been deactivated or converted to processing oil. As oil became more available and necessary infrastructure such as pipelines were built, BASF, Hoechst and Bayer entered the petrochemical industry through partnerships with British and American oil firms. By 1961, oil and gas had overtaken coal as the primary feedstock for the German chemical industry—and by 1963, 63 per cent of all German chemical production was derived from petroleum.⁵⁰

A similar transition away from coal occurred in other West European states. Despite some initial opposition by US oil companies, who feared losing their dominant position in world oil markets, funding from the Marshall Plan supported a significant expansion of European refining capacity in the immediate post-war years.⁵¹ European refinery capacity increased five-fold between 1948 and 1955, and by 1960 Europe's share of global refining capacity stood at 16 per cent, up from 7 per cent in 1940.⁵² The increase in the output of refined-oil derivatives enabled a decisive shift towards petroleum-based production of chemicals. This was most evident in the UK, where more investment went into petrochemicals than any other branch of British industry between 1948 and 1958.⁵³ By 1962, around two-thirds of all British chemical production would be petroleum-based. In that same year, petrochemicals averaged 58 per cent of chemical production across Western Europe as a whole—a figure that had increased from negligible levels in just over a decade.⁵⁴

Crucially, however, the crude oil that fed European refineries, and thus the nascent petrochemical industry, was supplied wholly through

⁴⁹ Anthony Stranges, 'Germany's synthetic fuel industry, 1927–1945', in Lesch, ed., *The German Chemical Industry in the Twentieth Century*, Dordrecht 2000, p. 213.

⁵⁰ Ulrich Wengenroth, 'The German Chemical Industry after World War II', in Galambos et al., eds, *Global Chemical Industry*, p. 149.

⁵¹ David Painter, 'Oil and the Marshall Plan', *Business History Review*, vol. 58, no. 3, Autumn 1984, pp. 359–83.

⁵² Chapman, *International Petrochemical Industry*, p. 83.

⁵³ Wyn Grant, 'The United Kingdom', in Galambos et al., eds, *Global Chemical Industry*, p. 299.

⁵⁴ Chapman, *International Petrochemical Industry*, p. 82. The frontrunner in this transition was the UK. British scientists had participated in the secret teams that visited IGF plants between 1944 and 1945, and Britain was the first West European country to utilize petroleum feedstocks for chemical production.

imports—unlike the US, where plentiful supplies of domestic oil and gas had enabled the earlier expansion of the petrochemical industry. The bill for European oil imports was the largest dollar item for most Marshall Plan countries, striking testimony to the central importance that oil had now assumed in capitalist growth.⁵⁵ By providing this funding, the US state not only facilitated the oil-based trajectory of European industrial development, it also directly supported the international expansion of the Seven Sisters, who were the sole source of European oil imports. As vertically integrated firms that dominated each step in the exploration, production, transportation and refining of oil, these oil majors were thus embedded at the core of Europe's emerging petrochemical revolution. Shipping terminals, oil pipelines, refineries and petrochemical plants formed distinct spatial agglomerations superintended by one or other of these firms—most notably BP, Shell, Esso and Texaco. The initial extension of the petrochemical industry across Europe took place largely through joint ventures between these oil majors and local European capital.⁵⁶

The geographical origins of Europe's oil imports were no less consequential to the emergence of its petrochemical industry. Through the 1950s and 1960s, most of the oil exported to Europe came from oil fields located in the Middle East. The oil majors operated these fields through concessionary agreements with host governments and held the power to set the price of oil which was then used to calculate royalty payments.⁵⁷ These royalties and other tax expenses were thereby minimized through the oil majors' arrogation of price controls, which kept the costs of oil production in the Middle East very low compared to other oil-producing areas of the world and in relation to coal. This was extremely advantageous for the Seven Sisters, and by the mid-1950s, the profitability of foreign operations for US oil companies was double that of domestic production.⁵⁸ All of this ultimately depended upon effective Anglo-American control over territory and political authority in the Middle East, which at that time was divided principally between Britain across Kuwait, Iran, Iraq and the smaller Trucial States in the Gulf, and the US in Saudi Arabia. A direct thread thus connected the emergence of a synthetic world with

⁵⁵ Painter, 'Oil and the Marshall Plan', p. 362.

⁵⁶ See Galambos et al., eds, *Global Chemical Industry*, for a survey of different European countries.

⁵⁷ Francisco Parra, *Oil Politics: A Modern History of Petroleum*, London 2004.

⁵⁸ Commoner, *Poverty of Power*, p. 55.

patterns of colonial domination: the rise of petrochemicals in Europe was as much an American and Middle Eastern story as a European one.

Chemical century

The post-war petrochemical revolution inaugurated a far-reaching transformation in patterns of industrial production and consumption. The ubiquitous spread of synthetic materials derived from petroleum rapidly colonized all aspects of everyday life, not only driving the emergence of new industries such as plastics and packaging, but also reshaping cultural practices and the set of material products associated with the 'good life' and the American Dream.⁵⁹ Business historians have subsequently described this period as the 'chemicalization' of industry, with virtually all forms of commodity production linked to petrochemicals in some manner. In the US, the chemical industry moved to the centre of capitalist development through the 1950s and 1960s, experiencing growth rates double that of GDP and profit rates at least 25 per cent higher than those found in other manufacturing industries.⁶⁰ With the chemical industry 'unmatched by any other' in growth, earnings and potential, normally circumspect pundits of the post-war era foresaw a future in which 'most industries will be absorbed into the chemical industry'. This was the beginning—proclaimed a *Fortune* magazine headline in 1950—of the 'Chemical Century'.⁶¹

One important consequence of this petrochemical revolution was its impact on science. With chemistry research located ever more centrally within the circuits of commodity production, the 'chemicalization' of industry was associated with a parallel phenomenon, more broadly described by Harry Braverman as the 'transformation of science itself into capital'.⁶² In the US, this was expressed through the growing collaboration between industry and university chemistry departments, as well as the increasing prominence of chemical engineering as a distinct branch of academic research.⁶³ Chemical engineering itself became organized largely around the notion of 'unit operations', a kind of theoretical Taylorism that approached chemistry through a small number

⁵⁹ See Huber, *Lifeblood*, Chapter 3.

⁶⁰ Kenly Smith, 'American Chemical Industry', p. 169.

⁶¹ 'The Chemical Century', *Fortune*, March 1950, p. 70.

⁶² Harry Braverman, *Labour and Monopoly Capital*, New York 1974, p. 167.

⁶³ Spitz, *Primed for Success*, pp. 20–1.

of generic processes—separation, crystallization, distillation—easily transferable across the development of new synthetic products. Large firms became major donors of chemistry departments, often mandating the prioritization of research connected to product development. At the same time, chemical engineers gained increasing prominence as managers and executives of chemical firms, coming to identify ‘the scientific transformation of America and the corporate transformation of America [as] one and the same’.⁶⁴

With science increasingly an appurtenance of business calculus, the internal organization of firms in the chemical industry was also transformed. Historians of the industry frequently point out that the major challenge presented by petrochemicals for business was not the act of discovering new chemical products—this was relatively straightforward, given the basic structure of polymers—but inventing a *use* for these new chemicals. As a result, chemical firms increasingly prioritized activities such as marketing and product commercialization. In turn, companies began to structure themselves around individual product lines rather than generic activities. Associated with this internal reorganization were innovations in accounting; DuPont, for example, pioneered the introduction of Return on Investment (ROI) as an accounting measure, a means to capture the costs of invention, marketing and revenue for discrete products.⁶⁵ And because this enabled individual units to be easily valued and then offered for sale by their parent companies, this form of organization propelled repeated waves of consolidation in the chemical industry. Consequently, a small number of very large companies emerged around specific product specializations.⁶⁶

At the same time, a handful of basic petrochemical products such as ethylene, propylene, benzene and toluene formed the core inputs for

⁶⁴ David Noble, *America by Design: Science, Technology and the Rise of Corporate Capitalism*, New York 1977, p. 19.

⁶⁵ Alfred Chandler Jr, ‘The Competitive Performance of US Industrial Enterprises since the Second World War’, *Business History Review*, vol. 68, no. 1, Spring 1994, pp. 11–12.

⁶⁶ By the 1960s, it was estimated that just 15 companies controlled most US petrochemical production: Geiser, *Material Matters*, p. 49. This concentration and centralization of capital is a long-standing feature of the chemical industry. Indeed, the 1925 formation of IGF occurred because the German chemical giant BASF could not alone afford the commercialization of a newly discovered means of producing synthetic fuels: Borkin, *Crime and Punishment*, p. 39.

more complex derivative chemicals. The production of these essential precursors was increasingly associated with huge increases in the size of petrochemical plants, as producers sought to achieve economies of scale. One industry expert in 1979 described the proliferation of ‘massive, integrated industrial complexes’ where basic petrochemical production was connected to the manufacture of more complex derivative products through a spaghetti-like maze of pipes, tubes and specialized storage hubs. Between 1950 and 1970, the size of such plants in the US increased by a factor of ten, and they could take up to 42 months to construct, with some components so large that they required on-site manufacture.⁶⁷ These massive fixed-capital costs typically exceeded the capacity of individual firms and thus drove further industry consolidation through mergers, exclusive-partnership agreements and joint ventures.⁶⁸

While the basic costs of materials, fuel and machinery in the petrochemical industry were very high, the proportion of labour costs was extremely low—indeed, considerably less than other industrial sectors. In this respect, petrochemicals were one of the first branches of industry to exhibit what Ernest Mandel described as the ‘third technological revolution’: almost full automation, where plants were designed around ‘automated flow systems’, integrated networks of machinery, vessels and pipes that ran continuously with only a few workers monitoring the process.⁶⁹ Indeed, the cost of labour for the petrochemical industry in the early 1970s was calculated at significantly less than 1 per cent of total production expenses.⁷⁰ As the size of petrochemical complexes increased,

⁶⁷ Mark Cantley, ‘The Scale of Ethylene Plants’, International Institute of Applied Systems Analysis Working Paper, 1979, pp. 17, 12.

⁶⁸ Another structural change associated with this process was the emergence of specialized chemical engineering firms that developed petrochemical processes and innovations in plant designs and would then license these technologies to manufacturers, rather than proprietary engineering knowledge remaining exclusively in the hands of individual chemical firms. This innovation helped encourage the post-war diffusion of petrochemical plants through Europe and Japan. The leading engineering firm in this respect was the Scientific Design Company (see Spitz, *Primed*, for a history), which, after numerous acquisitions, is today owned by a joint venture of Saudi Arabia’s SABIC (see below) and the Swiss multinational, Clariant. Many of the world’s largest engineering firms such as KBR have their origins in these activities.

⁶⁹ Ernest Mandel, *Late Capitalism*, London and New York 1998, pp. 184–223.

⁷⁰ Charles Levinson, *Capital, Inflation and the Multinationals*, London 1971, pp. 228–9.

the need for extra labour was estimated by industry analysts as ‘not significantly different from zero’. That is, at a certain size of plant, it was theoretically possible to increase output to ‘*any level*’ by merely increasing other inputs while holding labour at a fixed level.⁷¹ For these reasons, petrochemicals have consistently had higher levels of productivity than any other branch of industry.

This higher technical composition of the petrochemical industry was a leading element within the post-war increase in the organic composition of capital, a fact that has gone largely unremarked in Marxist discussions over post-war profit rates. But the degree to which petrochemicals drove the ‘replacement of living labour by dead labour’ extends far beyond the enormous costs of constant capital (fixed and circulating) within petrochemical plants themselves. At a more elemental level, petrochemicals marked a qualitative shift in the nature of commodity production: labour-intensive naturally occurring goods—often sourced from far-flung colonial territories—were replaced by synthetic materials that had an average necessary labour content approaching zero. This was not simply an increase in the quantity or scale of production. Rather, use value itself was irrevocably detached from its long-standing association with specific exchange values: the functional attributes of wood, glass, paper, natural rubber, natural fertilizers, soaps, cotton, wool and metals, would now be served by plastics, synthetic fibres, detergents and other petroleum-based chemicals.⁷²

Moreover, the development of these synthetic materials had far-reaching implications for other industrial sectors. By the early 1950s, a new generation of materials known as thermoplastics had become widespread. These plastic polymers become mouldable when heated and hard when cooled, as opposed to thermosetting plastics that keep their initial shape permanently. With the development of injection-moulding machines through the 1950s and 1960s, thermoplastics enabled the automated fabrication of cheaply reproducible components that transformed whole branches of industrial production, including the manufacture of heavy machinery, automobiles, medicine, construction, consumer goods,

⁷¹ Cantley, ‘Scale of Ethylene’, p. 27.

⁷² This qualitative transformation in the nature of post-war commodity production—and its enormous ecological implications—was first highlighted by Barry Commoner in *The Closing Circle* and *Poverty of Power*, cited above.

packaging and so forth.⁷³ Akin to modern day alchemy, a bag of small thermoplastic pellets could be transformed into any simple commodity after the appropriate mould was set. And once a mould was in place, there was little extra cost to manufacturing each additional item; this not only further accelerated the expulsion of labour from a widening sphere of commodity production, it also encouraged enormous increases in commodity output.⁷⁴

In this manner, the petrochemical revolution was inseparable from the chronic levels of overproduction that came to mark the post-war era. As huge quantities of new and easily reproducible synthetic goods displaced natural materials during the first decades after the War, producers were faced with the obstacles of limited market size and the restricted needs of the post-war consumer. Ever-accelerating quantities of waste, inbuilt obsolescence and the ubiquitous spread of disposability became the hallmarks of capitalist production, a situation presciently narrated by Vance Packard in his 1960 classic, *The Waste Makers*. As he noted, the solution to this dilemma was closely connected to the spectacular expansion of another 'new' industry, advertising, which aimed at inculcating the mass consumer 'with plausible excuses for buying more of each product than might in earlier years have seemed rational or prudent.'⁷⁵ But all branding needs a 'skin', and here advertisers turned once again to petrochemicals for a solution. The pervasive supply of cheap and malleable petrochemicals enabled a huge expansion in packaging and labelling, which soon came to adorn all consumer goods. Packaging quickly became the largest end-use for plastics and currently makes up more than one-third of the global demand for plastics.⁷⁶

Synthetic futures

Today a small number of very large firms dominate global petrochemical production. With costs heavily dependent upon the price of crude oil

⁷³ Geiser, *Material Matters*, p. 70.

⁷⁴ As Barry Commoner pointed out in *The Closing Circle*, 'If you asked a craftsman to make you a special pair of candlesticks he would be delighted; if you asked for two million pairs he would be appalled. Yet if you asked a plastics moulder for one pair of candlesticks he would be appalled, but delighted if you asked for two million pairs.' Today, around 90 per cent of plastics are thermoplastics: Geiser, *Material Matters*, p. 70.

⁷⁵ Vance Packard, *The Waste Makers*, New York 1960, p. 23.

⁷⁶ IEA, 'Future of Petrochemicals', p. 19.

inputs and petroleum refining, production tends to be clustered around major oil producing sites, and most new petrochemical complexes are joint-ventures that involve both oil majors—ExxonMobil, Shell, Chevron and BP—and more specialized chemical firms that frequently originate in German and American militarism: Dow, DuPont and BASF. The US remains a major production zone, a position accentuated by the rise of shale oil from 2011 onwards, which gave US-based producers access to a ready supply of low-cost feedstocks. However, there has been a steady decline in the relative power of long-standing Western petrochemical companies; in 2010, 32 of the top 50 chemical producers in the world were headquartered in North America or Europe, a figure that had dropped to 28 by 2020.⁷⁷

The most significant change to affect the global petrochemical industry over the last decade has been the rise of China and the wider Asia region as core zones of petrochemical production and consumption. With China's emergence as a key centre of global manufacturing, the country's consumption of petrochemicals has skyrocketed. Petrochemical consumption underlay initial Chinese production of cheap domestic goods, furniture and clothing, thus spearheading the country's export dominance across markets in the rest of the world.⁷⁸ In 2017, chemical sales in China represented nearly 40 per cent of global chemical-industry revenues, and between 2010 and 2015, China's market grew *each year* at a rate that was equivalent to the combined chemical sales of Spain and Brazil.⁷⁹ To meet this rapidly increasing consumption, China's petrochemical production increased from 10 per cent of global petrochemical capacity in 2000 to a staggering 37 per cent in 2017; over this same period, Europe's share of global capacity fell from 20 per cent to 12 per cent, and North America's from 25 per cent to 14 per cent.⁸⁰ Nearly 30 per cent of the world's increase in petrochemical capacity over the next decade is expected to come from China, far more than for any other producer worldwide.⁸¹

⁷⁷ Alexander Tullo, 'Global Top 50', *Chemical & Engineering News*, 3 August 2009.

⁷⁸ A similar pattern of petrochemical-led development was evident in the earlier rise of East Asian 'tigers' through the 1960s and 1990s.

⁷⁹ Sheng Hong et al., 'China's Chemical Industry: New Strategies for a New Era', McKinsey & Co., 20 March 2019, p. 2.

⁸⁰ 'The GCC Petrochemical and Chemical Industry: Facts and Figures 2017', Gulf Petrochemicals & Chemicals Association (GPCA), 2018, p. 27.

⁸¹ 'China to contribute 28% of global petrochemical capacity additions by 2030', GlobalData website, 30 October 2020.

Apart from China, the region that has seen an increased share of global production over recent years is the Gulf Cooperation Council (GCC), a group of six Arab states that now holds 6 per cent of global petrochemical capacity, a figure that has doubled since 2000.⁸² Led by Saudi Arabia, the GCC is now a leading producer of several basic petrochemicals. Foremost here is ethylene, which continues to be the world's most important petrochemical and forms an essential input for the manufacture of packaging, construction materials and automobile parts.⁸³ World consumption of ethylene doubled over the last decade, and between 2008 and 2017, the Gulf's share of ethylene capacity grew from 11.5 to 19 per cent, the region rising from the world's fourth to second ranked producer, just behind North America, whose global share fell from 27 to 21 per cent.⁸⁴ The GCC added more ethylene capacity than any other region of the world over this period: indeed, since 2005, around one-third of the increase in global ethylene capacity has come from the GCC, more than China (28 per cent), the rest of Asia (22 per cent) and the US (13 per cent).⁸⁵

The rise of China and the Gulf has pushed large state-owned firms to the centre of the world petrochemical industry. Conspicuous examples are China's Sinopec and Saudi Arabia's SABIC, which now rank as the second and fourth largest petrochemical companies in the world respectively, up from fifth and seventh places in 2007.⁸⁶ The power of these firms stems, in part, from their close linkages to the upstream oil sector: Sinopec is directly involved in the ownership, exploration and production of crude oil and gas, while SABIC is 70 per cent owned by Saudi Aramco, the world's largest oil producer. These linkages further illustrate the structural evolution of the global petrochemical industry towards vertically integrated ownership of oil and gas fields,

⁸² GPCA, 'Facts and Figures 2017', p. 27.

⁸³ Approximately 75 per cent of the global demand for ethylene comes from these three manufacturing activities: GPCA, 'Ethylene: A Litmus Test', 2019, p. 2.

⁸⁴ Experience Nduagu et al., 'Economic Impacts and Market Challenges for the Methane to Derivatives Petrochemical Sub-Sector', Canadian Energy Research Institute, March 2018, p. 2; Duane Dickson et al., 'The Future of Petrochemicals', Deloitte, 2019, p. 4.

⁸⁵ 'Rapid changes in the ethylene capacity world order', Wood Mackenzie website, 4 December 2019.

⁸⁶ Tullo, 'Global Top 50': in 2000 SABIC was ranked as the 29th-largest chemical company in the world, and Sinopec did not even make the list of the top 50.

refining and chemical production. Importantly, however, while these firms are majority state-owned, this does not mean that private capital is absent from petrochemical production in either China or the Gulf. Many privately owned firms are connected through joint ventures and strategic partnerships with Sinopec and SABIC, mostly focused on the downstream production of plastics and other synthetic polymers. In this manner, state involvement in the petrochemical sector has been a significant driver of private capital accumulation across Asia and the Middle East.⁸⁷

Despite the substantial expansion in Chinese and Gulf petrochemical production over the last decade, global demand for petrochemicals continues to outstrip increases in production capacity.⁸⁸ This inexorable growth in consumption has occurred across all types of petrochemicals, but perhaps the best illustration is the most pervasive of all petroleum products, plastics. Between 1950 and 2015, the annual global production of plastic grew nearly 200-fold, greatly eclipsing the growth of other bulk materials such as aluminium, cement and steel. This seemingly unstoppable demand is driven by the systematic displacement of natural materials by plastics across many different sectors.⁸⁹

⁸⁷ Since 2015, China has allowed full private ownership in refining and petrochemicals, including by foreign firms. Several very large privately controlled Chinese petrochemical firms are expanding into basic petrochemicals as well as upstream oil production—e.g. Hengli Petrochemical, which is now ranked as the 26th largest chemical firm in the world. For an analysis of the relationship between private and state-owned capital in the case of the Gulf's petrochemical sector, see Hanieh, *Capitalism and Class in the Gulf Arab States*, London 2011; and *Money, Markets, and Monarchies: The Gulf Cooperation Council and the Political Economy of the Contemporary Middle East*, Cambridge 2018.

⁸⁸ A widely used proxy for the petrochemical market is ethylene. Global capacity for ethylene increased 30 per cent between 2008 and 2017, while consumption doubled: Dickson, 'Future of Petrochemicals', p. 4. Nonetheless, chronic overcapacity is a recurrent feature of the global petrochemical industry, and the likelihood of supply gluts in key products has been accentuated given new production units planned in China and the Gulf. As with other industrial sectors, these cycles of overcapacity have historically been a main driver for the concentration and centralization of capital in petrochemicals.

⁸⁹ To give but one example, the production of polyester fibre recently exceeded that of all other fibres combined, including wool and cotton, and now makes up around 60 per cent of total global fibre production; IEA, 'Future of Petrochemicals', pp. 17, 20. Similar trends can be seen in the output of other high-volume plastics, including polyethylene, polypropylene and polyvinyl chloride.

The growth of plastic production is accelerating—remarkably, around half of all plastics ever made were produced in just the last twenty years. This carries far-reaching ecological implications. Plastics are by their very nature incompatible with normal biological cycles and can only be disposed of by dumping, incineration or recycling. More than 90 per cent of all plastic waste ever produced by humankind has been dumped into the ecosystem or incinerated, both routes that release toxic materials into the environment and cause long-term and cumulative damage to life itself.⁹⁰ Today, recycling rates for plastic are at best around 20 per cent, and most plastic waste in North America and Europe ends up being exported to Asia, where its ultimate fate is typically hard to determine. Indeed, alongside China’s role as a key global producer of plastics, the country for several decades became the final graveyard of the world’s plastic waste—since 1992, just under half of all global plastic waste has been exported to China.⁹¹

The continued expansion of the production of plastics and other petroleum-based synthetic materials is rapidly becoming the largest factor in the growth of demand for oil. The IEA estimates that petrochemicals will make up more than one-third of the growth in oil demand to 2030 and nearly half to 2050, an amount greater than trucks, aviation or shipping—the other components of oil demand that are difficult to replace.⁹² It is conceivable that some of the demand for oil and gas as an energy source can be reduced through alternative technologies and improved energy efficiencies—such as solar, wind or electric vehicles—but there is no way of imagining a future without oil as long as petroleum remains the fundamental material basis of commodity production.⁹³ This is a fact openly acknowledged by industry analysts and

⁹⁰ Roland Geyer et al., ‘Production, use and fate of all plastics ever made’, *Science Advances*, 19 July 2017, p. 3: ‘None of the mass-produced plastics biodegrade in any meaningful way; however, sunlight weakens the materials, causing fragmentation into particles known to reach millimeters or micro-meters in size’. ‘Research into the environmental impacts of these “microplastics” in marine and freshwater environments has accelerated in recent years, but little is known about the impacts of plastic waste in land-based ecosystems.’

⁹¹ Dickson, ‘Future of Petrochemicals’, p. 7. China banned the import of plastic waste in 2018, and most of this trade has now been diverted to other Asian countries, with Malaysia becoming the top destination in 2020.

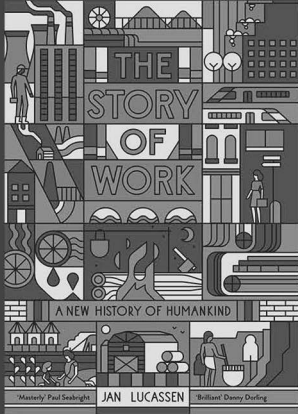
⁹² IEA, ‘Future of Petrochemicals’, p. 11.

⁹³ Moreover, chemicals are the largest industrial consumer of energy—exceeding iron, steel and cement: IEA, *Future of Petrochemicals*, p. 27.

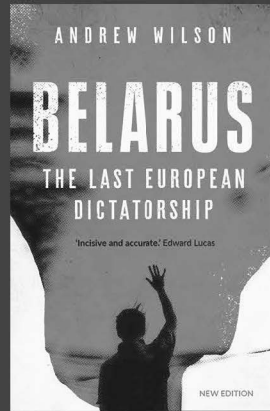
oil firms alike, who now speak of petrochemicals as a guarantee for ‘the future of oil’.⁹⁴

All of this points to the real problem with oil. Having become so accustomed to thinking about it as primarily an issue of energy and fuel choice, we have lost sight of how the basic materiality of our world rests upon the products of petroleum. These synthetic materials drove the post-war revolutions in productivity, labour-saving technologies and massified consumption. Birthed in war and militarism, they helped constitute an American-centred world order. Today, it is almost impossible to identify an area of life that has not been radically transformed by the presence of petrochemicals. Whether as feedstocks for manufacture and agriculture, the primary ingredients of construction materials, cleaning products and clothing or the packaging that makes transport, storage and retail possible—all aspects of our social being are bound to a seemingly unlimited supply of cheap and readily disposable petrochemicals. Synthetic materials derived from petroleum have come to define the essential condition of life itself; simultaneously, they have become normalized as natural parts of our daily existence. This paradox must be fully confronted if we are to move beyond oil.

