

Introduction to Eurocrisis, Neoliberalism and the Common

Theory, Culture & Society
0(0) 1–19

© The Author(s) 2015

Reprints and permissions:

sagepub.co.uk/journalsPermissions.nav

DOI: 10.1177/0263276415597772

tcs.sagepub.com



Tiziana Terranova

Università l'Orientale di Napoli

Abstract

This introduction frames the articles collected in the special section as the outcome of a process of 'self-education' taking place in the Italian free university network UniNomade 2.0 between 2010 and 2013. The open seminars and conferences organized by UniNomade 2.0 took as their object of inquiry the concept of the Common, while the articles selected focus in particular on the sovereign debt crisis of the European Union (Eurocrisis) following the global financial crisis of 2008. The introduction thus summarizes the overall approach of contemporary 'post-operaist' authors such as Toni Negri, Christian Marazzi, Maurizio Lazzarato, Andrea Fumagalli and Stefano Lucarelli, and Carlo Vercellone to the new role of financial capital, the transformation of money, the material constitution of Europe, the role played by the relationship between debtors and creditors, and the possibilities opened by the concept of Commonfare for struggles against austerity.

Keywords

Autonomist Marxism, capitalism, Common, European Union, financialization, sovereign debt crisis

This special section collects a set of articles produced by thinkers who participated, with various degrees of involvement, in the experience of the Italian free university collective UniNomade 2.0 in the years between 2010 and 2013. The UniNomade project began in 2004, was restarted as UniNomade 2.0 in 2010 and ended in 2013. Both the transition to UniNomade 2.0 and the end of the project generated lively discussions among the participants regarding the relation between knowledge production and political activism. Several projects were born out of the end

Corresponding author: Tiziana Terranova. Email: terranovaunior@gmail.com

Extra material: <http://theoryculturesociety.org/>

of UniNomade, which continue to spur theoretical and political debate in Italy and beyond (such as EuroNomade, Effimera and Commonware).¹ From the beginning, the project was indeed part of a wider transnational network, and it was particularly associated with collectives bearing similar names in Brazil and in Spain (such as *Universidade Nômade* in Brazil and *Universidad Nomada* in Spain).²

As the website states, UniNomade was:

a network of researchers, academics, students and activists which since 2004 started a possible path of recomposition of critical intelligences around a common desire: to construct a dispositif of self-education (*autoformazione*) and public debate, thematizing the concepts, languages, and categories that the theoretical and practical experiences of [social and political] movements have expressed over recent years.³

Among the people who launched the project and participated in it until the end are, for instance, Adalgiso Amendola, Andrea Fumagalli, Sandro Mezzadra, Cristina Morini, Toni Negri, Judith Revel, Anna Curcio, Benedetto Vecchi, Roberta Pompili and Gigi Roggero. But several other thinkers and activists were regular participants in the activities of the network: to mention just a few: Maurizio Lazzarato, Carlo Vercellone, Stefano Lucarelli, Andrea Fumagalli, Matteo Pasquinelli, Christian Marazzi, Ugo Mattei, Giorgio Griziotti, Dario Lovaglio, Marco Bascetta and myself. Most of these people, regardless of their different generational, political and scholarly backgrounds, are associated with the development of what is usually referred to as ‘operaism’, and more specifically with its most recent inflection as ‘post-operaism’ (see also Mezzadra, 2009). UniNomade has indeed been an open forum for the further elaboration of key concepts of this specific stream of Marxist thinking (from the general intellect to the multitude, from the transformations of the composition of living labour to financialization, from the autonomy of migration to the Common). At the same time a lively dialogue with other critical theories, including radical feminism, queer theory, anti-racist and postcolonial studies developed within the network.

Describing itself as ‘an adventure in collective intelligence’, UniNomade set itself the goal of creating new ‘common names’ to construct an ‘Encyclopedia of the science of transformation of the present state of things’. Since the beginning of the global economic crisis, the network tried to focus on the peculiarity of its financial, social and political dynamics. Two seminars were organized in September 2008 (in Bologna) and in January 2009 (in Rome) to discuss these issues. A collective book, translated into several languages, came out of the proceedings (see Fumagalli and Mezzadra, 2010). UniNomade 2.0 re-

launched by acknowledging the importance of the ‘worsening crisis as permanent condition of contemporary capitalism’ and aimed at investigating the “recomposition” of antagonistic processes’:

Investigating the production of subjectivity and power inside the new composition of living labor, new forms of struggle and differential temporalities, finding innovative places and dynamics of connection: these are the challenges that, even if in different forms, we are collectively facing.⁴

The articles collected in this special section of *Theory, Culture & Society* document some of the research lines that have been explored by the UniNomade 2.0 collective after the publication of the book on the financial crisis (Fumagalli and Mezzadra, 2010). The European dimension of the crisis emerged as an important object of analysis, while a part of the collective began to emphasize the need for a European political movement as a response (Mezzadra and Negri, 2014).

Between 2009 and 2013, this network of researchers, academics, students and activists organized 13 international seminars and one summer school across a variety of sites spanning occupied spaces, universities and workers’ clubs (such as occupied Teatro Valle in Rome, open Teatro Garibaldi in Palermo, the Ex Asilo Filangieri in Naples, the International University College in Turin, social centres and diverse political projects in Genoa, Milan, in Passignano, Umbria, and in Venice). the concept of the ‘Common’ in particular was thematized in a series of seminars (digital commons, environmental and financial commons, institutions of the common; class composition, cognitive labour and the common; the constitution of the common, the law of the common) but also labour, rights, citizenship and race; the art of struggle; enterprise and subjectivity; the composition of race, class and gender in the crisis; beyond welfare towards Commonfare; biocapitalism; China and Europe in the global crisis and so on.

