

Review of Maurizio Lazzarato's *The Making of the Indebted Man: An Essay on the Neoliberal Condition and Governing by Debt*

Peggy Deamer

The Real Review 1

2016

The two recent Semiotexte publications of works by Maurizio Lazzarato, *The Making of the Indebted Man: An Essay on the Neoliberal Condition* (Intervention series 13; 2011) and *Governing by Debt* (Intervention 17; 2013) are significant for being the first book-length texts by Lazzarato to be translated into English. But the English speaking audience knows Lazzarato from various essay translations and as a principle intellect of immaterial labor (see his essay, "Immaterial Labor"¹), and as a respected activist in Italian politics.² In "Immaterial Labor," Lazzarato makes the case for aesthetic/communication/knowledge workers – a new class that doesn't produce goods in the classical sense and has heretofore been on the fringes of capitalism - to now control communication and screw up capitalism's dominant hierarchies.³

In these Semiotext(e) publications, Lazzarato replaces immaterial labor, the previous dominant form of post-1970's capitalism, with debt. Both books make the same argument - that the true economic relationship that structures subjectivity, society and the government is not production/management but debtor/financier. *The Making of Indebted Man* lays out the principles that "prove" this assertion, with neoliberalism its ultimate evidence; *Governing by Debt* elaborates on a critique Lazzarato makes toward the end of *The Making of Indebted Man* of Foucault's notion of "governmentality", allowing the Italian to rewrite neoliberalism not just via the lens of debt but via a Deleuze/Guattarian view of debt's subjectification.⁴ I will elaborate on the earlier book because in it, debt society is more completely conceptualized.

The argument in *The Making of the Indebted Man* is that the debtor/financier relationship has always been the fundamental aspect of human relationships but has only revealed itself fully and come to fruition with neoliberalism. The text consists of three chapters plus the "Foreword," "Conclusion," and a translated "Introduction to the Italian Edition." The first chapter considers how debt is the basis of social life because it is both a fundamental characteristic of all human relations and because neoliberalism proves the teleological historical project of debt-driven capitalism. It is not the case that the "real" economy (based on production) has been taken over by the "virtual" economy" (based on leveraging debt); rather, the virtual economy has always structured finance. The a-symmetrical relationship of debtor/financier is more fundamental than the traditional Marxist-described one of exchange, and therefore more fundamentally damaging to

subjectivity than has heretofore been realized.

The second chapter traces a “history” of debt and the indebted, using first Nietzsche and then Deleuze and Guattari as guides. Nietzsche, in the second chapter of *The Genealogy of Morals*, points out the basis of 'debts' (*Schulden*) in 'guilt' (*Schuld*); he also describes how moral concepts such as guilt, blame, and bad conscience are fundamental to a debtor/lender relationship since that exchange presupposes imagined future failures. Deleuze and Guattari show that debt pre-exists labor and exchange since power, residing in the lender, structures both. It is a chapter that re-writes Marxism even as Lazzarato finds in Marx's early writings proof that the author of *Capital* understood the fundamental nature of debt in the economy.

The third chapter discusses the fruition of the debt economy in the neoliberal project. Describing how the ascendancy of debt profoundly alters the exercise of power, Lazzarato uses and critiques Foucault's analysis of neoliberalism in his *The Birth of Biopolitics*. Leaning on Foucault's categories of sovereign, disciplinary, and biopolitical power, he nevertheless declares that Foucault was unable to extract himself from an industrial model of power and therefore missed the true meaning of neoliberalism. Lazzarato argues that the debt economy has deprived the State of its key aspect, monetary sovereignty; has seen the rise of “the shareholder” over private enterprise (which is why there is no distinction between the “real” economy and the “virtual”/finance economy); and shifted biopolitics by “transforming social rights into debts” and “beneficiaries into debtors.”

By way of conclusion, Lazzarato says that we must annul debts, call for defaults, and leave “behind the debt morality and the discourse in which it holds us hostage.”⁵ (p. 164) We must all, using a term Guattari applies admiringly to Greece, become black sheep.

There are, I believe, three ways that we can evaluate these two texts: 1. What do we learn about the “real” functioning of capitalism? 2. What do we learn about Lazzarato's intellectual proclivities? and 3. How as architects, designers and artists are we to react?

1. What do we learn about the truth of capitalism? For all the insights Lazzarato offers, his analysis of debt society conflates two views of debt: that it has always been the major engine of the economy and that it only now is revealed to be the engine of the economy. These two beliefs can co-exist in an emergent view of history – i.e., it's always been about debt but we haven't been able to see it so clearly as now – but it makes Lazzarato's main argument – that the neoliberalism of the 1970's is entirely new and requires new conceptual metric – clunky. It would be one thing to declare that he is making a historiographic observation (history is different than what we

thought) or another to declare, a la Hegel and Marx, that history has revealed a new truth. When conflated, there is, on the one hand, a heavy-handed and depressing teleology that sucks everything in capitalism's wake into a manifestation of debt and on the other, a depressing finish to history and, on the other, a pitch that capitalism, in its death-throws, may soon pass. When Lazzarato says "Fewer than twenty years after the 'decisive victory over communism' and just fifteen years since 'the end of history,' capitalism has reached an historical dead end;... it is on its last legs. At best, it reproduces itself, but only by frantically doing away with what remains of the social gains of the last two centuries,"⁶ it is hard to know what to think.

