

## WHAT IS TO BE DONE?

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YOU HAVE ASKED ME THIS hard question. You have also asked how Washington and Wall Street—politics and economics: political economy—are connected. That connection is through the international banking system, anchored by central banks of various nation-states, secretly protected by entities such as the Bank for International Settlements, the International Organization of Securities Commissions and the World Economic Forum, and supported by non-banking financial institutions. This network controls Washington.

Interest in international capital network began in the middle of the 19th century. But for our purposes, we can begin after World War II, when organizations facilitating the internationalizing of political economy were established: the International Monetary Fund (IMF), the International Bank for Rural Development or the World Bank and, through the operation of the General Agreement on Tariffs and Trade, the World Trade Organization (WTO) in 1995, fifty years down the line. Most of these organizations secure the connection between the nation-states of the world and the international banking system. The WTO regulates trade. Its goal is not people but business: to help producers of goods and services, exporters, and importers conduct their business. The United Nations, with its militarized Security Council, provides the ideological justifications for nation-state agreement and conflict within this international network.

Rather than the end of imperialism (postcolonial digital multitudes or social networks), globalization is a new stage of imperialism. When we celebrate social networking, we must not forget that the telecommunication companies—China Mobile, Deutsches Telekom— were the first ones to break state control and privatize, cross borders to encourage investment in foreign currencies not necessarily located in their country of origin, thus changing the nature of the connection between the state and global capital, making the state serve capital rather than people located within its boundaries. Globalization, information-intensive and working at high electronic speed, has improved, not only the seeming political possibilities of social networking, but also the possibility of trade in foreign exchange—the differences among hard currencies and between hard and soft currencies—the currencies of the global North and the global South—minute, incessant (24/7 because of the world's time-zones), hard to track electronic maneuvers. This “finance capitalism,” has a much higher daily turn-over or circulation, which makes capital grow exponentially over against world trade. Already 10 years ago US Gross Domestic Product was less than 2% of the finance capital transaction volume. In addition to this, the so-called service industries have grown in volume over manufacturing as well. Electronic capitalism has also managed to “pulverize the factory floor,” and made it impossible for labor-based general strikes to achieve more than limited and topical results. This is one of the

reasons why the citizen-based (rather than labor-based) general strike (we won't move until our demands are met) that is the Occupy Wall Street movement fits the times.

Lenin's "What is to be Done?" recommends vanguardism in the face of consolidated opposition from world imperialism. Even without the depredations of Stalinism, vanguardism could not lay the basis of a just society. At best it built up a counter-imperialism (neither more nor less "evil" than any other) supported by state capitalism and a "nationalist" education. Although Lenin spoke of bringing the masses to full class consciousness, there was no time for this, and certainly, the building up of a will to social justice generation after generation within the speed required by the ceaseless strategizing demanded in turn by the incessant workings of the vanguardist control of political economy was not on the agenda. The emphasis was on explaining political information, not on an attempt to change habits of mind.

Without the general nurturing of the will to justice among the people, no just society can survive. The Occupy Wall Street movement must attend to education—primary through post-tertiary—at the same time as it attempts to the uncoupling of the connection between specifically capitalist globalization and the nation-state. This is an almost impossible task to remember, especially when there are such complex and urgent immediate tasks lined up! But it must be repeated: without this attention, there is no chance of survival—as we have seen in the case of the Soviet Union, China, and other post-revolutionary societies.

Indeed, Mao Zedong tried to solve this problem by the once-and-for-all solution of the Cultural Revolution, whereby he simply reversed the hierarchy that inhabited Chinese society—only to prove that without the patient and continuous system of education, the mind of a people cannot be nourished, and without robust mental resources, we are at the mercy of brainwashing.