Seminars were well attended and broadcast over the internet through the website, which worked as an archive of intellectual work carried out in these occasions, but it went beyond this function by publishing a series of editorials and dossiers. All essays and articles published were discussed by a mailing list functioning as a collective editorial decision-making tool of the project. The collective aimed not only to monitor the political and social developments in what was once called ‘the Italian laboratory’, but also worked with ‘the assumption of European and transnational dimension as a space of analysis, reflection and political action’. It thus edited, translated and published a series of dossiers on subjects such as the Mediterranean, the Spanish insurgency, the ‘Latin American laboratory’, the Pussy Riot actions, and the ‘meridian studies’ activities (a pathway of

co-research and self-education within southern Italy), but also on the environmental-industrial crisis of Ilva (a massive petrochemical plant in Taranto), the strikes of logistical workers in northern and central Italy, the aftermath of Genoa 2001 and so on.

It is important to note that, although UniNomade definitely had its particularity, its activities have been part of a more general trend over the last decade in Italy, where dozens of collectives, cultural and political projects have engaged in the development of practices of 'self-education'. While these practices are rooted in the history of Italian social political movements, it is difficult not to see the link between their multiplication and intensification in recent years and the processes of neoliberal reorganization that have reshaped universities since the early 1990s. To put it briefly, the mix of attempts to corporatize the higher education system, resistance coming from the old power system, and a chronic lack of resources has steadily turned most universities into knowledge transmission factories where research, critical thinking and debate have become increasingly difficult. In Italy, this took the specific form of massive cut-backs to public university funding, especially in terms of recruitment of a new generation of researchers, causing a substantial intellectual migration from the country. The spread of practices of 'self-education' must be placed within this context. UniNomade, at least in its best moments, was part of this movement and was able to become a reference point for other collectives and projects.

The set of articles collected in this special section, then, express on the one hand the specific conjuncture of the 'eurocrisis' as a crisis of the euro (the common currency of the European Union [EU], which has been adopted since its introduction in 2001 by 18 nations), but also as an instance of a larger, global restructuring of capitalism by means of the increasing centrality of what Christian Marazzi and André Orléan, among others, call 'the financial convention' (the emergence of finance as new general rule and measure of economic and social activities) (Marazzi, 2008; Orléan, 2009). One of the common assumptions shared by the thinkers collected in this section is that the end of the Fordist-Keynesian compromise which, in Antonio Negri's words, constructed the 'public' as a dispositif of mediation and stabilization of class struggle, has produced a restructuring of the capitalist economy around the centrality of financial capital, which has become dominant in relation to industrial capital (Negri, 2015, this section). The crisis of the euro, but also the crisis of Europe, described in these articles, is the means by which a new form of material constitution is affirmed, taking the form of an authoritarian 'economic governance', based around treaties and pacts of 'stability' that express a 'deficit of democracy' and a 'democratic default' (Negri, 2015).

Antonio Negri opens this section with an article that explores one of the main theoretical themes evidenced by UniNomade 2.0's collective research programme: the relationship between the juridical categories of 'public' and 'private' (crystallized by the Keynesian-Fordist compromise) and the political concept of the Common. This relation is explored through the theme of the 'material constitution', such as the constitution of Europe as a political and economic space, defining actual relations of power which defy the crystallization of 'formal constitutions', such as the Italian constitution of 1948. A 'material constitution' is such because it refers to the state of actual relations of power in capitalist societies and because it is the political expression of the hegemony of capitalism.

Negri defines the Keynesian-Fordist moment as being founded on the centrality of 'labour-value' as a norm which regulated and measured productive social activities. The relative stability of material constitutions anchored in the centrality of work has given way to a new measure and form of regulation – what is defined as the 'financial convention' or 'financial rule'. Thus Negri argues that a fundamental shift has taken place, which concerns of course a globalized economy, but that within the current Eurocrisis is evident in particular ways. Individual labour is no longer the measure of value (even if only after going through the moment of abstraction), but *social labour* is, or the *Common*, a political concept which exceeds the division between public and private. Value is no longer founded in the 'substance' of work as given in individual labour, but it arises out of a mobile arrangement of 'multilateral and cooperative singular productive activities'. The financial convention shaping the material constitution of contemporary capitalism is linked to the rise of what Foucault (2006) called *biopower*. Negri re-reads Foucault's concept of biopower in Marxist terms to argue that value is no longer the expression of a mere quantity of commodities, but refers to a set of activities and services, which are immediately cooperative. In this context, any form of measure cannot but be political, rather than 'substantial', and hence it must be established through new forms of government (economic governance that in Europe takes the form of *ordo-liberalism*) (Foucault, 2010). The financial convention then expresses the form in which the 'subsumption of life under capital' is realized through the ways in which 'use-values' are turned into financial goods and deeds.