2. What do we learn about the intellectual proclivities of Lazzarato? For those of us for whom this matters, Lazzarato's criticism of Foucault's version of neoliberalism – which makes up the bulk of the third chapter of *The Making of Indebted Man* and is carried on as the framework of his critic of governmentality in *Governing by Debt* - gives pause. It is one thing to re-examine the roots of neoliberalism – an era we are still experiencing and wrapping our head around, but another to one-up Foucault on biopolitics, biopower and governmentality. It seems not exactly mean-spirited but in any case very personal. Is it the desire to kill the father, given Lazzarato's indebtedness to Foucault for drawing attention to the historical break in the 1970's defined as neoliberalism? If so, the strategy helps mask Lazzarato's own switch from an 'immaterial labor' description of the 70's to one of debt and overlooks Lazzarato's own use of Foucault's historiography that depends on epistemic breaks. Is it the allegiance to Deleuze and Guattari who have a more nuanced and more active notion of subjectivity than Foucault? This in itself is fine, but when combined with the enduring Foucauldian historicism, Lazzarato conflates incompatible ideas; he adheres to a view of history that makes agency difficult to identify (Foucault) while also suggesting that subjectivity and agency are the essential work of critical theory (Deleuze and Guattari).

3. How, as architects, artist and designer, are we supposed to react? Lazzarato's isn't a view of history that ends well or a description of agency that empowers anyone, let alone artists. Having abandoned the optimism that shines through his work on immaterial labor - an optimism that places immaterial labor at the heart of a new communications chaos that outstrips capitalism – Lazzarato also abandons that focus on creatives that are central to that constituency. Likewise, the displacement of labor by debt as capitalism's driver makes those of us trying to convince fellow designers that we DO labor, and do labor that matters, rather sad. To be fair, Lazzarato's emphasis on debt does not ignore labor; it just puts labor at the service of debt. "(Debt) forces us to shift our perspective from labor and employment in order to conceive a politics at the level of Capital as 'Universal Creditor'."⁷ The shift this causes in our identity, from creative

communicators to people carrying debt, is not without resonance. The majority of us have indeed borrowed money for our education, our house, and our business and the ongoing need for financial risk-management indeed makes us wimpy subjects. But we have lost of a class-consciousness that speaks directly to our creative identity and struggle to identify the precise role we play in the 99%.

David Graeber has pointed out that Lazzarato, in his immaterial labor phase (one that Graeber wholly dismisses), should not be seen as an enlightened grasper of economic reality, but rather as a prophet,⁸ a seer who reinterprets the past, labels the present, and speculates about the future. I think there is something to this for the Lazzarato of debt society, but I don't think that is entirely negative. It is true that what Lazzarato offers isn't economics (this can't be compared to Piketty's "Capitalism") or sociology (extracting a universal subject from a European example would not count as social research) but prophecy might be an effective form for ideology critique. It makes us watchful of things we haven't seen but are lying right under our nose. So skepticism about Lazzarato's theory of debt is not in my case rooted in the sweep of history or the master narrative that comes with it. Rather, it is that, as prophet, Lazzarato fails to move us in the direction of prediction. If we want what he calls "a second innocence" that purges us of debt dependence and moves us to debt cancellation, a more persuasive narrative needs to be offered. The questions asked here, though seemingly random, identify inconsistencies at the level of history, subjectivity, and class – all major categories for a call to arms. Perhaps Lazzarato no longer believes in such a call, but then what is the use of a prophet?

¹ See <http://www.e-flux.com/wp-content/uploads/2013/05/2.-Maurizio-Lazzarato-Immaterial-Labor.pdf>

² Lazzarato was driven into exile in France after the state-sponsored demolition of Italian Autonomia in the 1970s. He now resides as an independent sociologist, philosopher, and political theorist and has studied, in particular, the laborers of Ile-de-France.

³ He writes, "Immaterial labor constitutes itself in immediately collective forms that exist as networks and flows. The subjugation of this form of cooperation and the "use value" of these skills to capitalist logic does not take away the autonomy of the constitution and meaning of immaterial labor. On the contrary, it opens up antagonisms and contradictions that, to use once again a Marxist formula, demand at least a "new form of exposition."

⁴ Lazzarato in the later book makes three specific anti-Foucauldian observations about governmentality: that liberal governmentality has never existed; that capitalism can indeed be deduced from capital when understood to be two sides of the same coin; and that the assumption that there are stable, identifiable governors and governed is naïve.

⁵ *The Making of the Indebted Man: An Essay on the Neoliberal Condition* (Intervention series 13; 2011), 164

⁶ Ibid., 168

⁷ Ibid., 182

⁸ See Graeber's "The Sadness of Post-Workerism or 'Art and Immaterial Labour Conference' A Sort of Review (Tate Britain, Saturday 19 January, 2008). It has been noted by other reviewers that Graeber's book, *Debt: The First 5000 Years*, unacknowledged by Lazzarato, would be an appropriate companion book for those reviewed by Lazzarato.