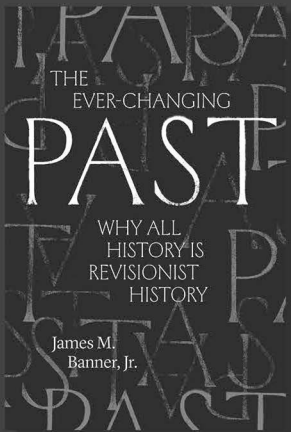
⁹⁴ Alexander Tullo, ‘Why the future of oil is in chemicals, not fuels’, *Chemical & Engineering News*, 20 February 2019.



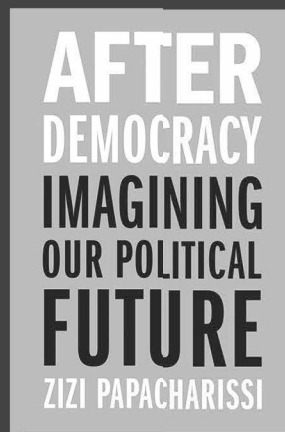
THE STORY OF WORK
*A New History
of Humankind*
Jan Lucassen



BELARUS
*The Last European
Dictatorship*
Andrew Wilson



THE EVER-CHANGING PAST
*Why All History Is
Revisionist History*
James M. Banner



AFTER DEMOCRACY
*Imagining Our
Political Future*
Zizi Papacharissi

MAY ADADOL INGAWANIJ

PHILIPPINE NOIR

The Cinema of Lav Diaz

THE FILIPINO DIRECTOR Lav Diaz has created a monumental body of work over the past two decades: some sixteen feature films—interspersed with as many miscellaneous shorts, documentaries and film-essays—shot almost entirely in black and white, with running times generally somewhere between four and ten hours. Produced on a largely artisanal scale throughout the archipelago of the Philippines, at one level they represent the everyday troubles and resilience of the Filipino people, the present-day plight of the country and the burden of its past. Although he is a well-known figure there, Diaz's films have been screened only sporadically in the Philippines itself, the product not only of political constraints—a number have been banned—but also of working beyond the bounds of an entrenched national film industry. Internationally, Diaz's reputation has grown since *Norte, the End of History* (2013)—a 4-hour, freewheeling adaptation of Dostoevsky's *Crime and Punishment* set in the contemporary Philippines—appeared at Cannes, with prizes and acclaim garnered at Locarno, Berlin and Venice. His oeuvre, though, remains little understood. On the global circuit, he is regularly acclaimed as a master of 'slow cinema'. In interviews, Diaz rarely fails to correct the record: 'it's not slow cinema; it's cinema.'¹

First coined by the French critic Michel Ciment who identified an emerging 'cinema of slowness' in a talk at the 2003 San Francisco International Film Festival, 'slow cinema' has been consolidated in Anglophone film writing as a designation for a range of austere, minimalist films typified by use of the long take.² Directors who have been classified as practitioners alongside Diaz include Nuri Bilge Ceylan, Jia Zhangke, Pedro

Costa and Tsai Ming-Liang, while the category has also been applied retrospectively, with Ozu, Bresson, Tarkovsky and others enlisted into a genealogy of slowness. Conceptually it has been formulated primarily in terms of Bazin's classic ontological definition of realism, sometimes elaborated through Deleuze's conception of the modernist 'time-image'. Politically, this mode has generally been interpreted as a response to the accelerated tempo of late capitalism—as site of respite or resistance—with Rancière, for instance, describing such work as reopening time 'as the site of the possible'.³

A critical framework of this kind, encompassing such a heterogeneous set of directors of disparate geographies and lineages, has the potential to obscure as much as it elucidates. In Diaz's case, there is an evident disconnection between the discourse of slow cinema and the concerns that animate his films. The historical, social and political character of the Philippines is his primary subject—'the struggle is there. I cannot turn my back on it'—and his achievement is only fully visible within this setting.⁴ Though duration is an element of his repertoire, it is mobilized for much more particular ends. Of a 21-minute sequence in the 11-hour *Evolution of a Filipino Family* (2004), a film that pioneered his singular approach, Diaz explained at the time: 'In the film's central death scene, I want the audience to experience the afflictions of my people who have been agonizing for so long'—'that is the death scene of the Filipinos. I wanted it longer, believe me.'⁵

A past that is not past

Diaz's work can be profitably situated within a genealogy of politically committed cultural vanguardism in the Philippines—the films of Kidlat

¹ Reuters, 'Berlin Film Festival: director defends eight-hour movie that features hour-long lunch break', *Guardian*, 19 February 2016.

² Examples of academic works on slow cinema include Tiago de Luca and Nuno Barradas Jorge, eds, *Slow Cinema*, Edinburgh 2016; Emre Çağlayan, *Poetics of Slow Cinema: Nostalgia, Absurdism, Boredom*, Cham, Switzerland 2018; Matthew Flanagan, "'Slow Cinema": Temporality and Style in Contemporary Art and Experimental Film', PhD thesis, University of Exeter 2012.

³ Jacques Rancière, 'Béla Tarr: The Poetics and the Politics of Fiction', in De Luca and Jorge, eds, *Slow Cinema*, p. 260.

⁴ Nadin Mai, 'Lav Diaz: Slow Burn', *Guernica*, 15 January 2016.

⁵ Brandon Wee, 'The Decade of Living Dangerously', *Senses of Cinema*, no. 34, February 2005.

Tahimik and John Torres, and the fictions of Eric Gamalinda and Gina Apostol, for instance. There, the responsibility of the artist has a more dramatic history. For Diaz, filmmaking has a radically pedagogical value: ‘my idea is that aesthetics—the arts—must play a greater role in our culture, and educate people about self-awareness, about self-respect, about sovereignty, about freedom’.⁶ As Caroline Hau has shown, there is a longstanding affinity between the vanguard of Filipino culture and anti-colonial liberation, stemming from the foundational figures of its literature, above all José Rizal, whose work sought to forge the living fiction of the nation.⁷ Diaz however is operating in a different historical juncture: his work by turns a mournful coda to this revolutionary tradition and an attempt to revivify it. In this latter mode, his work heeds the call of the theorist Geeta Kapur, suggesting that new signifiers erupting from indigenous and subaltern post-colonial cultures could drive an avant-garde praxis in the global South.⁸

The post-colonial nation, however, is not the only framework within which to situate this body of work. Diaz’s films are concerned with the persistence of oligarchic domination, and their long takes present a landscape of diverse cultures and temporalities, imaginatively recalling the animist legacy of pre-colonial Malay civilization, as Diaz terms it, along with sediments of Muslim, Spanish, Japanese and American influence amid the combined and uneven geography of the archipelago, which intermingles hectic urban modernity with enduring forms of peasant life. Most of this work is set in the period that Diaz himself has lived through—circling around the 1972–86 dictatorship of Ferdinand Marcos, though also pointing forward to Rodrigo Duterte’s regime—but beyond this surface temporality, they are engaged with a longer history of foreign invasion and thwarted self-determination. Diaz has spoken of the successive ‘cataclysms’ that have befallen the archipelago—Spanish colonization, American rule, Japanese occupation, the Marcos dictatorship, Duterte’s disaster nationalism—and how his work attempts to contend with this traumatic history in order to awaken a ‘sleepwalking’

⁶ Michael Guarneri, *Conversations with Lav Diaz*, Bologna 2021, p. 103; henceforward MG.

⁷ Caroline Hau, *Necessary Fictions: Philippine Literature and the Nation, 1946–1980*, Manila 2000.

⁸ Geeta Kapur, ‘Dismantled Norms: Apropos Other Avantgardes’, in Caroline Turner, ed., *Art and Social Change: Contemporary Art in Asia and the Pacific*, Perth, Australia 2005, pp. 41–100.

people: 'For centuries, we Filipinos have been imposed on, politically, economically, culturally. It was very, very violent, and we were—and we are—kept really, really ignorant.'⁹

It is within this longer political-historical time, rather than a post-industrial temporality marked by distraction and oversaturation, that Diaz's films can best be situated. Time in his films takes the form of the aftermath, staged amid the ruins of successive defeated attempts at liberation, but also of the return, the onset of further tragedy. The past is not past. The same oligarchic families command the scene, their modes of rule grotesquely updated. The broader temporal question that animates this oeuvre is how to overcome the relentless movement of Filipino history—the cycle of dictatorship, mass killing and impunity that has characterized it for centuries. Diaz: 'In the Philippines we have this malady: we free ourselves and then we immediately relapse into the old ways and end up in the claws of yet another colonizer, yet another dictator, yet another despot. It really is a national malaise! So the revolutionary inside me is always thinking about that: how do we break this vicious circle? How do we fight this very dysfunctional, fractured, cataclysmic system?'¹⁰

Lessons of Cotabato

Diaz was born in 1958, eight years after the official independence of the Philippines from the US was declared, and seven before Marcos ascended to the presidency.¹¹ He grew up on the southern island of Mindanao, in the backwater of Cotabato, the son of a socialist father and Catholic mother who were committed schoolteachers, part of a movement of socially conscious graduates out into neglected parts of the country. Diaz recalls it as a 'hard life'—they lived without electricity, in a *barrio* with unpaved roads—but was grateful to his parents for what these years imparted to him, the experience of 'struggle, sacrifice, poverty', and the immersion in a village world that would leave a deep imprint on his work.

It was an upbringing of cultural contrasts. His parents were highly educated: Diaz traces his love of Russian literature, and its impress

⁹ MG, p. 103.

¹⁰ MG, p. 168.

¹¹ The indispensable resource here is the Italian film critic Michael Guarneri's recently published *Conversations with Lav Diaz*, a dialogue between two friends sustained over the past decade, whose publication details are given in footnote 6 above.

on his cinema, to their influence. At the same time, American and British popular hits played on the radio—the Beatles, the Stones, the Beach Boys—and his older brother returned from college with records by Creedence and Led Zeppelin. This was a period of pop-cultural invasion from the West, prompting an explosion of local bands inspired by the new foreign sounds known as ‘Pinoy Rock’. Diaz also recalls regular weekend cinema trips with his cinephile father to the nearest town, Tacurong, where they would hop from one movie theatre to the next, catching double features of ‘Kung fu, spaghetti westerns, Filipino melodrama, Japanese westerns, everything.’ He also remembers the impression made by the films of Kurosawa and Herzog: ‘It was my film school.’¹² This was a feast of genres, which again would leave a deep mark on the cinematographic approach that Diaz would adopt, which proceeds by plays on archetypes and re-configurations of generic forms.

Diaz’s formative political experience was the military dictatorship. He was thirteen when martial law was declared in 1972—‘I was one of the martial-law babies; that’s what my generation is called’—inaugurating a period of ‘chaos and terror’.¹³ Marcos had risen to prominence in the 1960s, presenting himself as a war hero in the fight against the Japanese and a descendant of an anti-colonialist general. (When he first ran for president in 1964, Marcos produced a propagandist biographical film about his life, *Iginuhit ng Tadhana* [*Drawn by Fate*], which Diaz remembers watching with his parents, amid audience applause.) With his term limit in sight, Marcos declared a state of emergency, on the pretext of a threat from the armed wing of the Communist Party, the New People’s Army and the Muslim Mindanao Independence Movement, which sought secession for the southern part of the archipelago that had converted to Islam long before the Spanish arrived. With Washington’s blessing, he imposed military rule.

In the run-up to the state of emergency, Marcos had covertly deployed the military to foster an atmosphere of fear and confusion. Diaz had personal experience of this, even in his small village. Some time after martial law was declared, the villagers discovered that a recently arrived carpenter and two peddlers were in fact military agents, and had been behind the mysterious happenings—‘hacking the cows and killing people, burning

¹² Mai, ‘Lav Diaz: Slow Burn’.

¹³ Mai, ‘Lav Diaz: Slow Burn’; MG, p. 162.

down houses, making noises in the forest at night—thought by many in the village to be the work of evil spirits.¹⁴ So effective was this strategy that a majority in the country initially approved of military rule as a way to restore order. Security checkpoints were installed on the roads leading out of the village. Diaz remembers soldiers forcing those trying to pass to line up and sing pro-Marcos jingles, or the national anthem—‘if you made a mistake you got slapped, punched, kicked, or worse, until you got the song right’.¹⁵ Diaz’s *barrio* was caught in the crossfire of the warring factions—military agents, separatist guerrillas, communist cadres: ‘there was this very complicated role-play game going on: a political role-play game, with all these interplays of characters. It was almost like a movie.’¹⁶ Diaz’s film *From What Is Before* (2014), which portrays the degeneration of a rural *barrio* in the build-up to the imposition of martial law, draws powerfully upon these childhood memories of uncanny happenings and random terror.

Although their house was burned down, and the family briefly held hostage, while elsewhere relatives were killed or went missing, Diaz’s parents chose to remain in the area and continue with their work. Friends of Diaz left to join the communists in the mountains, never to return. But like his father, Diaz was not drawn to armed struggle. He has said that the guilt he felt at staying behind made him more committed to filmmaking.¹⁷ The dictatorship coincided with a burgeoning underground youth culture, and Diaz played in punk bands—as rhythm guitar and chief lyricist—on the experimental periphery of the country’s pop terrain, yet to be exploited by the entertainment business. This was at a redeeming distance from the official cultural sphere, which became entangled with Imelda Marcos’s patronage and developmentalist ideology. The sensibility of punk and its emphasis on freedom and independence had a lasting imprint on Diaz’s conception of art and its political charge: ‘That’s the point of aesthetics for me. Art is all about freedom, about being autonomous and making your own decisions, about being free from the clutches of feudalism, imperialism, hegemonism. Art is all about liberating yourself from those who want to control your existence, telling you what to do, what to think.’¹⁸

Diaz attended university—he studied economics at Ateneo de Manila, Ateneo de Davao and Notre Dame back in Cotabato—at the height of

¹⁴ MG, p. 79.

¹⁷ Mai, ‘Lav Diaz: Slow Burn’.

¹⁵ MG, p. 157.

¹⁶ MG, p. 81.

¹⁸ MG, p. 103.

the dictatorship's violence. These were formative years, during which he was involved in the youth wing of the Communist Party and resolved to devote himself to film. In particular, Diaz cites the influence of Lino Brocka's street-level masterpiece *Manila in the Claws of Light* (1975), with its combination of neorealism, symbolism and melodrama. Brocka was a fearless critic of the dictatorship, who fought against censorship in the arts; Diaz has said that seeing the film on its release awoke something in him, that you could use cinema to fight the regime. *Insiang* (1976), Brocka's next film, also made a great impression, setting the bar for a social-realist cinema that would critically portray 'a system that doesn't work for the masses but maintains the status quo'.¹⁹

Pito-pito

Yet the path to that cinema would be a long one. Having married young, Diaz worked odd jobs after university, notably as a journalist for the music magazine *Jingle*, founded in the youth culture upsurge of the previous decade. Martial law was formally lifted in 1981, and the regime overthrown in 1986 by the EDSA revolution—acronym of Epifanio de los Santos Avenue in Manila, crucible of the popular demonstrations. But though Marcos fled to retirement in Hawaii, much of the old regime remained. The presidency went to Corazon Aquino, wealthy widow of an anti-Marcos senator who had been assassinated in broad daylight at Manila Airport in 1983 (Diaz included the footage in *Evolution of a Filipino Family*). Despite the formal declaration of democracy, the Marcos family remained a powerful presence in economic and public life. As Diaz would say, 'you only have to visit the Philippine countryside to realize that it is still the feudal era. We remained that way, man! It never changed: you see these big Filipino politicians, their families controlling whole villages and towns as if they were Spanish feudal lords.'²⁰

Entry into filmmaking began in 1985 when Diaz participated in the courses run by the Movie Workers Welfare Foundation, an initiative organized by the Goethe Institute that helped to stimulate independent cinema during a period of relative political openness in the country. There he encountered significant filmmakers such as Lamberto Avellana and Nick Deocampo, as well as Larry Manda, a fellow classmate who

¹⁹ MG, p. 12.

²⁰ MG, pp. 55, 138.

would become his regular cinematographer. The workshops led to freelancing in the Manila studio system as a screenwriter, first for television and then the cinema; the first films he received a writing credit for were the action-crime dramas *Mabuting kaibigan masamang kaaway* (1991) and *Galvez: Hanggang sa dulo ng mundo hahanapin kita* (1993). For Diaz at the time, working through the studio system was the route to becoming a filmmaker—for lack of alternatives, this was the path that Brocka, who shot overtly commercial pictures to fund his more socially committed work, had taken.

Diaz also continued to work as a journalist, producing some photography and a documentary on Manila's street-children. This led to an invitation to New York in 1992 to exhibit his work as part of a Japanese Catholic charity's fundraising campaign. There he found a job at an NYC newspaper called the *Filipino Express*. He stayed there for a few years to raise money for his family—by this time they had three young children and were struggling to make ends meet—and eventually settled them in the US. During this period, Diaz began work on his first independent film, which he funded by moonlighting as a waiter and gas-station attendant. Shooting began in 1994 on what was then called 'Ebolusyon ni Ray Gallardo' ('Evolution of Ray Gallardo'), the story of a Filipino who jumps ship in America and is haunted by the ghosts of his past, inspired by a fellow reporter's article at the paper.

Returning to the Philippines in 1997, where he shot additional scenes for the film, he was advised by Manda to submit some screenplays to Regal Films, one of the biggest studios in the country, which had just started a low-budget division for young directors. Diaz was hired, and over the next four years wrote and directed four films for Regal, beginning with the heist comedy *Burger Boys* (1999) and crime drama *The Criminal of Barrio Concepcion* (1998). This was a breakthrough, yet the experience was a difficult and disillusioning one. The national film industry was facing a slump in profits due to the 1997 Asian financial crisis and competition from Hollywood and television. Regal's new division was an attempt to rectify this by adopting a breakneck production regime known as *pito-pito*, or seven-seven, previously only employed for *bomba* exploitation films, to revitalize profits. The formula involved seven days shooting, followed by seven days post-production. 'It was hell', Diaz has said, recalling crew members collapsing from exhaustion on set, and he found himself in relentless conflict with the company over conditions

and creative control.²¹ The first film was only completed on condition that he renounce his salary, the second stalled until the first had made a profit, the third, the family melodrama *Naked Under the Moon* (1999) was re-cut without his approval with additional sex scenes added, and the fourth, the dystopian work *Hesus, rebolusyunaryo* (2002), led to a legal dispute. ‘The process woke me up and I left the movie industry’, Diaz has said, describing it as fundamentally ‘feudal’, no different from the power structures elsewhere in the country.²²

Liberation

As Diaz was coming to the end of his time with Regal Films, he managed to secure funding from a financier looking to launch the career of a young actor and completed his first full-length independent feature, *Batang West Side* (2002). Shot over the course of eight months in Jersey City, it follows the investigation into the death of a young Filipino immigrant found on the sidewalk of West Side Avenue, and develops into a portrait of the struggles of US–Filipino immigrants seeking a new life. At five hours, it was the longest Filipino film ever made at the time, to the dismay of its financial backer. In interviews, Diaz admitted that this was seen by many to be an issue, making distribution difficult, but stood his ground: ‘There are small and large canvases; brief ditties and lengthy arias; short stories and multi-volume novels; the haiku and the *Iliad*. This should be the end of the argument.’²³ He produced a manifesto at the time, denouncing the industry for being narrowly profit-driven, and audiences for regarding film as merely escapist entertainment: ‘It will take a long and involved process to change this perception, especially with Hollywood films still dominating Filipino theatres . . . We need to begin developing a National Cinema, a cinema that will help create a responsible Filipino people.’²⁴

An escape route from the dictates of financier and studio soon presented itself. In the early 2000s, digital filmmaking and production software transformed the landscape. Speaking several years later of what this meant, Diaz declared: ‘We don’t depend on film studios and capitalists anymore. This is liberation cinema now. Digital is liberation

²¹ MG, p. 57.

²² MG, p. 58.

²³ Lav Diaz, ‘The Aesthetic Challenge of *Batang West Side*’, in Nicola Mazzanti et al., eds, *Lav Diaz: Lying Down in a World of Tempest*, Brussels and Antwerp, 2015.

²⁴ MG, p. 22.

theology.²⁵ Ownership of the means of production allowed Diaz to return to his stalled first film, begun a decade before, supplementing the extant material with a large quantity of digital footage, financed by Diaz and a friend. The procedure was the inverse of the assembly-line of the studio system. The team worked with a premise—‘capturing the struggles of invisible Filipinos in this very dysfunctional, feudal and corrupt system’—but beyond that ‘everything was open’.²⁶ The final film, *Evolution of a Filipino Family* (2004), branches out into a black-and-white epic of the struggles of two peasant families split between Luzon and Manila, stretching from the advent of martial law to the EDSA revolution. Neorealist-style footage of rural family life is punctuated and contextualized by news clips of protests, of Marcos, of radio actors recording the soap opera on which the teenage sisters are hooked, as well as a recreated interview with Brocka about political film under Marcos. The sudden removal of constraints after a decade under the dictates of the industry seemed to stimulate a liberated extremity of technique. At the time, Diaz spoke of wishing to avoid the manipulations and contrivances of commercial cinema: no score, no close ups or quick cutting, and a preference for ‘long and oftentimes static takes, just like stasis—long, long takes in real time’.²⁷

Motifs

This established the *modus operandi* for the next few films, from *Heremias: Book One* (2006), a 9-hour piece following the life of a peddler, to *Florentina Hubaldo CTE* (2012), a 6-hour film about a traumatized girl forced into prostitution by her father. Budgets were kept to a minimum, the films produced with money from friends or small grants from international bodies, amounting to what would be only seed money for typical arthouse productions. ‘I don’t think much about the budget. Many times, the budget is a fake problem in cinema. Do you have an idea that you really believe in? Do you have an idea that you really want to express through cinema? Grab your cellphone and start shooting’.²⁸ Filmmaking proceeds according to what Diaz describes as an ‘organic’ method that involves a small crew moving to a location, usually a town or village in a peripheral region—and letting the landscape, weather and local activity shape the film. Scripts are developed throughout, responsive to local atmosphere and contingency. In the case of *Death in the*

²⁵ MG, p. 19.

²⁷ Wee, *Senses of Cinema*.

²⁶ MG, p. 19.

²⁸ MG, p. 168.

Land of Encantos (2007), for instance, Diaz travelled to the Southern Luzon region of Bicol after Typhoon Reming in late 2006, leading to the story of an artist's return to his devastated home region. During the production of *Century of Birthing* (2011), a more explicitly self-reflexive work that intermingles the tribulations of a rural religious cult—rife in the Philippines—and the artistic struggles of a film director, farmers in the isolated village where they were shooting began organizing against a local landlord. This became incorporated into the film, with the actors joining the agitation, and with farmers prompted to speak about their struggles for the camera.

Each film tends to be precisely historically situated: in the case of *From What Is Before* in 2014, Diaz took great pains to seek out a village that still retained the look of the early Marcos era, discovering one on the tip of the northernmost province of Luzon facing Taiwan, whose atmosphere and state of abandonment uncannily reminded him of his childhood. The beauty of the subtropical rural landscape, filmed in a silvery black-and-white, often portraying characters travelling by foot across the land as they might have hundreds of years ago, gives the films the additional valency of meditations on the *longue durée*. Yet while the camerawork and *mise-en-scène* can provide a seemingly neorealist quality, particularly in the earlier films, their reliance on theatrically trained actors and tableaux, their radical recastings of melodrama, musical improvisation, archetypal figures and poetic images, constitute a uniquely non-realist cinematographic language, lending them the quality of myth or fable. While often explicitly opposed to the mythmaking of the state, Diaz's oeuvre is also engaged with the dialectical potential of mythology—its capacity to rouse a people against its exploiters, as well as to perpetuate their sleepwalking.²⁹

Motifs, themes and figures repeat throughout the films—the return home, the search for the missing, the grieving mother, rape, madness, blindness. A central archetype is the male artist, typically a poet. Rather than laying the imaginative foundations for the post-colonial nation—or embodying Filipino society's hopes of progress—these artists are typically wayward and lost, in a state of deracination, struggling to cling to their sanity in a time of darkness. In *Death in the Land of Encantos*, a poet returns to his devastated region to bury his parents and former lover but is tormented by his past and a sense of the impotence of his

²⁹ MG, p. 177.

art, even as it has resulted in his torture by the secret police. The film charts his transformation into an almost ghostly presence, wandering through a land of ruins. *From What Is Before* features another poet who has returned, in this instance to spend his final days living with cancer in his home village. When martial law arrives, he is one of the last men left, filled with remorse for having wronged his daughter and the belated realization of what defines a life well-lived.

One endpoint of the demoralized artistic vanguard is the intellectual who has succumbed to nihilism. The protagonist of *Norte, the End of History* (2013) is a dogmatic law-school dropout who argues for social regeneration through a purge of the country's exploiters, leading him to commit a murder. Marcos too was a gifted law student who committed a murder—in his case, he was tried and convicted, then argued his own appeal and won an acquittal. Produced three years before Duterte came to power, *Norte* might best be described as a study of the totalitarian mentality and the temptations of another Marcos. It is 'a warning', Diaz said at the time.³⁰ Despite Fukuyamian echoes, the title points to the area where 'the history of the Philippines ended'—Ilocos Norte, where Marcos was born and embarked on his political career. The cinematography accentuates the area's natural beauty, producing an ironic contrast with the extratextual entanglement of that locale in the nation's history. *Norte* marked something of an inflexion in Diaz's oeuvre: he was offered the project by producer friends, providing him with a larger budget, the film was shot in colour with more camera movement, and came in at a comparatively short four hours.

National epic

These figures and themes are reconfigured in a historical context in *A Lullaby to the Sorrowful Mystery* (2016), Diaz's most sustained engagement with the legacy of the committed Filipino artist. Diaz had long planned to make a historical film about the 1890s revolution. In 1998, he wrote a screenplay about the death of Andrés Bonifacio—'the father of our revolution against the Spanish colonizers'—for a government contest held as part of the country's centenary celebration of its independence from Spain.³¹ Diaz was one of the winners and was awarded 5 million pesos to make the film, but as he made preparations his contract was cancelled.

³⁰ MG, p. 72.

³¹ MG, p. 99.

