

## **Radical(ly) Political Economy**

### **Luhmann, Postmarxism and Globalisation**

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#### ABSTRACT

This paper is concerned with a reactivation of the dimension of the political in political economy. The question of politicisation is explored in connection with recent theoretical reflection on postmarxism and the systems theory of Luhmann. A main contention is that, in contrast to naturalistic perspectives, there is no pre-given object of political economy. Rather the objectivation of the economy has to be considered in strictly hegemonic terms; terms that, I argue, are the condition of possibility for a politicisation of political economy. On these grounds, the paper advances an alternative approach to political economy that may be considered radical insofar as it does not attempt to conceal the fundamental dimension of the political. This approach will be further developed in the context of contemporary themes and debates surrounding the question of globalisation and the potential openings for hegemonic intervention by the left. Here again the status of the political is taken to be paramount.

Keywords: Postmarxism, Systems Theory, Autopoiesis, The Political, Globalisation.

The question of political economy has taken on a particular centrality since the rise of modernity. As the figure of God progressively receded, the thinkers of the Enlightenment began to put their faith in the analytic discovery of founding principles for the construction of a rational social order that would in turn secure the conditions for secular emancipation. Such principles became the essential focus for an emerging 'natural science' of political economy. If the medieval period was dominated by a theological project of interpreting God's laws, the success of the new age was seen largely in terms of working with what were perceived as the underlying laws of economic reality. In this way, the economy was idealised as an object of first principles, of *a priori* foundation, around which it was rationally and morally incumbent to construct society.

Through an analysis of what it saw as the logical and objective mechanisms of the economy, classical political economy aspired to intellectual mastery over the real. At the same time, the ‘objectivity’ of the economy was constructed in radically different ways. Liberal political economy, for example, stressed the fundamental importance of the so-called free market. In terms of Smith’s famous conception, it is only through the unencumbered movements of an ‘invisible hand’ that the conditions for social equilibrium can be established. This naturalistic approach to the market was seen to reflect certain basic (metaphysical) ‘laws of justice’ that could be applied universally.<sup>1</sup> For Smith political economy constituted ‘a branch of the science of the statesman or legislator’ in which the essential principles of governance could be rationally determined. In a similar vein, Mill defined political economy as ‘the science which traces the laws of such of the phenomena of society as arise from the combined operations of mankind for the production of wealth...’ (1948: 140).

Marxist political economy, by contrast, focused on the domain of production as the ultimate reality. History was conceived as possessing a structure that contoured the dynamic and contradictory playing out of the tensions between the forces and relations of production. In this regard, Marx’s central objective was to ‘lay bare the economic law of motion of modern society’ (Preface to *Capital*). Such a law determined that communism would be the final outcome of history: a unique and final epoch capable of resolving all basic antagonisms through collective ownership.

While the liberal and Marxist versions of political economy construct the objectivity of the economy in characteristic ways, and are totally different in their prescriptions, they share nevertheless the same type of problematic. In both cases, the economy is derived as a metaphysical, or idealist, construct whose laws remain constant in every social formation. The economy exists as a conceptual model that can be pre-specified as an underlying structure of rationality on which to base the social order. Thus the potential for emancipation and moral progress is seen to depend on a particular economic model: liberalism – the free market; Marxism – the socialisation of the means of production. And in this regard, both types of political economy tend to be presented, by their respective advocates, as ultimate rational accomplishments; as embodying characteristic ends of history.<sup>2</sup>

Using Husserlian terminology, we might say that a crucial task for our purposes is to *reactivate* what has become *sedimented*, or forgotten, in the notion of political economy. Through routine use, this notion has become progressively sedimented within a tradition in which it has been made synonymous with generalised ideas about objective interests and positivistic truth – thereby concealing the traces of its own philosophico-discursive origins.<sup>3</sup> It is something of a paradox that political economy (in all its variants) has tended to eradicate the very dimension of the political. The ambition of political economy has been to master all ambiguity and contingency by establishing a final metaphysical ground – a set of immutable economic laws – that would enable social transparency. In this sense, traditional political economy has aimed at an Immaculate Conception, a theology of reason, that cannot be politicised or put into question.

How then should we conceive the dimension of the political? This paper takes as its point of departure the argument of Lefort (1989). In traditional theory – and in particular positivist sociology – politics has been generally understood as one subsystem among others (legal, cultural, economic and so on). In addition, politics has tended to be conceived as a secondary phenomenon: in the case of Marxism, as a superstructure that reflects the underlying movements of civil society; in the case of liberalism, as the institutional domain of public power that functions (or should function) on behalf of private interests. For Lefort such approaches conceal a far more radical dimension of politics, or what he calls the political (*le politique*):

‘The political is thus revealed, not in what we call political activity, but in the double movement whereby the mode of institution of society appears and is obscured. It appears in the sense that the process whereby society is ordered and unified across its divisions becomes visible. It is obscured in the sense that the *locus* of politics (the *locus* in which parties compete and in which a general agency of power takes shape and is reproduced) becomes defined as particular, while the principle which generates the overall configuration is concealed.’ (Lefort, 1989: 11).

The political, therefore, is that which shows the contingent nature of all structuring principles. In consequence, the political is not merely one system among others but fundamentally the constitutive dimension of *every* system up to, and including, the social framework itself. To make the same point in different terms: all systems are

ultimately 'arbitrary' (i.e. historical rather than ontological) insofar as they originate from an essential condition of undecidability. Far from realising a pre-existing positivist order, the *positivisation* of a system only takes place in relation to an irreducible negativity: that is, through the repression of alternative positivisations. This means that systems are both necessary and impossible: necessary for the purpose of conjuring some kind of order on the terrain of undecidability; impossible in the sense that the latter can never be fully mastered.

Three points are especially worth making here. The first is that, by definition, the political cannot be represented as it has no particular location or agency. Nonetheless the *effects* of the political are continuously revealed in numerous dislocatory events – from armed conflict and social antagonisms right through to divorce and the breakdown of personal relations – in which certain structuring principles (ways of being etc.) are called into question. This is why Rancière speaks of the political as that which breaks with any received configuration and as 'whatever shifts a body from the place assigned to it or changes a place's destination' (1999: 30). For Laclau and Mouffe (2001), on the other hand, the political designates the ontological dimension of impossibility that prevents Society from coming into being as a full positivity. And in this respect the political may be said to be quasi-transcendental in character.<sup>4</sup>

Second, the relationship between the political and the social is not static but dynamic and historical. A particular society will be more or less 'social' in orientation to the extent that its basic generative principles are accepted as legitimate and are thereby able to establish a certain stability. By contrast, a politicisation of society occurs where such principles are thrown into question/doubt and lose their governing status: for example, the collapse of the Berlin Wall and the disintegration of the East European regimes. In such a politicised situation there exists a widening of the domain of the possible in which alternative hegemonic movements will seek to give new direction and consistency to society: in short, to establish a new societal effect *apropos* of new generative principles. The relationship between the social and the political, therefore, is tendential rather than positional.

In this connection two further clauses should be noted. The first is that politicisation itself is radically contingent and cannot be referred to an exterior or infrastructural

logic that would predetermine the points of political eruption (e.g. economic crisis). The political is essentially indeterminate and may in principle be extended to all fields of the social. Second, the effects of the political cannot be predicted in advance (there is no *telos* or *aufhebung* that govern its movement). The effects of the political, and the resolutions thereof, will depend entirely on the historical struggle of concrete actors.

Finally, given that all systems are ultimately undecidable then the question of the relationship between the ‘foundation’ of a system and what is ‘actual’ becomes incoherent. It is not a question of absolutist foundations versus the absolute lack of foundations. The point is that all foundations are constituted through logics of exclusion and repression.<sup>5</sup> What is foundational about foundations is not ontological determination but hegemonic practice. In the sense of Foucault, and the later postmarxists, power and antagonism are constitutive of all being and are therefore ineradicable - the idea of a system achieving consistency without frontiers of exclusion/repression is clearly *non sequitur*. The dream of a rationalist-integrationist ideal (the holistic System) – discernible in Plato’s Republic of Reason, Marx’s final epoch and more recently in Habermas’ world of undistorted communication (Habermas, 1995), Rorty’s liberal utopia (Rorty, 1989) and Fukuyama’s end of history (Fukuyama, 1992) – is one that is based finally on a disavowal of the political and the impossible attempt to master its effects.

In order to develop a radical political economy perspective, three interrelated arguments will be advanced. First, a *political* economy is one that, in contrast to traditional approaches, presupposes the essential discursivity of the economy. The reason for this is clear. The idea of an extra-discursive (i.e. a transcendental positivity) is something that is wholly incompatible with that of the political: the one eliminates the other. A radical political economy, therefore, is one that begins from the premise that the economy is essentially prone to subversion and reconstruction in respect of other hegemonic-discursive positions.

