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Rene -- Brian Holmes -- Peace-for-War

Peace-for-War

The concept I'm going to present draws directly from the work of Shimshon Bichler and Jonathan Nitzan. It describes the economic phases of "depth" and "breadth," and correlates them with the first- and second-order cybernetics of control. It attempts to situate the functions of cultural-communicational labor within these economic phases. It questions those autonomist Marxists who thought it would be possible to transform a broadly expansionary phase of capitalism, like that of the '90s, into a qualitatively different society. It's not a polemic, but seeks to open up a field of strategic debate. It doesn't assert a future, but observes the unfolding of the present into the depths of violence, which has robbed resistance movements of their potential, again. The concept is Peace-for-War.

At stake here is society itself: the really existing forms of social cooperation. The Argentinean activist, Ezequiel Adamovsky, writes about exactly that: "Today, the division of labor is so deep, that each minute, even without realizing it, each of us is relying on the labor of millions of people from all over the world." (1) This lecture, the words, the images, my voice through the microphone or over the Internet, is literally brought to you by the labors of Asia, the Americas, Africa and Europe combined. The question is, what guides the dynamics of our worldwide cooperation? How is order maintained? And why does this "order" descend periodically into chaos, as it's doing now in the Middle East?

Adamovsky points out that nothing encourages even asking such questions, much less answering them. "In the capitalist system, paradoxically enough, the institutions that enable and organize such a high level of social co-operation are the very same that separate us from the other, and make us isolated individuals without responsibility with regards to other people. Yes, I am talking about the market and the (its) state. Buying and consuming products, and voting for candidates in an election, involves no answerability. These are actions performed by isolated individuals."

Order will not provide a language to explain its chaos. The essence of contemporary power is to provoke crisis and to ride it out toward profit, without revealing strategies or goals. The effect of such huge unknowns is to make people cling to their identities and their operative routines, for fear that the public disruption will spread into their private lives. Without an interpretation of capital – indeed, of power – there can be no opposition. The first thing that resistance movements are lacking is a common language to describe, predict and oppose the maneuvers of the most powerful groups in the world.

I.

Bichler and Nitzan's work – and particularly their article, "Dominant Capital and the New Wars" – tries to show exactly why peace is allowed to become war under the contemporary political-economic order. (2) Their starting point is the measurement of value. They recall that both the Marxist concept of abstract labor, and the notion of utility in classical economics, claim to designate an objective foundation of value. But neither of these "foundations" has ever been measurable. What can be observed and measured in capitalist society are prices, profits, losses – in short, money. The fluctuation of prices, profits and losses is the index of shifts in power relations. In this sense, the economy is always political, it has no objective touchstone. What the fluctuations measure is the struggle for differential accumulation.

Capital in the singular is like the night where all Cadillacs are black. If power relations give value its measure, then what matters is beating the average, standing out from the others. The corporations with the highest rates of profit (for example, those of the Fortune 500) will be able to shape the environment in which they accumulate, either directly, with their own resources, or more importantly, through collaboration with the state. Such corporations "make the market," they impose technologies, laws, standards, prices. They are "dominant capital." But dominant capital itself is not singular. At the heart of Bichler and Nitzan's analysis are two different strategies for differential accumulation, associated with two different political-economic cultures: one called "breadth," and the other, "depth."

Think of profit as the number of employees, times the earnings per employee. How does a corporation beat the average rate? One way is to increase the number of people working. That can be done by building new capacity, so-called "greenfield investment." But too much capacity creates a glut, and a glut destroys a market. So the more common route is to buy away the competition, through mergers and acquisitions. Industrial sabotage, like the politics of the Treuhand in former East Germany, is a strategy of breadth. It's about destroying potential competitors in order to make yourself relatively bigger. It's associated with speculative fever, as

corporations double or triple in market share overnight. But insofar as real capacity does in fact increase, breadth is also associated with proletarianization, or the induction of more people into the global labor force. Like the populations of China, Russia and India in the 1990s.

The other strategy, depth, means increasing the amount of earnings per employee. Here again, there are two basic avenues. One is to cut costs, to do more with less, to be lean and mean, which has become the watchword of capitalism – everybody tries it, constantly. But the other way is to raise prices, even if that causes inflation, and even if rising prices are accompanied by stagnation of the economy as a whole. Depth is typically accompanied by stagflation, which is anathema for the majority of dominant capital. Only the most powerful corporations can take the first moves in a strategy of depth. And the only way they can legitimately raise their prices – that is, the only way they can succeed in forcing people to pay the higher prices – is to seize the occasion offered by a crisis, which is typically the occasion of a war.