Instead, the government produced a film in which the murderer of Bonifacio, Emilio Aguinaldo, was presented as the real hero. Dismayed, Diaz discovered that the grandson of Aguinaldo, an influential politician who had been a functionary during the martial-law years, was on the commission. He tried to make the film again in 2003 but stalled, due to lack of funds. The idea endured, however, and finally in 2014 a moneyed young Filipino filmmaker offered to fund the film, providing approximately \$150,000, supported by a post-production grant from Singapore. This was colossal by Diaz's standards: *Melancholia* (2008) for instance, his 8-hour film about left-wing guerrillas and the grief of those who survived, cost just over \$3,000.

Lullaby is an epic, multi-strand work that incorporates fantasy and fiction as well as history, with the story of Bonifacio only one component. Though set in the vicious last years of Spanish rule, it narrates a counter-history of a revolution betrayed, carried out by the colonized against each other. Bonifacio's widow's search for his body—emblem for a country in search of its soul—is interwoven with elements from the novels of Rizal, whose execution is also portrayed in the film, as well as figures from Malay folklore such as the half-horse spirit, the *tikbalang* and a messianic giant. The principal artist figure in the film is a character from Rizal's *El Filibusterismo* (1891), who in the novel thwarts the plan to blow up a wedding party attended by the grandees of colonial society. Here, he is pictured adrift in the cataclysm, a spent force at the very moment that his nation was struggling to come into existence. Enumerating the film's political implications, Diaz has said of the disappeared bodies of Bonifacio and Rizal: 'common people are made to disappear too. For every dead hero there are thousands of normal people who are killed. There can be victims any day, as during the Marcos regime, and they are made into numbers, they are just statistics. It is happening again in the country these days'—a reference to Duterte's regime, which came to power the year the film was completed.³²

With the revolution betrayed, and the cultural vanguard disoriented, where can the possibility of overcoming the traumas of Filipino history be found? The films present a catalogue of suffering and despair, but hope is not banished from them—it can be found in people's resilience in the face of the torments of history, in metonymic acts of kindness and

³² MG, p. 107.

forgiveness, and in the deep time of Malay civilization. Matriarchal figures who heal the sick and mourn for the dead can be one symbol of this. *From What Is Before*, for instance, has two such figures, the healer Bai Rahman—presented in a striking tableau performing a ritual healing dance—and Amrayda, whose lamentations for her son’s death contain a promise and a curse, that her tribe will ‘make them pay for what they did’. Never the protagonists of his films, they operate throughout Diaz’s oeuvre as figures of collective endurance, representing a connection to the time before the arrival of the first colonizers, and obliquely signalling the possibility of outlasting the tragic present. Diaz emphasizes the importance of this tradition and its imaginative remnants as a resource for Filipino resistance: ‘I want people to remember that there is such a thing called “Malay civilization” which existed before Islam, Spanish colonizers, Christianity: we had our own Malay perspective, we had our own Malay traditions, we had Malay culture.’³³

The world of the films may be a fallen one, but it is also populated by figures—not only matriarchs, but victims of injustice, neglect and circumstance—who nevertheless refuse to perpetuate the cycle of violence. (Saintly characters of course are the purview of Russian literature as much as Malay mythology. In *Norte*, a poor man is wrongly jailed for the murder of the moneylender committed by the protagonist, yet, in jail, he nurses and cares for fellow inmates, even the murderous ring-leader who has attacked him but later begs his forgiveness.) Amidst the brutality of Filipino history, hope resides in this refusal to continue the cycle of revenge. In the second half of *Lullaby*, as Gregoria searches for traces of the body of her husband, one of her companions confesses that it was she who had committed a traitorous act enabling the Spanish to devastate the insurrection’s stronghold. Shocked and enraged, Gregoria beats the confessor to the ground, picks up a rock and holds it over her head—then hesitates. Emitting a howl, she lets the rock fall back down to earth.

The Woman Who Left (2016) is dedicated to this forking path of revenge and forgiveness. Inspired by Tolstoy’s short story ‘God Sees the Truth, But Waits’, it portrays a woman leaving prison after serving a 30-year sentence for a murder she didn’t commit (a plot line loosely recognizable from Diaz’s first studio script). The plot’s unfolding has a *noir*-like cadence—will Horacia kill Rodrigo, the ex-boyfriend and local man of

³³ MG, p. 150.

influence who framed her?—but this is granted wider symbolic stakes. For Diaz, the Rodrigo character is emblematic of the entrenched feudalism of the country. As he told Guarneri, ‘You can see Rodrigo as a representation of the legacy of the whole colonial, imperialistic set-up that we are enduring. He is the colonizer within. He is a Filipino but has this very feudal mindset from the colonial era: he owns the land, he owns the business activities, he has a private army. He has the power of life and death over his fellow Filipinos . . . My point is this: if we don’t destroy Rodrigo, he will go on ruling forever and ever.’³⁴

In Tolstoy’s original, the protagonist forgives the culprit in an act of Christian kindness, but Diaz’s adaptation is more dialectical:

There is no forgiveness because I am trying to change the way we are, I am trying to change our culture. Filipinos are very forgiving actually, but with *The Woman Who Left* I want to make them realize that justice must come with forgiveness. We forgave Ferdinand Marcos and his clan for the atrocities that they committed in our country during their dictatorship, but there still is no justice. The Marcoses are still out of jail. There is no accountability for all the Filipinos that they imprisoned, tortured and killed. The money they stole from our country, the loot, is still stashed in some banks overseas. How can there be forgiveness without justice?³⁵

Ultimately, Horacia does not get to choose, exactly. The night she plans to kill Rodrigo there is a knock on the door—it is Hollanda, the transgender *bakla* whom Horacia had found collapsed on the street one night, who has been beaten and raped by a gang of the sons of local men of influence. Rape takes on an allegorical meaning in Diaz’s films: ‘We have that constant fear lurking in our psyche, as rape is an inherent reality in our life: the rape of our bodies, the rape of our land, the rape of our culture.’³⁶ Horacia nurses Hollanda back to health, and in doing so is averted from her plan of revenge. But in turn, Hollanda takes it on herself to execute Rodrigo.

Darker genres

Diaz has said that he wanted to set *The Woman Who Left* in ‘an epoch of impending doom’, and that the year 1997 was right for that. He recalls it as a ‘complex, twisted and dark year’, when Manila became known as the ‘kidnap capital’, and many were justifying kidnappings of Chinese

³⁴ MG, p. 139.

³⁵ MG, p. 141.

³⁶ MG, p. 140.

businessmen on nationalist grounds, while the country was transfixed by a sensational case of the kidnap and murder of two Chinese-Filipinas.³⁷ Inevitably, *The Woman Who Left* was also produced with the contemporary moment of 2016 in mind, with the rise of violence and fear under Duterte. The film marked a return to a streamlined way of working, costing less than half of *Lullaby*. But, at a wider level it continued a new phase of Diaz's work, supported by much larger budgets. While by no means conventional, and still bearing the Diaz imprimatur, these recent films contain fewer static shots, proceed at a faster pace, with narratives less oblique and opaque in their unfolding.

This period also marked a turn to employing more explicit genre forms—*noir*, melodrama, satire and science fiction, historical epic, even musical, as with *Season of the Devil* (2018), a 4-hour *a cappella* opera set in 1979, at the height of Marcos's terror, in which a poet once again returns to look for his disappeared wife, embodying the inability of the country to grieve and overcome its sorrow. The singing was inspired by Malay mourning rituals; the film was shot in Kuala Lumpur out of fear that, with the rise of Duterte, it was too dangerous to make it in the Philippines. Strikingly, beginning with *Lullaby*, this recent run of films has featured major national stars such as John Lloyd Cruz, Piolo Pascual and Charo Santos, attracted by Diaz's international reputation. These figures have also assisted with financing the production. Diaz has spoken of how these actors have been educated by the process, and are now more altruistic and interested in working for the betterment of the country: 'They understand their role a bit more, and they understand more about the role of cinema as a tool to change the condition of our people for the better, to give our people knowledge, a direction, an orientation, to say what happened and what is happening in our country.'³⁸

This shift in approach has attracted criticism from some quarters. Diaz says of his former slow-cinema fans: 'they want to put me in a box and they want me to stay there. But I can't live in that box forever, I can't repeat myself over and over . . . For me, filmmaking is all about being fluid and following threads.'³⁹ After years of a singular aesthetic riposte to the studio system, Diaz appears to be pursuing a double strategy, no less uncompromising, but now more consciously deploying stars and genres. One could speculate that this has been prompted by the urgency of Duterte's regime, presenting a more pressing need to intervene in

³⁷ MG, p. 134.

³⁸ MG, pp. 101–5.

³⁹ MG, p. 153.

the contemporary life of the country, and rendering his films' exclusion from the cinemas of the Philippines an even more pressing concern. Impelled to be careful within the country, abroad he has spoken plainly enough about his opposition to Duterte: 'He is interested in power, in ruling to achieve his twisted causes, not to help the people. And in fact, now that he is president, he is waging war against the Filipino people.'⁴⁰ The image he has employed again is one of recursion, of the endless cycle—'It is like the martial-law years again, it is like the Japanese occupation again, it is like the American period again, it is like the Spanish period again. We have gone back to the period of barbarism: suspicions, paranoia, lurking fear, violence'—and the urgency of pedagogy: 'We should educate not just the poor, but also the people from the middle class, among whom there are many Duterte supporters. If we don't do something, the past is bound to repeat itself and we will just prolong our agony.'⁴¹

Diaz's most explicit cinematic response to the Duterte era has been *The Halt* (2019). In this case, Diaz sought out financing from Pascual, leading actor in both *Lullaby* and *Season of the Devil*, who agreed to the estimate of \$100,000–\$150,000. The script was developed from a treatment, '2019', written in 2000 and rediscovered in the summer of 2018. It is an absurdist work of *noir* science fiction with clear resonances for the contemporary moment—a dictator has let a newly cultivated, deadly strain of flu virus rip through certain regions of the country as a strategy to contain the population. Functioning in the film as an allusion to Duterte's apparatus of extrajudicial killings in the name of the war on drugs, the subsequent outbreak of COVID-19 has provided another uncanny correspondence. The film is set in the near future in a sunless Philippines—the sun has not appeared in Southeast Asia for several years due to a massive volcanic eruption—rendering it a world of chiaroscuro shadows, night and rain. The beams of surveillance drones populate the dark sky; the military stalk the streets. The perpetual darkness is a play on the symbolism of the sun, found on the national flag: 'The Philippines are the so-called "pearl of the Orient", the place where "the sun always shines". This is the official rhetoric about our country. But the Philippines are also a very dark place.'⁴²

Here we have a redeployment of figures—the artist, the nihilist, the mother, revenge and forgiveness. History's dark advance is associated

⁴⁰ MG, p. 107.

⁴¹ MG, pp. III, 161.

⁴² MG, p. 169.

with repetition, but in keeping with the more grotesque mode, the film is more attentive to irony, to history as a series of accidents and happenstance, as farce as well as tragedy. The film's dictator, Navarro, has already entered his decadent phase, his grip on the machinery of power is coming undone. He is played by Joel Lamangan as a caricature, a melee of grotesque tics, grimaces, and beatific karaoke-queen poses, yearning for the recognition of his vegetative mother. Though there are underground fighters aiming to assassinate Navarro, the dictator is instead unceremoniously beaten to death by a group of citizens at a neighbourhood cafe. But a successor is waiting in the wings. The beginning of the next cycle—as the female colonel of Navarro's inner circle takes his place—is presented with a tableau shot whereby we see a couple relaxing after work in their modest house with the television on. Diaz's camera occupies the position of the TV screen and we see their reaction—confusion mixed with indignation and fear—head on, as the official announcement of Colonel Martha's accession comes over the soundtrack. At the time of writing, Duterte's daughter is planning to run in 2022.

Hope is found in the margins once more, but here it is the consequence of another absurdity. Pascual plays another degenerate artist on the verge of nihilism, Hook Torollo. A classmate of the incoming dictator, he took a different path, playing in punk bands before becoming a member of a clandestine cell, and now tasked with assassinating Navarro. But when the moment arrives, in the split second that he has to pull the trigger, Hook's troublesome eyesight fails him. However allegorical, the absurdity of this timing is his redemption. Soon afterwards he experiences an epiphany while visiting a friend, a social worker trying to care for the many street children sent to her centre. In a theatrically staged tableau, Hook tells his comrades that he will leave them to become a social worker, news met with wry laughter mingled with acceptance of the path he has chosen. Diaz received criticism from some leftist friends for this conclusion, but for him,

The Halt is the story of a human being who is trying to fight against an oppressive, corrupt system. Hook's decision to be a social worker instead of a hitman is a human decision that comes after a long, long journey into the night, to hell and back. Hook has his reasons and these reasons need to be respected. His decision needs to be respected. It is a humanitarian thing: Hook wants to save the street children for the future of the country . . . This is his revolution.⁴³

⁴³ MG, p. 174.

A prose poem scripted for the poet in *Season of the Devil*, ‘The Last Filipino’, tells a story of the last Filipino on ‘the only island left in the vanishing archipelago’, whose days are filled with ‘songs and poems, blessings and mystery’ until the storms come and the water begins to rise. He climbs up the mountains, but the waters keep coming, until he is surrounded on the highest peak: ‘The last Filipino looked up and saw a cloud. He tried to reach the cloud while the water slowly submerged him.’ This is Diaz’s assessment of the plight of the nation in miniature, but it also restates an old and longstanding question: what is the role and responsibility of the artist and of cinema? Diaz’s answer presents a series of contradictions. The freedom claimed by his approach to filmmaking is the punk’s artistic expressionism, outside the walls of the institutions; but to get his films watched by more people, especially by fellow Filipinos to whom they are primarily addressed, Diaz needs the help of the media conglomerates.⁴⁴ In the past few years, his films have been increasingly accessible in the Philippines through collaboration with the ABS-CBN media network. *Lullaby*’s success in gaining slots in cinemas across the country was thanks to a promotional campaign bearing all the signs of conglomerate knowhow. In tongue-in-cheek fashion, it extolled people to show their love and pride for the Philippines, and celebrate Diaz’s win on the world stage at the Berlin Film Festival, by enduring ‘the Hele challenge’—the original title is *Hele sa Hiwagang Hapis*—and attending the screenings from beginning to end.⁴⁵ Paradoxes abound. But as the waters rise, the last Filipino will be filming them.

⁴⁴ On the paradoxes of sustaining alternative cinema in the Philippines, see Jasmine Nadua Trice, *City of Screens: Imagining Audiences in Manila’s Alternative Film Culture*, Durham NC 2021.

⁴⁵ May Adadol Ingawanij, ‘Exhibiting Lav Diaz’s Long Films: Currencies of Circulation and Dialectics of Spectatorship’, *Aniki: Portuguese Journal of the Moving Image*, vol. 4, no. 2, July 2017, pp. 411–33.

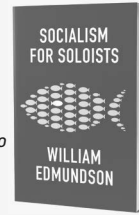
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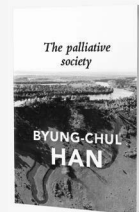
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DAVID HARVEY

RATE AND MASS

Perspectives from the Grundrisse

IN THE AFTERMATH of the financial crisis, a Bank of England investigation into the impact of quantitative easing on UK wealth distribution estimated that the poorest decile of households had seen an increase in real wealth of around £3,000 between 2008 and 2014, compared to £350,000 for the wealthiest 10 per cent.¹ Although this would seem to confirm the view that QE had benefited the rich, the Bank of England came to the opposite conclusion. ‘Quantitative Easing “Reduced UK Wealth Inequality” Says BOE’, trumpeted the *Financial Times* headline on the study, reporting that there had been a slight decline in the UK’s Gini coefficient. Proportionately, the poorest decile’s £3,000 represented a larger percentage of their initial average wealth than the £350,000 received by the wealthiest. But in what sense is it ‘better’ to receive a bigger proportion of a smaller amount? Over six years, that £3,000 is less than £10 a week, which adds very little to a person’s well-being, let alone their political and economic power. The wealthiest decile got over £1,000 a week under the Bank’s QE regime. Over six years, that would be enough to buy a studio apartment in mid-town Manhattan.

There was, the Bank of England researchers conceded, ‘a communication challenge for policy makers’ in explaining to the public how QE worked and helping them to understand ‘all the less direct ways in which they have benefited.’ They are right, of course, about the communication challenge. But what is at stake in teaching the public to think in terms of percentage rates of gain, as opposed to absolute amounts, when doing so apparently masks the immense wealth that flows to the already affluent? For the most part, financial and economic commentary

repeatedly emphasizes rates of change, to the exclusion of overall mass amounts. Improvements in economic performance—GDP, productivity, consumer sentiment—are nearly always measured in terms of rates of growth. Among the few absolute numbers that seem to move the markets are job creation and the trade balance. Exclusive concentration on rates rather than the mass introduces a systematic bias into economic analysis. All too often, as with the Bank of England report, this bias benefits the dominant classes. The mass of wealth and power they control has been increasing monstrously relative to everyone else, despite low rates of growth. Increases for the least well-off are as much a reflection of their initial poverty as a measure of real benefit. If the bottom decile has close to zero wealth, then a tiny increment could generate a 100 per cent gain.

Though the issue of rate versus mass is a simple and obvious point, it is remarkable how often people forget about it or simply get it wrong. Consider, for example, the matter of faltering growth rates in China. Prior to the pandemic, that country contributed over a third of the global growth after 2008—more than North America, Europe and Japan combined.² It is widely held that the PRC in effect saved world capitalism from a major depression by its expansionist policies after the Financial Crisis, so a slackening in Chinese growth rates would appear to threaten global recession. To be sure, the double-digit growth rates that were the norm during the 1990s could not be sustained, but the thought that China's growth rates might descend to the dismal levels of Europe or Japan sent fearful shivers through global stock markets.² Why were the Chinese authorities relatively unconcerned? A *Financial Times* commentator provided the answer:

A bigger but slower-growing economy creates more additional demand than a smaller economy that is expanding more rapidly. Last year, China's economy expanded by about \$1.2tn, or twice what it did when it was growing at double-digit rates more than a decade ago. That in turn creates enough urban employment (10 million or more new jobs a year) to ease

¹ Philip Bunn, Alice Pugh, Chris Yeates, 'The Distributional Impact of Monetary Policy Easing in the UK between 2008 and 2014', Bank of England Staff Working Paper, no. 720, March 2018; Gavin Jackson, 'Quantitative easing "reduced UK wealth inequality", says BoE', *Financial Times*, 1 April 2018.

² Minqi Li, *China and the 21st Century Crisis*, London 2016, p. 5; Wayne Morrison, 'China's Economic Rise: History, Trends, Challenges, and the Implications for the United States', Congressional Research Service, Washington DC 2018.

official concerns about their greatest fear—‘social instability’ and any loosening of their ever tighter grip on China’s body politic.³

If the policy objective is to create 10 million jobs a year, it may be easier to do so with a slower rate of growth in a huge economy, like China’s today, rather than a faster rate in a smaller one.

The question of rate versus mass arises in many fields of analysis. Take, for example, how we think about climate change. The most recent reading from Mauna Loa for atmospheric concentrations of CO₂ puts the absolute figure at 423 parts per million. A time series constructed by the US National Oceanic and Atmospheric Administration shows that at no point over the past 800,000 years did this concentration exceed 300PPM, until 1960. Thereafter it accelerated to break the 400PPM level in 2016.⁴ Conversation on what to do about climate change still focuses almost exclusively on stabilizing, and then gradually reducing, the rates of emission. But it is the already-existing mass of greenhouse gasses in the atmosphere that is breaking up the Greenland ice sheet, melting Antarctica, submerging coastlands and diminishing the Himalayan snowpack enough to threaten the whole Indian sub-continent with chronic water shortages, risking the possibility that further swathes of the planet may shortly be unfit for human habitation. If the astonishing heat wave that hit the Pacific Northwest this summer was a prelude to a hotter future, it was also an echo of the record temperatures in Europe in 2003, which killed some 30,000 people. Fetishizing the rate rather than the mass is not a good response here, either. In what follows, I explore the ways in which the relationship between rate and mass in contemporary capitalism might be conceptualized, starting with the insights of Marx himself, who saw capital as a social relation—value—in perpetual motion.

I. RATE AND MASS OF PROFIT

Mainstream commentators are not alone in missing the import of mass. There is a long history of Marxist economists doing so, too—not least in work on the tendency for the rate of profit to fall. Extensive empirical

³ Tom Mitchell, ‘Fear of the Unknown Grips China’s Leaders’, FT, 21 January 2019.

⁴ Rebecca Lindsey, ‘Climate Change: Atmospheric Carbon Dioxide’, Climate.gov, 14 August 2020.

documentation for this tendency exists, and the theory has provided a useful framework for understanding the crisis tendencies of capital. Marx himself, however, proposed a more nuanced view, in which the increasing mass plays a significant role. He begins the section on the falling rate of profit in his 1864–65 Economic Manuscript with a clear and crisp explanation. The competitive search for technological advantage tends to remove labour—the source of value and surplus value (profit) in Marx’s theory—from production. A reduced labour input means, all else remaining equal, less surplus value is produced, which translates into a falling rate of profit. Ricardo and Smith were right to think that the capitalist mode of production was doomed to fail in the long run, but wrong to attribute the fall in the profit rate to (Malthusian) scarcities in nature, rising land rents and rising wages, which would subject industrial capital to an increasing squeeze on profit. Instead, Marx held that ‘the progressive tendency for the general rate of profit to fall is simply thus the expression, peculiar to the capitalist mode of production, of the progressive development of the social productivity of labour’.⁵

Yet a few pages further on, Marx notes ‘The number of workers employed by capital, i.e., the absolute mass of labour set in motion by it, hence the absolute mass of the surplus labour absorbed, appropriated by it, hence the mass of surplus-value it produces, hence the absolute magnitude or mass of the profit produced by it, can therefore grow, and progressively so, despite the progressive fall in the rate of profit.’ He then adds: ‘This not only can, but must be the case’. The shift from ‘can’ to ‘must’ is very important. The same laws ‘produce both a growing absolute mass of profit, which the social capital appropriates, and a falling rate of profit.’ How, Marx then asks, ‘should we present this double-edged law of a decline in the rate of profit coupled with a simultaneous increase in the absolute mass of profit arising from the same causes?’⁶

When Marx first introduces the figure of the capitalist in the *Grundrisse*, he observes that it is a ‘law of capital’ to ‘create surplus labour’. But capital can do this only by ‘entering into exchange with the worker’ and ‘setting necessary labour in motion’.⁷ There results a tendency to create

⁵ Fred Moseley, ed., *Marx’s Economic Manuscript of 1864–1865*, Chicago 2017, pp. 321–2.

⁶ *Marx’s Economic Manuscript*, pp. 327–9.

⁷ Karl Marx, *Grundrisse*, London 1973, pp. 399–400. This point previews Chapter II, ‘The Rate and Mass of Surplus-Value’, in *Capital, Volume 1*, Ben Fowkes, trans., London 1976.

and employ as much labour as possible which in turn implies population growth. 'Production founded on capital' demands 'the greatest absolute mass' of necessary and surplus labour and hence 'maximum growth of population—of living labour capacities.'⁸ This connection is rarely taken up in the literature, but it is worth underlining today, when we are witnessing declining populations in many advanced economies. Yet Marx also argues that there is a capitalist tendency 'to reduce necessary labour to a minimum', through the application of labour-saving technologies in production, producing an industrial reserve army via technologically induced unemployment. Capital seeks perpetually, therefore, 'to increase the labouring population' at the same time as it 'constantly seeks to reduce labour's presence in production'.⁹

This is a major contradiction. Capital operates on the principle of what neoclassical economists call a backward-bending supply curve. When prices fall (or rise), the conventional theory says production should decline (or increase), and vice versa, until supply and demand converge upon an equilibrium price. But if producers have fixed costs, such as debt service, or fixed revenue objectives, then a fall in prices will lead them to produce more to cover their fixed costs, which prompts further falls in price. Conversely, when prices rise producers may supply less. Oil states typically have a certain revenue target in mind to fund their operations, meaning that when oil prices decline, they pump more oil, which means lower prices—and the inverse, when oil prices rise. In the long run, the effects can be dirt-cheap oil for consumers accompanied by wild swings in both prices and output. The OPEC cartel was founded with the aim of stabilizing oil prices and assuring some stability in state revenues. Conservative economists likewise worry that higher wages tempt workers to substitute leisure time for employed work. Since this frustrates the achievement of the textbook condition of equilibrium in the labour market, wages must, they argue, be kept low by extra-economic means for their 'harmonious' economic model to remain intact.

Permanent disequilibria

Marx, however, argues that at the heart of the capitalist mode of production something like a backward-bending supply curve prevails. A falling rate of profit prompts capital to employ more labour to stabilize,

⁸ Marx, *Grundrisse*, pp. 608, 771.

⁹ Marx, *Grundrisse*, pp. 399–400.

if not increase, the mass of surplus value generated. Meanwhile, the competitive search for technologies that increase labour productivity serves to make more and more labour power redundant. When invention becomes a business, as Marx suggested it would, then the production of generic technologies—electrification, digitalization, artificial intelligence—generalizes the falling rate of profit.¹⁰ The mechanism that produces falling profits intensifies, while the drive to maximize profits by employing more labour increases. Such an economy can never move towards the equilibrium beloved by neoclassical economists. Instead, it perpetually moves away from equilibrium, sometimes monotonically but in other cases through ever-expanding oscillatory movements.¹¹ The result is ultimately a crisis, requiring draconian state interventions of the sort foretold by the formation of OPEC, and attempted by the initially coordinated response of the G20 to the crash of 2008.

If capital is primarily concerned to realize a certain mass of profit, then any tendency of the rate of profit to fall automatically stimulates the employment of more workers. Ricardo glimpsed the truth of this. He complained, Marx notes, that the French economist Bastiat did not recognize that ‘the sum of profit grows as capital grows’, despite its declining rate. In the *Grundrisse*, Marx took aim at Bastiat for having overlooked ‘the trifling circumstance’ that ‘while the profit rate on capital declines, the capital itself increases’, which incidentally augments aggregate demand. With large-scale production, ‘the total mass of labour employed can increase, even as the proportion of labour employed relative to capital decreases. There is no obstacle, therefore, that prevents an increasing working population from requiring a greater mass of products as capital increases.’¹² The barrier that falling wages would otherwise create for aggregate demand in the market could be offset by the demand exercised by a rising mass of labourers, albeit at lower wages.