Second, a radical political economy is not one that aims at establishing the ultimate, or true, model of the economy (e.g. anarcho-capitalism, mixed economy, social ownership and so forth) on which to base the social order but precisely the opposite:

that is, the critique of the very idea of a model that could fulfil such a role. Put simply, it inscribes the dimension of impossibility as a positive feature of its approach.

In this way – and this is the third argument – a radical political economy is one that is capable of sustaining what Derrida (1994) would call the promise of more just and democratic forms of economic practice that are always ‘to come’. It is through the affirmation of the logic of the political that the historical conditions of possibility (but only possibility) are created for an ongoing project of economic democratisation; a project that is based on hegemonic will rather than naturalistic foundations. A radical political economy is one that constantly heeds the call for further radicalisation beyond any *telos* or optimum.

It is in these terms that the paper seeks a reactivation of the dimension of the political and to show its consequences for the analysis of political economy. The paper first examines the way in which the problem of the political has been dealt with in modern political economy and especially the Marxist tradition. It then moves to a consideration of the way in which Luhmann’s systems perspective may be profitably combined with postmarxism with a view to developing an alternative approach to political economy.

This of course begs the question as to what is meant is by postmarxism? At a general level, postmarxism is understood as an emerging philosophico-intellectual movement characterised by the steady erosion of the logic of necessity that we find in orthodox Marxism. This movement is most notably associated with ‘postmodernists’ like Foucault, Lyotard and Derrida, among others, but is also reflected in such thinkers as Gramsci, Hilferding and paradoxically Marx himself (see below).

More specifically, postmarxism is identified with the thought of Laclau and Mouffe who, drawing on this movement, have developed (and are developing) a compelling perspective that synthesises postmodern and Marxist themes. This perspective turns ultimately on two principal assertions. First, all objects are given to us as objects of discourse (2001: 107), and this applies not only to the world of language but also to the extra-linguistic or material world; the latter is co-extensive with the discursive. Consequently it is impossible to climb out of the discursive realm or to reach a point

of final transparency. The idea of an access to an incontestable and substantivist ‘extra-discursive’ is precisely the dream of all idealists.

The second assertion is that ‘antagonism is the limit of all objectivity’ (Laclau and Mouffe, 2001: 125; and Laclau, 1990: 17). This means that what we call ‘objectivity’ is something that always has to be carved out as a field of intelligibility through logics of exclusion and antagonism. Objectivity is always a hegemonic-power construction that, by definition, involves the repression of alternative constructions through (historical) frontiers of antagonism. And by acting as a limit, antagonism is constitutive of all objectivity. This argument is of capital importance for the proceeding analysis of systems theory.<sup>6</sup>

Finally, the paper addresses the implications of an alternative postmarxist/systems approach in the context of the recent themes and debates surrounding the question of globalisation. In particular, it focuses on the possibilities for hegemonic intervention by the left. What ultimately is at stake here, it will be argued, is the type of orientation that exists towards the political.

### The Persistence of the Political

The history of Marxist thought reveals a progressive undermining of the idea of the economy as an autonomous entity with endogenous laws. With the likes of Hilferding and Gramsci, and certainly the later postmarxists, what begins to emerge is a new type of perspective in which the political itself becomes increasingly apparent as an object of theoretical reflection. To this effect, the economy has been shown to depend on more and more conditions of possibility that, far from expressing any cosmic decree, are themselves the result of contingent political practices. Yet the tension between naturalism and the logic of the political is already revealed within Marx’s own thought.

One of the great achievements of Marx consists in what Hesse (1980) might call his metaphoric re-description of the economy; a re-description that, for the first time, sought to analyse economic relations in terms of social context. Marx was vehemently opposed to those conventions of political economy that attempted to derive economic

meaning, and to justify vast inequalities of wealth, on the grounds of a mythical state of origins.<sup>7</sup>

In contrast to abstract ideals, Marx affirmed the *social* character of labour (see esp. *Capital* vol. 1) such that the individual's potential for production and self-development is always dependent upon a given framework, or mode of production, that in turn reflects certain power relations; a balance of forces between classes. This enabled Marx to advance a powerful critique against naturalistic conceptions of capitalism that have persisted from Smith and Locke right through to Friedman and the dominant forms of neo-classical economics. Against such pieties concerning 'free' labour contracts in an open market, Marx demonstrated how workers are *forced* to sell their labour power as, under capitalism, they are denied access to the means of production and subsistence. For Marx, the classical liberal paradigm turned precisely on the attempt to finesse the power basis of capitalism.

In this regard, we may argue that a logic of contingency is already apparent within Marx insofar as there is a fundamental emphasis on the economy as a human construction rather than an underlying form waiting to be discovered. By de-objectifying the economy and showing its reality to be the result of wider power relations that generates its principles of construction, there is a clear sense in which Marx expanded the dimension of the political. At the same time, this expansion is limited as, in a contrary movement, there is a re-absorption of the political within a new form of objectivism. As a true child of the Enlightenment, what Marx aims at is not positivity itself but rather the liberal version of it. In this way, he attempts to restore the modernist enterprise through the affirmation of a metaphysics of history subject to essential laws that foretell of an ultimate resolution.

The political shone all too briefly in Marx. Yet it was not something that could be entirely extinguished. Indeed the subsequent history of the Marxist imagination is characterised by a tendential ebbing and flowing between the idealist search for certainties and their persistent denial by the political. This is reflected in an increasing de-stabilisation of the traditional economic/non-economic distinction. Rejecting the view of the economy as a self-enclosed order Hilferding, for example, focused on the way that the modern economy developed within the terms of a nationalist framework.<sup>8</sup>

Gramsci, of course, developed this line of enquiry even further. For Gramsci, the economy cannot be separated from ideological and cultural practices but is articulated with these phenomena in a characteristic historic bloc. By developing a radically contextualist approach, Gramsci showed that nothing automatically follows from economic relations and that we cannot predict whether they will be articulated in nationalist, liberal or social democratic terms (or other terms). A basic undecidability exists whose resolution will depend upon the outcome of concrete forces in political struggle. And the types of resolution will have crucial consequences for the construction and functioning of the economic space.

In his emphasis on the non-natural (undecidable) character of structuring principles, Gramsci may be said to render visible the political as a basic dimension of all social ordering and identification. We might reasonably argue that Gramsci is distinguished in modern thought not so much as a political theorist but as a theorist of the political. In his critique of economism, Gramsci provides the theoretical resources for politicising political economy and thereby for a new imagination of actively radicalising economic practice.

Yet it would be mistaken to think that theoretical reflection on the political has developed only within Marxism. One could cite examples of various thinkers, from other traditions, whose interventions have also served to undermine objectivist-naturalist approaches to the economy: Weber's analysis of economic development in terms of religious-cultural context; Simmel's argument that the value of money cannot be referred to an absolute foundation but depends on a broader network of symbolic exchange; Polanyi's emphasis on the social conditions of possibility for a 'market economy'; Keynes' demonstration of the artificial constitution and manipulation of the economic 'ground' through state intervention. More recently, writers such as Aglietta (1979; 1998), Lipietz (1987; 1992) and Boyer (1990, 1997) have shown further that the regulation of the economy is not an endogenous matter (as in classical models). Economic stability depends on the construction of an entire mode of social regulation that transcends the economy as such. Each of these thinkers, in varying degrees, allude to the fact that the economy cannot be regarded as a closed autonomous order but has to be considered in contextual and discursive terms (see Daly, 1991, 1999a).

The envisioning of the political, however partial or incomplete, is not exclusive to any one tradition, but reflects a synergy of all those themes and tendencies that have led to a weakening of idealist thinking about economic reality. Out of this synergy emerges the possibility of developing a radical approach to political economy that opposes the search for an ontological ground with the basic affirmation of the non-natural character of all economic order and identity. Such an approach would begin from an analysis of the ways in which all economic systems attempt to conceal their essential *lack* of ground through artificial power processes of discursive constitution. It is in this context that the work of Luhmann makes an important contribution.

#### From Autonomy to Autopoiesis Beyond the Positivity of Systems

Contemporary political economy has drawn increasingly on the influential work of Luhmann and, in particular, his notion of autopoiesis (e.g. Lash and Urry, 1994; Leyshon and Thrift, 1997; Jessop 1990, 2002). The general tendency has been to link autopoiesis with a certain endogeneity in the development of complex systems of exchange and production. Jessop, for example, enlists autopoiesis to underscore his view that the economy (specifically, the capitalist market economy) exhibits a radical operational autonomy (Jessop, 1990, 2002). Notwithstanding this autonomy, Jessop maintains that a market economy is further sustained by interdependent forms of regulation and what he refers to as ‘social embeddedness’ within the lifeworld of a society (2002).