Why does a relatively small fraction of dominant capital periodically succeed in launching a strategy of depth? What Bichler and Nitzan have done is to show that the major waves of corporate expansion through mergers and acquisitions have all reached their size limits, or filled out what could be conceived as their “envelopes of possibility.” As they write, “Merger booms tend to ‘hype up’ investors and make market conditions increasingly fragile as the boom progresses. Eventually, negative sentiment sets in, making the market inhospitable for merger till the next reversal in mood. Furthermore, breaking each ‘envelope’ involves major legal, institutional and political realignments, and that takes time. The consequence is that the whole process is susceptible to major interruptions. It is here that stagflation enters the picture.” (3)

A graph on page 289 shows four great waves: the monopoly phase at the turn of the century, the oligopoly phase of vertical integration in the twenties, the conglomerate phase of multidivisional corporations in the 50s and 60s, or finally, the globalization phase of the 90s. The line itself is the ‘buy-to-build ratio,’ which rises as mergers and acquisitions outstrip construction. Another curve shows that from the 1940s onward, a period of stagflation inevitably accompanies any drop in the buy-to-build ratio. Stagflation is the sign of depth. Since the postwar period, the two divergent strategies of dominant capital, breadth and depth, have clearly become two distinct temporal phases in the rhythm of accumulation as a whole. Their curves become exactly symmetrical. But who are the actors of these two phases? And what are the relations between them?

Bichler and Nitzan don’t have a lot to say about the high-tech companies and financial actors – or what they call the “Technodollar-Mergerdollar Alliance” – that dominated the speculative fevers of the nineties. What interests them is integrated oil and defense: the “Petrodollar-Weapondollar Coalition.” Another graph (p. 316) shows how its share of global net corporate profit grew tremendously during the stagflation of the ‘70s, when the Middle East replaced South-East Asia as the focus of the global arms market and the OPEC embargoes helped Western oil majors extort record prices at the pump. What’s at stake in the Middle Eastern wars is neither the rarity of oil resources, nor the scramble to control them, nor even the cost of obtaining them. What’s at stake is the capacity of specific corporations to raise prices against a backdrop of crisis and uncertainty.

The implication is that at a low point, and particularly after a long period of decline, the crises themselves could be allowed to develop, maybe even encouraged, as a sure-fire path toward the recovery of differential profits. But this could only be done by actors able to influence the American state. The Petro-Core, according to Bichler and Nitzan, is composed of six Anglo-American companies, now merged to four: BP, Exxon-Mobil, Shell and Chevron-Texaco. A bar graph (p. 311) shows that since the mid-1960s, every time the Petro-Core’s rate of return slips below the Fortune 500 average, a conflict in the Middle East will follow. Do you remember them? The Arab-Israeli war in ‘67; then another in ‘73; the Islamic Revolution in Iran, the Soviet invasion of Afghanistan and the first Israeli invasion of Lebanon in ‘78; the beginning of the eight-year Iran-Iraq war in ‘80 and the second invasion of Lebanon in ‘82; the first Gulf War of ‘90-‘91; the Palestinian Intifada of 2000, the US invasion of Afghanistan in 2001, and finally the Iraq invasion in 2003. Each time, war is preceded by a drop of the Petro-Core’s profit rate with respect to the other Fortune 500 companies. Of course, the oil companies do not start the wars, whose causes are multiple. But from 1973 onward, each war is accompanied by a significant or even spectacular rise in the oil majors’ rate of differential accumulation.

So what type of causality are we talking about? There’s a difference between this argumentation and the conspiracy theories that have sprung up concerning the “real events” of September 11. Consider the film *Loose Change*, which claims, among many other things, that a Boeing 757 did not hit the Pentagon, and that the 16-foot diameter hole in the wall of the building would more likely have been caused by a cruise missile: a Tomahawk, fired from an A3 jet, both manufactured by the Raytheon corporation. (4) This do-it-yourself documentary has all the vital energy of popular conspiracy theory – and all the mistakes of what Frederic Jameson once described as “the poor person’s cognitive mapping in the post-modern age; a degraded figure of the total logic of late capital, a desperate attempt to represent the latter’s system, whose failure is marked by its slippage into sheer theme and content.” (5) Dylan Avery, the maker of *Loose Change*, is 22 years old; he came of age at the turning point of Peace-for-War. Raytheon is almost a hundred years old, and partakes of a normality that may be worse than conspiracy. It forms part of what Bichler and Nitzan call the Arma-Core, or the “Seven Archangels of Armageddon,” which also includes Lockheed-Martin, Boeing, General Dynamics, Northrop-Grumman, the British manufacturer BAE Systems, and the Euro-consortium EADS. These companies, and their state allies, have a century’s experience in the politics of depth.