Ricardo, Marx complains, treats rates and masses of production and consumption as two separate aspects in the accumulation process, ‘existing quietly side by side’. Marx treats them as ‘contradictory

¹⁰ Marx, *Grundrisse*, p. 704.

¹¹ Michio Morishima, *Marx's Economics: A Dual Theory of Value and Growth*, London 1973, pp. 25–7; Harvey, *The Limits to Capital*, London and New York 2018, p. 171.

¹² Marx, *Grundrisse*, pp. 756–7.

agencies simultaneously in operation', which could produce 'momentary violent solutions for the existing contradictions' in 'violent eruptions', whose reverberations stretch across the whole orbit of capital accumulation—1857, 1929, 2008. For example, when the immediate production process has been completed, the mass of surplus-value thus produced swells to monstrous proportions:

Now the total mass of commodities, the *total product*, must be *sold* . . . If this does not happen, or happens only partly or at prices that are less than the *price of production*, then although the worker is certainly exploited, his exploitation is not *realized* as such for the capitalist and may involve the partial or complete loss of his capital . . . The conditions for *immediate* exploitation and for the realization of that exploitation are not identical . . . The former is restricted only by the society's productive forces, the latter by the *proportionality between the different branches of production* and by the society's *power of consumption*. The conditions of realization are also restricted by the drive for accumulation . . . The market, therefore, must continually be extended . . . The more productivity develops, the more it comes into contradiction with the narrow basis on which the relations of consumption rest . . . [This heightens] the contradiction between the conditions in which this surplus value is produced and the conditions in which it is realized.¹³

In Marx's theory, then, the contradiction between falling rate and rising mass maps onto the contradictory unity of value production in the labour process and value realization in the market.

In the *Grundrisse*, Marx works through a variety of numerical examples to show how capital can continue to grow even as the rate of profit falls.¹⁴ In the 1864–65 Economic Manuscript, he hammers home the principle that 'a large capital with a lower rate of profit accumulates more quickly than a small capital with a higher rate of profit.'¹⁵ This simple truism, as we have seen, has enormous implications: if the mass of value in certain hands is already huge, then that mass may continue to expand with potentially monstrous consequences, environmental as well as social, even though the rate of profit is falling. The quest to produce the greatest mass of surplus value by employing more labourers contradicts capital's tendency to reduce as much as possible the number of labourers it employs. Out of this contradiction arises the pressure to create and grow

¹³ Marx, *Economic Manuscript*, pp. 347–8.

¹⁴ Marx, *Grundrisse*, p. 407.

¹⁵ Marx, *Economic Manuscript*, p. 360.

the world market while putting more and more stress on the metabolic relation to nature.

2. CONSTRAINTS AND CONSEQUENCES

According to Marx, the decline in the rate of profit since the 1970s should have stimulated the search for a rising mass of wage labour. The global wage-labour force has in fact increased from around two billion in 1980 to some three billion today.¹⁶ This is consistent with Marx's point. The mass of global capital has increased immensely in the same period, even in the face of well-documented falling profit rates. Meanwhile, the share of wages in the national product has systematically declined in almost all the world's major economies, most significantly in the United States and China.¹⁷ This is also consistent with Marx's argument. It is not easy to define what proportion of this increase in the wage-labour force is working for capital to produce surplus value or, alternatively, how many workers are exchanging their labour capacity against revenues—of the state, of the various factions of capitalist consumers or even, in the case of child-care or looking after the elderly, from other workers. Evidently, much of the increase in wage labour is occupied by informal or precarious employment. But the social, as opposed to individual, labour that is mobilized either directly or indirectly in support of surplus-value production now encompasses millions more workers, apparently condemned to ever lower levels of remuneration.

What might be termed a 'massification' within the labour force has paralleled the huge increase in global wage labour. Whereas in the 1960s large factories may have relied on perhaps 50,000 workers, today's factories in China and Bangladesh commonly have more than 100,000 workers. Foxconn has perhaps as many as 400,000 workers in its industrial hub in Shenzhen, and 1.2 million workers worldwide. Clearly this implies an accelerating centralization of corporate capital to fund such giant enterprises. This an economy that is, as Marx would put it, 'adequate' for capital and for the top 10 per cent, but which tends to produce relative penury for everyone else.

¹⁶ 'The Challenges of Growth, Employment and Social Cohesion', Joint ILO-IMF conference with PMO of Norway, 2011.

¹⁷ OECD, 'The Labour Share in G20 Economies: Report Prepared for the G20 Employment Working Group', Antalya, Turkey, 26–27 February 2015.

There are dramatic implications for the changing distribution of income and wealth here. The mass of the wealth commanded by the global oligarchy has increased enormously, in part by means of QE, as detailed in the Bank of England study. This summer, the *Financial Times* reported that the global population of billionaires had risen more than fivefold since 2000, and the largest fortunes have rocketed past \$100 billion. The ‘disruption’ of COVID-19 reinforced this trend:

As the virus spread, central banks injected \$9 trillion into economies worldwide, aiming to keep the world economy afloat. Much of that stimulus has gone into financial markets, and from there into the net worth of the ultra-rich. The US Federal Reserve, for example, has put \$8.1 trillion into the economy through quantitative easing, about one third of gross domestic product. The total wealth of billionaires worldwide rose by \$5 trillion to \$13 trillion in twelve months, the most dramatic increase ever registered.¹⁸

The biggest surge in billionaires came in China, which added 238 billionaires—one every 36 hours—for a total of 626. This presents a dilemma for the CCP leadership; some Chinese joke that the PRC does not have state-owned enterprises because it is an enterprise-owned state. Beijing has recently taken steps to rein in some of the largest private corporations—banning them from raising capital on Wall Street—and to discipline, if not harass, some of its new tycoons. China is now not far behind the US, which has 724 billionaires. Their share in national wealth doubled from 10 to 20 per cent between 2010 and 2020. By the beginning of 2021, the top 1 per cent in the US held 32 per cent of the national wealth, while the bottom 50 per cent commanded only 2 per cent of it. Here there is no serious attempt on the horizon to redress the situation. Congress remains grid-locked, so the main levers for intervention are in the hands of the Federal Reserve, whose penchant for QE plays a major role in producing these inequalities. An extreme case is that of Tesla founder Elon Musk, who saw his wealth appreciate from \$25 billion to \$150 billion in a single year. Once more, the question of the mass is central to understanding this phenomenal rate of growth in individual wealth—a practical demonstration of the principle that ‘a large capital with a lower rate of profit accumulates more quickly than a small capital with a higher rate of profit’. Even at minimal rates of growth, Musk’s net worth would have increased inordinately; it was turbo-charged by a stock market that boomed ceaselessly throughout the pandemic.

¹⁸ Ruchir Sharma, ‘The Billionaire Boom: How the Super-Rich Soaked Up Covid Cash’, FT, 14 May 2021.

The economic powerhouse of the capitalist state, dominated as it is by wealthy billionaire donors and bond holders, still operates within the paradigm of neoliberalism. With the help of the Federal Reserve, it has been dedicated to facing down crises by saving both capital in general and the financial system in particular, while imposing a forced austerity upon the majority of the population. The Biden Administration is attempting to counter falling profits with a fiscal stimulus that increases the monetary mass and monetary profits, particularly for the banks and large corporations. This accentuates the distributional inequities. During 2020 some \$700 billion in assistance flowed to the bottom 50 per cent in the US, which sounds generous. But the richest 1 per cent hauled in \$10 trillion, according to the *New York Times*, far more than quantitative easing would allow.¹⁹ There are signs that much of this capital has become decoupled from value production, with threatening consequences. Inflation is unlikely, but asset bubbles blowing up and bursting is all but certain. Once again, the housing market seems headed that way.

Interlocking problems

How far can the monetary mass continue to increase, without a parallel expansion of the mass of labour productively employed by capital? Or, to put the question in more political form, how long can such an unstable and distributionally lopsided economy be sustained, without imploding in a way that would evade the treatments prescribed in the neoliberal playbook? Here we may posit a series of interlocked problems. One limit lies with capital's permanent need for an ever-expanding labour force. Positive rates of population growth have hitherto provided a demographic basis for capital accumulation, but this is now tapering off. The 'labour-supply shock' caused by the incorporation of unwaged 'reserve' populations into the waged workforce since 1980 also seems like a one-off: the collapse of the Soviet bloc and the incorporation of China into the global wage-labour market; the destruction of peasant-based economies in many parts of the world, including Latin America, India and Indonesia; the mobilization of women into the workforce, leading to the progressive feminization of labour and of poverty—none of these sources can be replicated in the future. The significant exception is Africa, which today constitutes the last major untapped labour reserve

¹⁹ Karen Petrou, 'Only the Rich Could Love This Economic Recovery', *New York Times*, 12 July 2021.

for capital to exploit. To ward off falling rates of profit through a rising mass of labour power, on the scale achieved since 1980, now seems impossible. China evidently recognizes the seriousness of the problem and has relaxed the draconian one-child policy to allow three children, without yet yielding much effect. Current demographic conditions seem unlikely to provide support for unlimited future accumulation.

There is an equally pressing demand-side constraint. In the future, it will be difficult to find profitable ways to absorb the increasing mass of capital and output through final and productive consumption. When Marxist economists like Paul Baran and Paul Sweezy studied this problem in the 1960s, they concluded that increasing monopolization and centralization would produce stagflation. Today, heterodox mainstream economists like Nouriel Roubini and Joseph Stiglitz are making similar claims.²⁰ In the 1960s, the issue was lack of incentive to invest, given the restrictive conditions of realization of value through final consumption. To raise the issue of barriers to realization of value in the market was, however, to risk being branded ‘under-consumptionist’—in other words, Keynesian. But value rests, Marx argued, on the contradictory unity of value creation in production and realization in the market. This is foundational for Marx, just as the contradictory unity between rate and mass is also central to his theorizing.

There is a bad habit within Marxist theory of choosing one side of a contradiction and erasing the other, to create a one-dimensional theoretical structure—such as the stand-alone theory of the falling rate of profit, or the all-embracing theory of monopoly capitalism—in lieu of the rich complexity of contradictions proposed by Marx. Baran and Sweezy, for example, are very explicit that they were ‘substituting the law of rising surplus for the law of falling profit’ because capital had evolved by the late 1960s from a competitive to a monopoly state.²¹ Even had this been true—it turned out not to be the case as early as the 1980s—this was no excuse for abandoning Marx’s law of the falling rate and rising mass. This does not mean that one or other side of a contradiction cannot be abstracted for detailed analysis, or weigh more heavily in its implications at a particular time. Baran and Sweezy’s study of the

²⁰ Paul Baran and Paul Sweezy, *Monopoly Capital*, New York 1968; Piotr Skolimowski and Stephanie Flanders, ‘Stiglitz Urges Capitalism Rethink as Roubini Invokes Stagflation’, Bloomberg, 23 June 2020.

²¹ Baran and Sweezy, *Monopoly Capital*, p. 72.

consequences of the rising mass and its relation to imperialist practices is as helpful as Michael Roberts's studies of the consequences of a falling rate of profit, absent any concern for the importance of the rising mass.²² Ultimately, it is the contradictory unity between the rate and the mass that matters.

Questions of consumption

Two forms of consumption feed aggregate demand. Final consumption rests on the consumerism of a class-divided population with sufficient purchasing power to meet at least some of its wants, needs and desires. Productive consumption arises when capitalists produce inputs for other capitalists. In final consumption, the use values of commodities disappear from the circulation of capital, though their value is preserved in monetized form. With productive consumption, by contrast, the commodities—machinery and so forth—do not disappear as use values but remain embedded in the overall production process as means to produce more commodities and so more surplus value. It is worth looking at each form in more detail.

Final consumption has been revolutionized over the past forty years of unbridled consumerism. In the 19th century, final consumers in Britain accounted for around 35 per cent of economic activity, as was also the case in China during the 1980s. In the US, they now account for close to 70 per cent of the economy, and the number of final consumers in China is rapidly approaching the same level. Indices of consumer confidence are closely watched in the business press, since they often presage the onset of recessions. Even Marx accepted that consumption incentivizes production, just as production creates new conditions of consumption. The typical working-class household in his time was poorly equipped with consumer durables. At the most, it would have had a kitchen range fired by wood, coal or charcoal, a few pots and pans, a table, some chairs, elementary cutlery and crockery, oil lamps and bedding. Households of this sort can still be found in much of the developing world, but in high-income countries the range of consumer durables is huge by comparison: stoves, refrigerators, dishwashers, washing machines, cooking equipment, coffee makers, vacuum cleaners, TV and radio, digital

²² Michael Roberts, *The Long Depression: Marxism and the Global Crisis of Capitalism*, London 2016.

devices, often a car, with growing rates of home ownership. Electricity, gas, piped water and adequate sewage disposal are standard. All this constitutes an enormous and ever-growing market for surplus product.

When Marx addressed the prospects for invention becoming a business, he did not foresee the degree to which innovation would be oriented to the creation of new product lines, new needs and desires—even whole lifestyles, such as that of the suburban nuclear family. It is this that has helped to make final consumer demand the chief driver of the economy in high-income countries. The governor of the San Francisco Federal Reserve once commented that the US typically gets out of crises by building houses and filling them with things. Consumer durables make the consumption fund a vital core of capital's expansion, supported by a falling rate of interest on consumer loans: since 1980, US interest rates have fallen from 15 per cent to under 2 per cent. Capitalist production also aims to support consumption rates by building in as much short-termism and planned obsolescence as possible, as with failing cell phones and laptops. If it only produced use values that lasted over a hundred years—like my grandmother's knives and forks, made in Sheffield in the 1890s, which I still use—its market would be sluggish in the extreme.

There has also been a phenomenal growth in forms of consumerism where the commodity is not a thing, but an experience, instantaneously consumed. Culture, sport and other spectacular events have been created or appropriated and monetized by capital, with online cultural consumption flourishing during the pandemic. International tourism has expanded into a global industry—cross-border trips rose from 800 million in 2008 to 1.4 billion in 2018—which markets the 'experience' of other cultures, even as it hollows them out.²³ Instantaneous consumption of this sort requires large-scale investment in physical infrastructure—airports, planes, cruise ships, ports, highways, hotels, stadia—as well as myriad cultural institutions: art galleries, concert halls, gardens and restaurants. A huge labour force now exists to cater to these consumers' demands, while their destructive social and ecological consequences have provoked anti-tourism movements from Venice and Barcelona to Machu Picchu. These negative externalities, particularly the impact on the environment, indicate further potential barriers to the

²³ Marco D'Eramo, *The World in a Selfie: An Inquiry into the Tourist Age*, London and New York 2021.

profitable realization of the surplus. This leads us to a closer consideration of the expanding demand for productive consumption.

3. ROLES OF FIXED CAPITAL

In Marx's era, the development of machine technologies was the primary means by which the productivity of labour—as also the increasing redundancy of labour power in production—was assured. Without it, the tendency towards a falling rate of profit would have been far weaker. Machines are a form of fixed capital, which circulates in a different way to the normal circulation of capital. In the *Grundrisse*, Marx isolates fixed capital for detailed study as a distinctive circulatory form within the capitalist mode of production. The dilemma posed by fixed-capital circulation is this: if capital is defined as value in motion, then any interruption of that motion entails a loss of value, or devaluation.²⁴ Fixed capital is not itself in motion. It is capital locked up in the form of, say, a machine, which performs its role as a means of production over several years. Fixed capital's use value for capital is that it helps increase the productivity of labour, but it is always vulnerable to devaluation.

Marx begins by observing that if capital is 'fixated', in the form of commodities yet to be sold or money yet to be invested, then a certain loss of value occurs. Hence the hustle and bustle involved in keeping as much capital as possible in motion. The problem of 'fixation' and devaluation becomes more pressing because of the differential turnover times required for different capitals. A cotton factory requires a certain amount of raw cotton daily, while the cotton crop comes in once a year. Someone has to store the cotton (and its potential value) after the harvest and release it to the factories as it is needed. Some degree of physical fixation and lack of motion—and hence loss of value—is unavoidable, but strenuous efforts are made to reduce the 'downtime' of capital's motion and to minimize loss. Interestingly, he identified the kinds of steps that would ultimately lead to the Japanese 'just-in-time' production system, in which inventories are reduced to a minimum by the optimal scheduling of inputs from intermediate suppliers. If the continuity cannot be achieved physically, then financial means must be found via the credit system to ensure a smooth flow of money between cotton growers,

²⁴ Marx, *Grundrisse*, pp. 678–95, 546.

merchants and cotton spinners, to enable them to meet their daily costs. The credit system and the circulation of interest-bearing capital enter the scene not as parasites, as is sometimes supposed, but as creative and necessary helpmates to guarantee the continuous flow of money despite radical differences in the times needed for physical turnover.²⁵

Machines perform their material role as a means of production with a turnover time of several years. How, then, does the value of the fixed capital embodied in the machine circulate in relation to the final product, given this material condition? The simplest answer is to say that the value of the machine is realized bit by bit, in the commodities it produces over its whole lifetime. This lifetime is given in the first instance by its physical duration, in which it wears out over, say, ten years of use. In this case, one tenth of the value of the machine will be incorporated in the value of the commodities produced each year. Yet this method of straight-line depreciation poses problems. To begin with, the lifetimes of similar machines vary, so that depreciation must be based on the average lifetime of comparable machines in use. The second problem is that new—perhaps cheaper and more efficient—machines may come onto the market, in which case competition will force those producers with older machines to write down their value, often precipitously. Aware of this threat, capitalists seek to recuperate the value of their machines as fast as possible, by organizing shift work on a 24-hour basis.²⁶ Finally, there is the problem of the variable efficiency: super-efficient machines would command a premium price above the value incorporated in making the machine. The rapidly changing valuation of fixed-capital stock is thus a serious problem in both mainstream and Marxist political economy.

Investment in the fixed capital of machinery requires surpluses of both capital and labour to be held back from current consumption in order to increase future output. In the early stages of capitalism, such deferred gratification imposed considerable stress on populations subsisting on very little. Society had to tighten its belt and be prepared to wait. Once the fixed capital becomes available for use, however, the mass of commodities on the market increases, while labour is released from production.²⁷ Fixed capital, therefore, produces the surpluses of circulating capital and labour power that are required to facilitate further fixed-capital

²⁵ Marx, *Grundrisse*, pp. 622–23, 530, 660.

²⁶ Marx, *Capital*, vol. I, pp. 527–31.

²⁷ Marx, *Grundrisse*, p. 707.

investment. This seemingly closed loop propels a steep downward spiral in the profit rate. The circulation of fixed capital thus hardens into a separate circulatory process, relative to that of circulating capital.

Machine technology, moreover, transforms the category of labour input from the individual to the collectivity of the labouring mass, for example within the factory. So-called ‘productive labour’—that is, labour that is productive of surplus value—can no longer be assessed on an individual basis, because it is now the mass of collective labour in the factory that matters. Fixed capital comes into its own only under conditions of mass production, and mass production implies mass consumption. The rising mass of ever-cheaper final products necessitates an expanding market for use values—for example, through the formation of the world market. But it also entails an increasing ‘massification’ of the labour force.²⁸

Fixed capital as sink

Yet, Marx goes on to note, there are moments in the developed movement of capital which delay the falling rate of profit other than by crises, such as ‘the constant devaluation of a part of the existing capital; the transformation of a great part of capital into fixed capital that does not serve as agency of direct production; unproductive waste of a great portion of capital’.²⁹ Marx does not elaborate on this explosive idea, but we can: fixed-capital investment may be diverted into projects that do not produce surplus value. The use value of fixed capital shifts from promoting the increasing productivity of labour to helping to absorb the mass of surplus product and the surplus labour produced by capital. A switch in logic occurs, away from the falling rate of profit and towards the disposal of surpluses. Both tendencies co-exist, but since the seemingly bizarre idea of using fixed capital to absorb the surplus is largely ignored, it may be helpful to expand on it here. Fixed capital becomes a sink for surplus capital and labour—indeed, for a ‘great part’ and ‘great portion of capital’ that Marx invokes here. Like planned obsolescence, this becomes a means to manage crisis tendencies by way of pre-emptive devaluations. One intriguing parallel to this is Marx’s view that war is economically ‘exactly the same as if the nation were to drop a part of its capital into the ocean’.³⁰ If this argument is correct, then we might hypothesize that

²⁸ Marx, *Grundrisse*, pp. 682, 531–40.

²⁹ Marx, *Grundrisse*, p. 750.

³⁰ Marx, *Grundrisse*, p. 128.

studying the management of capital's crisis tendencies should focus on the economic role of military expenditures and of managed devaluations in the field of fixed-capital investment.

To explore these possibilities first requires taking a more expansive view of what constitutes fixed capital. The imaginary we have worked with so far is that of machine technologies, housed in a factory. Marx first differentiates between fixed-capital and consumption-fund formation. The first refers to all those items that meet the needs of capital in production, such as machines, while the second entails investments that facilitate consumption and meet the needs of consumers—houses, consumer durables and the like—along with the collective provision of health care and education. Many such investments have joint uses. A road can be used to transport commodities or for taking walks, the *Grundrisse* notes.³¹ Investments in higher education can help people to appreciate their culture and their history or can turn innovations in materials science into technologies to enhance production. Furthermore, such investments, though critical, are usually of an 'independent kind' and their benefits are often distributed in common. It therefore often makes sense to produce them in common, through the local, regional or nation state.

Many of these investments are literally embedded in the land and physically immovable, even if the property right to any income stream derived from them—like tolls from a bridge or road—can be traded anywhere in the world. An increasingly 'great part' is incorporated in transport and communications, and built environments of all kinds, to support capital's ease of production and consumption. Such investments may or may not actually contribute to capital's productivity. It's worth noting that capital has only recently acquired sufficient mass to be able to build major infrastructures like dams and highway systems through private as opposed to state-organized funding. 'The separation of public works from the state,' Marx notes, 'and their migration into the domain of the works undertaken by capital itself, indicates the degree to which the real community has constituted itself in the form of capital.' Capital, he clarifies, 'undertakes only advantageous undertakings', though 'it also speculates unsoundly, and, as we shall see, must do so.'³² Again, note the emphatic 'must' in this statement.

³¹ Marx, *Grundrisse*, pp. 594, 687.

³² Marx, *Grundrisse*, p. 531.

Investments of this sort are well-adapted to absorb increasing quantities of surplus capital and surplus labour, particularly under conditions of 'relative overabundance'. In this case, the form of fixed capital does not directly enter into the production process as machinery, Marx notes, but rather 'in railways, buildings, agricultural improvements, drainings etc.' In such cases, 'the realization of the value and surplus value contained in it appears in the form of an annuity, where interest represents the surplus value and the annuity the successive return of the value advanced':

The smaller the direct fruits borne by fixed capital, the less it intervenes in the direct production process, the greater must be the relative surplus population and surplus production; thus more to build railways, canals, aqueducts, telegraphs, etc., than to build the machinery directly active in the production process.³³

Such projects are frequently sought in times of crisis; Roosevelt's creation of the Works Progress Administration in 1935 is a classic case. Idle capital and labour were put to work by the state using deficit financing on infrastructure building projects, in a desperate attempt to revive capital accumulation. The aim was to absorb as much surplus capital and as much surplus labour as possible, without any consideration of how productive such investments might be. Mussolini's investments in the *Mezzogiorno*, Hitler's Autobahn, Eisenhower's inter-state highway system, China's huge urbanization and infrastructure projects of 2008 onwards and Biden's infrastructure plans of 2021 are all moves of this same sort. Some of these investments may have turned out to be productive in the long run, but at the time this was not their point. The motivation was to put surplus capital and labour speculatively to work in order to facilitate the reproduction of circulating capital.

The spectacular urbanization projects of contemporary capitalism very much fit this pattern. Something that was marginal in Marx's time has become foundational for ours. The international crisis of 2008, for example, arose around the finance of housing and other aspects of consumption-fund formation in the built environment, primarily in the United States but also in Spain, Ireland and elsewhere. As we have seen, the general crisis was partially resolved by a massive surge

³³ Marx, *Grundrisse*, pp. 723, 707.

of investment into fixed-capital and consumption-fund formation in China, the productivity of which is moot.³⁴ After 2008, about 15 per cent of China's GDP was caught up in housing construction alone, creating whole new cities that for a while stood bereft of inhabitants. The image that fixed capital conjures up today is no longer the factory machine but the skylines of Shanghai or Dubai. Few would argue that the staggeringly wasteful investment in Hudson Yards in New York City is about increasing labour productivity; a new tunnel under the Hudson River would be entirely different. The project stands instead as a monument to the need to create a countervailing force to the falling rate of profit, through the absorption of as much surplus capital and labour as possible in the production of mindless urbanization.

Unproductive or wasteful fixed-capital and consumption-fund formation is nevertheless significant for capital accumulation. During the halcyon days of the Spanish property boom, for example, a new city—Ciudad Real—was built to the south of Madrid, replete with a huge new airport costing over a billion euros. It rested on the fantasy of attracting future overflows from the congested airport in Madrid. Then came the crash of 2008, which hit Spain and its property sector very hard. The bankrupt airport was put up for auction but could find no buyers—a Chinese bid of around €10,000 was refused. It finally found a use as a storage space for grounded aircraft during the COVID-19 pandemic. In this case, the value of the fixed capital appeared to be lost. But a great deal of surplus value (profit) was recycled and produced by the construction companies, developers and raw-material suppliers, through their contracts to work on the airport. In this way, the bankruptcy did not matter. The airport's purpose was served by creating demand—for construction skills and machinery, raw materials, etc.—and wages for the building workers, who in turn became consumers. The aggregate circulation of the mass of capital was less affected by the bankruptcy of the airport than would otherwise have been the case. Investments of this sort often go belly-up. But as Marx noted, if the first wave of investors are bankrupted, they leave behind use values that can be bought by subsequent investors at fire-sale prices and then put to profitable use.³⁵

³⁴ Morrison, *China's Economic Rise*; Kai-Fu Lee, *AI Superpowers: China, Silicon Valley and the New World Order*, New York 2018.