There are two main problems with this perspective. First, Jessop tends to conflate the notions of autonomy and autopoiesis and in doing so, I would argue, loses sight of the distinctiveness of the latter. Second, and related, there is sometimes an inclination in Jessop to present the idea of economic autonomy in terms of a rather traditionalist economy/society division. The point that should be emphasised is not that economic practices cannot achieve a certain (relative) autonomy, but that this is entirely a matter of politico-discursive constitution in a particular context and is not something that can be universalised.<sup>9</sup> The ambiguity surfaces at those points where Jessop insists on an

analysis that secures a basic distinction between the discursive and the extra-discursive (1990: 302; 1999: 2). This clearly runs the risk of reproducing a standard formulation whereby the economy is implicitly identified with the ‘extra-discursive’ dimensions of material reproduction, structural conditions and so on (as if the latter were independent of discursive reality and stood outside history). There is thus the potential danger that ‘social embeddedness’ could be perceived as a simple process of adjustment to, and the legitimisation of, an underlying autonomous economic reality.

Luhmann’s perspective allows for a different approach. Through his theory of autopoiesis, Luhmann’s central innovation concerns his problematisation of autonomy conceived as extra-discursive foundationalism. At the same time, Luhmann’s position is highly ambiguous. If, on the one hand, Luhmann demonstrates the non-grounded character of all systems, on the other, he is drawn towards a new type of idealism in which society is presented as a positivity of systems that progressively masters all distortion. I will argue, in contrast, that the radicalism of Luhmann’s autopoietic theory can only be realised fully by linking it with the postmarxist affirmation of the ineradicability of power, negativity and antagonism: that is, by linking it to the notion of the political and a transcendence of all positivism.

Luhmann begins from the position that ‘the world is constituted by the differentiation of meaning systems, by the difference between system and environment’ (1995: 208). On these grounds, Luhmann rejects the quest for substantive origins.<sup>10</sup> What Luhmann affirms is that systems can never be grounded in anything solid. In summary, it is because of the essential absence of any (extra-discursive) ground that we have systems in the first place. If an ultimate ground was reachable then the logic of systematisation would cease to have any meaning: we would simply have infinite presence – a final domestication of the real.

A system establishes its consistency by differentiating itself from its ‘environment’: i.e. that which designates the negative correlate of the system, or ‘simply “everything else”’ (ibid. 181). This is achieved through processes of self-referral or autopoiesis.<sup>11</sup> The crucial point is that there is no immaculate origin of the system. Rather a system is autopoietic insofar as it manifests the ‘recursive application of its own operations’ (Luhmann, 1988, p. 336). The coherence of a system depends upon its ability (over

time) to differentiate itself from, but also to engage with and interpret, its environment in terms of its code of organisation.

The system of law, for example, no longer appears arbitrary because of numerous layers (sedimentations) of case study, constitutional interpretation, protocol, preceding judgements and so on; all of which help to reinforce coherence and patterning. At the same time, such layers serve to repress the fact that there exists no clear point of origin – autopoietic routinisation is precisely the illusion of foundation – and that the legal system cannot be based on any absolutist conception of Law.<sup>12</sup>

A system of law requires, in the first place, a basic code for distinguishing what is lawful and what is not. But this immediately presents a paradox because the legal/illegal distinction is not something that can be determined outside the system of law. Furthermore, the question as to whether the legal system *itself* is legal or illegal is strictly unthinkable and undecidable (see Esposito, 1991). And this applies to the formation of every system. Where a system's code encounters itself – as in the legality or illegality of an existing system of law – the system is confronted with a fundamental lack of ground: in short, it is confronted with the political. No system is capable of systematising its own principle(s) of construction.

What autopoiesis shows is that the 'ground' of any system is merely the artifice of its recursivity. Every foundation is ultimately a phantom of a system's tautological (self-referring) constitution. This is why for Staheli the 'self-referential system functions as a metaphor for the impossibility of the origin' (Staheli, 1995: 19). No system can find an edge, and the more a system refers to itself the more it serves to underline an essential lack of foundation. Autopoiesis is precisely that which acts as a stand-in for the absent foundation.

From this perspective, the idea of autopoiesis has to be strictly separated from traditionalist conceptions of autonomy and independence. It is precisely because the latter cannot be formed that autopoiesis comes into being. The 'closure' of any system is purely an artificial/historical effect that depends upon the discursive-contingent practices of inclusion/exclusion. On these grounds we can infer the basic paradox

governing all systematicity: that the lack of origins/foundations makes systems both necessary and impossible.

This paradox, I would argue, is not sufficiently developed by Luhmann. He appears to be irresistibly drawn to an idealist position and his extensive analysis of differential system formation becomes simultaneously a major weakness. This is particularly apparent in his functionalist account of contradictions and conflict.<sup>13</sup> For Luhmann, conflicts and contradictions ‘function as an alarm in society’s immune system’ (ibid. 387): that is, as a kind of signalling in which ‘(t)he signal merely warns, merely flares up, is merely an event – and suggests action in response’ (ibid. 337). The problem here is that while he explicitly rejects such totalising notions as Centre and Subject, his alternative conception of social reality – as a perpetual differentiation of systems – runs the risk of becoming equally totalising.

The development of systematisation is one that is regarded as capable of tendentially resolving social negativity and opacity. By conceiving society in terms of an immune system, he effectively reduces the notion of the political to one of simple adjustment (or ‘noise abatement’). Politics becomes a mere problem of perturbation that can be neutralised within the basic framework of the societal system and in such a way that autopoiesis proceeds undisturbed (ibid. 373). In the manner of all idealism, Luhmann entertains the idea of a progressive mastery of the political through the affirmation of a process of autopoietic adjustment that is ultimately interior to the societal system as a whole: i.e. a systematicity that is seen to generate its own conditions of possibility. In this way, social reality again appears as a positivistic closure – a self-contained universe of interdependent and infinitely reflexive systems – that, in the tradition of Hegel, holds the promise of an increasing incorporation and transparency. But this view of the political is not a necessary or exclusive consequence of autopoietic theory itself. The Luhmannian openings allow for a more radical approach that is capable of transcending all systemic positivism.

System Failure  
Reintroducing the Political

The essential question that begs to be answered in Luhmann's analysis is what are the conditions of possibility for system formation as such? In addition, how should the frontiers of a system be conceived?

For Luhmann systems exist as a basic phenomenalism. As in a complex organism, systems develop through processes of differentiation that augment coherence and regularity – creating an 'order from noise' (ibid. 171) – and each system functions as difference within an overall process of differentiation (ibid. 208). By basing his analysis on a pure logic of differentiation (a logic that embodies systematicity as such), Luhmann advances a vision of the social universe in terms of a constant, and in principle limitless, expansion of systems.<sup>14</sup> Little wonder that Luhmann is drawn towards a Hegelian progressivism as regards human destiny and the management of its affairs.

From a postmarxist perspective this vision is defective. In the first place, the formation of systems depends fundamentally on the construction of frontiers of antagonism against an irreducible negativity. Systems can only be systems in relation to what they are not: as fields of intelligibility carved out against that which would overwhelm them. And it is because frontiers are always precarious in the face of such negativity that they may be said to establish the conditions of possibility and impossibility for all systems.

Luhmann is correct in his observation that any attempt to represent what is beyond 'meaning-constituting' systems is ultimately interior to those systems and merely leads to their extension: put in other terms, the significance of any 'beyond' always involves a system of signification. There are two points here. First, the problem of the necessity of limits for all being is not something that can be made to disappear. Second, such limits are unthinkable within the Luhmannian paradigm of a continuous logic of differentiation. A differential approach to limits is evidently self-defeating as it would mean transforming the latter into a difference *within* the system – thereby rendering ineffectual their function as limits.

The effectivity of a true limit derives from a strictly opposing register. A limit is only instituted as the result of the *failure* of a system and a radical interruption/suspension of its differential logic. The limit of a system emerges precisely at the point where a system *cannot* incorporate or represent a set of elements and in consequence excludes the latter as Other. Limits, therefore, are produced as orders of *equivalence* and not difference (see Laclau, 1996). Every limit depends upon a certain dichotomy between an equivalential order of those elements perceived as belonging to a system and a corresponding equivalential exclusion of those elements identified as a ‘threat’ to that system. In short, limits are always of the type system/anti-system.<sup>15</sup>

This evidently does not mean that limits remain fixed in a once-and-for-all manner. Limits can always be subverted and displaced precisely because they are penetrated by negativity.<sup>16</sup> In this sense limits are always historically defined. What is transhistorical, however, is the fact that limits *per se* cannot be eradicated. For example, a moral system that is designed to maximise tolerance in respect of cultural differences is one that is also compelled ‘violently’ to exclude its Other: racial bigotry, xenophobia, cultural chauvinism and so forth. The very possibility of a system of differential tolerance is one that depends on, and grows out of, the equivalential negation of that which is deemed to be intolerable. And as Laclau and Mouffe (2001) point out, exactly the same logic applies to the constitution of society. Societies, as historical phenomena, only come into being through equivalential frontiers that establish the senses of belonging/non-belonging: a ‘them’ in order for an ‘us’. In consequence Society – conceived as a total integrative system – is radically impossible.