The crisis thus is not just a passing stage in the formation of the hegemony of the financial convention but it is 'endogenous' to it in as much as it expresses the unstable dynamics through which finance must capture something that always falls a bit ahead of it, in the form of the 'increment' of profit. Financial capital is neither a mere form of accounting nor a 'parasite' in the reductive sense of the term, but a 'full figure of capital', as industrial capital was, and hence a social relation. The authoritarian, economic governance previously applied to Latin American and African nations now also characterizes the EU in the

post-2008 climate. It can thus be read against a larger backdrop, where a kind of ‘permanent’ primitive accumulation takes place (enclosure, expulsion, proletarianization) affecting both the *cognitive* and *natural* commons (agri-business, health, housing, and the general precarization of social production) and in a way working through the elusive boundary between the two.

Consistent with the post-operaist approach, Negri does not simply aim at providing a description of the financial convention but also poses the question of how to impose on financial capital new relations of power. How to break with the financial convention from the point of view of class struggle? Negri here draws on Marx’s vocabulary to account for both the shifting nature of the ‘technical composition of labor’ and the configuration of new forms of ‘capitalist command’. He considers the ways in which labour as ‘variable capital’ is both completely interiorized by the financial convention while at same time achieving new levels of autonomy by incorporating portions of fixed and circulating capital (labour, that is, has incorporated technology but has also appropriated the capacity of capital to circulate). This configuration of forces has pushed capitalism to assume the form of a vertical – and hence immediately political – form of command. The social relation of capital becomes immediately political once money displaces labour as rule, norm and measure of value. The financial convention operating through money does not facilitate a new Bolshevik revolution, springing from a symmetrical relation of forces, but presents an ‘asymmetrical relation’ that does not concern only limited segments of the population, but the whole ‘multitudinous’ composition of singularities, which posit as the new terrain of struggle governmentality as such.

Negri concludes with a brief overview of processes of political subjectivation within the Eurocrisis considered also as a form of what he calls, quoting Giso Amendola, a ‘precarious constitution’ or ‘the precarization of constitutional processes as open to practices of self-organization’ (Amendola, 2011). De-stituent and con-stituent processes thus intertwine: calls for the right to insolvency and a ‘debt jubilee’, the social occupation of theatres, the diffusion of practices of commoning and mutualization could provide the means through which, as in a fragmented but powerful way happened in Latin America over the past ten years, social movements could impose their agenda on government, demanding ‘equality as a condition of freedom’.

Christian Marazzi’s article is the transcription of a talk that returns to the connection between financialization, the ‘form’ of money and the process of capitalist accumulation by reconsidering early work by operaists and post-operaists on money. Such work can be seen as taking place in three phases. In a first moment, during the 1970s, writers contributing to the militant journal *Primo Maggio*, such as Sergio Bologna, Lapo Berti and Marazzi himself, analysed the end of the Bretton Woods

agreement of 1944 after the declaration of the 'end of Gold to Dollar convertibility' announced by President Nixon on 15 August 1971. Such reflection was interrupted and then taken up again, through a number of different, even individual trajectories, in the late 1990s, after the financial crisis that hit first South East Asia and then Russia. Finally, after 2007, a new wave of reflections on financialization and money followed the crash and subsequent new 'austerity' regimes.

At the end of the 1970s, then, Antonio Negri in the journal *Potere Operaio*, and Sergio Bologna, Christian Marazzi and Lapo Berti in the journal *Primo Maggio* discussed the end of gold-to-dollar convertibility by referring to different parts of Marx's opus. Drawing on the *Grundrisse*, Negri, for example, uses Marx's expression, 'revolution from above', to describe the de-linking of the dollar from the gold standard as the answer to the crisis of value caused by the development of the productive forces and especially of knowledge embodied in machines. Sergio Bologna's reading of Marx's articles as correspondent for the *New York Daily Tribune* on the financial crisis of 1856–8 evidences the way in which Marx already read the socialization of credit pushed for by the *Credit mobilier*⁵ of the Pereire brothers in France during the mid-19th century as a means to break working-class struggles while at the same time expanding and promoting growth. Lapo Berti, on the other hand, referring to the work of theorists of the 'economic circuit' and their notion of *ex nihilo* money creation, theorizes the ways in which money cannot be considered simply as a general equivalent but as 'sign-money', imposing a form of command on living labour. Berti, in particular, considers the ways in which, when capitalists borrow money from the banking system to pay wages, money is created not exactly out of nothing, but on the basis of the separation of capital and labour. By borrowing money in advance of the payment of wages, and hence before commodities are actually produced, capitalists turn labour power into living labour.

All these writers share Marx's assumption that money is the 'form' assumed by value in the different phases of the circuit of capital, and hence argue that the notion of money as a general equivalent that allows for the commensurability of commodities is only one of the possible functions that money can perform. The different functions of money, such as being a general equivalent, but also a measure of value, means of exchange, store of value, means of payment and credit, can be articulated in different ways depending on the specific relation between a given 'organic composition of capital' and the 'technical composition of class'. The contemporary phenomenon whereby 'fiduciary money' (the money that we can hold in our pockets) has become only 10 percent of the total money in circulation, while the rest is 'scriptural money' or 'sign-money', and hence 'debit-money' or the sign of a debt, points to the hegemony of 'credit' or 'debt' money. The hegemony of such a form of money (scriptural and linked to a credit or debt) urgently poses, for Marazzi, the

question of the relation between ‘money’ and ‘substance’, or at least pushes him to critically consider the theory according to which money is now completely ‘de-substantialized’. What are the implications of saying that the form of value today, that is money, has lost all references to ‘substance’, that is especially the ‘substance’ of work embodied in commodities for example?

