

Planned crisis

The present crisis is neither a Keynesian recession nor a return to those of the 'anarchy of production.' This crisis opens a new stage in the class relation. It marks capital's recognition that the control of the working class through Keynesian methods has proven illusory: in fact those methods provided an occasion for the largest generalization of the wage struggle. Planned crisis is now the capitalist long term strategy. the present crisis is not the end of a business cycle. it is the end of an age.

Source: Midnight Oil — Work, Energy, War 1973 - 1992, Introduction to zerowork I, Zerowork Collective, Autonomedia, New York 1992

„The basic economic resource - >the means of production<, to use the economist's term – is no longer capital, nor natural resources (the economist's >land<), nor >labor<. It is and will be knowledge.“

It has now become common to view the succession of economic paradigms in the dominant capitalist countries since the Middle Ages in three distinct moments, each defined by a privileged sector of the economy: a first paradigm in which agriculture and the extraction of raw materials dominated the economy, a second in which industry and the manufacture of durable goods occupied the privileged position, and the current paradigm in which providing services and manipulating information are at the heart of economic production. The dominant position has thus passed from primary to secondary to tertiary production. Economic modernization named the passage from the first paradigm to the second, from the dominance of agriculture to that of industry. Modernization meant industrialization. We might call the passage from the second paradigm to the third, from the domination of industry to that of services and information, a process of economic postmodernization, or rather, informatization.

- Michael Hardt, "Affective Labor (Affektive Arbeit)," in *Norm der Abweichung*, ed. Marion von Osten (Zürich: Edition Voldemeer / Springer Verlag, 2003).

Creative Destruction

Capitalism, then, is by nature a form or method of economic change and not only never is but never can be stationary. And this evolutionary character of the capitalist process is not merely due to the fact that economic life goes on in a social and natural environment which changes and by its change alters the data of economic action; this fact is important and these changes (wars, revolutions and so on) often condition industrial change, but they are not its prime movers. Nor is this evolutionary character due to a quasi-automatic increase in population and capital or to the vagaries of monetary systems, of which exactly the same thing holds true. The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers, goods, the new methods of production or transportation, the new markets, the new forms of industrial organization that capitalist enterprise creates.

Source: Joseph A. Schumpeter, "Creative Destruction", From *Capitalism, Socialism and Democracy* (New York: Harper, 1975) [orig. pub. 1942], pp. 82-85:

Automation Effects

The automation effects achieved through machines controlled by externally created programs allowed for the supervision of several machines by a single operator, which from a management point of view offered particular relief from the lack of skilled labor.

In any case, in the mid-1960s, numerical control machines (NC) based on independent technological advancements in Europe began to make their way into factories. This, and centrally synchronized machines spurred industrial development of the automated factory. In 1965, the German Metal Industry Union had already fully acknowledged the significance of automation for technological progress and productivity, and thus as an important instrument for the improvement of the standard of living across the board. It was agreed that structural changes within the factories had to be made to accommodate this. Even job cutbacks in certain economic branches were not taboo for the Union. It was obviously unavoidable that the labor market would continue to increase its numbers of highly skilled technical employees, as well as continue to develop the service sector – albeit differently from the tendencies in the American labor market (...)

Production engineering has been virtually saturated since the 1970s with elements from microelectronic and electronic data processing. While early industrialization produced advanced machines by means of mostly traditional manual production techniques, the production techniques now changed to accommodate the new means of production technology that had become available. (...)

Computer technology continued to improve, first in the form of minicomputers, and more significantly, in 1975, the first industrially applicable microprocessors. With this development came the major breakthrough for the CNC (computerized numerical control) machines, which were driven by internal microprocessors.

Walter Kaiser, *Von Taylor und Ford zur 'lean production'*, (Aachen: RWTH Themen, 1994).