Three points should be emphasised. First, a system can only be instituted through logics of exclusion and antagonism that in providing the sense of limits are constitutive and affirming of its positive content (a ‘not-system’ in order for a ‘system’). Accordingly every system is a *power construction* that relies upon the repression of its Other. This insight is decisive in turning foundationalism on its head. Systems do not possess positive grounds but are shown to grow out of negativity and antagonism. It is not that systems are foundation-*less*, but rather that ‘foundations’ exist as historical frontiers of antagonism that derive from a basic order of negativity.

This means – second point - that the political can be seen to be a fundamental dimension of every system. In the absence of pre-existing grounds or generative principles, all systems are ultimately political to the extent that they are constituted through acts of violence and exclusion. A legal system, for example, cannot be *legalised* in an external or absolutist sense, but depends upon discursive fiat and contexts of social power: ‘these commandments and not those’. This is precisely what Derrida means when he speaks of the ‘violence of the law before the law’ (1994: 31): that is, a political intervention that sustains the possibility of a legal system only to the extent that it shows its impossibility as a natural positivity.

Every system is marked by an originary discursive violence, an arbitrary ‘line in the sand’, that seeks to establish a certain territorial coherence vis-à-vis radical undecidability. Through processes of routinisation and sedimentation, systems typically attempt to finesse their artificiality by concealing the political nature of their origins behind a particular idealism. In search of authenticity, the violence of a system tends to be disavowed through reference to an external and tautological principle – destiny, divinity, dynasty (‘the way it is/always has been’) – and, more especially, through the invocation of certain mysterious laws of history, nature, the market, God and so forth. We might say that what is missing is the psychoanalytic insight into the *obscene* supplement (of violence and repression) that necessarily accompanies every system and upon which the latter implicitly relies.<sup>17</sup> This gives rise to an irresolvable tension. On the one hand, autopoietic mechanisms seek to gentrify systems through artificially inducing closure and by presenting them as natural and universal. On the other hand, the repressed-excessive dimension, which is constitutive of a system, is something that can never be mastered and thus all ‘closure’ and ‘universality’ is inherently compromised. It is in this tension between systems and their ungovernable excesses that the political is continuously re-born.

In consequence, and as a final point, systems are *essentially* prone to failure and can always be challenged and subverted by precisely those forces that are antagonised/excluded by a system. An important corollary of this is that failure cannot be reduced to an internal moment of autopoietic readjustment. Rather failure designates the eruption of those events and antagonisms that are *external* to the

system in the sense that they cannot be managed or represented within the terms of the latter.<sup>18</sup> Moreover, there exists a fundamental gap between the failure of a system and the processes of recomposition; a gap through which the ontological possibility of the political emerges. Whether a failure will be resolved through fascist, socialist, social democratic or some other means, is not something that can be derived from the failure in and of itself: this will depend on the outcome of a hegemonic struggle in a particular context. Failure is not merely a transition in the unfolding of a pre-given principle of intelligibility but rather the very degeneration of the latter.

System failure is one that leads to a widening of the realm of the possible<sup>19</sup> – a reactivation of the political – in which a diversity of social forces (in a historical context) will compete to establish new principles of ordering and intelligibility that will in turn affect the dimensioning of systems and the nature of their autopoietic functioning.<sup>20</sup> What postmarxism enables us to grasp is the susceptibility of autopoiesis itself to hegemonic re-formulations; re-formulations that are essentially possible because of the central impossibility of mastering failure and negativity.

Crucial to this perspective is an implicit distinction between two (tendentially) different orders of negativity. On the one hand, failure is to be understood as strictly inherent to, and constitutive of, systems as such. In this sense failure functions as a transcendental *apriori*. On the other hand, we can also speak of the extent to which failure is sedimented, or becomes (re-)activated, in a particular historical context. Feminism provides a good example.

From Wollestonecraft onwards, feminists have been able to successfully exploit the inherent limitations of Enlightenment discourse that in principle calls for rights for all but which in practice has tended to exclude women from its ‘universalism’. In our terms, we would say that feminists (to greater and lesser extents) have been able to hegemonically challenge, and provoke the failure of, the sex-gender assignment system of patriarchal societies. However, the very fact that this has been possible at all is because the sex-gender assignment system is intrinsically dislocated and cannot fully determine/domesticate female subjectivity (or, for that matter, male subjectivity). The historico-contingent development of feminist subversion is enabled precisely because of a transcendental failure/dislocation that is generic to all systems.

The point is that the relative stability or instability of any kind of social system is not something that can be determined, in advance, but will depend on the types of (in)active political engagement that exist in a given conjuncture.<sup>21</sup> But what is entirely transhistorical and de-contextual, and what allows for eternal politicisation(s), is the fact that all systems can be in principle subverted.

It is this process of positively (re-)activating failure that we are surely witnessing today in the mobilisations against global liberal capitalism and its evident failures to embody universalism.

### Natural Capitalism? Globalisation(s) and the Political

Luhmann's perspective may be said to reflect a particular tension in contemporary thought between what might be called the epistemological and aspirational dimensions of modernity. The modernist paradigm can be understood as a series of rationalist attempts to subordinate the political within an overall system of integration where basic antagonisms have been eliminated. In the contemporary era, there has been a clear distancing from such rationalism and its totalitarian propensities. At the same time, writers like Bell (2000), Fukuyama (1992) and Rorty (1989) – who would endorse this distancing – nevertheless affirm the tendential emergence of a new holistic order: global liberal capitalism.<sup>22</sup> In this way, a certain embodiment of the modernist aspiration – an ultimate systematisation – is presented as having somehow survived the epistemological ruination of modernism as such. From this point of view, liberal capitalism and human destiny are seen to comprise a synchronicity that is being historically realised.

According to this type of perspective we live in a post-political age in which the overwhelming emphasis is (or should be) on pragmatism. This is evidenced in a variety of current discourses: the widespread manifestations of Third Wayism and the idea of a general synthesis of left and right positions; Habermas' 'deliberative democracy' where antagonisms would be supplanted by transparent reasoned debate in a communicative ideal; right through to Beck's 'New Enlightenment' where

politics is conceived largely in terms of a technocratic enterprise engaged in resolving the common problems of risk and reflexive modernisation.<sup>23</sup> Each of these perspectives, to varying degrees, may be said to reflect a certain Luhmannian faith in the construction of a fully matured system that is reconciled to itself and which is capable of functioning on behalf of all humanity.

More recently, this tendency is reflected in the fashionable, and increasingly influential, thesis of 'natural capitalism' developed by Hawken *et al.* For these authors natural capitalism is concerned with the creation of a new industrial revolution that accords with planetary eco-systems and responds to the 'basic principles that govern the earth' (1999: 313). Accordingly a holistic system of evaluation is envisaged:

'To make people better off requires no new theories, and needs only common sense. It is based on the simple proposition that *all* capital be valued. While there may be no "right" way to value a forest, a river, or a child, the wrong way is to give it no value at all.' (ibid. 321)

All natural capital (i.e. basic resources, eco-system function and so on) has to be taken into account through the creation of 'a financial system where all value is placed on the balance sheet, and where nothing is marginalised or externalised because social or biological values don't "fit" into accepted accounting procedures' (ibid. 319). Thus social and environmental problems may be resolved by factoring in the latter to the economic calculus of capitalism. A new order of capitalism is conceived - one of genuine global transparency - in which the human and non-human worlds may be harmonised through a universal algorithm of value.<sup>24</sup>

Hawken's *et al* perspective, of course, is a further reflection of the modernist fantasy of a totally integrated system: capitalism as the embodiment of an ultimate paradigm (if only tendentially) that is based on essential ecological laws and whose legitimacy is unassailable. This relies on the strict disavowal of capitalism as a contingent power construction that is riven with antagonisms. More than mere epithet, the term natural capitalism appears as an attempt to *naturalise* capitalism as such. But let us look at the matter more closely.

The basic thesis is that natural capitalism is already evolving as a pragmatic synthesis of different approaches and strategies (liberal, socialist, ecological, etc.) in response to the exigencies of planetary socio-environmental problems. In Luhmannian terms, what these authors are assuming is the ability of capitalism to autopoietically adjust to new situations and to incorporate new interests and demands through an expansion and maturing of its systemic logic(s).

The immediate question arises as to whether natural capitalism (or any construction) is capable of continuously expanding and of incorporating more and more demands of a divergent nature without actually turning into something else? The answer can only be negative. Using the authors' own argument, the very fact that capitalism can be constructed in a socialist direction (e.g. Scandinavian welfarism) or a liberal one (e.g. American free-marketizing) means that it is *essentially* prone to subversion and hegemonic re-constitution. It is not a question, therefore, of the simple extension of the existing principles of capitalism, but rather a fundamental disruption and distortion of the latter through confrontation with alternative (and even opposing) principles of constitution. Against the Hegelian-inspired ideal of a limitless horizon of natural capitalism – in which socialism, ecologism and so on would appear as mere differences devoid of equivalential/systemic challenge – we should re-affirm the inhesion of antagonistic frontiers. The construction and particular shape of a capitalist order will always depend on hegemonic struggle between concrete forces in a given context.