Bichler and Nitzan say nothing about the 16-foot hole in the outer wall of the Pentagon. They focus instead on the threat, not just of stagnation, but of outright deflation, that arose after the collapse of the new economy bubble. They analyze a Financial Times article of April 2003, calling on Alan Greenspan to “go for higher inflation” – which would signify the entry into a regime of depth. (6) As a sign of political will, they quote a famous declaration from the neoconservative Project for New American Century, written in the year 2000, which claims that the process of transforming the US defense budget is “likely to be a long one, absent some catastrophic

and catalyzing event – like a new Pearl Harbor.” (7) Finally, they produce a graph showing the decline of US defense spending after WWII, from 15% of GDP during the Korean War, to 10% for Vietnam and 7.5% for Reagan’s Star Wars, then finally a mere 3.8% under Clinton. Is there any reason these companies would lobby for war?

You are presented, not with allegations, but with statistical outlines, behind which you can see the changing fortunes of specific groups, juxtaposed to the chronicle of international events. You are given, not the proverbial smoking gun, but important clues as to possible motivations. You are asked to decide whether a fraction of American capital, closely allied with elements of the state and historically accustomed to exerting a preponderant influence over the forms and dynamics of social cooperation, would have any interest in seizing on the events of September 11 as an excuse to re-engineer the entire pattern of accumulation that had been established during the merger boom of the ‘90s. You are being asked, in effect, whether there are steersmen influencing the global course of Peace-for-War.

Today, in mid-July of 2006, after observing in utmost detail the strategies put into effect by the Bush administration, after examining its political-economic alliances and the biographies of those involved, after witnessing the extreme profiteering of the oil majors amidst continuing Israeli escalations in Lebanon and Gaza and continuing arms sales to Israel from the US, many people may be a little less inclined to doubt the existence of this kind of steersmanship. (8) So the more interesting question becomes this: Are anti-imperialists ultimately on the side of the “Technodollar-Mergerdollar Alliance,” despite our critiques of figures like Gates and Soros, or of institutions like the WTO? Would it be possible to “do away with the old economy,” that is, the economy of industrialized war, as some autonomist Marxists believe, in favor of a new and better one? Does the decline of the arms industry represent an historical chance, a “could have been” that might still be, with the help of another democratic or social-democratic government?

These questions, I think, must be confronted with others. Why did the post 9-11 political-economic hijacking by the party of war, oil and engineering meet with such ineffective resistance from the other fractions of dominant capital? Was it, as Bichler and Nitzan suggest, that their prospects for further accumulation were simply exhausted, by virtue of their very success in the preceding decades? Was fear of deflation enough to make them pass the baton? Did all of dominant capital simply acquiesce in the repetition of a pattern that had characterized accumulation throughout the twentieth century? Or would it be possible, for instance, where the European Union and its separate nations are concerned, to map out which corporations and key officials came down on which sides of which dividing lines? The answer to that question is relatively simple: no one has done the work, no one knows. But isn’t this kind of mapping what we would need, to resist the strategies of the major actors who create the worlds we live in?

In their most comprehensive book, *The Global Political Economy of Israel* (2002), Bichler and Nitzan have traced the transformation of the contemporary Israeli ruling class, within the context of the Middle Eastern “energy conflicts” and of their particular role in the political economy of the world as a whole. (9) This kind of work can show who gains, and in which ways, from the transformation of the “peace dividend” back into “war profits.” One of the weaknesses of the international resistance movements has been an inability to chart out the oscillations of War-for-Peace, Peace-for-War. Yet without this capacity, there is no common language. Each generation’s experience becomes incomprehensible to the next, as the curves reverse and the pendulum of differential accumulation keeps on violently swinging.

II.

Capital, as we’ve seen in the pages above, is inseparable from politics. It’s what Guattari called “the integral of power formations.” (10) That means it also produces subjectivity – differentially, and in diverging phases, as I’ve tried to make clear. Resistant culture, the kind that can cross the generations, has to be able to escape these oscillating phases, to steer outside the political subjectivity of Peace-for-War. I want to close with some open questions about contemporary governance, and about governmentality, that is to say, the rationalities whereby we shape our own behavior. For this, let’s return to our departure point, the remarks of Ezequiel Adamovsky. We live in an age of unprecedented cooperation – but also of conflict – between isolated persons, mediated increasingly by computers. The governmental science for this separated and interconnected age is cybernetics.