³⁵ Marx, *Grundrisse*, p. 531. This was the case with the London Underground, where the initial investors lost out, but the second wave bought the largely completed tunnels for very little and so made money out of the network when it opened.

This mass of fixed capital, increasingly embedded in the land, is perpetually engaged in revolutionizing the spatio-temporal world of production and consumption. Marx theorizes this effect further:

The more production comes to rest on exchange value, hence on exchange, the more important do the physical conditions of exchange become for the cost of circulation. Capital by its nature drives beyond every spatial barrier. Thus the creation of the physical conditions of exchange—the means of communication and transport—the annihilation of space by time—becomes an extraordinary necessity . . . While capital must on one side strive to tear down every spatial barrier to intercourse, i.e. to exchange, and to conquer the whole earth for its market, it strives on the other side to annihilate this space with time, i.e. to reduce to a minimum the time spent in motion from one place to another.³⁶

Technological innovations in transport and communications have transformed the terrain over which the production and absorption of surplus value can proliferate. The question of the disposal and absorption of the mass is clearly of huge significance here. At the same time, these developments have been producing the ‘constantly widening sphere of circulation’ that was a precondition for production based on capital—for ‘the tendency to create the world market is directly given in the concept of capital itself.’³⁷ As I have argued elsewhere, the absorption of surplus capital through fixed-capital investment in the land entails the production of spaces and places receptive to further bouts of such investments.³⁸

While practices of colonization and empire building have been around since ancient times, from the mid-19th century onwards they were absorbed into a distinctive geopolitics of capital accumulation, marked by struggles over hegemony and power-bloc formation within the global economy. When the rising mass of capital can no longer be absorbed within its home territory, investors develop strategies to export the surplus mass through spatial fixes, to absorb over-accumulated capital. In the US, a great deal of surplus capital was absorbed internally through the development of the ‘sunbelt’ South and West. The external struggles waged by the US were aimed primarily at maintaining global control over

³⁶ Marx, *Grundrisse*, pp. 524, 539.

³⁷ Marx, *Grundrisse*, p. 407.

³⁸ Harvey, ‘Globalization and the “Spatial Fix”’, *Geographische Revue*, vol. 3, no. 2, 2001, pp. 23–30; and *Limits to Capital*, ch. 12–13.

the capitalist powers and waging an epic battle to defeat the communist challenge. By the 1970s, however, the question of surplus absorption became pressing, if not paramount. Internal saturation also led Japan to look outwards, followed by South Korea, Hong Kong, Taiwan and Singapore.³⁹ After 1978, Beijing broke the Cold War embargo and began to absorb vast amounts of capital, much of it from the other East Asian countries. By 2000, though, the internal market in China was approaching saturation, while the country faced opposition to technology transfer from the US when it sought to create more capital-intensive industries. Predictably, the PRC also turned outwards, mainly by offering commercial credits to build infrastructure in Africa and Latin America. This effort is now coordinated by the deliberate orchestration of an expansive spatial fix through China's Belt and Road project.⁴⁰ While some of this is driven by geopolitical jockeying for power and position, one can plainly identify the politics that attaches to falling rates and rising masses of capital.

4. CIRCULATION OF INTEREST-BEARING CAPITAL

Credit, debt and interest are familiar concepts from the antediluvian period of capital's origins. With the rise of industrial capitalism, these categories radically changed their function and their meanings. The money market became a significant servant of industrial accumulation and would play a vital role in the orchestration of spatial fixes through capital export and the financing of long-distance trade.⁴¹ Preceding this was the need of rising nation-states to fund public debt and military expenditures. The fiscal-military state became particularly active in the transition to industrial capital.⁴² But once industrial capital became dominant, it grew to be the primary force behind the expansion of money-market activities. Marx saw the rise in the circulation of interest-bearing capital as a reflection of the need to find ways to fund long-term investments in fixed capital and in the consumption fund—for example,

³⁹ Harvey, *The New Imperialism*, Oxford 2003.

⁴⁰ Pádraig Carmody, Ian Taylor and Tim Zajontz, 'China's Spatial Fix and "Debt Diplomacy" in Africa: Constraining Belt or Road to Economic Transformation?', *Canadian Journal of African Studies*, February 2021.

⁴¹ Marx, *Grundrisse*, p. 522.

⁴² See Christopher Storrs, ed., *The Fiscal-Military State in Eighteenth-Century Europe: Essays in Honour of P. G. M. Dickson*, New York 2016.

the mortgage market for housing, the bond-market for the construction of highways, sewers, and so forth.

Contemporary credit, Marx argued, has its roots in the specific mode of realization, mode of turnover, mode of reproduction of fixed capital.⁴³ The financialization of flows into fixed-capital and consumption-fund formation, lubricated by interest-bearing capital and leveraged by technical innovations, has become critical for the survival of global capital. As well as funding government debt, the early rise of the credit system was based on its role in facilitating long-distance trade, smoothing out exchanges between commodity producers with radically different turnover times. Its later role—accomplishing, ‘in the twinkling of an eye’, the centralization of corporate capital, to keep pace with the ever-rising mass of capital in circulation—gave an added boost to financialization. The rise of joint-stock companies and stock markets that began in Marx’s time simply backs up the picture.⁴⁴

Interest-bearing capital flows through two distinctive channels. Some of it flows from financial institutions and wealthy individuals seeking a rate of return (interest) on the money they lend out. The second intermingles with the circulation of state revenues as governments raise money, either directly or in the bond market, to build long-term projects of various kinds. Many investments in the built environment are undertaken by the state using borrowed funds. But private investments are expected to return their value equivalence into the mainstream circulation of capital by imposing a fee for their use. Consider, for example, a toll bridge. The value embodied in the bridge is recuperated over the years by the tolls imposed upon its users. If the bridge is a ‘bridge to nowhere’, then that value may never be realized. But if the density of traffic is high, then the value may be recuperated over a number of years. Capital, Marx concludes, circulates in this field in return for interest alone.⁴⁵ This is the case with both private and state investments. But interest is only a portion of the total surplus value. The owners of the toll rights do not produce anything. They simply extract a fee for the use of the bridge and the (fictitious) monetary value of the bridge is the capitalized income stream generated by extraction of the tolls.

⁴³ Marx, *Grundrisse*, p. 732.

⁴⁴ Marx, *Capital*, vol. 1, pp. 777–8.

⁴⁵ Marx, *Grundrisse*, p. 761.

For the industrial capitalists, part of what they receive is allocated as interest on the right of ownership. The other part comes from their organization of commodity production. This is so, Marx argues, because industrialists can either use their own money or borrow from investors to fund production activities. The surplus value is split into return on the ownership of money capital and return on the activity of production. This implies a certain relation between the rate of monetary profit and the rate of interest: the latter is set not by labour input, but rather by supply and demand conditions in the money markets. If the rate of interest is high, however, and the return on production low, then producers will find ways to withdraw from productive activity and become passive investors, living off the interest on their money capital. Many of the top 1 per cent are passive investors of this sort. The assertion that diverting funds to them stimulates investment by which they create jobs is downright false. Nonetheless, at some point the rate of profit has to rise to match, if not exceed, the rate of interest, if value is to continue to be produced. The relation between profit and interest, Marx observed, 'is determined by the competition between the two classes arranged under these different forms of revenues'—in other words, 'the difference between a moneyed class of capitalists and an industrial class of capitalists.'⁴⁶ The growth and institutionalization of this moneyed class establishes the potential hegemony of money power over production activities.

All this gives the organization of the credit system and the circulation of interest-bearing capital a central role in the overall circulation of capital. The form of interest-bearing capital that is introduced into general circulation as a servant of industrial capital becomes the master force, a central nervous system, regulating the flows of capital in general. From that position it can also build another presence in the increasing centralization of the mass of capital in few hands. Most investment banks make their money out of mergers and acquisitions, rather than from retail-banking functions. Accelerating the centralization of the mass of capital in a few hands via the credit system animates the circulation and further accumulation of capital. The greater the centralization—including that which is enabled through the state sector—the larger the infrastructure projects that can be undertaken. Perhaps the biggest project so far is the 56 km long Hong Kong–Zhuhai bridge to Macau.

⁴⁶ Marx, *Grundrisse*, pp. 851–4.

The relation between the interest rate and the profit rate then becomes a central question. The fact that in the US both have systematically tended to fall since 1980 is significant. The circulation of interest-bearing capital is not of course confined to production. Credit is extended to consumers, to buy housing, cars, consumer durables. Money is lent to developers, to build housing that consumers buy on money borrowed from the same bank. The falling rate of interest since 1980 unleashed a flood of surplus capital—and hence of surplus labour—into larger and larger projects, extending over a receding time horizon, without much regard for increasing productivity. The proliferation of ‘vanity’ projects around the world, helping to absorb the ever-growing surpluses of capital and labour, produces an alarming amount of waste. The falling rate of interest is, therefore, equally important as the falling rate of profit. To the degree that it serves to absorb the mass without necessarily increasing the productivity of labour, it has played a vital role in diminishing the significance of the falling profit rate.

There has been much discussion in recent years of the increasing financialization of capital, particularly as a response to the crisis of the 1970s.⁴⁷ The literature on this is very informative but there is a lack of understanding as to why, rather than how, financialization came about. The ‘why’ has everything to do with the increasing role of fixed-capital and consumption-fund formation in absorbing and disposing of the capital and labour surpluses idled in the 1970s. But this move required increasing resort to the credit system, along with the financial innovations that rapidly unfolded after 1980 or so. Nor could it proceed without shifting the balance from industrial to finance capital. China’s moves to overcome the crisis of 2008 by launching huge investments in fixed-capital infrastructure and a parallel expansion of the consumption fund could not have occurred without the pell-mell construction of a somewhat rickety financial system, with all manner of ephemeral innovations, topped by the rapid growth of Chinese banking—including shadow banking—to the point where the four largest banks in the world are now Chinese.

The rise of a distinctively capitalist credit and financial system, as Marx noted, was not happenstance. It was largely produced by the need to find ways to promote fixed-capital and consumption-fund formation to absorb and dispose of the increasing mass of capital and labour emanating from

⁴⁷ Ben Fine, ‘Financialization from a Marxist Perspective’, *International Journal of Political Economy*, vol. 42, no. 4, Winter 2013–14, pp. 47–66.

capitalist production—and to do it in such a way as to compensate for the falling rate of profit. This was facilitated from the mid-1980s by the systematic fall in the rate of interest. This helped counteract, albeit temporarily, the well-documented tendency for the rate of profit to fall. But it did so at the expense of generating a shift in class power from industrial to finance capital. Whichever way we look at it, the falling rate of interest is of equal significance as the falling rate of profit in understanding the evolutionary path of contemporary capitalism.

Driving contradiction

Much of this theoretical elaboration is based on my reading of Marx's *Grundrisse*.⁴⁸ I see that text as a titanic struggle on Marx's part to emancipate himself from the thought of Hegel and Ricardo. The latter proposed a theory of capital based upon the objectification of a factor of production, under the control of capitalists operating in price-fixing markets, converging on equilibrium—whereas Marx runs with a theory of capital as a social relation (value) in fluid and perpetual motion, operating with a backward-bending supply curve which only touches equilibrium for a brief moment and then by accident. Hegel's concept of totality is of a closed, self-contained and self-sustaining entity, whereas Marx's totality is open, evolving ('becoming'); self-replicating, to be sure, but in no sense self-sustaining, given its internal contradictions and its problematic metabolic relation both to nature and to the cumulative historical achievement of human cultures. How far Marx got on his emancipatory quest is open to debate; there are not a few Marxist philosophers who seem determined to put him back in his Hegelian cell, just as some Marxist economists want to put him back in the prison-house of Ricardian categories. But Marx approaches capital as an open totality, cementing in categories constituted by their social relation to other categories, step by step.

Marx litters the conceptual landscape of capital with multiple contradictions. But some are more important than others. If capital is defined as value in motion, then the foundational contradiction that propels and orients that motion surely takes pride of place in any theory of capital. The contradiction between alien capital and alien labour—'capital stands on one side, labour on the other, both as independent forms

⁴⁸ Harvey, *A Companion to Marx's Grundrisse*, forthcoming from Verso. See also my 'Value in Motion', NLR 126, Nov–Dec 2020.

relative to each other; both hence also alien to one another’—does not fit the bill.⁴⁹ Nor does the contradiction between productive forces and social relations. But for ‘value in motion’, the contradiction of the falling rate and the rising mass is foundational. The falling rate of profit cannot be understood without the rising mass, and their relation depends critically on the use of fixed capital, which initially accelerates the falling rate before shifting to check it by forming a sink for expanding surpluses of both capital and labour. This requires the circulation of interest-bearing capital, which underpins and enhances the power of a class of money capitalists vis-à-vis industrial capitalists, along with increasing dependency on the state apparatus. From this, a whole slew of other contradictions, such as the pressures of climate change and the creation of the world market, freely flow.

The truth of Marx’s theory does not lie in any one of the elements, or ‘moments’ as Marx liked to call them, in isolation. It lies in the interrelations between them, the way the elements and moments lock into each other to define tentatively the totality of capital. There are many more elements and moments to be built into this picture—for instance, the distinction between commercial credit and the circulation of interest-bearing capital, the roles of landed and merchant capitals alongside a more robust analysis of the capitalist state, international institutions, and so on. But even within the limits of the *Grundrisse*, Marx maps, as I hope to have shown, a way to interpret the world that is highly relevant to the struggle to combat this all-devouring beast, so that what is ‘adequate’ for capital is displaced by what is adequate for people.

⁴⁹ Marx, *Grundrisse*, pp. 266–7.

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REVIEWS

Isabella Weber, *How China Escaped Shock Therapy: The Market Reform Debate*

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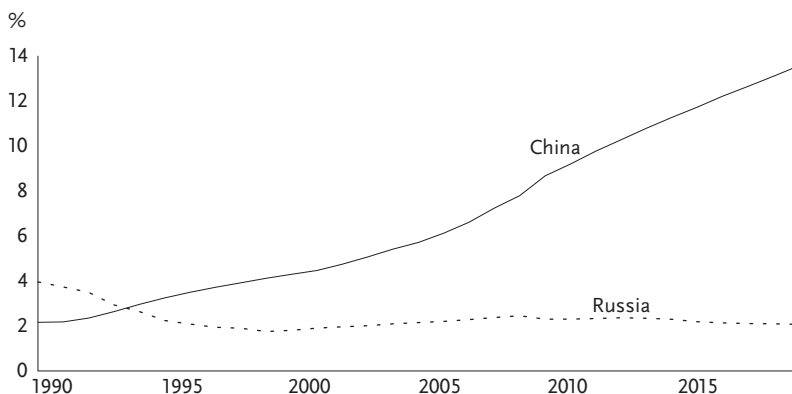
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JOEL ANDREAS

PATHS NOT TAKEN

To illustrate the stakes of market-reform debates in China in the 1980s, Isabella Weber begins her book with some dramatic graphs. The first (below) compares Russian and Chinese shares of world GDP between 1990 and 2017. It shows that Russia's proportion halved in this period, whereas China's grew nearly seven-fold.

China's and Russia's Shares in World GDP, 1990–2017



Source: World Bank Data, 2017.

This dramatic divergence, Weber argues, was a consequence of the shock-therapy policies carried out in Russia after 1991, starting with the wholesale liberalization of prices. As prescribed by neoliberal economists, the goal was to make the transition from state-socialist to capitalist economy as rapidly as possible. In this view, gradual market reforms would simply lead to backsliding. The only guarantee of success was to eliminate price controls and social subsidies in one fell swoop—to compel existing enterprises to survive in a harshly competitive environment, eliminate old practices and clean out dead wood, preparing the ground for sounder, market-based development. Russia followed this path and saw its economy collapse. Since then, its growth has been uneven, but generally slow. China, however, resisted the prescription and has done much better. The PRC is deeply integrated into global capitalism, yet Weber argues, it has not undergone ‘wholesale assimilation’ or ‘full-fledged institutional convergence’ with neoliberal norms. This tension between China’s rise and its only ‘partial assimilation’ defines our present moment, she writes. The purpose of *How China Escaped Shock Therapy* is to explain this divergence, which Weber does very well.

Drawing on her interviews with many of the policy intellectuals involved, Weber shows how close Beijing came to adopting shock therapy in the 1980s. Enticed by the confident theories of leading Western neoliberal thinkers—and reassured by émigré Central European economists like János Kornai, Włodzimierz Brus and Ota Šik, who led reform attempts in Hungary, Poland and Czechoslovakia before fleeing to the West—Chinese leaders actually took the first steps, before pulling back in the face of severe social and political reactions. They were saved, Weber argues, by the CCP’s long tradition of pragmatism. To borrow the metaphor made famous by Deng Xiaoping, they waded boldly out into the river, felt the pull of its fast, deep currents and stepped back just in time, to take a different path. This is not a new story, but Weber’s research provides fresh and compelling insights into the experience and world outlooks of the participants in the fiercely fought economic debates of the 1980s. Born in the FRG just two years before the fall of the Wall, Weber studied in Berlin and at Peking University, going on to read economics at the New School and to take her PhD at Cambridge with Peter Nolan. She now teaches economics at the University of Massachusetts Amherst and is Research Leader in China Studies at its storied Political Economy Research Institute. Her investigation draws upon insights from many different angles in the discussion over China’s economic reforms—grizzled CCP cadre, young liberal-minded economists, sent-down students, World Bank officials, émigré free marketeers. By any measure, this is an impressive contribution.

In Weber’s telling, the choices made by the veteran CCP leaders after Mao’s death in 1976 were profoundly informed by their experience in restoring

economic activity in the liberated areas during the Civil War—which in turn was shaped by deeply ingrained traditions of Chinese classical thinking about economic statecraft. She delves deep into the Han-era treatises on economic intervention collected in the *Guanzi*, a major compilation from 26 BC by the polymath scholar Liu Xiang of philosophical, political and scientific writings dating back many centuries before. In her account, the theories of the *Guanzi* economists sprang from the need to calibrate new state–market relations during the Warring States era, a period of technological advance and inter-state competition. The writers emphasized the importance of public granaries and state intervention to stabilize prices and create ‘equable markets’, buying grain when prices were low and selling when they were high—policies institutionalized under the Han emperor Wu (157–87 BC) by his minister Sang Hongyang, who also revived state monopolies over salt and iron to replenish Wu’s war-depleted treasury. Wealthy merchants and rebel aristocrats were thereby weakened, and their lands confiscated for small farmers to work.

A key concept for the *Guanzi* economists was the distinction between *qing* (light) and *zhong* (heavy). These terms could refer respectively to small and weighty coins, and *qingzhong* as a compound could mean price intervention; more broadly, it was used for a whole range of economic policies, from state monopolies to work incentives and currency control. Crucially for Weber’s argument, the *Guanzi* writers distinguished between economic processes and commodities that were ‘heavy’, in the sense of central or important, over which the state should exercise control, and those that were ‘light’: marginal or inconsequential goods and practices, which could be left to the market. Yet these categories might vary according to the surrounding conditions, the locality, the season. The injunction to state officials to ‘grasp what is heavy and let go of what is light’ therefore demanded an inductive, experimental approach, using empirical surveys and data-gathering to ascertain prevailing circumstances and adapt the balance of heavy and light accordingly. After Emperor Wu’s death a major conclave was held, resulting in the famous ‘Salt and Iron Debate’ between the supporters of Sang Hongyang’s interventionist approach and the traditionalist scholar-literati, who aimed to reinstate a vanished golden age of ritual order and dutiful behaviour, in which state regulation would be unnecessary and a *laissez-faire* approach might prevail (to the benefit of large landowners). These ‘idealist’ literati, Weber reports, typically saw state intervention as a source of corruption and favoured self-regulation through moral conviction; ‘pragmatic’ officials, by contrast, saw state regulation as vital to avoid fluctuating prices and socio-economic chaos. These debates were successively renewed in the millennia that followed; Weber cites in particular the high Qing-era investigations that influenced Mao and the enduring practice of the Ever-Normal Granary, to smooth food prices.

After laying out these legacies, *How China Escaped Shock Therapy* turns to the policies of the Mao era. Here Weber highlights the tension between proponents of a Soviet-style plan for heavy industrialization and others, including the economic strategist Chen Yun, who stressed the importance of studying on-the-ground conditions and following an inductive approach, developing agriculture and light industry first as a basis from which to industrialize. She argues that the initial measures deployed in the liberated areas in the 1940s—reintegrating war-shattered economies through state cooperatives, indirect price regulation through market intervention—drew in part on *Guanzi*-style traditions. Chen Yun, charged with financial policy for the northern border regions during the Civil War, prioritized controls over grain and cotton, ‘heavy’ commodities, to help stabilize prices during the hyperinflation. In Shandong, Xue Muqiao took control of the salt tax—a crucial move in establishing a stable fiscal base for the CCP currency, as against that of the KMT. Chen Yun may have been the first to invoke the famous piece of folk wisdom about crossing a river as a guide for CCP economic policy, telling a State Council meeting as early as April 1950 that if rising prices were bad, falling prices could also be deleterious for production, and the money supply should be adjusted accordingly: ‘It is better to be feeling for stones to cross the river more steadily.’

For most of the Mao era, the prevailing approach was instead that of a command economy, Weber argues, although she depicts Mao initially tacking from one side to the other. After welcoming Soviet planners, his 1956 speech, ‘On the Ten Major Relationships’, backed an emphasis on agriculture and light industry, before he switched to the disastrous voluntarism of the Great Leap Forward, followed by the Great Famine. In its wake, Chen Yun was put in charge of the recovery and began to reintroduce rural markets and family-worked plots, proposing his ‘birdcage’ model—the market singing within the encompassing state plan—before being sidelined as a capitalist roader during the Cultural Revolution. By the time Mao died, socialist policies had brought about impressive advances in industrialization, as well as public health and education. Prices were stable, set by the state in a fashion that extracted wealth from the countryside to build industry. But the overall growth of the economy was no more than average for developing countries and living standards remained low, especially in rural areas.

Deng, who took over the reins of state in 1978, was not satisfied with this relatively slow rate of growth and was convinced that introducing markets would speed things up. By the end of the year he had brought Chen Yun onto the Politburo Standing Committee. The CCP announced incentives to revive rural markets and petty private production by introducing a dual-track system for key agricultural products: once the low-price state quota had been

fulfilled, peasants could sell any surplus at a higher price. The logic of the dual-track price system—quota and market—drew upon that of the *Guanzi* treatises, Weber argues, noting the surge in studies of classical Chinese writings on economics that paralleled the reform-era debates. The state would consciously harness market forces, using the principles of ‘heavy’—the necessary grain procurement of the quota, ‘to ensure that people’s livelihood is not affected by a rise in prices’, as Xue Muqiao put it in *China’s Socialist Economy* (1979), quoted by Weber—and ‘light’: the marketable surplus, acting as a spur to increase productivity.

Driving this emphasis on the rural economy, for Weber, was an unprecedented cross-generational alliance produced by the social upheaval of the Cultural Revolution. In her account, the veterans of the 1940s struggle in the countryside were joined by a cohort forty years their junior: students ‘sent down’ during the Cultural Revolution and returning to the universities after 1978 committed to dismantling rural collective structures. *How China Escaped Shock Therapy* captures well the extraordinarily open intellectual climate of the time, as the re-opened Chinese Academy of Social Sciences became a seedbed for new ideas, and Weber endorses the approach taken by a particular set of scholars at the Rural Development Research Group and the System Reform Institute, a think-tank close to Zhao Ziyang which housed younger researchers like Chen Yizi and Wang Xiaoqiang, among many others. In Weber’s telling, this coalition of leaders and young scholars, conducting on-the-ground surveys and testing out policies in particular localities, was a crucial factor in the dramatic take-off of the rural economy in the 1980s.

At the same time, Chinese leaders began inviting Western neoclassical economists, Milton Friedman among them, to offer advice, alongside émigré Europeans like Kornai, Šik and Brus, and full-dress delegations from the World Bank. All were dedicated opponents of the cautious dual-track price system, and instead counselled rapid, wholesale price reform—a ‘big bang’, making a decisive break with the past—as the only way to kickstart profit-driven growth. As Brus’s student Anders Åslund put it, ‘The main issue is to cross the river as fast as possible in order to reach the other shore.’ They found ready listeners among a growing group of influential Chinese economists, including Wu Jinglian at the CASS Institute for Economics, along with younger scholars like Guo Shuqing, later China’s chief banking regulator, and, by the mid-80s, Xue Muqiao himself. Others, initially including Zhao Ziyang, were less convinced. They worried that such a radical break would be too disruptive and favoured a gradual introduction of market prices, while reforming existing institutions so that they would be able to operate effectively in a marketized environment. They argued for continuing the

dual-track price system and expanding it into the industrial sector by means of gradualist experimentation.

Weber dubs these two broad camps ‘idealists’ and ‘pragmatists’ and points out similarities between the lines of divide in the 1980s and those of the Salt and Iron Debate, two millennia before. The real distinction between them, she maintains, was not the pace of reform but its epistemic logic: deductive reasoning as opposed to inductive research. The idealists put their trust in a self-regulating market—replacing the moral regulation of Confucian philosophy—while the pragmatists insisted on maintaining a degree of state regulation. While the big-bang proponents insisted that prices in core industries, which they saw as most distorted, required immediate change, their adversaries preferred to start with ‘light’ sectors and move gradually to ‘heavier’ ones. The former were typically academics, more enamoured of theory, while the latter were more closely connected with policymaking. The heroes of Weber’s story are the pragmatist economists and party officials who resisted the prescriptions of neoclassical orthodoxy and thus avoided the catastrophic consequences of shock therapy.