There exists no necessary point of convergence between, for example, socialism, ecologism and capitalism. In reality, the achievement of the type of articulation that Hawken *et al* have in mind could have no other basis than the *de-naturalisation* of capitalism. A socialist-ecologist-capitalism would be neither a devoted totality nor the result of simple autopoietic evolution. The point is rather to recognise how the different elements – socialism, ecologism, capitalism – could be put together, in an undecidable manner, as a *political* construction with new relations of power and exclusion.

The construction of an ecological-capitalism (with high levels of regulation regarding industrial practices, growth, energy, etc.) is one that would clearly depend on the

ability to hegemonically repress the liberal form of capitalism and its autopoietic logics. More than this, if the relations between these different elements is purely contingent and hegemonic in character then, in contrast to Hawken *et al*, the unifying principle of economic practices need not be capitalist at all. Economic discourse could be articulated far more strongly with not only the principles of socialism and ecologism but also an expansivist democracy in which the pursuit of profit would be increasingly marginalised as an archaic barbarism. Beyond infrastructuralist views, an intrinsic potential exists for developing the economic order in terms of a widening emancipatory imagination that would be capable of sustaining the promise of an ongoing radicalisation of economic practices beyond any idealism or systemic fixity.

For similar reasons, the idea of an objectivist audit of value must also be rejected. The assignment of value (like meaning) is neither a neutral nor absolutist matter. What, for example, is the value of equality as against liberty? This is no mere abstraction but comes down to concrete questions concerning the relative priorities ascribed to social health provision, welfare services, levels of taxation, the scope for individual choice and so on. At the level of the international market, how should economic stability and the provision of cheap commodities in the West be evaluated against high levels of poverty and exploitation in regions such as Indonesia? As U.S. and Western military forces are mobilised in Iraq, how should the cost of socio-economic exclusion from the New World Order be calculated?

There exists no positive ground for value. Valuation is something that grows out of devaluation, and the constitutive frontier between the two will depend entirely on historico-discursive context. Like all systems, a system of evaluation is one that depends on exclusionary frontiers. This insight is, to some extent, already present in Marx. What Marx alluded to was precisely that which, in the sense of Lyotard (1993), is *exorbitant* in capitalism: that which is beyond the system of valuations as such, but which nevertheless renders such a system possible (Lyotard, 1993: 145). This exorbitancy, of course, is located at the level of human labour power and its creative energies.

At the heart of the seemingly neutral calculus, and evaluations, of capital lodges a fundamental incalculability: the exorbitant cost in respect of human potential and

social justice. Perhaps the most striking feature of this incalculability is the so-called foreign debt. This debt is now so extreme, so permanent, that it cannot properly be evaluated within existing conventions. The quantification of this debt appears increasingly arbitrary and absurd. In the modern age, the foreign debt - a debt which, in practical terms, is beyond calculation and is exorbitant in relation to any possibility of actually being met - is rather the name (or one of the names) for the structural dislocation, the traumatic failure, of global capitalism as a universalist system.

While capital works ceaselessly to transform and commodify all existing social relations, what it refuses to bargain with (in fact, *cannot* bargain with) is precisely its exploitative conditions of possibility. Within the strict terms of the capitalist paradigm – conceived as a set of institutional practices and arrangements based on the pursuit of (relative levels of) profit – what cannot be evaluated is *its own symptom* of global privation and injustice. What Marx identifies is the obscene *calculous* (i.e. the social power structures) behind the universalist pretensions of modern economic calculus.<sup>25</sup> This is why Marx insisted that capital was both radically cosmopolitan and intensely parochial: in order to create a global system, capital seeks to conceal the politico-discursive violence of its construction through the autopoiesis, or gentrification, of that system.<sup>26</sup> It is against this background that central themes in the development of globalisation may be addressed.<sup>27</sup> Here again the question of the political is one of paramount importance.

From a liberal perspective, globalisation is largely presented in terms of the inexorable expansion of anonymous market relations that is precipitating a new order of transparency and pragmatic integration. In this context, transnational corporations tend to be viewed as embodying an extraterritorial sovereignty whose authenticity is sustained by an oracular network of international stockmarkets interacting through cyber-space: an abstract centre-less empire naturalised, in a strange Habermasian twist, as communicative rationality. The invisible hand is transmuted into a pure digitalisation that functions as an essential backdrop to all social reality. This is precisely what Žižek means when he refers to capital as the Real of our age (1999: 276).<sup>28</sup> It also resonates with Hardt and Negri's conceptualisation of the liberal capitalist version of Empire as 'an order that effectively suspends history and thereby fixes the existing state of affairs for eternity (2000: XIV). The strength of Empire lies

not so much with conquest and domination (although, of course, it is predicated on violence) as with its capacity to adapt and to differentially absorb widening interests and demands in such a way that real systemic-equivalential challenge becomes almost unthinkable. Empire functions as a postmodern totalitarianism, a tyranny of differences, that establishes the very co-ordinates within which opposition and dissent themselves take place. Beyond Beck and Giddens, it is *this* reflexivity – i.e. the capacity of Empire to take into account, and thereby manage, its own failures and oppositions – that constitutes the defining political reality of the postmodern age.

This new naturalism is one that construes economic management as a simple matter of neutral calculus: as Tony Blair puts it, there is ‘no left or right in economic policy, only good and bad’ (1998). Globalisation becomes a master signifier routinely invoked in the justification of an ongoing retreat from pro-active socio-economic intervention. Inverting Nietzsche, we might say that there exists a will to powerlessness in obeisance to a logic of economic necessity. Globalisation is perceived as the realisation of a predestined order: an autopoietic enlargement and maturation of a capitalist system capable of continuous adjustment in its *de facto* universalism. The defensive posture taken towards political critique in this perspective is one that is also reflected in the secretive nature of Summit Meetings and the establishing of a kind of Olympian detachment by conducting the latter in geographically remote areas, beyond the reach of popular-democratic forces.

At the same time, there are clear opposing tendencies in which the disclosure of the political is becoming increasingly manifest in terms of a widening set of antagonisms that persistently erodes any sense of global objectivity or transparency. An obvious example is that of Europe. Based on economic principles, the initial calculation was that through economic integration and the elimination of trade obstacles, political stability and integration would automatically follow. Today, however, we see very much the revenge of the political in the ongoing constructions of the meanings and identities of Europe. In the context of the European Union, what current developments are tending to reveal is that there is anything but a ‘common market’; much less one that would serve as a unifying structure for the different elements of this region. The very attempts to stabilise European markets has led to an increasing emphasis on the themes of conscious control that, in Derridean terms, function as a ‘dangerous

supplement' to the former. European economic decisions increasingly have to take account of – and, as such, are modified by – a whole range of concerns: environmental, social, cultural, regional... Similarly, new European institutions and legislation reflect a multiplication of political struggles around issues of social justice, poverty, discrimination, the determination of rights and so on.

These struggles are progressively de-naturalising the idea of a self-regulating market. Far from expressing an autonomous logic, the construction of the 'market' – and, more generally, the economic space – now has to begin from far more sites of antagonism and hegemonic reconstitution than ever before. To this effect, the contemporary era is one that is marked by a constant displacement of any 'centre'. Thus what is haunting Europe is not the spectre of a fully-fledged socio-economic project but, on the contrary, the very lack of a stable representation for Europe.

Similarly, extensive mobilisations throughout the Western metropolises, against the anti-democratic practices of the WTO and the G7 agencies, continue to bear witness to the failure of any 'New World Order'. Not only do such mobilisations serve to de-gentrify the ordering principles of liberal capitalism, they also expose the relations of power and constitutive violence on which the latter is based – and not least reflected in some of the highly repressive measures taken against protesters.<sup>29</sup> Far from expressing a naturalistic movement, globalisation is revealed as a process of combined and uneven development with multiple points of rupture and challenge, and multiple forms of representation that elude ontological mastery. It is a process that is essentially prone to dislocation, failure and all those forces of the political that constantly undermine capitalism's autopoietic pretensions to universalist autonomy. In short, globalisation is both a power construct and a power struggle.

## Radical(ly) Political Economy

These developments signal a heightening of the moment of the political in the contemporary world. It is in the context of this heightening that a radical (or radically) political economy may be formulated and which, through a combination of postmarxism and systems theory, may be turned to democratic advantage.