Marazzi, then, considers the thesis according to which financial capitalism has broken with the ‘substance’ of value in order to destroy the working class – mainly through precarization and flexibilization. This process is potentially a costly one for capital in as much as it has shortened the cycle of accumulation – accelerating the succession of moments of expansion, growth, bubble and recession. Massive injections of liquidity into the banking system work for a very short time, and they do not seem to stop larger trends towards recession, while capitalism keeps ‘vampirizing’, privatizing and destroying the institutions of welfare. In any case, Marazzi argues that we should not think of the financial economy as the cause of the economic crisis but as a symptom of a crisis in the accumulation of capital. The rates of profit in the industrial sector have dropped from the 22 percent of the golden age of Fordism to today’s 13–14 percent and show no signs of increasing. Financialization has thus allowed for a growth in profit through a ‘becoming rent’ of the latter.

Marazzi then asks us to consider the ways in which, historically, financialization starts in the ‘real’ economy, through the creation of credit departments in large Fordist corporations, such as General Electric, General Motors and Fiat. The expansion of demand for commodities is possible only by extending credit (or debt) to larger segments of the population, including even the so-called *ninjas* (no job no income). It is thus no longer possible to distinguish between the ‘real’ and ‘financial’ economy, but it is possible to identify a new elite: the financial bourgeoisie, out of which the new wealthy emerge, mostly out of the financial and insurance sectors. As many have noticed, this new elite no longer even knows what a factory is: their mode of reasoning only concerns investors and ways to maximize returns for them. Furthermore, the rationality of financial markets, as argued by the behaviourist approach to finance (as in Robert J. Shiller) or by the French Regulation School, is mimetic and works in opposite ways when compared to the classical laws of supply and demand (Orléan 2009; Shiller, 2005). As argued by Keynes in his *general theory*, in financial markets, investors choose where to invest by assuming as a standard the behaviour of others. Hence, unlike in ‘normal’ markets, demand increases price rather than diminishing it.

If financialization, moreover, is the way through which capitalism has reconfigured its mode of accumulation, one must also consider the way in which this has produced a significant shift in the way in which additional demand is created. This shift is defined by Marazzi as a *privatization of*

deficit spending. If the Keynesian convention assumed public deficit spending as a way to stimulate demand, through financialization national states increase their debts not in order to create demand through the provision of new services, but simply by cutting taxation for higher incomes. Public services have been basically governed since the 1980s by prioritizing ‘savings’, while individuals have become centres of creation of additional demand through the extension of credit. The consequences of this shift have also changed the nature of imperialism, which now turns to the inside, by reversing the relation between centre and periphery and creating an ‘outside’ within ever more closed and confined spaces.

Marazzi, then, refuses the extreme notion that value has become completely de-substantialized and refers instead to actual changes in the process of accumulation of capital. The key change here lies in the ways in which the capture of value takes place outside the wage-for-work relation, incorporating the unpaid labour of consumers as enacted in the Google or Ikea business models, where users provide the actual work of linking websites and customers assemble furniture. This process has led Cristina Morini, for example, to talk about a kind of ‘feminization of labour’, which has extended women’s traditional working conditions to the whole of the labour force, thus echoing Donna Haraway’s early theses on the ‘homework’ economy (Haraway, 1991; Morini, 2010).

Profits are created, then, against appearances, by decreasing levels of investment in technology when compared to the costs of changing machinery in a factory. The investments in technology are mostly targeted at dispositifs for the capture of surplus value throughout society. This is an analysis, however, that refuses to leave all agency to capital: if value is no longer objective, but given through the subjective collective beliefs of investors, can a different measure of value be located in the subjectivity of anti-austerity movements and their forms of struggle and life?

Andrea Fumagalli and Stefano Lucarelli delve further into the processes leading to the European sovereign debt crisis and the ways in which it has engendered a moralized ‘division of debt’ between virtuous Northern European countries and undeserving Southern European ones. Remarking on the increasingly widespread critiques of austerity policies imposed on debtor nations by the EU (ranging from neo-Keynesians to Marxists and affecting even former centres of economic orthodoxy such as the London School of Economics), they point out the specificity of ‘neo-operaists’ perspectives on the crisis of the Eurozone since 2007. The originality of such perspectives lies in holding on to the centrality of the capital–labour relation, seeing financialization as the engine of new mechanisms of extraction of surplus value but also never losing sight of the potential for emancipation of living labour. The underlying engine of the crisis, they argue, is the restructuring of the capitalist

mode of accumulation, pointing to the centrality of the exploitation of knowledge both in living labour and in constant capital (computers, intellectual property, etc.).

Fumagalli and Lucarelli, in particular, point out how in the Eurozone crisis, a model of direct financial governance of society has been established which constructs a practice of social control aiming at annihilating conflict, not only around wages but also around the general organization of production and reproduction in the aftermath of Fordism. Against such a model of economic governance as permanent crisis induced by austerity policies, Fumagalli and Lucarelli insist on the constitutive demands by social movements for a new type of welfare or *Commonfare*.