The dismantling of the connection between the citizen and the state that we are now witnessing in the US context is basically a dismantling of the New Deal established by Franklin Roosevelt between the two world wars, during the great depression brought about by a crisis of over-production. Roosevelt's Labor Secretary, Frances Perkins, was responsible for planning the New Deal in its detail. It was my great good fortune to live across the hallway from her as a graduate student at Cornell University in the sixties, in the honor society called Telluride House, where I was the first woman student to be given a lodging scholarship. Madame Perkins was the permanent faculty resident. We were the two women living in the house with thirty-two male undergraduates and three male graduate students. I believe I can say that the idea of devising a welfare state in the United States could come so strongly and so effectively because it was in the hands of a supremely intelligent and feminist woman. I am not someone who believes that women as an essence possess some direct gift of nurture. But it is true that one of the unintended consequences of keeping women separate from gainful employment, keeping them forcibly responsible toward other human beings all their lives, and idealizing them in polite society, historically produced in superbly educated brilliant women a propensity towards other-directed behavior much more readily than in men of comparable class-production,

whose ambition could take a self-directed path to success. (Post-feminism is quickly taking care of this, of course.)

The Reagan-Bush era in the United States, together with Thatcher's regime in the United Kingdom saw the beginnings of the dismantling of the welfare state that we are witnessing today.

In globalization the sovereignty of the state is compromised as a result of the removal of barriers between national and international capitals, commonly called economic restructuring or "neo-liberalism." In the best concept of the democratic nation-state, the state's chief function is the redistribution of revenue for social welfare according to the constitution. After restructuring, the state's role becomes managerial of capitalist globalization. Thus the state becomes accountable to business rather than to people, the predicament of the 99% versus the 1%. It goes without saying that this cannot be redressed simply from within the democratic electoral mechanism of a state. The law can forever be changed in favor of business rather than people, if the entire polity is not educated to desire justice for all.

To repeat, then: the largest sector of global capital is finance capital. Finance capital is basically trade in foreign exchanges. The more often (finance) capital turns over or circulates, the more its volume increases. For financial globalization to work, the world must remain unevenly divided between the global South and the global North, so that there can be constantly fluctuating differences in the value of hard currency and soft currency, so that financialization can operate. The banks in all nation-states are clued into this game and so must turn over money as often as possible—borrowing and lending fast and playing one sort of investment over against another. World trade turns over less often because it is connected to material goods and services. But world trade also has a very large "futures" trading sector that plays into finance capital. Since the Reagan-Bush era the barriers between national capital—in our case federal regulations—and this play of global capital have been slowly relaxed, until, the collapsing of investment banks and commercial banks in 1999 effectively removed conflict of interest prohibitions between investment bankers serving as officers of commercial banks, took control away from government controlled enterprise, and gave it over to global capital flows. It is because of the demand that capital flow in and out as fast as possible that, even when human beings were suffering and being beaten down into the 99%, as a result of the housing crisis, banks had to be "bailed out" so that they had enough funds to continue in the inflow and outflow of capital that makes finance capital turn over. (The IMF regularly bailed out banks when nation-states were in debt-crises.) This is an insane, inhuman and seductive game, which needs to be controlled so that it can be medicine—in the interest of social productivity—rather than poison. As the US General Accounting Office said in its generally ignored 2004 report on "predatory lending:" "The Secondary Market [where previously issued financial instruments such as stocks, bonds, financial futures, and loans are bought and sold] May Play a Role in Both Facilitating and Combating Predatory Lending." The connection with Washington comes clear if we look at the past few years when states fought bitterly to have some kind of regulation and the federal government fought back strongly to squelch these efforts. We must

also take into account the so-called non-banking financial institutions—insurance firms, pawn shops, cashier’s check issuers, check cashing locations, currency exchanges, microloan organizations and the like,—which are free of any national and international regulatory efforts. In order to correct political economy, we cannot rely on politics alone.

It so happens that traditionally (Northern) Democrats are more into regulation and Republicans less—but it is not really a question of party politics. It is much rather a question of an educated electorate that understands what it is that is involved in the undoing of a bad connection between Washington and Wall Street and not simply be focused on self-interest.