Radical political economy is distinguished from traditional political economy in a number of ways. In the first place, it rejects the idea of the economy as an autonomous realm governed by metaphysical laws and, consequently, the idea that it could function as a founding order. In concurrence with Luhmann, the economy is understood as a (discursive) system, like any other, in which consistency and durability are the result of the historical forms of internal coherence and the autopoietic articulation of its elements. At the same time, radical political economy endorses the postmarxist argument concerning the constitutive and precarious nature of frontiers of antagonism. This clearly goes beyond Luhmann. Whereas Luhmann tends to view autopoietic mechanisms as capable of resolving the political, postmarxism affirms the eternal nature of the latter such that all systems, and their autopoietic logics, are essentially prone to hegemonic disruption and re-constitution. Neither system failure nor its forms of recomposition can be decided in advance but depend entirely on hegemonic struggle.

This perspective creates the opportunity for the left to develop a far more progressive and democratic approach to socio-economic practice than is possible with traditional political economy discourse. Such an opportunity rests upon two movements that are ultimately in contradiction and which reflect what I have referred to as the necessity and impossibility of the system.

The first movement consists of the attempt to realise an emancipatory project, to deliver the amplitude of the social system, through concrete measures that would be consonant with a widening democratic culture. This requires the development of what might be called a *contextualist* politics of engagement by the left: that is, a politics that works *with* the logics of globalisation (rather than simply reacting to them in the defence of national-cultural autonomy and so on), precisely in order to subvert and

radicalise them. Against writers like Jameson (2000) who tend to reaffirm traditional leftism through a negative and binaristic reading of contemporary struggle (either U.S.-led globalisation or Gaullist-type nationalist resistance – Jameson, 2000: 65-66) we should rather accept the challenge of Hardt and Negri who argue that the left must abandon the image of an infallible vantage point from which to advance a pure unsullied politics (2000: 46). As they point out, new openings and forms of resistance are made possible today precisely *as a result* of Empire. This is certainly evidenced in the evolution of regulatory networks at a transnational level (and the attempts to broaden and democratise these), and the increasing mobilisation of non-governmental organisations from around the world who continue to join forces – chiefly through the internet – in order to oppose corporate domination of global agendas.<sup>30</sup>

It is within the terms of these contrapuntal tendencies that the left can find new hegemonic leverage. Although a fully developed socio-economic programme is beyond the scope of this paper, some initial measures could be developed in order to galvanise a contextualist politics and to promote an alternative vision of globalisation. Beyond the conventions of neo-liberalism and profit-maximisation, such a vision would establish the principle of maximising equality and liberty for all as a basic socio-economic priority. Important measures would include *inter alia*:

- (a) A far stronger connection with the language of freedom that the neo-liberals speak so fervently, but in a way that subverts it in the direction of universal equality. This involves securing the argument, recently reinforced by Sen (1999), that freedom is not simply a question of individual liberty but is crucially a matter of social commitment. Thus the freedoms that are celebrated in postmodern consumer capitalism can only have meaning if societies are prepared to resource their members in such ways that they can participate in those freedoms. In short, it means demanding *more* real freedom beyond the limited neo-liberal view of freedom.
- (b) A movement away from welfarism/workfarism to a system of basic income (Groot, 2000; Hardt and Negri, 2000; Parijs, 1992) that would guarantee a fuller participation in the so-called stake-holding society, without the ritualised humiliations of current unemployment practices. This involves a different type of articulation. In contrast to the minimalist, and increasingly authoritarian, social democratic approaches to equality, the latter would be subverted in the direction

of freedom. This means recognising that freedom and participation have a ‘value’ that needs to be accounted for. It involves denaturalising the connection between our societies and the capitalist system and recognising that it is this system that is failing people and not the other way round.

- (c) An emphasis on the systematicity of capitalism as a power construction and a rejection of the disabling conception of the latter as the ultimate horizon of reality; a conception that underpins retreatist attitudes and sees only the nation-state as a (weak) site of resistance. This involves the development of a pro-active politics of globalisation that, beyond the simple expansion of market forces, links it with progressive demands for universal rights of freedom and equality.<sup>31</sup> These rights would be further enshrined in international agencies – e.g. a World Rights Organisation with similar powers to those of the W.T.O. It would amount to demanding greater levels of globalisation in the direction of democratic universalism.
- (d) A normative endorsement of the need for high levels of progressive taxation as the very condition of social freedom (i.e. not as a necessary evil but as a political good). Beyond the existing conventions of general taxation, there should be a particular emphasis on the taxing of transnational corporations who, within the current global framework, typically avoid the payment of huge amounts of tax and in some cases end up paying negative tax (<http://www.corpwatch.org>).<sup>32</sup> Here again the stress would be on a politics of taxation and of generating new principles for organising the latter. In this connection, the creation of new categories of energy and resource-use taxes should be a clear priority in the age of global risks. The revenue raised could be used not only to expand and democratise our welfare systems but also to provide grants and funding for co-operatives and non-profit organisations on an international scale (especially in the economically subjugated regions of the world). This would help to create new economies of real diversity as opposed to economies of managing demand through monopolistic forces. And here the left must also render visible the shaded protectionism and monopoly-orientated subsidisation (especially in the U.S.) with a view to establishing fair terms of trade for all. Again, this means using precisely the arguments of neo-liberalism against actually existing neo-liberalism.
- (e) An affirmation of the freedom to pluralise, expand and participate in the spaces and fora for affecting economic decisions. This requires the development of a

politics not simply through existing spaces (parliaments, senates, assemblies etc.) but a politics *of* space; of multiplying and democratising the spaces of representation. It cannot be a question of rejecting, or retreating from, the sites of global representation – the Council of Ministers, Summit Meetings and so on – but rather one of radicalising and reconfiguring them in respect of democratic effectivity: i.e. extending the principles of regulation and subjecting international markets to political will. This, and all of the above, depends upon a political imagination that endeavours constantly to possibilise the impossible.

These are by no means exhaustive, nor should they be understood as comprising a further model of the New Jerusalem. Rather they are intended to identify key areas in which a contextualist politics could subvert existing logics of globalisation in the development of a left hegemonic project based on radical democratic principles.<sup>33</sup>

In a second movement, however, there is the recognition that, no matter what measures are taken, the holistic society is an illusive object and that the hour of total symmetry never arrives. Instead we are confronted eternally with the partial and provisional power processes of social constitution and de-constitution, in which the frontiers of the social remain just that: frontiers, and not geometric edges. Thus while it is certainly possible to hegemonically repress and exclude particular discursive systems – e.g. the liberal construction of market relations, the devotion to profit and so on – this can only take place insofar as power and repression *per se* cannot be eradicated. This, above all, is what establishes the radical dimension of radical political economy and which distinguishes it fundamentally from all traditional forms of political economy. For the left this means the endorsement of a paradoxical endeavour: that is, the development of a contextualist politics of hegemonic engagement that simultaneously affirms the *de-contextual* nature of the political. It is precisely in sustaining the tensions between the contextual and de-contextual levels that the left can renew its vigour and creativity.<sup>34</sup>

Far from negating democracy, such a perspective supports the very conditions that would allow it to flourish. In opposition to all myths of naturalism, radical political economy would resonate with all those forces of challenge and indictment upon which the vitality of democratic life finally depends. The democratic articulation of

radical political economy could be characterised as a kind of faith in heresy and an affirmation of the capacity to betray what exists in the name of a justice and democracy that, in the Derridean sense, is always promised.

On these grounds, an alternative relationship between political economy and the ethical is envisaged. In contrast to conventional discourse, the ethical imagination would not be orientated towards establishing the ultimate economic foundations for the good society or the pristine moral order, but precisely the opposite: the apprehension that such an undertaking is neither possible nor desirable.<sup>35</sup> This would become the cornerstone of a new type of perspective premised on an awareness of the systematicity of all systems. Paradoxically, it would rely on what might be called an institutionalisation of lack (i.e. a basic affirmation that the ultimate emancipatory system is an illusion), and on maintaining the locus of failure as an essential fulcrum for effecting progressive socio-economic transformation. Tempered by an ethics of impossibility, such a perspective would not aspire to idealist façades but would seek instead to draw its strength from the persistence of the political.