The sovereign debt crisis affecting the EU after 2007 is thus read as an example of a more generalized restructuring, whereby forms of public investment aiming to sustain employment and production are displaced by interventions aimed mostly at injecting new liquidity into financial markets. Here again we find the centrality of André Orléan's approach to financial markets as embodying the coordinated mimetic choices of investors (Orléan, 2009). Given the extreme levels of concentration of the banking system and that the equity market is skewed towards multinational financial intermediators, such markets tend to produce 'conventions' or 'collective beliefs', that is implicit agreements in buying and selling strategies that produce the 'realization of expectations' or returns. The conventions developed in these groups, under the key influence of major institutional investors or a 'collusive oligopoly', shape the overall behaviour of the market which acts according to a mimetic rationality. Financial markets, hence, introduce a new temporality that radically breaks with the traditional management of the enterprise but also with society as a whole.

A 'perverse relation' connects the financial market to the process of emancipation of living labour from capitalist command. Here Fumagalli and Lucarelli deploy a line of reasoning which has characterized much 'post-' or 'neo-operaist' reflection over the last 30 years. The struggles of the 1960s and 1970s have forced the crisis of the Fordist mode of production, introducing a general 'crisis of measure' of value. Financialization is driven by the need to find a new 'measure of value' which can account for production taking place in society as a whole (the 'social factory' argument) and provide a new source of income for the capitalist collective class. The new sources of value are the desires of the multitudes, new knowledges and new technologies. The perverse relation linking the financial convention as a way to measure social production and the drive to emancipation of desires, knowledges, and technologies produces a mode of governance as 'permanent crisis'.

Marazzi's argument about the privatization of deficit spending is here explored in the actions of the EU. The latter has tried to direct national governments in such a way as to support this financialized, crisis-driven

governance by inducing them to cut public spending and sustaining the injection of liquidity in financial markets, in such a way as to shift the burden from private debt (banks) to public debt (national government) and then back to private debts (labour). The Credit Default Swap market, in particular, has acted as a highly efficient mechanism in artificially ensuring the differential rise of Southern European national debts, as such societies were characterized by low levels of private debt and high rates of savings (indeed, they argue, if public and private debts were added together, Italy and Greece would have among the least indebted and hence more 'virtuous' nations). EU policies of 'austerity' have been focused on financing the financial system, privatizing public debt and imposing a 'division of debt' which is the evolution of the 'cognitive division of labour'. Such policies, as is widely acknowledged, have not reduced public debt, but actually increased it when they have been applied. The growth demanded by the financial markets is not compatible with the increasing levels of concentration of income and the expropriation of social wealth.

The sovereign debt crisis of the Eurozone, then, is only one case of a more general crisis of capitalist valorization which, in order to survive, must extend and try to expropriate the Common. In line with the general analysis carried out by the UniNomade 2.0 collective, Fumagalli and Lucarelli understand the Common as a concept that does not coincide with that of 'common goods' (usually associated with natural resources such as water, air, land, etc.) Their conception of the Common, then, reflects the general emphasis of the collective on 'social cooperation' – that is the socialization of knowledge and technology, linked to the expansion and complication of social needs and desires for new ways of living. The expropriation of the Common, linked to the expropriation of knowledges ranging from farming to health, from the care of the self to that of the environment, from new modes of producing objects to new ways of living in cities, opens a 'demented and ruinous' horizon of social disintegration.

Only a large, continental-wide mobilization can thus impose new policies to stop the disastrous implementation of financialized governance on European societies. Fumagalli and Lucarelli articulate such demands as entailing a restructuring of national debts, especially the parts owned by large multinational investors; the use of the resources thus freed up to finance new welfare policies and income redistribution, thus enabling the reappropriation of the surplus value produced by social cooperation; reversing the process of enclosure and privatization of the Common through a reappropriation of primary goods, both material and immaterial, such as a free access to knowledge; and the establishment of new financial circuits and credit money as an instrument of the Common.

Maurizio Lazzarato's article sees the sovereign debt crisis in the EU as evidence of the emergence of a fully fledged state capitalism which belies

all attempts to characterize neoliberalism as driven by *laissez faire*. Lazzarato clearly draws on Foucault's courses at the Collège de France, and specifically *Security, Territory and Population* and *Birth of Biopolitics* (Foucault, 2009, 2010), to explain the constitution of the euro as a project emerging out of the ordo-liberal tradition that presided over the birth of the new German Social State out of the ashes of Nazi Germany. However, he is also keen to go beyond what he sees as the limits of Foucault's analysis, and specifically the ways in which he thought of liberalism and neoliberalism as political rationalities aiming to limit the action of the state. Siding with Deleuze and Guattari, Lazzarato argues that capitalism only gives the 'appearance and illusion' of liberalism and that 'capitalism has never been liberal'. In the crisis of the Eurozone, Lazzarato sees the revelation of the true nature of the relation between the state and capital. The crisis has seen neoliberal institutions such as the European Bank or the International Monetary Fund (IMF) shift very quickly, as happened before in Asia, Africa and South America, from no planning to the production of an increasing number of detailed, long-term plans.

Lazzarato acknowledges that the state and the market are heterogeneous to start with, involving different types of relations (on the one side, territories and borders, community, rights and citizenship, and on the other side permanent deterritorialization, world market, competition, exploitation of workers). He argues, however, that the function of governmentality, as described by Foucault, is precisely to recompose this heterogeneity. Neoliberals transform the state so as to suit the process of accumulation of capital and turn the market into the political ground of the state. The sovereignty of the ordo-liberal state (Germany and EU) and the neoliberal (US) state does not come from the people but from capital, and contemporary capitalism does not distinguish between state, economy and society.