Members of both camps sought to bolster their arguments with imported knowledge. Adherents of the pragmatist camp, among them Chen Yizi and Wang Xiaoqiang, undertook fact-finding tours in Hungary and Yugoslavia, where officials and establishment economists warned of the destructive consequences of their own short-lived big-bang price reforms in the 1960s and 1970s, which had led them to retreat to a more gradual path. Tellingly, Hans Karl Schneider, an Eucken-trained West German ordoliberal who had worked under Erhard, counselled these Chinese researchers against accepting Friedman’s account of the ‘Erhard miracle’ at face value: Germany had not liberalized coal and steel prices until the 1970s; it would have been disastrous to have done so in the immediate post-war period, when raw materials were in short supply. Meanwhile, proponents of radical price reforms were bolstered by the spectacular Bashan conference, led by World Bank and émigré European economists, and held on board a luxury cruise ship floating down the Yangtze. At the same time, the Europeans hinted that it would probably not be possible to carry out radical price reforms without fundamental political change, a suggestion that would have been most unwelcome to some of their Chinese interlocutors, who, while they embraced the principles of Western neoclassical economics, were firmly embedded in the party establishment.

Both ‘idealists’ and ‘pragmatists’ also looked to Latin America, and both sides were impressed by the pioneering neoliberal programme carried out by Pinochet in Chile, under the tutelage of University of Chicago economists. However, they took different lessons from the Chilean experience, with one side celebrating the success of Pinochet’s sudden elimination

of price controls, and the other pointing out that his big-bang approach was predicated on market-adapted businesses. In China, where enterprises depended on price controls, and were not equipped to compete for profits by shedding workers and raising productivity, such a radical move would be too risky. Both camps also sought—and found—the ears of China's top political leaders. At two critical junctures, Weber recounts, big-bang proponents nearly prevailed. In 1986, Wu Jinglian, Xue Muqiao and others succeeded in winning Zhao Ziyang to their position, but he backed down after running into strong opposition, not least from his own System Reform Institute. In 1987, the CCP leadership committed itself instead to a policy of large-scale coastal development and implementing an enterprise-contracting system—an approach Weber describes as 'an internationalized version of gradual marketization from the margins and the dual-track price system.'

Yet pressure continued to build for big-bang price reform, in part from an increasingly impatient Deng Xiaoping, but also, Weber argues, in response to popular anger at growing corruption among party officials, profiting from their role as gatekeepers in a semi-marketized system. Liberalizers argued that all-out privatization would do away with profiteering bureaucrats altogether. In 1988, Deng himself took up the banner of radical price reform, and this time central authorities actually took the first steps. The August 1988 Politburo meeting at Beidaihe announced the liberalization of all prices. The immediate result was runaway inflation—soaring from 12 per cent in July 1988 to 28 per cent in April 1989—exacerbated by panic buying and bank runs. Within weeks, the pragmatic Deng backed away. Chen Yun was called in to reverse the liberalization and impose stabilized prices on key goods. China had escaped full-blown shock therapy by a whisker, Weber argues, yet Deng's aborted 1988 price-reform push came at a high price: its destabilizing effects helped to catalyse the political crisis that culminated in the massacre of June Fourth.

The dual-track heroes of Weber's story were largely sidelined after Tiananmen. Nevertheless, she argues, the reform approach they helped to shape and defend has survived: 'The model of gradual, experimentalist marketization remained in place from the 1980s to the present. Although challenged and amended, it was not overturned.' Despite the fact that neo-liberal reforms made deep inroads in terms of private ownership, labour markets and health-care, 'the core of the Chinese economic system' was not destroyed. When prices were liberalized in the 1990s, it came as a 'small bang', preserving the central institutions intact. In Weber's view, the dual-track price system was 'at the heart of China's transformation from a poor agricultural country with revolutionary ambitions to one of global capitalism's manufacturing powerhouses.' Instead of experiencing severe economic decline and deindustrialization, like Russia, its dual-track reforms

'laid the foundations for economic ascent', albeit under tight political control. 'The state maintained its role over the "commanding heights" of China's economy as it switched from direct planning to indirect regulation through state participation in the market', Weber concludes. China 'grew into global capitalism' without losing control over its domestic economy.

The detailed analysis of the 1980s market-reform debates offered by *How China Escaped Shock Therapy* is insightful and illuminating, and Weber's evidence for the roles played by economists in providing theories and policy suggestions to key party leaders is especially helpful. Her focus on these debates, however, remains relatively narrow. In presenting the System Reform Institute economists Chen Yizi and Wang Xiaoqiang as patriotic pro-peasant reformers, she comes close to the official story about egalitarian-minded Chinese leaders responding to villagers' demands. (As she acknowledges, by the late 1980s Chen and Wang found much to admire in Pinochet's Chile.) The reality in the countryside was more complex and politically fraught: certainly many villagers supported decollectivization, but—as Jonathan Unger, Joshua Eisenman and others have demonstrated—many others did not.

By concentrating on clashes between what might be better identified as two wings within a single camp of radical marketizers, she neglects the arguments advanced by the substantial group of party leaders who favoured far more moderate market reforms that would have preserved socialist institutions. She occasionally mentions Chen Yun and Deng Liqun, who became prominent spokespersons for this 'conservative' camp, but they enter her narrative only as opponents of big-bang price reforms, rather than proponents of another road. At the same time, although Weber does not say this, the European émigré economists may ultimately have been right to argue that only regime change would make it possible to follow through with shock therapy. In Central Europe, just as in China, as long as Communist parties remained in charge, they ultimately pulled back from the brink. It was only after 1989 that new post-Communist regimes were willing to commit themselves to big-bang policies so fervently that they did not retreat even when their economies began to collapse.

While Weber ends her detailed account at the close of the 1980s, her thesis could well be taken forward to the subsequent decades, as the CCP continued to implement what she calls its *Guanzi*-style policies after 1988. Although some market reforms were put on hold after the violent repression of the Tiananmen protest in 1989, price reform was accelerated from 1992, followed by enterprise restructuring and privatizations which led to widespread bankruptcies and some 60 million layoffs within the span of a few years. Here Weber would surely have noted that the CCP once again

followed the traditional ‘light versus heavy’ model, starting with small and medium enterprises, and only gradually moving on to larger firms, while keeping those considered most essential—finance, energy, telecoms, land—firmly under state control. For although the Chinese industrial-restructuring process that began in the 1990s had many of the hallmarks of the neoliberal reforms sweeping the former socialist bloc at the time—as well as the capitalist world—it is true to say that Beijing’s policies never fully conformed to the neoliberal model. Moreover, after the turbulence of the late 1990s, Chinese leaders began to pull back from their marketizing push in the 2000s, reinforcing the role of the state, a trend that continues today. As *How China Escaped Shock Therapy* explains, the ‘pragmatic’ mode of mixing state direction with market mechanisms, established in the 1980s, continues to hold sway.

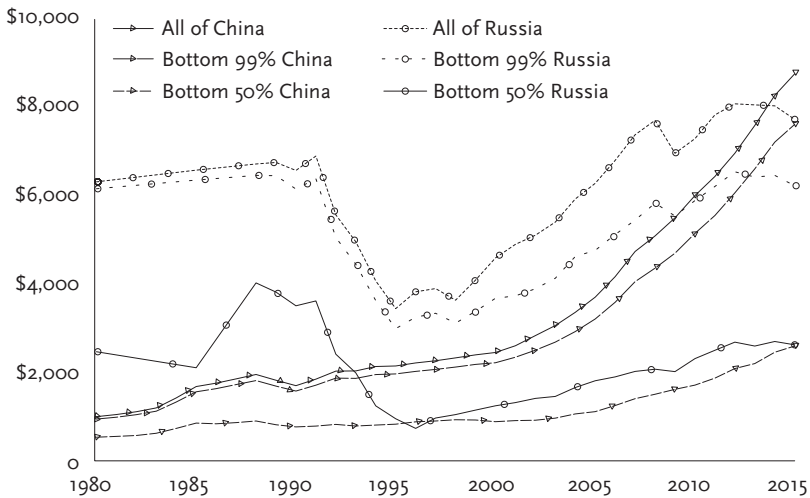
In making her case for pragmatism against idealism, Weber notes that the Chinese economists who were the most ardent proponents of market fundamentalism in the 1980s had often been equally enamoured with comprehensive socialist-planning models in the 1950s. She points out that both visions—of perfectly functioning markets and perfectly functioning plans—are products of the same type of theoretically driven rationalist thinking. She might also have noted that in his time Mao was for the most part an obstinate adversary of such planning fantasies. He was, as she says, an extremely disruptive force, more interested in continuing the revolution than in building permanent institutions, and consistently favouring political mobilization over economic incentives. Yet in the process, he also repeatedly promoted decentralization and local initiative, which—unintentionally but inevitably—fostered exchange outside of the plan.

Adjusting Weber’s framework a bit, we might contrast theoretically driven economists who sought to find perfect economic models—whether based on planning or on self-regulating markets—with political leaders who saw economic policies merely as instruments to accomplish programmatic goals. Mao and Deng both belonged to the latter category, although their programmes were different. Both were intent on developing China’s economy in order to accumulate national wealth and power. But as long as Mao was alive, this project had to share space with radical-collectivist and class-levelling goals. The CCP’s egalitarian and collectivist ethics would not tolerate anyone ‘getting rich first’. When Deng came to power, he emphatically rejected these other goals; the singular project became the accumulation of national wealth and power, and to achieve this he insisted that some would have to be the first to get rich. In terms of the accumulation of national wealth and power, market reform has been a spectacular success in China and a dismal failure in Russia. Because this is the metric of Weber’s comparison, the lesson driven home by her book is that the transition from socialism to

capitalism does not have any foregone conclusion; in terms of economic growth, *How China Escaped Shock Therapy* implies that success or failure depends on the strategies that leaders employ.

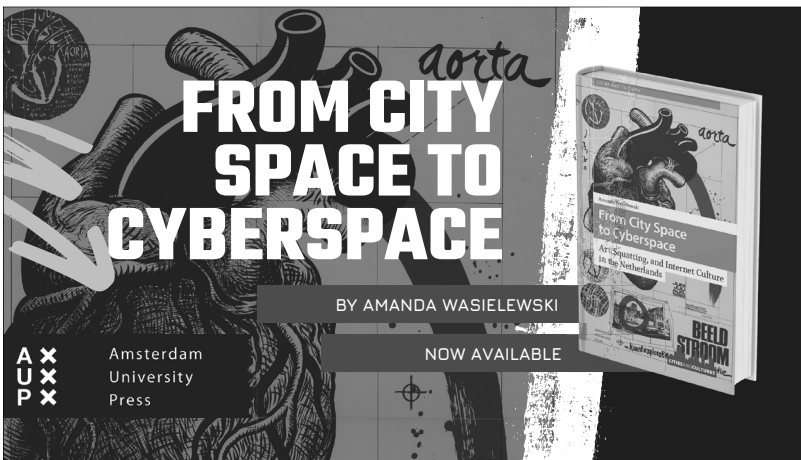
The outcomes are more consistent, however, if we use a different metric—economic inequality. Weber herself is almost exclusively interested in GDP growth and does not explore this aspect. Nevertheless, this becomes strikingly evident in a graph (below) she reproduces from the World Wealth and Income Database, which sets out income trends for different strata of the Russian and Chinese populations between 1980 and 2015. China’s version of state socialism was a good deal more egalitarian than Russia’s, but the transition to capitalism has had the same impact in both countries—a huge increase in the income gap, with the top 1 per cent doing decisively better than the rest. The figure shows just how catastrophic shock therapy was for the entire Russian population, with incomes halving in the space of five years. It was particularly rough for low earners, who saw their income plunge below \$1,000 at market-exchange rates, below even the level of the poorest half of the Chinese population.

China’s and Russia’s Average Incomes per Adult by Population Quantile, 1980–2015

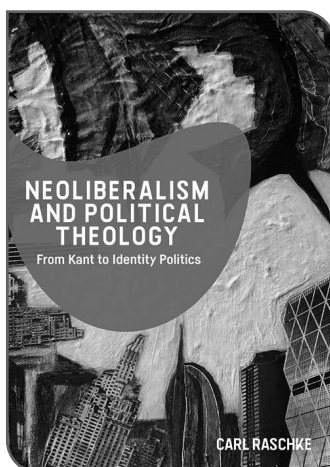
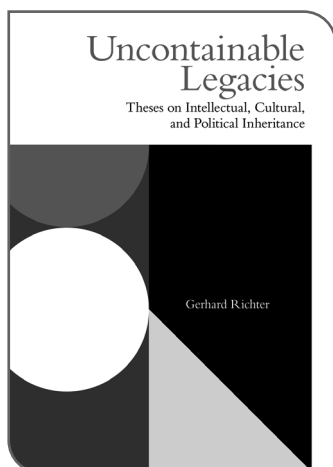
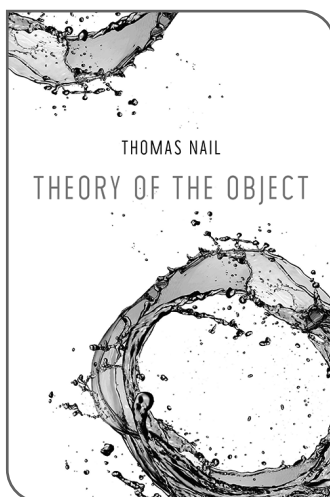
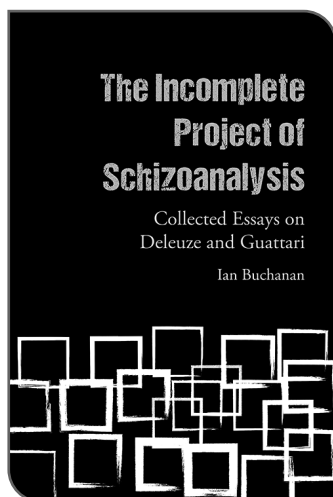


Source: World Wealth and Income Database, 2017.

If we start from the trough of the mid-1990s, which marks the beginning of the intensified capitalist transition in China as well as in Russia, the trends in both countries are strikingly similar. Those at the bottom have seen their incomes inch upward roughly in tandem, while they have watched those at the top grow fabulously wealthy. The close alignment of the income ratios in China and Russia by 2015 suggests that the transition to capitalism does, in fact, have at least one certain outcome, whatever strategies leaders employ to get there. With or without shock therapy, capitalist transformation produces socio-economic polarization, in global conditions the *Guanzi* economists never knew.



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Franco Moretti, *Far Country: Scenes from American Culture*
 Farrar, Strauss and Giroux: New York 2019, \$15.99, hardback
 144 pp, 978 0 374 27270 8
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 144 pp, 978 1 78873 724 1

DAVID SIMPSON

CUTTING TO THE CHASE

A new book by Franco Moretti always arouses for this reader the expectation of an uncommon experience of pleasure in the text. Sentences nudge and pull in all sorts of directions, extended details give way to emphatic epitome, brilliant connections adorn almost every page, and exposition is so economically staged that one is left wanting more, not less. High theory, for sure, but also ordinary language; plenty, more than plenty to go on for the professional academic reader, but nothing so professionally overloaded as to drive away the curious non-specialist. In his latest book, *Far Country*, based on a series of lectures on literary history given at Stanford, the writing is explicitly directed at preserving some of the attributes of the spoken word; hence, Moretti says, the ‘staccato paragraphs’ and ‘compressed’ style. But in many respects it is not too different from the author’s style elsewhere: both engaging and arresting.

Throughout his career, from the formalist-historicizing analyses of *Signs Taken for Wonders* (1983) to the exploration of symbolic forms in *The Way of the World* (1987) and *Modern Epic* (1996), to the neo-scientific and macro-sociological studies in *Atlas of the European Novel* (1998), *Maps, Graphs, Trees* (2005), *Distant Reading* (2013) and *The Bourgeois* (also 2013), Moretti has consistently cultivated new critical methods. Rather than advancing the frontiers of theoretical innovation, *Far Country* addresses the questions of how and why to teach literary history. Method is very much at stake here, though, in a book that includes hyper-close readings of Whitman, Baudelaire, Hemingway and Stein, as well as chapters on American cinema genres (the Western and *film noir*), theatre (Miller) and painting (Vermeer and Hopper, Warhol and Rembrandt).

Commenting on his commitment to ‘clarity’ as well as ‘complexity’, Moretti hopes for his readers to ‘work, and not just to follow’. Standard exhortations, perhaps, that do not do justice to the scope and flair of the Moretti sentence, of which one might say, as Coleridge said of Wordsworth, that if one picked up an unmarked page lying in the street, one would know him as its author. Not that clarity and complexity, and working instead of consuming, are trivial priorities: they are the yardstick of what Moretti understands by a commitment to the democratization of culture—and ‘clarity is the principle of equality in the world of ideas’. But it is not so much the democratic impulse, admirable enough to be sure, as his insistence on the importance of instilling in his students a sense of wonder—‘I wanted them to be as struck by Whitman’s meandering verses as their grandparents might have been’—that comes closer to capturing the character of this work. He puts things together in unpredicted and often breathtaking ways.

That said, after a few pages of *Far Country* I began to wonder (in a quite different sense) whether it might have been mistitled. I had pegged it as bidding to contribute to a long tradition of books by Europeans about America (that is, the United States of America): Dickens, Fanny Trollope, Maryat, Tocqueville, Lawrence, all the way to Baudrillard; estimations of what’s right and wrong, admirable and deplorable, inevitable and undetermined, with theories and reflections about whys and wherefores. Here would be a distinguished cosmopolitan intellectual looking back, now from afar, on the place where he spent a good part of his life. The book’s title suggests a certain nostalgia, whether for what has been or is still to be, for something that may eternally be out of, or hard to, reach: but it also riffs on Anthony Mann’s 1954 Western, *The Far Country*. Sure enough, the opening chapter is an account of the teaching Moretti used to do, in a place in which he no longer dwells. And here his thoughts are relatively familiar, even somewhat commonplace: form is the vehicle for antagonism and dissonance, which are the indices of historical crises that are, when embodied in literature, open to recapture and revivification. So far, so Adorno. Not a wholly promising start, one might surmise.

But one would be wrong. There is a deft early footnote that gives notice of what is to come, specifying democracy, violence and consumer capitalism as the threefold supports of American hegemony: the lineaments of a thesis, or a common grounding, and an echo of D. H. Lawrence’s and Leslie Fiedler’s still urgent diagnoses of the darker archive of American literature. And now the engines begin to hum and we move up through the gears. Walt Whitman’s serial catalogue of ‘types’—never persons, Moretti explains—reflects an atomistic isolation of each from all, the ploy that allows the poet to insinuate a condition of equality that is nothing more than the accumulation of this and that, and this and that. No mediation, no interaction, no

conflict, each sufficient unto itself and requiring no response: American democracy, maintained only by an eerie silence about the genocide of native peoples, and a minimal and slippery notation (wholly inadequate to our eyes now) of the existence of chattel slavery.

Moretti's turn in the same lecture from Whitman to Baudelaire stages a montage of new and old worlds, of the repeatable with the unrepeatable item, of simplicity with enigma, of an uncomplicated present-future with an unrecoverable and often lamented past. Baudelaire's words require the meditative contemplation that Whitman's words discourage, in their helter-skelter imperative to keep us moving along: old-world patience and complexity against the aesthetic of rapid consumption that indexes American life, of which Whitman is the poster-boy. On to Hemingway, in the next lecture, where simplicity takes form as redundancy and repetition, the same words and phrases used over and over again. Somewhat like Whitman, but not quite: here the dominant style is understood as the life of language after the experience of the trenches in World War One. Hemingway's prose, Moretti proposes, is all about control, whether of the sentence itself or of the simple technologies of hunting and fishing whose details it communicates, thereby reinscribing a faith in the basic efficiency and independence of the male body that had been so traumatically destroyed by confrontation with modern mechanized warfare. Control and security: Hemingway's style is about staying safe, or writing as if one could stay safe, with just enough danger of the primitive sort—wild animals, for instance—to keep us alert. But the men are still killers, however simple their protocols. Gertrude Stein uses some of the same techniques but differently, making her texts harder to read, not easier: too much time in Paris, perhaps.

Montage is a good word to sum up how Moretti works: here's this, now that. And within that, there's this. Form against form, as he terms it. The implicit slash of montage—A/B—does not create a third thing that subsumes both the others: this would be the Hegelian mode that Moretti declines in favour of preserving dissonance and contradiction. It is this *and* that, together in time and place but quite different in kind, and to be thought together not as aesthetic wholes but as fractious components of an ideology. Hence his pairing, in the third lecture, of the Western with the *film noir* being produced in Hollywood at more or less the same time: one genre all space and light, the other all tight angles and darkness; contemporary but antithetical, as Moretti puts it. The Western relies upon full-screen open space, tiny figures in the landscape, constant movement—the Pacific coast is never reached, the wagons never roll downhill for long—and life lived wholly in the public eye: few private interiors; stagecoaches yes, but not covered wagons. There is no idleness, unless around the campfire after a long day's work—but the work does not produce anything except motion

itself. The point of keeping going is to keep going: settlement would end the story. James Fenimore Cooper's *The Pioneers* (1823) showed, long before the Western, that getting into the business of describing settlement soon reveals an ugly side to life.

Individuality here is really typicality, just as in Whitman's transcription of America: the law man, the outlaw, the preacher, the teacher, the good-hearted barmaid. Flatly against the historical record, Native Americans appear as if intruding on a story in which they do not belong, set in a land that is not theirs. Critical conflict occurs between the races, and racial otherness solidifies the white mission. (The existence of an occasional critical counter-type does not invalidate Moretti's case.) Above all there is violence, which is legitimated in a multitude of ways: always reluctant, only ever reactive or retributive, or carried on with chivalric openness and integrity, even though the record suggests the prevalence of shootings in the back. *Film noir* is the opposite: an intact state apparatus (absent in the Western), lots of words (sparing in the Western), complex deceits and self-deceits, inscrutable women with definitive agency, and thoroughly non-chivalric fatal violence. In short, darkness visible. Only the ubiquity of killing turns montage into chiasmus: killing on all sides.

It was the Western, Moretti argues, and not *film noir* that took the world by storm and provided one of the pillars of American cultural hegemony. *Far Country* does not discuss the *noir* Western, but to produce examples—the claustrophobic interiority of *3:10 to Yuma*, for example—does not in itself undermine Moretti's typology so much as demonstrate its flexibility. The international appeal of the classic Western is read as a response to yet another global war, bringing even more death and destruction than its predecessor. After 1945, much of the world was in want of the bright light, open space and clear moral distinctions apparent in the filmic imagining of the settler-colonial experience of the West, shorn of most of its massacres and horror stories, so that violence appears as sanitized, minimal—and above all, as necessary. (Cooper's Natty Bumppo is the prototype, as D. H. Lawrence showed in his *Studies in Classic American Literature*: cool, shooting from a distance, only as necessary and always accurate; but then any 'Mingo' is fair game.)

Conclusions are to be pondered, but that is work for us to do: Moretti stays determinedly within the world of the aesthetic form, resisting the further meditation on violence that seems almost irresistible in our present moment. Instead, we move on from film to drama, with a short chapter on *Death of a Salesman*. The play's hesitation over whether death occurs by suicide or by accident locates it within Moretti's previous work—for example, studies on Ibsen and on the *Bildungsroman*—on the symptoms of bourgeois life. Whitman's uncomfortably vitalist types always carried with them

a whiff of death, or at best of life lived in cartoon format. In Miller's play, all has turned to ashes. Salesmanship as a personally fulfilling or socially constructive vocation exists only in the rhetoric of nostalgia—nostalgia for what probably never was.

The exposition of Arthur Miller is the most conventional section of the book, and for me the least arresting. There is no use of montage (though Büchner's *Death of Danton* flashes up to suggest that Willy's 'historical moment'—the time when a travelling salesman could bring middle-class comfort to his family—has already passed). But with the fifth lecture we are back on track, with a pairing of Dutch painting/American painting, and within that of Vermeer/Hopper and Rembrandt/Warhol. Or, bourgeois plenitude/bourgeois emptiness. The aging process painstakingly recorded in Rembrandt's extensive series of self portraits bespeaks a recognition of temporality and mortality of the sort that Moretti has traced in Baudelaire. In Warhol there is no temporality, because his subjects are as if already dead—ripe for passive reproduction and meaningless modification, one of a kind while staying always the same. In place of Rembrandt's inscription of inner life, Warhol is all surface, allowing Moretti to take us back to Whitman: just one person-thing after another. Vermeer's intense but gentle light illuminates a sociable world, full of people and the things they interact with. Hopper's equally famous light, along with his supplanting of depth by surface—like looking into an aquarium, says Moretti—suffuses an immense loneliness and inertia, as if life is really still life. Vermeer's people are busy, Hopper's without visible purpose.

True, taking the art of the Dutch Republic, a moment of high bourgeois optimism and success, and pairing it with that of Depression-era and late-consumerist America, is going to produce some stark contrasts that cannot simply be attributed to a national-geographical analytic. Does it matter that Vermeer, unlike Hopper, paints mostly women, or that his subjects are upper-middles, surrounded by cherishable objects, while Hopper's are more downbeat and often bereft of possessions? This is a tendentiousness at which Moretti only hints, but makes available to his readers: inward, complex, adult Europe and superficial, reductive, adolescent America. But it is up to his critics on this point to meet him on his chosen turf, that of style and form, and to argue, if we can, that his formal insights—about sentence grammar and vocabulary, or spatial depth relative to the picture plane—can mean something different, something else. To attempt this would be no easy task. The teacher's job is one of suggesting and provoking. The provocation, a brilliant one, comes with putting Hopper and Vermeer together and striking a few sparks. The rest is question and answer.

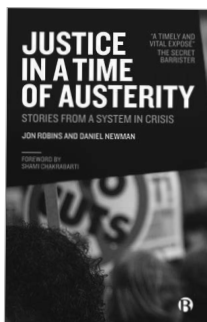
There is no orotund conclusion to this short book, perhaps owing to the author's desire not to move too far from the aura of the lectures on

which it is based. But in the spirit of effort over consumption, working over shopping, there is much on offer here, and much to work with. Early on, in describing his teaching habits, Moretti offers the opinion that as long as the stylistic fragment ('a metaphor, an episode, a grammatical structure') that he picks out for attention can be read, convincingly, as a reaction to a specific historical dissonance—masculinity after World War One, say, or the hopelessness of the Great Depression—then the 'total social process' can wait. This is a declaration of faith in Benjamin, over Adorno, and I suspect that Moretti suspects that the total social process never comes to a halt. I see it as an admission of intent to remain within the limits of what the literary critic-historian does best, in the hope that doing it at its best will allow others to chip away at the big picture with something useful in hand. Moretti begins where Lawrence ends, with Whitman, and they agree about much in Whitman. So here is a montage of my own: Moretti/Lawrence. In *Studies in Classic American Literature*, Lawrence went straight for content analysis, barely citing any passages of text and certainly not subjecting them to a detailed reading. Moretti here works with the 'microscopic' details of style, in a mode that generations of literary critics have made a priority—albeit with analyses founded on formalist rather than aesthetic categories, closer to Leo Spitzer than New Criticism; and with literature viewed both from within and from without—'half literary theory, half social sciences'. Weber, Simmel, Russian Formalism: listing the thinkers whose work informs *Far Country*, Moretti concedes: 'these pages could (almost) have been written a hundred years ago.'