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## Notes

1. 'Every man has perfect freedom, so long as he doesn't violate the laws of justice, to pursue his own interest in his own way and to set his enterprise as well as his capital in competition with the enterprises and capitals of other men.' (Smith, 1776, Book IV, Chapter IX).
2. In this sense, traditional political economy may be regarded as essentially ideological in terms of its basic fantasy of a rationalist objectivity. See Daly (1999b; 1999c) for extended discussions on the role of fantasy in ideology. See also Amin and Palan (2001) for a critique of rationalist approaches to political economy.
3. Those studies of the type 'The Political Economy of X, Y, Z...' invariably tend to translate as 'The Truth about/Underlying Reality of X, Y, Z...'. In this sense, political economy reflects the scientific aspirations of the Enlightenment. R. Albritton, for example, speaks of political economy as the 'science of capitalism' (1999: 151).
4. Quasi-transcendental in the sense of Gasché (1986). That is to say, a transcendentalism that is emptied of all positive content.
5. The founding of a post-apartheid culture, for example, is not the result of a biological revelation (the discovery of an epistemic human truth etc.) but is one that takes place through continued political mobilisation against the principles of apartheid.
6. It is important to stress that postmarxism does not refer to a simple abandonment or rejection of Marxism. Rather it implies the development of certain themes and categories *within* Marxism in such a way that it allows us to transcend its metaphysical limitations. Thus postmarxism endorse the fundamental insight of Marx that capitalist society is constituted around a basic antagonism but it develops this considerably in terms of two crucial affirmations: (i) antagonism cannot be resolved in an absolutists sense (not even under communism) – while particular antagonisms may be eliminated (e.g. between Catholics and Protestants), antagonism as such cannot; (ii) antagonism is constitutive of all social relations and systems.
7. 'Do not let us go back to a fictitious primordial condition as the political economist does, when he tries to explain. Such a primordial condition explains nothing' (in Tucker, 1978: 71)
8. The radical character of Hilferding's interventions also extends to his view of political subjectivity. In a remarkable passage that discusses the plight of Britain, he writes:  
'Class antagonisms have disappeared and been transcended in the service of the collectivity. The common action of the nation, united by a common goal of national greatness, has taken the place of class struggle, so dangerous and fruitless for the possessing classes' (Hilferding, 1985: 336).

Within the construction of organised capitalism, therefore, class antagonisms actually disappear in the construction of a generalised nationalist identity that unites both workers and the bourgeoisie. The implications of this are unmistakable. Political subjectivity is not simply given by the position occupied at the level of the relations of production, but constitutively depends on an entire politico-ideological context that transcends those relations. The analysis moves away from *a priori* determinism and places a new emphasis on the contingency of identity and the historicity of socio-economic development. In this respect, Hilferding is clearly alive to the effects of the political.

9. For example, economic practices will tend to achieve more autonomy from racist-cultural discourses under conditions of social democracy than those of apartheid.
10. As Luhmann puts it:
 

‘This (the systems perspective) abandons, but does not simply dismiss, the traditional constitution of the world around a “centre” or a “subject”. The centre is replaced by the pivot of difference, or, more precisely, of system/environment differences that are differentiated in the world and that thereby constitute the world’ (Luhmann, 1995: 208).

In this regard, we could argue that Luhmann’s notion of system comes close to what Derrida and Laclau and Mouffe would call a discursive formation.
11. Literally meaning self-creation - from the Greek *poiesis* (creation). Autopoiesis first achieved currency with the thought of Maturana and Varela (Maturana and Varela, 1980, 1987; Varela, 1979), where it was applied to the field of biology. In this context, autopoiesis refers to a cybernetic description of cell metabolism whereby a cell establishes its coherence and consistency (its ‘inside’) through the mutual interaction and reinforcement of its components against its ‘outside’.
12. This insight, of course, is not exclusive to Luhmann. Burke and Hume, for example, dispensed with the idea of a Ground for the law and spoke instead of the conventions of ‘prescription’ and ‘long usage’ respectively. More recently, Hart’s (1997) ‘rule of recognition’ (i.e. the recognition of authority as a first condition for the implementation of any law) and Kelsen’s ‘grundnorm’ (1997) may be said to perform similar functions. From another tradition, this perspective also chimes with Wittgenstein’s paradox concerning the application of a rule: that in order to apply a rule you first need a rule that tells you how to apply it, and so on and so forth, without ever arriving an ultimate originary rule.
13. ‘One can clearly see how contradictions fulfil their function of warning and alarming. *For an instant they destroy the system’s total pretension to being ordered, reduced complexity.* For an instant, then, indeterminate complexity is restored and everything is possible. *But at the same time contradictions possess enough form to guarantee the connectivity of communicative processing via meaning.* The system’s reproduction is merely directed into different paths. Forms of meaning appear to be inconsistent, and this causes alarm. But the system’s *autopoiesis is not interrupted.* It goes on. The honour of being the first to have formulated this goes to Hegel’s conception of “dialectic” (Luhmann, 1995: 373 – original emphasis).

14. On these grounds, Luhmann presents social reality as constituted within an ultimate horizon of systemic closure:  
 ‘Thus no meaning-constituting system can escape the meaningfulness of all its own processes. But meaning refers to further meaning. The circular closure of these references appears in its unity as the ultimate horizon of all meanings: as *the world*...Any attempt to go beyond it conceptually only extends it; any such attempt would have to enlist meaning and the world and thus would be what it was trying not to be.’ (Luhmann, 1995: 69).
15. A religious system, for example, will incorporate a number of elements as differences within it: symbols, rituals, truth claims, moral codes etc. However, as well acting as differences within the system, each of these elements has the capacity to represent the entirety of the system by entering into a relation of equivalence with all of the elements. In the case of Christianity, this is clearly indicated in the duality of the crucifix. On the one hand, the crucifix occupies a particular position in the Christian framework, but, on the other hand, it is capable of symbolising Christianity as such and of establishing a basic frontier of belonging.  
 At the same time, this frontier demarcates the excluded categories of a system in terms of an equivalential order of Other/threat (blasphemy, false Gods/prophets, the anti-Christ and so on) that is in turn constitutive and stabilising of systemic integrity. It is in this sense that the stability of a system may be said to depend finally upon a certain failure: that is, a failure to incorporate an equivalential order of negation (of ‘threat’) and the consequent emergence of a frontier of antagonism that ‘grounds’ the system as such.
16. In the case of Christianity, this is clearly evidenced in developments concerning scriptural interpretation, attitudes towards sexual behaviour, the participation of women in the Church and so forth.
17. For a brilliant elaboration of this thesis see Žižek (1994 – esp. Chapter 3).
18. For example, the popular mobilisations against the system of apartheid. The externality here clearly does not imply an ‘extra-discursive’ but rather a deformation of the existing system from a position of equivalential resistance to it.
19. Cinema-goers will quickly recognise that the title of this section recalls the denouement to the Wachowski brothers’ film, *The Matrix*, in which Neo (Keanu Reeves) precipitates ‘system failure’. Reinforced by Neo’s address to the unknown listener that ‘I’m going to show you a world where anything is possible - where we go from there is a choice I leave to you’, we might say that a certain expression is given to the opening of possibilities that is alluded to in the notion of the political.
20. One only has to think of the systematisation of social space itself under the contrasting conditions of apartheid and post-apartheid to appreciate this point.
21. This clearly moves away from the Leninist conception of the political in which hegemonic activity was understood as something that takes place *subsequent* to the breakdown(s) of the capitalist system (i.e. fluctuations and crises generated within the

imperialist chain). Thus despite the emphasis on vanguardist mobilisation, historical opportunity and so on, Lenin's view of politics and the political is ultimately a passive one – an effect, or symptom, of a more fundamental underlying movement. What is being asserted here is rather the opposite. That is to say, political activity – which is always possible because of an essential systemic dislocation (even though this maybe relatively stable in a particular conjuncture) – can always (re-)activate system failure and thereby give new shape and direction to future reality. Here we are confronted with a paradox: through hegemonic activity, failure can always be provoked and even 'overcome' (e.g. the Leninist transcendence of the Tsarist paradigm), but only on condition that failure *as such* cannot be overcome.

22. This is not to imply that Luhmann himself endorses global liberal capitalism specifically. The point is rather that there exists a similarity of problematic (the progressive overcoming of the political).

23. This perspective is not only reflected in the thesis of 'risk society' (Beck, 1992), but also in the notion of a 'democracy without enemies' (Beck, 1998). The idea of a democracy without enemies, or *any* political system without enemies, reflects what I would call the holistic fantasy.

24. This transparency, moreover, is one that is perceived as serendipitously coinciding with American culture:

'The potential outcome of natural capitalism and sustainability also aligns almost perfectly with what American voters are saying: They want better schools, a better environment, safer communities, family-wage jobs, more economic security, stronger family support, lower taxes, more effective government, and more local control. In this we are like all people and they are like us' (Hawken *et al*, 1999: 322).

25. Although, of course, the mistake of Marx was to think that a universalist calculus was ultimately realisable in the determination of a final paradigm.