The transformation of the subprime crisis into a sovereign debt crisis has, for Lazzarato, further deepened a process which had already started in the 1980s. The last 30 years or more, in fact, have already seen a progressive weakening of real distinctions between (centre) right and (centre) left parties, but in the Eurocrisis this is no longer enough. With the increasing presence of 'technical governments' in the Eurozone, we have 'men of capital' directly leading the state and an effective suspension of the democratic system. The representative system has been suspended so that a 'democracy conforming to the market' can be imposed.

Lazzarato here extends Foucault's argument about the genealogy of the market (Foucault, 2010). In the key shift from the market as the site of exchange (liberalism) to the market as an entity endowed with an 'internal logic' or 'essence' (such as the formal structure of competition), the market becomes something that must be created by the state in order

to exist. States create markets by acting on society in such a way that the market becomes the norm, imposing a conformity of behaviour on society at large. If the market does not work, neoliberals argue, it is society's fault and hence it is society which must change, even at the cost of breaking it apart. As the examples of Greece, Portugal, Spain and Italy show, neoliberal governmentality can go so far as to argue that society must be destroyed so that the market can function. The state no longer safeguards the social bond but either destroys it or radically weakens it in order to achieve 'complete conformity to the market'. It is in order to make the market free, then, that society must be enslaved.

The crisis of the Eurozone is thus seen as a specific case of this wider restructuring of governmentality around the primacy of the market over society, but with a specific inflection, that given by the centrality of ordoliberalism to the formation of the German state first, and then of the Euro. Lazzarato goes so far as to argue that the 'Euro is German money', that is, the expression of German economic power passing through the reconfiguration of the state. As for Negri, for Lazzarato the material constitution of the EU is the constitution of financial command. In this sense, the EU is more neoliberal than the US since the latter has not gone so far as to subordinate the Central Bank completely to private interests.

If the material constitution of the EU is the constitution of financial command, then it is not surprising that its first and foremost institution is a currency, such as the euro. Lazzarato returns again to the critique of the euro emerging out of the 'heterodox' French economists' school (including, again, André Orléan). The latter has argued that the key conflict mobilized in the invention of the euro lies between the private form of money, such as that given by finance, and the public form of money, such as that created by the state. Where the French school sees a conflict between the two forms of money, for Lazzarato there is no conflict, but convergence between the two forms of money within the European mode of governmentality.

If the origin of money is not exchange but debt, as he previously argued (Lazzarato, 2012), contemporary governmentality integrates two forms of money founded on two modes of debt: the private debt established by contracts between individuals; and the political debt to society (social debt) which is supposed to found and guarantee solidarity and community (and hence the 'public', national form of money). These two forms of debt are integrated within post-crisis governmentality in such a way as to guarantee the primacy of the former over the latter. The public money issued by the Central Bank, which was supposed to guarantee social cohesion, has thus been seen as having taken a particular stance: in the Eurozone, it has become a means to acknowledge and validate private debts. The European Central Bank (ECB) guarantees the repayment of private debts and finances them, while it does not

validate public debt and refuses to finance it. The monetization of private debt is thus accomplished through public debt. Rather than the distinction between public and private money, then, Lazzarato argues for the usefulness of Deleuze and Guattari's elaborations on the distinction between money-as-capital (credit money) and money-as-means-of-exchange (commodity money). The power of the former (power to invest, finance and command society) is the counterpart of the powerlessness of the latter (commodity money is the money of the governed). Credit money thus gives rise to the new 'collective capitalist', the financial elite, while commodity money is the means through which wages are paid and income distributed to the dominated.

Lazzarato concludes then by arguing that the sovereign debt crisis in the Eurozone shows 'in real time' the constitution and formation of state capitalism: a reorganization of power that overcomes and integrates the dualisms of economy and politics, private and public, state and market by making the power of capital transversal to the economy, politics and society.

If Maurizio Lazzarato's article explores the configuration of the actual mode of governmentality underlying the crisis of the Eurozone, Carlo Vercellone focuses on the constitution of an alternative model by foregrounding the role of the institutions of welfare in cognitive and financialized capitalism. An alternative is thus posed between two opposed models of society and of regulation of an economy founded on the socialization of knowledge. Vercellone thus highlights the centrality of institutions of welfare (health, research, education) as key stakes in the unfolding of the crisis and as targets of austerity policies.

In the first place, Vercellone argues, it is important to critique the notion (held even by progressive scholars such as David Harvey [2010]) that welfare is a cost paid for by drawing money from the 'real' economy. This position forces critics of neoliberalism into a defensive position in relation to the argument that 'we cannot afford' to fund institutions of welfare. Welfare is thus rethought by Vercellone, not as a cost but as feeding the 'primary productive force' sustaining a knowledge-based economy.