Informatization

In our times, however, modernization has come to an end, or as Robert Kurz says modernization has collapsed. In other words, industrial production is no longer expanding its dominance over other economic forms and social phenomena. A symptom of this shift is manifest in terms of quantitative changes in employment. Whereas the processes of modernization were indicated by a migration of labor from agriculture and mining (the primary sector) to industry (the secondary), the processes of postmodernization or informatization are recognized through the migration from industry to service jobs (the tertiary), a shift that has taken place in the dominant capitalist countries, and particularly in the US, since the early 1970s. The terms “services” here covers a large range of activities from health care, education, and finance to transportation, entertainment, and advertising. The jobs for the most part are highly mobile and involve flexible skills. More important, they are characterized in general by the central role played by knowledge, information, communication, and affect. In this sense we can call the postindustrial economy an informational economy.

The claim that the process of modernization is over and that the global economy is today undergoing a process of postmodernization toward an informational economy does not mean that industrial production will be done away with or that it will cease to play an important role, even in the most dominant regions of the globe. Just as the industrial revolution transformed agriculture and made it more productive, so too the informational revolution will transform industry redefining and rejuvenating manufacturing processes – through the integration, for example, of information networks within industrial processes. The new managerial imperative operative here is “treat manufacturing as a service.” In effect, as industries are transformed, the division between manufacturing and services is becoming blurred. Just as through the process of modernization all production became industrialized, so too through the process of postmodernization all production tends toward the production of services, toward becoming informationalized.

The fact that informatization and the shift toward services is most recognizable in the dominant capitalist countries should not lead us back to an understanding of the contemporary global economic situation in terms of stages of development – as if today the dominant countries were informational service economies, their first subordinates industrial economies, and those further subordinated agricultural. For the subordinated countries the collapse of modernization means first of all that industrialization can no longer be seen as the key to economic advancement and competition.

Immaterial Labor

The passage toward an informational economy involves necessarily a change in the quality of labor and the nature of laboring processes. This is the most immediate sociological and anthropological implication of the passage of economic paradigms. Information, communication, knowledge, and affect come to play a foundational role in the production process.

A first aspect of this transformation is recognized by many in terms of the change in factory labor – using the auto industry as a central point of reference – from the Fordist model to the Toyotist model. The primary structural change between these models involves the system of communication between the production and consumption of commodities, that is, the passage of information between the factory and the market.

Since the production of services results in no material and durable good, we might define the labor involved in this production as immaterial labor – that is, labor that produces an immaterial good, such as a service, knowledge, or communication.

This immaterial labor is not isolated to a certain population of workers; say computer programmers and nurses, who would form a new potential labor aristocracy. Rather immaterial labor in its various guises (informational, affective, communicative, and cultural) tends toward being spread throughout the entire workforce and throughout all laboring tasks as a component, larger or smaller, of all laboring processes. That said, however, there are certainly numerous divisions within the realm of immaterial labor – international divisions of immaterial labor, gender divisions, racial divisions, and so forth. As Robert Reich says, the US government will strive as much as possible to keep the highest value immaterial labor in the United States and export the low value tasks to other regions.

Here the division between economy and culture begins to break down.

- Michael Hardt, "Affective Labor (Affektive Arbeit)," in *Norm der Abweichung*, ed. Marion von Osten (Zürich: Edition Voldemeer / Springer Verlag, 2003).

Uselessness

When, according to Keynes, the definition of the “uselessness” of work (subjectively speaking) is the ability to confront a “necessity” (be it only the “desire to do nothing”), this little word is able to occlude the tension between barren pleasure and the decision to manufacture objects.

The notion of Uselessness (whose meaning according to Keynes as conveyed by the excellent commentator Mr. de Largentaye we seek here to reverse) measures the amount of consent in the fabrication of objects of utility and their originally unwilling character of “phantasmical” coercion. The act of production is fulfilled in the equivalent that it expresses, this being the gratification of one or more needs and with it the concession of some particular use that has, however, no correlation to that from which is abstained – proportional to the compulsive obstruction. According to Keynes, implicit in the meaning of “wage” that the worker inscribes or disallows is the “desire” – in an economic sense – “to do nothing,” or the wish for a different occupation that would allow for the assertion of another skill to achieve affective growth. This same quality is inherent in the purchase of a product for the consumer, who has agreed to make appropriate use of the product’s limitations.

- Pierre Klossowski, *The Living Currency* (La Monnaie vivante) (Paris: Losfeld, 1970).