What we must also understand is that real estate came to be the field in which this kind of insane global flow of capital would be encouraged because it happened to be the field which was the least protected. In other words the abstract areas which capital inhabits are not necessarily controlled by human decisions to do specific kinds of harm. In such a situation, unless the polity is educated to want social justice, it can be taken in by many different kinds of slogans. It is not a question of subject matter alone, nor of gathering information. It is a question of making minds that will read the information right. It is a question of educating in such a way that the intuitions of democracy and justice for everyone becomes habitual, not just self-interest: working for standards not necessarily motored by competition; not being rewarded for leadership; not encouraging role models; one could go on. The pursuit of happiness must be somewhat curbed in the interest of justice for all. And liberty must not be confused with capital flow for a financialization that need create jobs only so people will borrow. Mitt Romney accuses Obama of “putting free enterprise on trial.” When the state is completely subservient to global capital, flowing in and flowing out at the highest possible rate, private enterprise is not free. An ill-educated society can be persuaded with the obvious lies of trickle-down economic advantage in jobs created by capitalists rather than if the state has a robust structure of redistribution. Small business is no longer an unquestioned good, when venture capital regularly promises global connections as quickly and as broadly as possible. Metaphors can then be negotiated as literal truth. Any attempt of the state to serve the citizen can be misrepresented as a design on the part of the state to control. Every attempt to save the nation-state economy so that there can be socially just redistribution can be described as state-control of private lives. All efforts by the state to serve business and not people, giving everything over to make capital flow in the interest of the financialization of the globe, can be called “free” enterprise. Therefore, in addition to the legal involvement on the national and international levels, we must continue to emphasize the need persistently to construct a mindset to desire justice for all, from the primary to the post-tertiary level, if a just society is to prevail. This is not an impractical or “individualistic” lesson. The electorate must learn to read well enough, generation by generation, so the play of metaphors is seen clearly. Social networking is useful only with a mindset willing social justice.

This is not a situation of either state control or small is beautiful. What we have to learn to do is demand and protect such laws as will see to it that the federal government will not work only

in the interests of the play of finance capital, but also in the interest of good lives for the welfare of human beings.

Another slogan to watch out for is “postcolonials giving back.” As the volume of turnover decreases, so called diasporic investment across borders can raise the amount greatly. This activity can take the form of foreign direct investment being ideologically justified through culturalism and heritagism. In the name of globalizing education, there is now also a trend toward foreign direct investment in for-profit education that can be justified by these unexamined slogans.

If one wants to bring about equal justice within the nation-state alone, through electoral politics alone—although this is extremely important, one ignores the fact that the banking system, with its global connections, now has far superior powers than a democratically structured state that must turn over its executive leadership at regular intervals. The jurisdiction of the Supreme Court in general is more tied to the Constitution, which belongs to another era—today’s global politics being to a surprising extent released from constitutional obligations. It is very important to remember that Washington lobby politics is well organized by and for the apologists for seeking globalization as the only goal. To engage with them is not only a question of winning through verbal violence and managing votes. However idealistic it might seem, it is also and perhaps only winnable through a sustained argument advanced by people trained into an intelligent analysis of what political/economic moves are good for the general public. Lenin’s “What is to be Done” concentrated on the party. Our “What is to be Done” must concentrate on the mindset of the electorate. For times have changed. The citizen cannot afford to be taken in by the old slogans: job creation, small is beautiful, freedom from state control, economic growth, heritage. The vanguard has sold out to unregulated capital in- and out-flow; putting all kinds of debts together and selling them at high risk. Student loans, like women’s micro-credit, are features of this. When we think about education we must therefore keep in mind that if business administration is given into the hands of people who are untrained in the necessity for social justice, it cannot lead to the world for which we are striking. Most business ethics courses teach the maximum of business sustained by the minimum of ethics. If material gains within political economy are not supplemented by an other-directed and just culture that protects the fragility of the public use of reason, there is no hope for the future. We must ensure that the public sector become accountable for social welfare. The only way to ensure this is through bringing back regulatory laws. The trend now is to praise individual benevolence. Good rich people helping out the poor. The will to social justice, sustained by education, engaged in electoral activism, using regulated capital for social productivity and individual fulfillment, is not to be equated with this.□□□