Vercellone's argument is derived from a key historical development of capitalism, that is the fact that so-called 'immaterial' or 'intellectual' capital has overtaken other forms of capital as driving force of growth and competitiveness. The living knowledges embodied in 'human capital' are dominant in the cycle of production with relation to the 'dead knowledges' embodied in fixed capital or technologies. The institutions of welfare are then seen as having played a key role in producing the 'immaterial capital' of 'mass intellectuality' which is now reinterpreted by neoliberal theorists as human capital. Furthermore, at least in Europe, the institutions of welfare have historically played the role of weakening the dependency of such intellectuality on waged work, introducing a degree

of freedom or choice. This mass intellectuality, then, is not produced by the market, but by the institutions of the welfare state and operates according to a non-market logic. The 'wealth of nations', then, can be said to be founded on a 'productive cooperation' unfolding outside the boundaries of the enterprise.

Indeed, as Vercellone remarks, the sectors of the economy which provide the services traditionally associated with the institutions of welfare (health, research, education, insurance) are among the few to be still characterized by growth. This explains, for him, the intense pressure exercised by capital to privatize them. The road to privatization has been opened by new strategies of management (such as the New Public Management) that have introduced the logic of competition and quantification in new hybrid formations which combine the worse of both worlds (the stifling logic of bureaucracy combined with the quantitative, outcome-oriented logic of the private sector). Subjecting health, research and education to the logic of the market has high social costs in as much as it actually impedes efficacy in delivering those services. This undermines the very basis of the development of an economy founded on knowledge and thus ultimately weakens cognitive capitalism as such. The logic of privatization and marketization applied to the institutions of welfare is highly destructive, producing value for capitalists but destroying social wealth. This process of privatization is hence worsening the crisis, augmenting systemic risk and increasing insolvency. We are facing, then, the formation of a 'purely coercive system' without hegemony. The predatory drives of capitalism produce a new 'tragedy of the commons' leading to a process of self-destruction.

The second model is named by Vercellone, like other post-workerists such as Fumagalli, *Commonfare* (Fumagalli, 2008). This new model does not simply re-propose the old public model of welfare but is based on a 'democratic reappropriation' of the welfare state and a re-socialization of money and credit. Such Commonfare is articulated by Vercellone according to three axes: a new priority of investments in collective, non-market services; an unconditional Guaranteed Wage or Social Income (GSI) as a primary source of income for individuals; a mutualization of the banking system of money creation and credit.

In order to argue for new collective investments in Commonfare, it is essential to question the notion that welfare is a cost financed by the productive activities taking place in the market economy. Welfare is a key productive factor in knowledge economies, generating a non-market social wealth, and investments in welfare anticipate the creation of wealth geared towards the satisfaction of collective needs which taxation pays for after the fact. In order to function as Commonfare, welfare institutions need to be redefined as services based in co-production, involving cooperation between highly qualified workers and patients, students, etc.

The second axis of the proposal involves the institution of a GSI which would reverse the direction of current 'workfare' policies, which strengthen the powerlessness of the individual with relation to the job market (see also Monnier and Vercellone, 2014). The claim for a GSI is based on a redefinition of productive work as something that exceeds that paid for and organized by the enterprise. Work might not be productive from the point of view of capital, but still creating wealth. Unlike workfare, a GSI assumes social productivity and does not require it to be demonstrated, even as the actual amount can be the object of a collective negotiation. A GSI would thus work not only to reward such labour, but also to emancipate it from the blackmail of the market, allowing workers to reclaim time and psychic energy to be invested in experimentation into the invention of new institutions of the Common.

The third element of Vercellone's proposal for a new model of society and economic regulation is, crucially, money. This involves confronting the dominant role of financial capital today in driving accumulation and allocating wealth. Money needs to be rethought as a 'real common good', a social convention belonging to a political community. Vercellone translates this into concrete proposals for a re-evaluation of exit strategies from the crisis of the Eurozone. Like the other authors of this special section, Vercellone reads the autonomy of the ECB as a *de facto* privatization of money creation and argues for the introduction of Keynesian mechanisms in monetary policy to stop speculation and free up resources to invest in Commonfare. A re-socialization of the ECB is thus proposed, which does not involve – as in some current proposals coming especially from French economists – re-nationalization. Vercellone prefers instead the hypothesis of a 'commonalization' of the banking system, harking back to a tradition of the 'mutualist' banking model. This would allow the creation of a 'socialized system of credit' that would not refer back to the state but to 'decentralized entities' endowed with 'operative autonomy' regulated by statutes that explicitly relate credit to the principle of public service.

Vercellone concludes by arguing for a new 'optimism' grounded in 'will and reason', questioning the most essential basis of capital (such as money) and releasing all the potential of the constituent powers driving the struggle against the crisis.

Mostly written in early 2013, often delivered first as lectures at UniNomade 2.0's public events, these articles provide a differentiated but somehow consistent reading of the ways in which the financial crisis of 2008, triggered by the subprime bubble in the US, has been inflected in the specificity of the European transnational space. All the articles combine an analysis of financial capital as expression of the crisis of the labour theory of value with an emphasis on the new kinds of demands and political possibilities opened up by financialization as such. It is not a question of going back to a real economy (such as the

Fordist one), but thinking about new institutions able to rise to the challenge of a financialized economy. In as much as these articles were conceived within and for (even as not completely containable in) an associated political milieu, such as that of the Italian extra-parliamentary left, a free university network such as UniNomade 2.0 obviously aspires, somehow, to inform political practice even as the terms of this relation might be defined as nonlinear. As Europe threatens to slide towards a new wave of right-wing, xenophobic nationalisms, it seems important to continue to feed (back and forward) another, less hegemonic and racist, concept of the European space.