In this he touches on a besetting condition of aesthetic theory: that it has yet to emerge from a foundation in Kant, Schiller, Adorno, Lukács, Benjamin and so on. This can be a source of puzzlement, even despair. How long can we go on spotting dissonance and antagonism in aesthetic forms, and satisfying ourselves with resurrecting, by pleasurable shock, a recognition of a history most of us would likely not have recognized in this way at the time? I certainly do not have an answer, but I admire and will continue to ponder Moretti's confidence in what we have from the past, the tools of our trade. The task of activating 'all aspects of form'—in *Far Country's* telegraphese, these include 'technique, history, pleasure'—is no small matter, because one cannot know where it will lead. Can we do more or better than that? To assume that what we need now is something visibly new may be a concession to the very commodity culture from which humanities work is supposed, after all, to take an estranging distance. Gifted readers and teachers like Moretti remain the best evidence for the value of this work, whose first and final task, in Gayatri Spivak's words, is 'the uncoercive rearrangement of desires' (in *An Aesthetic Education in the Era of Globalization*).

What then of *Far Country's* governing triad for American cultural hegemony? Violence is self-evidently negative, and consumer capitalism little better, while democracy is still struggling to emerge as something other than a sham. Escape is not so easy, however, in a world that has for some time, in Fredric Jameson's words, dreamed itself to be American. This could be changing, but if it is then cultural hegemony, shored up as it is by all sorts of fantasies and marketing systems, may be the last to go. All the more reason to look closely at the operations whereby that culture functions, which include Hemingway's prepositional phrases and John Ford's camera angles. The task of critique is one of bringing to light, rather than delivering jeremiads. What one does with the bringing to light can include all sorts of things, from doing nothing to taking to the streets. (Adorno, we recall, argued that doing nothing was not nothing.) I can't imagine many of Moretti's students coming out of class thinking that the professor had been unfair or doctrinaire, although they might grumble that race and gender matters were not on the front burners as much as they'd like them to be. And social class? At times it seems that we are all part of 'the long arc of bourgeois self-presentation' about which Moretti has been writing for so long. Class is a factor in the contrast between the undergraduates he taught in the winter of 1979, his first job at the University of Salerno—students and teacher alike wearing their overcoats to class, due to the vagaries of the heating system—and those at Stanford, the world's richest private university. But the task, Moretti says, was the same: help them think, help them read, help them wonder.

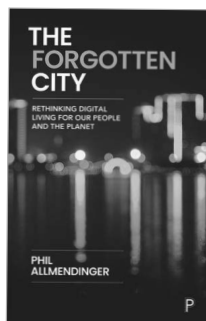
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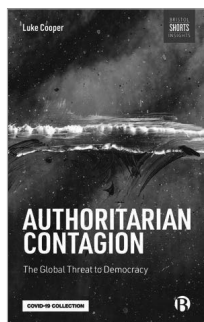
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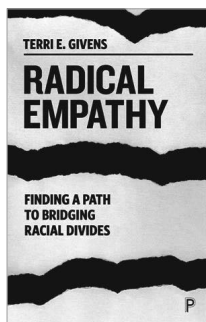
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Ben Bland, *Man of Contradictions: Joko Widodo and the Struggle to Remake Indonesia*

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EXPLAINING JOKOWI

Leapfrogging from a provincial furniture factory to become President of Indonesia, Joko Widodo was greeted by a *Time* magazine cover hailing him as ‘A New Hope’ for the world. He swept into office in 2014 on a wave of promises—clean government, a crackdown on corruption, a ‘slim’ parliamentary coalition with minimal horse-trading, improved economic growth and infrastructure, better access to basic health and education support. *Tempo*, the flagship Jakarta weekly, celebrated with a cover photo of Jokowi moshing in their editorial office even before the vote was officially counted. Fifteen years on from the overthrow of the Suharto dictatorship amid the turmoil of the 1998 Asian Financial Crisis, it seemed that the grip of the tycoons and generals who had cemented their power over Indonesia under Suharto’s New Order might finally be weakening. Symbolically, Jokowi’s defeated opponent in 2014 was Suharto’s son-in-law Prabowo, a millionaire general responsible for serial atrocities in East Timor and for repressing the democracy movement in 1997–98. Five years later, however, after increasing his majority in the 2019 elections, Jokowi appointed Prabowo as Minister of Defence, in a cabinet that boasted a notorious police chief as Interior Minister, another general as Minister of Religion, and tech and media barons overseeing education and the nationalized industries.

Numerous books about Jokowi have been published in Indonesia, but most veer towards hagiography; his (ghost-written) autobiography is, naturally, self-satisfied. Ben Bland’s *Man of Contradictions* is the first English-language biography to appear. Bland, a former reporter for the *Financial Times*, later foreign-policy analyst and the director of the Southeast Asia Program at the Lowy Institute in Australia, is critical of this puffery.

But he also declines to see Jokowi as ‘a man who has fallen from grace and sold out the promise of reform’, viewing him instead as an ‘enigmatic figure’, a bundle of contradictions trapped by the historical contradictions of the country he rules—‘a nation that charms, confuses, and confounds in equal measure’. In other words, rather than simply telling Jokowi’s life story, Bland wants ‘to use the incredible tale of the small-town furniture maker turned world leader [*sic*] to shed some light on the story of Indonesia’, so as to understand where Jokowi and this vast archipelagic nation are heading. This is quite a tall order to complete in less than two hundred pages. But *Man of Contradictions* can also tell us something about mainstream Western ideas of what is ‘wrong’ with our country.

Hashing out the media clichés—‘a simple boy from a simple family’, ‘the underdog challenger’ who grew up in ‘a riverside shack’, yet could ‘electrify an election campaign without saying much’—Bland retains some of the conventional guff about Jokowi’s modest upbringing. But he also provides enough evidence to dismiss it. While Jokowi may not have had the personal wealth of Indonesia’s Top Hundred business and political elites, he was by no means destitute. He was born in 1961 to a struggling middle-class family in the provincial city of Solo (Surakarta), central Java—his father made a living selling bamboo furniture. Jokowi took a degree in forestry at the Gadjah Mada University in Yogyakarta and worked in his uncle’s furniture factory before setting up his own in the late 1980s. He proved adept at extracting loans from the Suharto government’s small-business programme, and by 1991 was a fixture on the international furniture expo circuit. By the time friends in Solo were canvassing him as a possible candidate for the 2005 mayoral elections, Jokowi was a dollar millionaire—a wealthy ‘emerging patrician’, in Bland’s phrase—while his wife had opened a large wedding hall, catering to the city’s aspirational business class, and their children were studying in Singapore. Two years later Jokowi was setting up a timber venture in financial cahoots with ex-military tycoon Luhut Pandjaitan, a former US-trained commander of Suharto’s ‘Hunter Killer’ Special Forces in East Timor, now expanding his mining and forestry interests. Luhut would later be President Jokowi’s Chief of Staff, with special responsibility for trade, investment, mining and energy.

Bland’s account offers some antidote to media portrayals and common perceptions—crafted and honed for years by Jokowi—of the hardships the president had to overcome on the way to the top. He also rightly stresses that Jokowi had the advantage of looking like a fresh outsider in a country where politics have for decades been dominated by the families of oligarchs and generals, presiding over a civil service notorious for absenteeism and neglect of its duties. In Solo, Jokowi made a practice of *blusukan*, a Javanese word for impromptu spot checks—descending with his retinue upon a

slum neighbourhood or street market to listen to the problems of the *wong cilik*—‘small folk’—and set them right. ‘Pencil-slim, word-shy’, with his trade-mark exclamation of *kerja, kerja, kerja!* (‘work, work, work!’), Jokowi maximized his persona as a popular man-of-action during his seven years as Mayor of Solo. Bland shows that, rather than reforming the system at City Hall or restructuring the bureaucracy, Jokowi pushed persistently for concrete, incremental improvements. For all its limitations, this was a record that paid electoral dividends. It would be lionized by the media in his 2012 campaign for Governor of Jakarta and his leap to the presidency two years later. Importantly, however, Jokowi’s talent for *blusukan* was matched by his ability to corral the support of local and national elites through his flair for what Bland calls ‘retail politics’; it was they who supplied him with the cash and contacts that drive electoral politics in post-Suharto Indonesia. Cameron Hume, the US Ambassador to Indonesia, was another fan of the ‘dynamic and immensely popular’ mayor. Bland comments drily: ‘This knack for charming foreigners would prove indispensable to Jokowi later in his career.’

The methods Jokowi honed in Solo had a certain folksy charm and worked relatively well in the early days at provincial-city level. They remained his default procedure when he moved to the national stage. But however carefully stage-managed, *blusukan* was inoperable as a mode for managing a population approaching 300 million, or steering a federal state of three dozen ministries, plus hundreds of directly elected governors, mayors and regents. Already overstretched in Jakarta, Jokowi’s can-do approach crumbled in national politics. Today, with a bloated coalition around him, he can no longer play the card of the outsider. ‘The very facets of his personality that made him such a good city mayor would, in the end, limit his ability to pull off the radical changes Indonesia needs’, writes Bland. The contradictions between Jokowi’s man-of-the-people image and his reliance on elite backers became ‘ever more apparent’: he had no plan for how to manage the ranks of ‘oleaginous politicians, tycoons and generals that lined up around him’ as they sensed power shifting to a new leader. *Man of Contradictions* has few illusions about Jokowi, describing him as a ‘pragmatic’ figure, who has ‘rarely shown much outward ambition or interest in politics’, and ‘often makes policy on the hoof, without any solid analytical basis’. The reason for such myopia, according to Bland, lies in his background: ‘if you want to understand Jokowi the politician, you must understand Jokowi the furniture maker’. His book attempts to use this dictum as a key to unlock the meaning of Jokowi’s decade in office for Indonesia’s economy, democracy and foreign policy.

Predictably, as a man from the *FT*, Bland diagnoses Indonesia as suffering from a legacy of ‘post-colonial hostility to economic liberalism’, whose

symptoms include ‘a deep historical scepticism’ towards Western notions of free trade. The country’s besetting sin is protectionism, for which Sukarno’s rhetoric of self-reliance and the family basis of the traditional economy share the blame. Bland had originally hoped Jokowi would be a liberal economic reformer who would finally ‘set the good ship Indonesia on the correct course’. He confesses his disappointment. ‘Protectionism runs much deeper in Indonesia than many economists like to admit’, he insists, arguing that in this too Indonesians are contradictory, if not hypocritical—while complaining about the import of foreign beef, they prefer it to domestic meat. Jokowi’s quest for foreign investment but rhetoric of self-sufficiency are expressions of this national pathology. Bland supplies a long list of questionable infrastructure projects, stymied by lack of coordination across government departments and exacerbated by Jokowi’s ‘ad hoc leadership style’.

Tensions between electoral democracy and ‘illiberalism’ are framed in a similar argument. While touching on the president’s meddling with the Corruption Eradication Commission (KPK), and the growing number of military men he has rewarded, *Man of Contradictions* sees the high-profile downfall of Ahok, Jokowi’s successor as Governor of Jakarta, ousted under Islamist pressure, as the main evidence for a ‘rising tide of authoritarianism’. In Bland’s view, Ahok’s ‘uncompromising but effective approach’ to running Jakarta put him on course to be re-elected in 2017 (in fact, he had not been elected in the first place, simply sliding into the position of governor when Jokowi jumped to the presidency). But when Ahok—a Chinese Christian in a Muslim-majority city—made a casual reference to the Koran, the issue was swiftly exploited by his opponents. As anti-Ahok protests swelled in December 2016, Jokowi himself joined them, to ‘defuse’ the situation. In abandoning his former ally, Bland argues, Jokowi gave credence to the demands of ‘intolerant hardliners’—a defeat for democracy and pluralism in Indonesia. Ahok was sentenced to two years’ imprisonment for blasphemy. But this is not to say the furniture-maker himself has become an ideological authoritarian: Jokowi has never had a political philosophy, Bland avers. He has simply been shaped by the winds that swirl around him.

So, too, with foreign policy. Jokowi didn’t bother to attend the annual UN General Assembly meetings during his first term—according to Bland, he prefers the G20 and APEC summits, which are all about trade and investment deals, whereas the UN expects payments from its members—and has ‘no strong sense of where he wants Indonesia to go’. Stumbling from one foreign-policy dilemma to another, taking a ‘scattergun’ approach to tensions in the South China Sea, Jokowi lacks any sense of grand strategy. But here again his government reflects the contradictions of Indonesia’s

post-independence history. Like Sukarno, Bland writes, Jokowi talks of Indonesia's self-sufficiency—'we have the natural resources and the human resources, all we need is good management'—while using foreign policy to attract investment. Favouring whoever promises 'the most cash and the fewest conditions' leads to closer ties with China, at a time when the US is 'desperate' for regional partners. The upshot of Jokowi's incoherent vision is 'an Indonesia that confounds—seesawing between nationalism and globalism.'

This, then, is the balance sheet of *Man of Contradictions*: Jokowi has made growth the centrepiece of his administration, but he has been unable to square the desperate need for foreign investment with a culture of protectionism and scepticism towards economic liberalization. As a 'democratic reformer', he has been 'caught between the promise of democracy and the deep roots of authoritarianism in Indonesia.' He has called for religious tolerance and diversity, but has ended up 'co-opting, or being co-opted by', the forces of conservative Islam. How does Bland explain this record? Essentially, in terms of the transactional *personality* of Jokowi, and by extension the *culture* of Indonesia. For Jokowi's contradictions are those of his society, with its 'authoritarian roots and its democratic promise'.

Before addressing this explanation, it is worth setting out some of the limitations of Bland's account and the blinkered vision they reveal. To start with the economy: criticism of Jokowi's performance as insufficiently liberal is not accompanied by any conspicuous interest in whether it has been responsibly social. Only 20 per cent of Indonesians can be classed as 'economically secure' and, while official unemployment has gradually fallen, under-employment remains widespread. Pre-pandemic growth rates of around 5 per cent under Jokowi—slower than Vietnam, Malaysia or the Philippines, though faster than Thailand—have failed to generate decent job creation. Underlying this is a trend which economic liberalism can only exacerbate. Since the 1997–98 Asian financial crisis, Indonesian manufacturing has contracted, ceasing to be the engine either of growth or of job creation. By contrast, as Muhtar Habibi and Benny Hari Juliawan spell out in the *Journal of Contemporary Asia* (2018), mining has thrived, with licenses jumping from about 600 in 1999 to 10,000 in 2013, and now makes up 22 per cent of export values.

But mining is also land-hungry, exacerbating rural dispossession and environmental destruction, contributing only a paltry 1.4 per cent to employment. Meanwhile, World Bank and Oxfam studies report that the gap between the richest and the poorest has grown faster than anywhere else in Southeast Asia, leaving Indonesia with the world's sixth-worst ranking in wealth disparity. The country's Gini coefficient hit a level over 0.45 in 2018. Bland concedes that 'tens of millions have been left behind' and

'Indonesia still suffers from high levels of deprivation', but such admissions are marginal to his narrative. Similarly, his condescension about foreign-beef consumption is jaw-dropping in its social assumptions: beef is an inordinately expensive source of protein compared to tempeh, tofu, eggs, fish or chicken. Indonesian meat consumption is among the lowest in the world. The OECD reckons that Indonesians consume only 2.4 kg of beef per capita per year, compared to over 18 kg in Australia and 26 kg in the US.

Man of Contradictions rightly observes that Jokowi has 'no lucid vision of how he wants to remake the economy'. Yet using the lens of Jokowi's personality scarcely explains why similar problems plagued his predecessors. Inadequate infrastructure, gaping inequality and 'economic nationalism' persisted under Yudhoyono, despite his contrasting personality, penchant for strategic analysis and the benefit of booming commodities. More to the point, both are products of the post-Suharto transition, in which—as Max Lane argues in *Continuity and Change after Indonesia's Reforms* (2019)—the dictatorial regime was restructured as a multiparty system to ensure the continuity of the socio-economic relations inherited from the New Order.

Bland's account of Ahok's ouster also fails to reckon with the skewed social relations in play. There is no discussion of the way Jakarta's provincial government under Ahok carried out hundreds of forced evictions in 2015 and 2016—displacing more than 16,000 poor families, according to the Jakarta Legal Aid Institute's 2016 report, *Seperti Puing* ('Like Rubbish'). Yet, amid yawning inequality and under-employment, this was a major issue in the 2017 gubernatorial debates. Bland does not mention that Ahok was released early from prison, or that Jokowi then appointed him Presidential Commissioner to the state-owned oil and gas giant, Pertamina. Ahok's name was also floated for managing the relocation of Indonesia's capital from Jakarta to a remote location in Kalimantan, the boondoggle of a 'Jokopolis' fancied by the president. The treatment of Ahok was thus not simply a case of Jokowi cutting an ally adrift to save himself by appeasing religious conservatives. Bland's insistence upon a narrative pitting illiberalism against pluralism detracts attention from the larger pattern of broad-based socio-economic grievances—an increasingly skewed distribution of wealth, growing inequality of income, predatory elite patronage and cynical transactionalism—that require the threat of coercion for their continued reproduction. *Man of Contradictions* also overlooks the drift towards 'repressive pluralism', already underway, where in the name of Indonesian tolerance more discriminatory, securitized measures can be taken against loosely defined 'Islamists'. As Greg Fealy discusses in a recent contribution to the *Bulletin of Indonesian Economic Studies* (2020), under Jokowi's—no doubt, distant—oversight, more systematic and far-reaching state efforts to battle the dangers of Islamist 'extremism' and 'radicalism' have been

initiated, mostly outside of public view, including through opaque surveillance and vetting programmes.

What of Bland's explanation for the 'authoritarian roots' of Indonesian culture? In perhaps the most revealing sentence of his book, he remarks of the post-Suharto transition that 'by opting for a process of graduated change from within rather than a revolution, Indonesia avoided the immense bloodshed and extreme uncertainty that would have accompanied efforts to truly dismantle the *ancien régime*.' The sigh of relief is nearly audible. No pang of regret at the massacres of 1965–66 on which the New Order was built—bloodshed incomparably vaster than anything that clearance of the debris of Suharto's tyranny would have involved—crosses the page. Of course, 'the price of a mostly smooth and peaceful transition has been to leave Suharto-era figures and institutions with a seat at the table.' But that is no cause for concern, for 'what is different today is that these players need to work through politicians who have genuine popular appeal in order to win in Indonesia's mostly free and fair elections.'

In other words, the continued gagging of the past and beatification of Suharto-era figures and institutions in today's oligarchic system is scarcely a problem for democracy in Indonesia, since these are covered by genuinely popular politicians, elected, as Bland repeatedly emphasizes, on 'turnouts that put Western democracies to shame'. Absent from this pleasing image is any attention to the machinery of electoral rules and campaign finances, of social intimidation, manipulation of religion and media concentration that have neutered elections as meaningful choices for the bulk of citizenry (much of this is documented in Ross Tapsell's *Media Power in Indonesia*, 2017). For Bland, Jokowi is the triumphant winner of 'two resounding victories in the world's biggest direct presidential election—divisive Indonesian politicians cannot hide behind an electoral college as they can in the United States.' Yet though Indonesia has no electoral college of the American sort, this is still a cut-throat system of dysfunctional political financing, tight nomination and party-entry thresholds and deeply embedded Suharto-era personalities and institutions; an arena that favours candidates with ample economic resources, broad media presence and connexions to oligarchic capital. Bland admits that Indonesian parties 'operate more as vote-getting machines at election time and patronage distribution machines once in power', but closes his eyes to the structural forces governing the character of competition between them.

He contents himself instead with the thought that 'unhelpfully for outsiders looking for straightforward analytical frameworks, there are no easy dividing lines over ideology or policy. There is no left-wing versus right-wing split, as we see in many democracies.' Yet across Asia, the disappearance of divisions between right and left—cleavages clustering instead

around dynastic, communal, regional or factional conflicts—is a feature of many societies, including democracies, suffering from what Wang Hui has called ‘depoliticized politics’ (NLR 41) after the traumatic suppression of their past. How much more is this true of Indonesia, where over half a million people were murdered, tortured or ostracized in 1965 and any discussion of Marxism or Communism is still legally and hysterically banned—as increasingly now too any serious criticism of the government. (A draft revision to the penal code, RKUHP, recently circulated after discussion in parliament, contains an article outlawing insults that ‘violate the dignity of the president or the vice president’ in public or on social media, with charges of three years’ imprisonment or a \$14,000 fine.)

Bland notes the anti-Communist ban in passing, only to discover a ‘curious analogy’ between the paranoid fears of the Indonesian military and warnings from the ruling parties in China and Vietnam of plots by ‘hostile foreign forces’. Though an echo of bygone red scares might be expected from the Lowy Institute, official xenophobia is obviously not confined to Communist countries. As more and more countries struggle to make democracy great again, amid soaring inequality, un(der)employment, tokenized diversity, and popular protests against all of these, to think otherwise is to bury one’s head in the sand. *Man of Contradictions* is not unaware of some of the deficiencies of political life within such parameters. But rather than untangling the historical forces shaping them, Bland suggests that the proper response to Jokowi and the society he rules is ‘a heavy dose of realism about the *nature* of both Indonesia and the man’. While ‘wide-eyed human-rights activists’ may have interpreted Jokowi’s evolution into an unscrupulous transactional politician as a sign of a ‘character weakness’, he retorts to these ingénues that, as Robert Caro said of LBJ, power revealed the true nature of a politician rather than (*per* Lord Acton) corrupted it. Yet both views—the illusion that Bland dismisses and the revelation he proposes—make the same mistake of putting too much emphasis on the character of an individual, divorced from the economic and political forces governing his range of action. The effect is to over-individualize and culturalize the historical issues at stake. Or in other words: that’s just how Jokowi is, and that’s the person that the majority of Indonesians chose as their president. Realism, in this view, can never be critical.

But to use the optic of Jokowi’s ‘nature’ to tell the story of Indonesia makes little sense. Bland seems to think that the main problem with Indonesia, as personified by Jokowi, is a belief that democracy is a tool for development, a ‘means of delivering social and economic benefits’ rather than ‘upholding rights and civil liberties’. Expressing his discomfort with such an ‘illiberal view of politics’, he nevertheless urges his readers that ‘it is better to acknowledge this complex reality than to harbour unrealistic

expectations of democratic transformation, or unfounded fears of a full return to authoritarian rule'. Yet *Man of Contradictions* makes little effort to explore the complexities it invokes. It fails to engage with arguments situating this 'illiberal turn' in its historical setting, with deepening inequalities feeding increasing competition, patronage networks and predatory or transactional practices (see, for example, the recent discussion by Rachael Diprose, Dave McRae and Vedi Hadiz, 'Two Decades of *Reformasi* in Indonesia: Its Illiberal Turn', in the *Journal of Contemporary Asia*). Nor does it consider David Bourchier's careful research in *Illiberal Democracy in Indonesia* (2016) into the ideology of the 'family state' which brooks no opposition, perfected under Suharto. Bourchier also explores the extent to which failure since Suharto to contain corruption, inequality, violence and religious intolerance has bred longings to re-embrace not only more authoritarian styles of rule, but also figures and institutions from the past. This careful historicization is alien to Bland's mode of *soi-disant* realism about Indonesia's apparently unchanging 'nature'.

The use of Jokowi's personality and life story as a *passe-partout* to the country neglects not only its socio-economic sores, but the increasing use of military, legal and security forces to suppress dissent and entrench oligarchic power and corruption. Bland is critical of the swelling role of the military, but has less to say about that of the police. Yet along with the praetorian guard of top military brass in his inner circle—generals like Luhut, Prabowo, Wiranto, Moeldoko, all with infamous records of savagery—Jokowi has also not only appointed former National Police chief Tito Karnavian as Minister of the Interior, but an unprecedented number of police generals to senior civilian positions in government, state-owned enterprises and independent state agencies such as the anti-corruption watchdog KPK, despite their lack of qualification for these roles. In July 2020, Jokowi issued a Presidential Decree ordering the intelligence agency, BIN, to report directly to him rather than to the Security Minister. The result of all this has been a predictable rise in state-sponsored intimidation and attacks on government critics.

Online, regime initiatives include taking down, hacking and doxing social-media and messaging accounts. In one well-known case, the WhatsApp account of researcher and activist Rавio Patra was taken over and used to spread inflammatory messages, which then became the pretext for his arrest and confiscation of his devices. Since 2019, such instances have become increasingly common. Groups like Indonesian Corruption Watch and WatchDoc have had their social-media and WhatsApp accounts hacked, while news outlets like TEMPO and Tirtoid have had their websites attacked and articles removed. An online regulation was rolled out in 2020 requiring social-media companies to comply in taking down content

deemed 'Prohibited by the Government'. There has also been a stepped-up deployment of bots and mercenary influencers, or 'buzzers'—'buzzeRp', as activists call them—to create counter-narratives: manipulating news and opinions to favour the regime. From late 2019, as protests grew against Jokowi's omnibus 'Job Creation Bill'—a raft of reactionary legislation rammed through in the dog days of the parliament—social organizations and influencers were enjoined by the police and intelligence services to support the Bill, and 'cyber patrols' were deployed to monitor and deter protestors. Universities and schools were warned not to let their students and staff get involved. Similar directives went to the business sector.

The longer Jokowi serves in office, the more apparent becomes the dire combination of decades of economic malaise and his option to shortcut his lack of any coherent strategy, amidst pandemic and recession, with expanded and securitized executive power. While many states have mobilized their armed forces to cope with COVID-19, Jokowi has treated the public-health crisis and accompanying socio-political problems as security questions, interfering with his fixation on economic development. Military and intelligence agencies have even been given a warrant to produce clinical tests and remedies for infection, despite their lack of medical qualifications. Meanwhile regulations widening the duties of the security forces, to 'increase discipline and national productivity', continue to pour out.