The word cybernetics is based on the Greek root *kybernetes*, which means “steersman” or “governor.” Its modern coinage is due to the scientist Norbert Wiener, in his book *Cybernetics, or Control and Communication in the Animal and the Machine* (1948). This concept has developed historically in two modes, and perhaps in two distinct phases. First-order cybernetics corresponds to the formula of “purpose controlled by feedback,” as described in the early texts of Wiener and his colleagues. (11) The phrase refers to the logical structure of efforts undertaken by organisms to transform the environment in which they evolve, by gradually altering or “correcting” their own activity, on the basis of information gathered in the course of the transformative action itself. The stimulus to automate this kind of activity was given by nothing other than war: the need to automate artillery, in order to respond to the exceptionally fast and mobile action of enemy planes. It was a matter, in other words, of targeting and eliminating problems, by setting up circular flows of self-correcting information. This kind of feedback is negative: it does not seek to add energy to the system, but merely to correct the errors on the way to purpose (a pragmatic purpose whose singleness is elevated, by Wiener and his colleagues, to the status of “teleology”). The Revolution in Military Affairs, or even closer to us, the current frenzy over biometrics, bears witness to this way of thinking, what might be called government by self-preservation. More broadly, the entire logistical system of globalized industry and distribution, then of just-in-time production, is based on this kind of first-order cybernetics. It may therefore be worth exploring the hypothesis that as a governmental science, first-order cybernetics corresponds to an economic phase of depth, and to situations of violent conflict, where the priority is to look out for number 1.

Yet the more interesting question, once again, concerns the phases of breadth, and the varieties of so-called second-order cybernetics. Take for starters the “system dynamics” of Jay W. Forrester, developed in volumes of continually expanding scope: *Industrial Dynamics* (1961), *Urban Dynamics* (1969), *World Dynamics* (1973). His innovation was to study the feedback loops that

come into play between distinct systems, each of which are already dynamic and feedback-based in their own right. In other words, it was the loops between loops that were to be studied; and this, in view of transforming the mental maps that each actor has of the interrelated systems. Forrester, who did his pioneering theoretical work in the 1950s and early 60s, was perfectly in tune with the phase of conglomerate capital, when corporations moved outside their original industries and faced the redoubtable challenge of inter-branch management. This was a phase of tremendous expansion, and Forrester's models integrate positive feedback, which can be seen as the cybernetic equivalent of growth. But despite the continuing use of his studies by industry, there is probably nothing in Forrester that can interest us philosophically today – as you might guess from the failure of his project on World Dynamics, and of the famous Limits to Growth report to the Club of Rome, published by his collaborators in 1972.

The problem may be that Forrester's models can predict only the growth, and never succeed in staging an encounter with the limits. The problem, in other words, may be that there is no room for radical otherness in a positive feedback system. Yet such encounters are the necessary consequences of a breadth economy, when it entails the induction of massive numbers of new workers into the capitalist labor market, as it did in the '60s – and then even more extensively in the '90s.

Consider where positive feedback led. In 1994 the economist Brian Arthur, linked to the Santa Fe Institute for complexity studies, published a book entitled *Increasing Returns and Path Dependence in the Economy*, in which he showed how positive feedback into a network can lead to exponential growth and monopoly positions. This turned out to be the key theoretical text of the new economy, which was predicated at once upon the exponential expansion of networks, and on the monopoly position of those who establish the technological standards. So here is another question: whether the expansion of a system through the circular reiteration of its own potentials can be correlated with the heavily financialized kind of breadth economy that was developed during the Internet boom, when dominant capital invented whole new digitized realms for the multiplication of its increasingly semiotic wealth. Could the political-economic agitations of the turn of the century, including the protest movements in which some of participated, have been an inevitable culmination of this semiotic expansion? If this were true, then the speculative krach of the years 2000-2001 would appear as a classic case of uncontrollable oscillation, exactly as Norbert Wiener describes it in his early work on servomechanisms, when he speaks of a hunting pattern that spirals out of control in a steering device whose excessive feedback corrections cause it to overshoot its own marks, worsening the situation with each new attempt at resolution. (12) This would seem to be the destiny of the long breadth phase that came to its culmination at the turn of the century.