Postscript

As this special section goes to print, the Euro zone is still reeling from the dramatic outcome of the struggle by the Greek government, a coalition led by the left-wing party Syriza, to convince the European Union to back down from pursuing repayment of the national sovereign debt at the cost of complete surrender of national sovereignty, decades of poverty and destitution for its population, the confiscation of its assets and a long-term default. An editorial published on the Euronmade website entitled 'We Will Continue to Fight' argued that the way in which the crisis was managed determined a deep transformation of the European material constitution sanctioned by the 'collective punishment' inflicted on the Greeks. Rejecting the notion that a return to national currencies would provide a solution, the collective emerging out of the dissolution of Uninomade 2.0 insisted on the necessity of carrying out a struggle for 'a different Europe' within the European space in the direction of a 'European OXI' against the austerity regimes. As the analysis of power relations within the EU outlined in this section proved its accuracy in describing the shift in the material constitution of the EU, the power of financial command, and new forms of state capitalism, what remains to be seen is whether it is possible to imagine another European political space built around the new institutions of commonfare and less brutally defined by the violence of its internal and external borders.

Acknowledgement

The *TCS* editors would like to acknowledge the help of Paolo Palladino in the general editorial process for the section and improving the translations.

Notes

1. See *Euronmade: Inventare il comune, sovvertire il presente* (<http://www.euronmade.info/>); *Effimera* (<http://quadernisanpreario.info/effimera/>); and *Commonware: general intellect in formazione*. (<http://www.commonware.org/>).
2. See UniNômade Brasil (<http://uninomade.net/>); and Universidad Nomada in Spain (<http://fundaciondeloscomunesnet/es/dispositivo/universidad-nomada>).

3. See <http://www.uninomade.org/progetto/>.
4. All quote from UniNomade 2.0 are from the website (<http://www.uninomade.org/>).
5. Credit mobilier was a bank founded by the Pereire brothers in France in 1852 and which went bankrupt in 1867. It is considered the first French investment bank.

References

- Amendola A (2011) Di precaria costituzione: Soggettività postsalariali e movimenti costituenti. In: Chicchi F and Leonardi E (eds) *Condizione precaria, nuovi conflitti e regime neoliberista*. Verona: Ombre Corte, pp. 179–194.
- Foucault M (2006) *The History of Sexuality*, vol. 1: *The Will to Knowledge*. London: Penguin.
- Foucault M (2009) *Security, Territory, Population: Lectures at the Collège de France 1977–1978*. Houndmills: Palgrave Macmillan.
- Foucault M (2010) *The Birth of Biopolitics: Lectures at the Collège de France 1978–1979*. Houndmills: Palgrave Macmillan.
- Fumagalli A (2008) Trasformazione del lavoro e trasformazioni del welfare: precarietà e welfare del comune (commonfare) in Europa. In: Leon P and Realonso R (eds) *L'economia della precarietà*. Rome: Manifestolibri, pp. 159–174.
- Fumagalli A and Mezzadra S (eds) (2010) *Crisis in the Global Economy: Financial Markets, Social Struggles, and New Political Scenarios*. Los Angeles: Semiotext(e).
- Haraway D (1991) *Simians, Cyborgs and Women: The Reinvention of Nature*. London: Routledge.
- Harvey D (2010) *The Enigma of Capital and the Crises of Capitalism*. London: Profile Books.
- Lazarato M (2012) *The Making of the Indebted Man: Essay on the Neoliberal Condition*. Los Angeles: Semiotext(e).
- Marazzi C (2008) *Capital and Language: From the New Economy to the War Economy*. Cambridge, MA: MIT Press.
- Mezzadra S (2009) Italy, operaism and post-operaism. In: Ness I (ed.) *International Encyclopedia of Revolution and Protest*. Oxford: Blackwell, pp. 1841–1845.
- Mezzadra S and Negri T (2014) Breaking the neoliberal spell: Europe as the battleground. Available at: <http://www.euronomade.info/?p=1417> (accessed 27 December 2014).
- Monnier J-M and Vercellone C (2014) The foundations and funding of basic social income as primary income: A methodological approach. *Basic Income Studies* 9(2): 59–77.
- Morini C (2010) *Per amore o per forza: femminilizzazione del lavoro e biopolitiche del corpo*. Verona: Ombre Corte.
- Negri T (2015) On the Constitution and Financial Capital. *Theory, Culture & Society*.
- Orléan A (2009) *De l'euphorie à la panique: Penser la crise financière*. Paris: Éditions de la Rue d'Ulm.
- Shiller RJ (2006) *Irrational Exuberance*. Rrinceton, NJ: Princeton University Press.

Tiziana Terranova is Associate Professor of Sociology of Culture and Communications at the University of Naples 'L'Orientale', Italy. She was a member of UniNomade 2.0 and is currently a member of the EuroNomade collective, the editorial board of *Theory, Culture & Society* and the board of Robin Hood Asset Management Cooperative. She is the author of *Network Culture: Politics for the Information Age* (Pluto Press, 2004) and of the forthcoming *Hypersocial: Networking Social Cooperation* (University of Minnesota Press).

This article is part of the *Theory, Culture & Society* special section, Eurocrisis, Neoliberalism and the Common, edited by Tiziana Terranova, Adalgiso Amendola and Sandro Mezzadra.