Nowhere has this escalation of repression played out more lethally than in Papua. There, the policy of every Indonesian regime has remained the same: to co-opt, divide, dilute or crush resistance and call it 'development'. Despite frequent visits by Jokowi to Papua, and early gestures in freeing some political prisoners and foreign journalists, there has been no fundamental change in Jakarta's treatment of its possession, where security forces have often defied instructions from the capital. For all his professions of good will, Jokowi remains reluctant to engage in any meaningful dialogue about Indonesia's long history of repression and systematic violence in the island, perhaps believing with typical myopic obstinacy that all this will vanish of itself once infrastructure and welfare are improved, similar to his approach elsewhere. The fruits of continual stalling and evasion of political dialogue are plain: rates of homicide and the general level of violence, especially around the Freeport area, are higher than anywhere else in Indonesia. When protests erupted in Papua after right-wing vigilante and police attacks on Papuan students in Surabaya in August 2019, thousands of security personnel and unaccountable militia thugs were unleashed in the dependency, the internet was shut down, schools were closed and at least 37 were killed. This year, as conflict intensified with the assassination of a top Indonesian intelligence official, Jokowi designated the armed Papuan independence movement TPNPB-OPM a 'terrorist' organization and

ordered a blanket crackdown, cutting off internet services in the capital on the pretext of damage to the submarine cable.

In effect, rather than taming ‘the octopus of oligarchy’, Jokowi has embedded himself ever more deeply in the tangled web of traditional military and security apparatuses, elite manoeuvres and transactional politics. Bland writes that it was never Jokowi’s intention to reinstate the structures and practice of Suharto’s New Order; he simply reached for whatever practical levers of power could help him achieve his ‘overriding obsessions’: the economy, infrastructure, his personal bank of political capital. Today, sensing perhaps that he cannot hope to fulfil his mission by the end of his second term, he has started to replicate the dynastic traditions of Javanese politics by bringing his kith and kin into positions of power, as trampolines for further ascent. His supporters are already exploring the possibility of extending his term beyond its constitutional limits. Bland bookends *Man of Contradictions* with quotations from Benedict Anderson’s argument that the Javanese tradition of political thought gives priority to the accumulation, not the use, of power. But in the end, what is all this piled-up political capital for? Where, in the words of Bland’s aspirational subtitle, is the struggle to remake Indonesia?



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BEN JACKSON

TITMUSS IN HIS TIME

Historians have sometimes had a tense intellectual relationship with social scientists, since the rise of those disciplines was often pitched as an attempt to improve upon a ‘merely’ historical mode of explanation. Recently historians have begun to turn the tables by writing the history of the social sciences, a burgeoning field that situates the universalist aspirations of social-scientific pioneers in their original time and place. In the case of Britain, where a particular tradition of empirical social investigation has long been entangled with liberal-left politics, scholars have followed in the footsteps of the historically minded sociologist Mike Savage, whose *Identities and Social Change in Britain Since 1940* (2010) encouraged them to look afresh at how post-war British sociology interpreted the huge amount of evidence it had accumulated about class, gender and, increasingly, race. Much of this work has concentrated on revising recent social history by drawing on that source base, in the process calling into question the conclusions the sociologists had made from their studies of, say, working-class life. But as Lise Butler has recently observed in *Michael Young, Social Science and the British Left* (2020), political history can also be revitalized by examining the relationship between social science and the state. The mid-twentieth century was a crucial period of state expansion in Britain, as elsewhere, reflecting a new confidence in the capacity of expertise to manage economic growth and social risks.

John Stewart’s comprehensive new biography of Richard Titmuss gives us an excellent platform from which to view the politics of expertise in this period. Author of a vast oeuvre, including *Problems of Social Policy*, *Commitment to Welfare*, *The Irresponsible Society* and *The Gift Relationship*,

from his berth at the London School of Economics, Titmuss pioneered the academic study of the welfare state—although he disliked the widespread use of the term itself—while acting as both a prominent public advocate for a more egalitarian social policy and an influential advisor to the Labour Party, in opposition and in government.

Of course, a lot has already been written about Titmuss. In addition to the hefty social-policy literature inspired by his work, the leading feminist social scientist Ann Oakley has until now commanded the biographical field. As Titmuss's daughter, Oakley was able to write with authority and insight about both his personal and his professional life. In two outstanding volumes, *Man and Wife* (1996) and *Father and Daughter* (2014), Oakley explored his relationships with his wife, Kay, and with their independent-minded daughter, highlighting the extent to which his public success rested on a highly gendered distribution of domestic and emotional labour. Kay Titmuss, a social worker with the unemployed at the time of her marriage, put aside her own career to support her husband's. Oakley also demythologized the received account of his early life (propagated above all by Kay Titmuss herself) which stressed his humble social origins. As Oakley documented, Titmuss was born in 1907 into a relatively stable middle-class family who farmed in Bedfordshire and was sent to a private preparatory school. The farm failed with the end of protective tariffs after the First World War, and the family moved to the London suburb of Hendon when Titmuss was fifteen. He was enrolled in an accountancy course while his father set up a haulage business, before dying suddenly in 1926. The 19-year-old insurance clerk became the family's bread-winner, energetically pursuing a broad range of political and intellectual interests in his spare time.

Oakley's studies were pioneering feminist analyses of the intersection of the personal and the political, but they were never intended to be full biographies that took an overall measure of Titmuss's life and career. Stewart's book, in contrast, was commissioned by his subject's former employer, the LSE, specifically by its Department of Health Policy, as part of a series on 'LSE Pioneers of Social Policy' (a biography of Titmuss's friend and colleague Brian Abel-Smith by Sally Sheard, *The Passionate Economist*, appeared in this series in 2013). Drawing on the full range of available source material, notably Titmuss's own personal papers and interviews with his former colleagues and students, it is the first full historical biography of Titmuss. A distinguished historian of social policy at Glasgow Caledonian University, Stewart brings his expertise to bear in depicting Titmuss's influential role in both the study and practice of social welfare. As well as generating new insights into the well-known milestones of Titmuss's life, Stewart brings to light sides of his career that have hitherto been almost entirely ignored.

Stewart makes clear at the outset that he has decided to steer his biography away from the aspects of Titmuss's personal life that Oakley had already explored. This is largely, and properly, a decision made on the basis of Stewart's own intellectual interests in the history of social policy and his sense that he does not have much to add to what Oakley has already written (it is clear from the acknowledgements that Stewart and Oakley were friendly interlocutors throughout the writing of the biography, and he draws on Oakley's findings in his reconstruction of Titmuss's early life). But there are also, here and there in the book, hints that his preference is to contextualize Titmuss's personal life as typical of a man of his generation and to nuance Oakley's account of her parents by stressing the more companionate aspects of their marriage. The result is a judicious but ultimately sympathetic portrait of Titmuss as a public figure, providing a panoramic account of a remarkable career. Stewart is scrupulous in setting out different perspectives on his subject's work, some of them quite critical, but the overall effect is to highlight the magnitude of Titmuss's achievements. As he demonstrates, Titmuss was adept at navigating the tensions between the different roles he performed—the academic, the social critic, the party consigliere. But it is clear from Stewart's account that at times the balancing act was hard to pull off. Titmuss's career was indeed a remarkable one, yet it also illustrates the fragile basis on which his type of expertise was grounded. A more sombre conclusion can be drawn from the evidence that Stewart amasses.

In an almost surreal contrast with the contemporary academic labour market, Titmuss was famously appointed as the Professor of Social Administration at the LSE in 1950 without having earned a doctorate or held any previous academic appointment. This was of course much less remarkable than it would be now. As Stewart shows, Titmuss had in any case paid at least some of his dues as a freelance social investigator in the 1930s and 1940s, penning influential work on population policy while holding down his day job at the County Fire Office insurance company. From his mid-twenties, Titmuss was both an active member of the Liberal Party and an enthusiastic participant in the Eugenics Society. This is less of a paradox than it might appear, since at this time many on the liberal left were keen proponents of policies designed to improve the 'fitness' of the population.

A key development within the Eugenics Society in the interwar years was the rise of a revisionist position—supported by Titmuss—which argued that environmental factors were just as important as hereditary ones in determining the 'quality' of a given population. In other words, this form of eugenics supported economically egalitarian public policy on the grounds that, without a broadly equal social starting point, it would be impossible to ascertain the extent to which differences between individuals reflected innate

qualities or merely the operation of social privilege. Indeed, for Titmuss it was an open question whether it was possible to understand differences in ability between individuals as caused by anything but social disadvantage, until class inequality had first been eliminated. Titmuss's views on these questions evolved over the course of his life, but this was the starting point for his later use of biological metaphors to characterize social solidarity and his rigorous employment of statistical evidence to detail the unequal distribution of social advantage. Stewart points out that the Eugenics Society also offered important networking opportunities to Titmuss. Through it he got to know many leading figures in British social science, notably Alexander Carr-Saunders, the Director of the LSE, who would later play a key role in his appointment as Professor of Social Administration.

In 1941, on the basis of his earlier social research and contacts made in the Eugenics Society, Titmuss was commissioned to write the official history of the development of British social services during the Second World War. The resulting book, *Problems of Social Policy* (1950), remains hugely influential in framing the historical memory of the War in Britain. Titmuss focused on the impact of German bombing and the evacuation of civilians on the development of social and medical services, making a detailed historical case that the experience of war on the home front fostered social solidarity and state support for universal, high quality welfare provision. In Titmuss's account, the experience of war brought about a moral transfiguration, in which 'the mood of the people changed and, in sympathetic response, values changed as well.' This interpretation of Britain's war as a moment of *welfarism* has been put under some pressure by historians over the years. Most recently David Edgerton's revisionist *The Rise and Fall of the British Nation* (2018) explicitly sets out to revise a Titmuss-esque narrative by denying that the social-service reforms of the 1940s were as novel as they are remembered and by pointing out the greater significance of military and scientific expenditure in constituting the UK as a 'warfare', rather than a welfare, state. It is certainly right to be sceptical of Titmuss's perception of the 1940s as morally fusing British society together; class consciousness was exacerbated rather than diminished by wartime mobilization. But Titmuss also made a less high-minded case: that the successful prosecution of a total war requires the willing participation of the civilian population and, for that reason, the state is compelled to care for its citizens in new ways. In this sense Titmuss himself saw 'welfare' and 'warfare' as closely linked.

As his later writings made clear, Titmuss did not view the 1940s welfare settlement as in any sense a satisfactory resting point. His often-quoted line that the creation of the National Health Service in 1948 was 'one of the most unsordid and civilized actions in the history of health and welfare policy' is in fact refreshingly understated when contrasted with some of the language

used by other commentators on the moral virtues of the NHS. (The unusual term 'unsordid' had earlier been used by Churchill to praise Roosevelt's introduction of Lend-Lease in 1941.) Although Stewart finds it tricky to pin down precisely when Titmuss formally abandoned his youthful Liberalism, by the end of the 1940s his commitment to more collectivist forms of social welfare was clearly a better fit with Attlee's Labour than with a Liberal Party which, by 1951, relied on the Conservatives standing aside to retain many of its seats in the House of Commons.

After his appointment at the LSE, Titmuss became a renowned analyst of social policy, remaking the Department of Social Administration to fit with the new technocratic demands of post-war social science (as noted, Titmuss remained ambivalent about the term welfare state itself, which he famously placed in quotation marks in his 1958 *Essays on the 'Welfare State'*). As Oakley pointed out, Titmuss's leadership of the department brought him into conflict with the established tradition of social-policy teaching at the LSE, which was indebted to an earlier social-work methodology that was predominantly taught and studied by women. Oakley portrayed this as a battle for academic power and status between Titmuss, who wanted to build a modern research-based department, and a group of women, notably the long-standing social-work tutor Eileen Younghusband, who predated Titmuss at the LSE and were committed to the vocational training of social work as a central part of the department's business. Stewart is less confident than Oakley that this episode is best viewed primarily through the lens of gender. He points out, for example, that Younghusband hailed from an aristocratic background, suggesting that class differences may have played a significant role in fuelling this dispute.

Stewart's blow-by-blow account of this departmental battle does, however, leave the reader with a larger question: what precisely *was* Titmuss's underlying philosophy of social policy? Stewart notes that while it is almost a cliché in work on Titmuss to bemoan his lack of theoretical engagement, he did in fact have a discernible worldview. He rightly places Titmuss in a longer lineage of communitarian British liberals and ethical socialists, most obviously R. H. Tawney, who saw the attainment of individual freedom as dependent on greater collective action against the poverty and inequality generated by an unbridled market. But to this normative vision we might also add some further, more strictly social-scientific commitments that contributed to Titmuss's theory of welfare. His vision of social investigation was in some respects straightforwardly positivist. But in addition to the systematic use of data, Titmuss's later work drew on a social-psychological account of the profound pressures placed on individuals by modern societies. This view seems to have been influenced by the sociology of Durkheim, insofar as Titmuss also regarded modern capitalism as characterized by

an ever-greater specialization in the division of labour, making individuals increasingly interdependent and vulnerable. A particular feature of such a society was a life course that involved both competitive processes of meritocratic selection for social positions and long periods outside the labour market at the beginning and end of life—and, in the case of women, while their children were small (here Titmuss reflected the prevailing middle-class gender assumptions of the time). Precisely because this type of modern society prioritized individual flourishing, Titmuss maintained, it would also become highly conscious of the costs of individual failure and more concerned to defray them. This applied particularly to the sphere of healthcare, where Titmuss argued that rapid scientific progress in medicine—and, as he put it, a correlative ‘increased awareness that pain is avoidable’ among the public—had significantly raised the political salience of access to medical provision. Famously, Titmuss believed that a universalist model of social policy offered a salve for these tensions, because it helped to diminish social stigma and created coalitions of political support that would continually drive up the standard of public services, rather than leaving them as residual safety-nets for the poor and marginalized. He was also a trenchant critic of the way in which private occupational benefits were combining with favourable treatment by the tax system to create a more privileged welfare regime for those in managerial or higher administrative roles.

Titmuss deployed a further powerful argument for universalism. In his view, the complex forms of interdependence in society meant that it was difficult to tell where responsibility lay for many of the hardships of modern life. ‘Who should bear the social costs of the thalidomide babies, of urban blight, of the obsolescence of skills, of automation, of the impact on the peasants of Brazil of synthetic coffee which will dispense with the need for coffee beans?’ he wrote, in an early number of *New Left Review*. Given the prohibitive complexity of establishing responsibility for these hardships, Titmuss argued that rather than allowing the costs to lie where they fell—which he viewed as an outdated, Victorian approach to the problem—the state should compensate its citizens by providing universal services allocated on the basis of need. However, the twist is that, as Stewart shows, Titmuss did not in fact favour a system of pure welfare universalism. Titmuss, and some of his close allies such as Abel-Smith, always maintained that they supported a mixture of universal and selective elements within the welfare state.

One of Stewart’s most significant contributions is to unpick this aspect of Titmuss’s thought and to relate it to his involvement in the practical business of policy-making when Labour returned to government in 1964. Wilson’s administration represented the high point of Titmuss’s political influence, as he was a valued counsellor to key Labour ministers, receiving a CBE for his efforts in 1966, while Abel-Smith became a formal government

advisor. Stewart resists the claim that with these political entanglements Titmuss became more conservative, but there is undoubtedly a marked contrast between the Titmuss of the early chapters—a radical Liberal, attacking the National Government on Abyssinia, campaigning against appeasement and for a popular front—and the Titmuss of the 1960s, who was politically invested in the Wilson government and quietist on most of the international issues of the day. This period certainly marked a parting of the ways between Titmuss and the New Left, which had previously had some reason to see him as a like-minded critic of the inequalities of power and wealth in mid-century capitalism. Titmuss largely went out to bat for the Wilson government over the next few years, though he publicly opposed the Vietnam War and the Wilson government's equivocations over it.

One emblematic incident—not directly related to the Labour government—was that Titmuss was firmly on the side of the university authorities during the student protests at the LSE in 1967–69, a position that Stewart attributes in part to Titmuss's loyalty to the LSE as an institution and in part to an ideological disagreement with the Marxist style of social theory. Titmuss was a member of the selection committee that, in the immediate aftermath of apartheid Rhodesia's unilateral declaration of independence, appointed Walter Adams, then Principal of the University College of Rhodesia, as the new Director of the LSE. Titmuss defended this choice over the next few years as student protests against it escalated, met by disciplinary action and the sacking of two lecturers who defended the students, Nicholas Bateson and Robin Blackburn.

This is an episode where the optics of Stewart's book as an official commission of the LSE may raise questions. Stewart is forgiving in his account of it, concluding that Titmuss 'showed personal courage and an unwillingness to follow fashion'. Yet Titmuss's support for the hard line taken by senior management at the LSE was more revealing than Stewart allows, since it demonstrated that, by the late 1960s, while his politics may have been economically egalitarian, they were relatively conservative when it came to managing organizations such as universities or state agencies. In the same period Titmuss made plain his disagreement with the movement in radical social-policy circles towards a theory of 'welfare rights', which sought to bypass the discretionary power handed to state officials in social policy by entrenching legally enforceable claims to resources. Although his reasoning on this point was not always clear, Titmuss seemed to think that translating social policy into a legally enforceable rights claim would simply hand discretionary power to the courts—thus relocating the problem from one set of state officials to another—and would deprive the state of the flexibility to go beyond a set of minimal rights and enhance needs-based provision, if necessary on a case-by-case basis.

Behind Titmuss's critique of welfare rights was an aspect of his career that is much neglected but which Stewart brings into clearer focus, namely his role as the deputy chair of the Supplementary Benefits Commission. This was a new state body introduced by Labour in 1966 to replace the National Assistance Board. The NAB had administered means-tested benefits to those who lacked adequate support from the new social-insurance system introduced after the Second World War. National Assistance was supposed to be a residual category but in fact encompassed a far larger number of people—pensioners, the disabled, single parents—than the founders of the post-war welfare state had imagined. Labour's introduction of supplementary benefits was intended to mark a new direction in means-tested benefits, one that would take the state away from the ethos of the Victorian Poor Law that was still thought to surround the national-assistance regime. Titmuss, seemingly the arch-exponent of welfare universalism, stepped into this role with alacrity and became a staunch defender of the Commission's work, even in the face of objections from erstwhile allies such as the social-policy scholar Peter Townsend and feminist critics, famously including Oakley herself. Feminists fiercely opposed the Commission's rule against an unmarried woman receiving benefit if she was 'cohabiting' with a male partner, who was supposed to supply the household income—and which was enforced by intrusive investigation into the woman's personal life by Commission officials. Titmuss's view was that there was a place for selective forms of welfare which had the flexibility to respond to individual needs, within an otherwise broadly universalist system. In such a context, means-tested benefits, far from stigmatizing the poor, had the potential to make the state *more* responsive to their needs.

Although this may seem a naive position today, it is worth juxtaposing his views on this question with his interventions in another key area of social policy, pensions. Titmuss and his colleagues had had a significant impact on Labour pensions policy in the 1950s by arguing that the existing system of flat-rate contributions for the state pension was regressive, leaving many in poverty in their old age, in contrast to the much higher standard of living enjoyed by professionals with access to occupational pensions. Their solution was to make pension contributions income-related but also to vary the resulting benefit in line with previous earnings, a scheme that was designed to improve the basic state pension but also to reduce the appeal of private schemes, by offering earnings-related pensions to the better off. As well as involving a redistribution from higher to lower earners, Titmuss's scheme was intended to generate a large state-run investment fund that could be used to modernize industry. A watered-down version was eventually legislated for in 1975. But by then it had been shorn of much of

its socialist impetus and posed little challenge to the rise of private-sector pension provision.

What all this shows is that, in the context of finite economic resources and political support, Titmuss ultimately sought a welfare state that combined universal services and flat-rate benefits with some means-testing and differentiation of benefit levels. Some of his colleagues—notably Townsend—interpreted this as Titmuss shifting to the right across his career, but Stewart is surely correct to conclude that in itself a belief in some level of selectivity within a broadly universal system does not necessarily represent a conservative move. As Stewart observes, the problem was rather Titmuss's defensive posture towards actually existing means-tested systems that were clearly imperfect and which did cause unnecessary stigma. Equally, though, had Titmuss's pensions proposals been fully implemented, they would have represented a significant shift in Labour's (and Britain's) welfare philosophy towards what subsequently became labelled a more 'social democratic' welfare system, characterized by greater use of earnings-related benefits to bind the middle class into state rather than market provision. Such a welfare state, commanding a higher level of middle-class support, might have been less vulnerable to political attack.

Stewart emphasizes that Titmuss was an international figure, influential in social-policy debates around the world. He was commissioned by Mauritius and Tanzania (then Tanganyika) to advise on how to set up a welfare state and was on good terms with Nyerere, Tanzania's President and a former member of the Fabian Society from his time as a student in Edinburgh. Intriguingly, Titmuss recommended to Mauritius an unemployment-insurance scheme that was conditional on recipients proving that they were actively seeking work, something that he was adamantly opposed to in the UK. He visited Israel, before and after the Six Day War. Titmuss was also well-connected in policy-making circles in the United States, where he participated in discussions about Johnson's War on Poverty. Perhaps his biggest influence on American debates, however, stemmed from his final book, *The Gift Relationship* (1970), which mounted a searing critique of the use of economic incentives to elicit blood donations in the US, when compared to the voluntary or 'altruistic' system used in the UK.

The context of this book was a series of sharp intellectual exchanges with exponents of market liberalism that punctuated Titmuss's final years, notably with members of the influential think tank, the Institute of Economic Affairs, one of the key intellectual spaces in which Thatcherism would be germinated. Stewart rightly allots significant attention to this at times acrimonious debate. The formation of the ideology of 'neo-liberalism' in Britain and around the world fed off attacks on such high-profile figures as Titmuss. A key aspect of the New Right's pitch was that policy-making had become

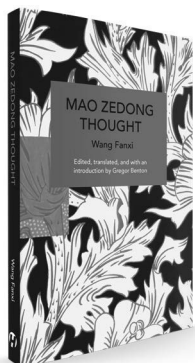
dominated by purportedly neutral technocrats who were, in fact, partisan left-wing actors. The right needed to develop its own cast of rival experts who could fight the left on this terrain of political struggle. Titmuss was unusual in taking this battle very seriously in the 1960s, at a time when most of the left still regarded Friedman and Hayek as marginal figures. Titmuss closely followed the work of the IEA, enquiring into their funding and analysing their publications. At one point he found himself in receipt of a lawyer's letter on behalf of the IEA, who strenuously objected to Titmuss claiming in print that they were a politically partisan organization. One of the IEA's publications argued that Britain should follow the United States and pay blood donors in order to secure a more reliable supply for the NHS. *The Gift Relationship* was Titmuss's reply—to this and to neo-liberalism. He argued that marketization would corrode the altruism at the heart of the voluntary British system. In part this was an empirical and economic argument, since Titmuss pointed out that the quality of the blood donated in the United States was worse than in Britain because a market system created an incentive for alcoholics and drug addicts to donate. As a result, blood transfusions in the United States were more likely to give recipients hepatitis. But he was also making a broader point about the way social institutions that deploy material incentives can 'crowd out' other forms of intrinsic motivation, such as the altruism that he saw as central to social-welfare provision. Titmuss's argument—although he didn't put it in precisely these terms—was that a system that treats people as self-interested makes social behaviour more self-interested than it otherwise would be.

The Gift Relationship is a compelling and even moving book, which uses a subject that couldn't be more vital to human welfare to make a wider claim about the importance of 'the right to give', as Titmuss famously termed it, in public policy. Yet it is also redolent of a style of left-of-centre policy expertise that was already beginning to experience diminishing returns. Titmuss died in 1973, a few years after the publication of the book, so he did not live to see the continued ascent of IEA-style reasoning in public policy across the globe. His framing of the liberal-left agenda as grounded in a moralized version of sociological expertise—and as antagonistic to economics—began to lose its audience in the corridors of power, as the language of the market exploded into policy discourse in the 1980s. Possibly it was an unstoppable tide anyway, but in retrospect experts on the centre left made it too easy for neo-liberals to portray figures such as Titmuss as detached from the economic implications of the welfare state. The irony is that, as we have seen, Titmuss himself drew somewhat furtively on economic arguments for social-welfare provision, such as when he characterized it as necessary compensation for costs imposed on individuals that they did not personally choose—or, as economists would term it, externalities. But Titmuss was so determined to

brand his overall position as a distinctively sociological one that he unnecessarily arrayed himself against the full might of the economics profession. Given the social authority exercised by economists, for better or worse, a successful liberal-left politics of expertise would actually do better to follow the intricate detail of Titmuss's case for the welfare state, rather than his big-picture branding as a warrior against economics imperialism.

Titmuss's career also raises a larger question about a left politics grounded on social-scientific knowledge claims. There is always a danger that such an approach beguiles its exponents into believing that technically credentialled policies will bring their own electoral reward and do not require a resonant political story to popularize them. Titmuss was clearly a sincere and humane believer in the welfare state, but he was also symbolic of the assimilation of the social-democratic left into the mid-twentieth century governing elite. One way of reading Titmuss's life is as a parable about how the technocratic successes of the liberal left—and the public prominence of sympathetic experts such as Titmuss—ultimately allowed a new populist right under Thatcher and Reagan to style themselves as anti-establishment rebels against the high-minded leftist orthodoxies which had lost touch with the economic interests of the people. It is a story with a familiar ring to it. Reflecting on where Titmuss went wrong, as well as where he was right, might help us to navigate the comparable political tensions we confront today.

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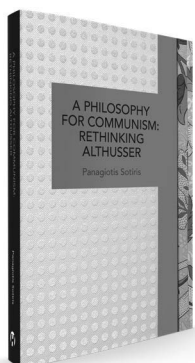


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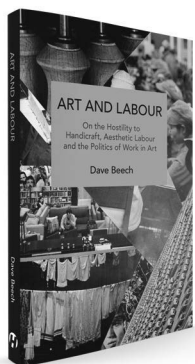


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