26. This is exemplified in Scorsese's *Casino*. In this film, Scorsese explores the dual-edged nature of capitalism through his two main characters: Sam 'Ace' Rothstein (Robert de Niro) and Nicky Santoro (Joe Pesci). As in Marx's notion of primitive accumulation, Nicky may be said to reflect the primitive, or foundational, violence of capitalism; a violence that is integral to the construction of a casino system in the deserts of Los Angeles and to sustaining a power base for its operation ('pre-legal' reliance on corruption, money-laundering, extortion and so on). As time progresses, however, Nicky becomes an increasing liability as he constantly seeks to reinforce his position through crude acts of gangsterism. What Nicky fails to appreciate, and what the character of Ace is all too aware of, is that the power of the casino resides precisely in it being a self-reproducing (autopoietic) system. It naturalises its violence through its obscene calculations of 'chance' such that the house always, ultimately, wins. In this context, we might say that Nicky represents the monstrous face of capitalism; an ugly reminder of the casino system's origins who must be disavowed and consigned to the periphery. And thus, on the orders of certain corporate interests (that remain abstract), he is taken to the desert to meet the gruesome fate of being buried alive. In a similar way, we could say that the contemporary system of capitalism endeavours to gentrify itself through a disavowal of the crude reality of exploitation/privation and by pushing its

necessary measures of violent repression to the internal and external peripheries. What is persistently denied by neo-liberals such as Rorty and Fukuyama is that the gentrification of the so-called new world order – of global liberal capitalism – is one whose ‘universalism’ fundamentally reproduces and depends upon the disavowed violence that excludes vast sectors of the world’s population. In this way, neo-liberal ideology attempts to naturalise capitalism by presenting its outcomes of winning and losing as if they were simply a matter of chance and sound judgement in a neutral marketplace.

27. For introductory texts on globalisation and its effects see, among others, Beck (2000), Scholte (2000), Albrow (1996) and Robertson (1992).

28. This marks a certain twist on the standard conception of the Real. Žižek is not referring here to the Real of capital as simply a limit to the symbolic, but rather as a kind of symbolic real; as a *de facto* universal register that all contemporary manifestations of the symbolic are obliged to pass through and/or orientate themselves in relation to. Whether in terms of neo-liberal devotion or radical negation, capital occupies this fundamental space of the Thing: a basic nodal point in the symbolic universe (Žižek and Daly, forthcoming). An interesting representation of this can be found in Aranofsky’s underrated film, *Pi*. Here the central character, Max Cohen, is obsessed with the following problem:

‘Re-state my assumptions: one, mathematics is the language of nature; two, everything around us can be represented and understood through numbers; three, if you graph the numbers of any system patterns emerge, therefore there are patterns everywhere in nature...So, what about the stock market?’

Through an analytic parallelism between the perpetual digital output of the stock markets and the irrational constant of pi, Cohen discerns the existence of a mysterious number (consisting of 216 digits). This number is regarded as a fundamental code, and it is in the subsequent struggle to possess and operationalise this code that the key protagonists attempt to find their own version of salvation: one in terms of solving a mystery that will bring an end to his drive and mental suffering; another in terms of revealing the name and nature of God; and yet another in terms of mastering the system of capital exchange and thereby realising untold wealth. The point is that each of these positions are constituted as basic orientations to the symbolic real of digitalised capital and its capacity to act as the answer to each of these pathological demands.

29. A common perception of the protest movements is that they are highly differentiated, that they lack a coherent political identity and are therefore not credible as opposition. I think that this is premature. The point that bears repeating is that we should not confuse politics (or political identities) with the political as such. The political manifests itself through dislocations, negativity and antagonisms, and these are much in evidence in today’s international protests. Now the way that these antagonisms are articulated, and the consequent political identities that will arise from such articulation, is entirely a matter of practical hegemonic engagement. Political identity – or more especially *identification* – does not emerge naturalistically nor does it take shape as the spontaneous realisation (à la Rosa Luxemburg) of a predestined agency (i.e. the revolutionary working class). A good example is the anti-Tsarism that existed in Russia. What Lenin managed to do was to (re-)articulate a whole range of antagonisms with the Tsarist regime – antagonisms that did not spontaneously

converge around Bolshevism – and out of this to construct a popular-hegemonic movement that united very dissimilar elements.

One final point: we do not tend to hear questions concerning the coherence of the ‘pro-global capitalism’ sectors. Is this not because it would hold up a mirror to real complexities showing that what we accept as ‘reality’ and ‘common-sense’ is in fact a highly nuanced and precarious hegemonic formation?

30. A recent example of this is the creation of the World Social Forum established in 2001 with a view to developing an anti-neo-liberal vision of globalisation (<http://www.forumsocialmundial.org.br/>). At its last conference over 12000 delegates attended with around 5000 registered NGOs. See also <http://www.corpwatch.org/> for information on organisations who are committed to resisting to the logics of global capital and to the development of an alternative globalisation.

31. I refer to rights of freedom and equality not as something that can be grounded in an Enlightenment-based model but rather in the sense of the ‘agonistic democracy’ perspective that has been developed principally by Mouffe (2000; 1993; 1992). The argument here is that freedom and equality can only be constituted through certain power structures. This means that the ‘universalism’ of such rights will always be a historical-provincial construct that, in turn, is based on logics of exclusion and antagonism. Political subjects can only enjoy freedom and equality insofar as they are prepared to accept the rules, or ‘grammar’, of democratic encounter (an encounter that by definition excludes alternative grammars and systems of rules). See also Daly (1994).

32. Perhaps here we should begin to speak less about ‘foreign debt’ and far more about *corporate debt*. If the non-payment of corporate tax was to be backdated then this would certainly run into billions.

33. A response to this approach might be to say that it amounts to simple reformism and that it is not so different from Third Way politics. I would reject both charges. This approach does not seek to eliminate antagonisms or to offer any kind of integrative synthesis of the different ideological positions. There are two basic aspects here. First there is the recognition that there will be winners and losers (we are never in a win-win situation) and that any hegemonic project must establish frontiers of antagonism if it is to achieve any coherence. Thus the idea of increasing regulation means to enter antagonism with free-marketeers, the politics of taxation means a confrontation with profit-maximisers, the pluralisation and democratisation of the spaces of representation means opposing the conventions of elitism and centralisation that currently exist, and so on. Second, this approach is not perceived as capable of delivering a rationalistic system that would progressively resolve all antagonisms. It too will necessarily be open to challenge and all those forces of the political that draw into question its principles of constitution.

The charge of reformism does not fare any better as it relies on an essentialist reform/revolution distinction that is untenable. Revolutions are never simply degree-zero displacements but are constituted as overdeterminations of reforms. Likewise any real reform (as opposed to a technicist adjustment) will always involve some kind of power shift in which alternatives are repressed. This allows us to articulate what might be called a revolutionary reformism (something which also resonates with the perspective of Hardt and Negri, 2001). Thus the reforming of democratic practices in

respect of women's participation, or Black participation in South Africa, has led to profound changes in social power relations that unquestionably possesses a revolutionary dimension. It is precisely in this sense that a radical left approach can be developed.

34. A crucial question that could be posed here is what is the agency of radical transformation, and more widely, what do we mean by the left? As regards the first part, the point is that it is impossible to determine political agency independently, or in advance, of historico-hegemonic practices. It is not as if there is an agency already formed, in an objectivist sense, which *subsequently* engages in hegemonic activity. As Laclau and Mouffe point out, the agency/hegemony distinction is a false one and that, radicalising the Gramscian argument, we should rather see hegemony itself as the very terrain for constituting agency and identity (2001: 85). So the question as to who or what is the agent of hegemony is *non sequitur* because agency/identity is fully imbricated in hegemonic-articulatory practices and is not external to them.

A more pertinent question concerns *how* a left identity can be formed? Here I would again draw on Hardt and Negri who advance the compelling idea of developing a militancy *without* a fixed or pre-given notion of who or what the Militant is (2001: 411-413). Beyond the class, the party, the vanguard and so on, militancy has no ultimate origin or paradigmatic form. In this way it becomes possible to develop a left militancy as a *logic of articulation* (although Hardt and Negri fail to do this and fall back on a metaphysical notion of 'multitude') between any number groups/identities within a certain political imagination: i.e. a logic based upon the central principles of maximising equality and freedoms for all. Militancy is no longer a question of Identity but rather *identification* with radical democratic principles. Again what is envisaged is not a simple aggregation of groups who naturalistically coincide. Rather what is endorsed is the Laclau-Mouffe argument that, through the power processes of identification and articulation, the very identities of the participant groups will themselves be modified. For example, the democratic articulation of feminist and anti-racist groups will depend on their ability to inflect each others' interests and to advance equivalentially those interests as their own: i.e. the demands for racial equality are linked simultaneously with the demands for gender equality (and *vice versa*). And this recursivity becomes what Gramsci would have called the organic cement for all groups. Thus the possibility arises for developing a far wider construction of left militancy through an equivalential (and mutually modifying) articulation of the various disaffected and antagonised groups around the constitutive principles of a progressive democratic imagination. Such a conception of militancy has the distinct advantage of connecting with a richness of political identities that already exists across the globe and of capitalising on new initiatives and creative ideas that can be accessed increasingly through internet and cyber-space technology. It is a view of militancy that resonates with Marx's apocryphal comment that 'insurrection is an art' (cited in Trotsky, 1977).

35. This draws upon the Lacanian notion of an 'ethics of the Real' (see esp. Žižek, 1990).

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