With this, I can reach a provisional conclusion. The present disaster is its own condemnation; but we have yet to sufficiently map all the interests that combine to make it endure. Only a more precise treatment of the collusion between specific state and corporate actors and an increased understanding of the two-phase nature of differential accumulation can provide a common language of critique and resistance, able to traverse the generations. And this language will undoubtedly be needed. Beyond the present moment, perhaps a decade into the future, lies the possibility of another phase of breadth. If it comes, will be intensive this time, expanding into the micro-dimensions of bio- and nano-technologies, as a new envelope imploding the limits of the global. Such a phase would have tremendous subjectifying power. It seems to me that as cultural activists, we have to consider the relative failure of the attempts to overflow the preceding breadth phase by introducing more-or-less arbitrary information and unpredictable behavior into the system. I'm thinking, among others, of culture-jamming, carnivalesque consumption, corporate over-identification and the subversive insistence on the libertarian content of neoliberal slogans. All of these strategies attempt to outrace what is already a self-accelerating process of perpetual recombination: they are a kind of flight before the storm. But a system that expands by absorption, through fusion and acquisition, with the delirious ambition of integrating all obstacles into an infinite multiplication and diversification of the same basic principles, seems fated not to overflow its own bounds, but at the limit-point, to reverse into its mirror opposite: which is a targeting system that works, government by destruction. How do we transform our models, without ignoring reality? The inability to map the gyrations of the same, and to encounter, at their limit, the irresolvable equation of the other, is what keeps us inside the concept of Peace-for-War.

Notes

1. Ezequiel Adamovsky, "Autonomous Politics and its Problems: Thinking the Passage from Social to Political" (2006); <http://info.interactivist.net/article.pl?sid=06/05/25/225244>.
2. Shimshon Bichler and Jonathan Nitzan, "Dominant Capital and the New Wars," *Journal of World Systems Research*, vol. X no. 2 (Spring 2004), available at <http://bnarchives.yorku.ca>. All the graphs reproduced here come from this article. Indeed, part I of this text is merely an abbreviated synthesis of Bichler and Nitzan's major theses, which deserve a wider audience.
3. *Ibid.*, p. 276.
4. Loose Change can be viewed at <http://www.loosechange911.com>. Also see the critique, "Sifting through Loose Change," http://911research.wtc7.net/reviews/loose_change/index.html.
5. Frederic Jameson, "Cognitive Mapping," in Cary Nelson and Lawrence Grossberg, eds., *Marxism and the Interpretation of Culture* (Urbana: University of Illinois Press, 1988), p. 356.
6. Inflation plus stagnation are the earmarks of what Bichler and Nitzan call a depth regime. Currently, speculations about possible stagflation in the US economy abound; for the most "authoritative" (or rather, normative) source, see *The Economist*, May 5, 2005, "Inflation, the remix," http://www.economist.com/opinion/displayStory.cfm?story_id=3941024. The Financial Times article urging inflation can be consulted at http://road.uww.edu/road/glossers/BusConSP03/BD&PM_FT42403.doc.
7. The PNAC text is at <http://www.newamericancentury.org/RebuildingAmericasDefenses.pdf>.
8. Compare the remarks of Chalmers Johnson, the conservative critic of US empire: "In our society, we don't want to admit how deeply the making and selling of weaponry has become our way of life; that we really have no more than four major weapons manufacturers – Boeing, Lockheed Martin, Northrop Grumman, General Dynamics – but these companies distribute their huge contracts to as many states, as many congressional districts, as possible.... This is state socialism and it's keeping the economy running not in the way it's taught in any economics course in any American university. It's closer to what John Maynard Keynes

advocated for getting out of the Great Depression – counter-cyclical governmental expenditures to keep people employed.”

Interview by Tom Engelhardt, “Chalmers Johnson on our Military Empire,” March 2006, <http://www.globalpolicy.org/empire/analysis/2006/03chalmersjohnson.htm>.

9. The book, published by Pluto Press, is available in full at bnarchives.yorku.ca.

10. Félix Guattari, “Capital as the Integral of Power Formations”, in: *Chaosophy: Soft Subversions* (New York: Semiotext(e), 1996).

11. Arturo Rosenblueth, Norbert Wiener, Julian Bigelow, “Behavior, Purpose and Teleology,” in: *Philosophy of Science*, vol. 10. no. 1 (Jan. 1943).

12. “On the other hand, under certain conditions of delay, etc., a feedback that is too brusque will make the rudder overshoot, and will be followed by a feedback in the other direction, which makes the rudder overshoot still more, until the steering mechanism goes into a wild oscillation or hunting, and breaks down completely.” Norbert Wiener, *Cybernetics, or Control and Communication in the Animal and the Machine* (Cambridge, Mass.: MIT Press, 1965 [1948]), p. 7.

[All websites consulted July 25, 2006.]