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Resisting financialisation with Deleuze and Guattari: the case of Occupy Wall Street

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ABSTRACT

We draw on the work of Gilles Deleuze and Félix Guattari and the example of Occupy Wall Street (OWS) in order to indicate how contemporary processes of financialisation might continue to be resisted. After framing our argument, we trace the emergence of financialisation in the post-war period, from the 'financial repression' associated with the Bretton Woods regime to the emancipation of finance associated with neoliberalism. Financialisation did not emerge uncontested and so we also present five of the barriers which it overcame. We employ Deleuze's (1992) concept of 'societies of control' as a lens to examine finance and financialisation, before examining contemporary resistance to financialisation, taking OWS as our case study. The concepts of 'itinerant politics' and 'relay' provide us with further insights into the nature of OWS, particularly with respect to its model of 'distributed leadership' and, through this, its generation of a situated resistance to financialisation. OWS, finally, qualifies as an 'event' in the Deleuzian sense in that it ruptured the logic of the present state of things.

1. Introduction

Mario Tronti (1966) described the mutual development of workers' struggles and social movements, on the one hand, and capital, on the other, as a spiralling 'double helix'. Understanding this interdependent but ultimately antagonistic relationship was a major motivation for Gilles Deleuze and Félix Guattari. In some single-authored works (e.g. Deleuze, 1992, 2004), jointly (Deleuze & Guattari, 1977,Deleuze & Guattari, 1987) and with fellow thinkers and occasional collaborators (e.g. Deleuze & Foucault, 1977; Red Notes, 1979; Tronti, 1972, 1973; Guattari & Negri, 1990), Deleuze and Guattari mapped the contours of the social struggles that, through the 1960s and 1970s, destabilised, and ultimately helped destroy, capitalism's 'golden age' (Marglin & Schor, 1990). Capital responded to its crisis of profitability and accumulation with the neoliberal strategy (Bonefeld & Holloway, 1995; Brenner, 2006; Harvey, 2005; Stiglitz, 2002; De Angelis, 2003). The results are well documented. On the one hand, organised labour has disintegrated: since the 1970s real wages, at least in the advanced capitalist economies, have stagnated, inequality has burgeoned to levels not seen for a century and precarity has become widespread (Reich, 2013; Piketty, 2014; Wearden, 2016; Greenpepper Magazine, 2004; Mute, 2005; Standing, 2011). On the

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other hand, organised finance has blossomed: the extent of financial trading is now such that the entire value of global GDP now turns over in the financial markets in a matter of days;[1] an increasing share of wealth accrues to the so-called FIRE (finance, insurance and real estate) sector (Lapavitsas & Powell, 2013); while 'financialisation' (Martin, 2002; Epstein, 2005) has entered the popular vernacular.

Extra-parliamentary, non-trade-union based social movements have emerged as crucial political actors since the mid-1990s (Holloway, 2000; Notes from Nowhere, 2003; Solnit, 2004; Mertes, 2004; Pignarre & Stengers, 2011) and, even more notably, since the breakdown of the 'neoliberal deal' (Turbulence Collective, 2009). In what follows we will argue that the 'militant political philosophy' of Deleuze and Guattari (Dosse, 2010, p. 310) provides a number of tools for analysing contemporary neoliberal capitalism and the extra-parliamentary social movements that constitute part of the resistance to it. Focusing on Occupy Wall Street (OWS), we demonstrate how the manner of its politicisation of finance and financialisation, philosophically speaking, bears more than a passing resemblance to Deleuze and Guattari's politics of resistance (1977, 1987; see also Hardt & Negri, 2000; Hardt & Negri, 2004; Hardt & Negri, 2009). Through its camp in Zuccoti Park (less than 200 m from the New York Stock Exchange, the Federal Reserve Bank of New York and other important financial institutions), OWS disrupted the circulation of capital, as did, to a lesser or greater extent, the other Occupy camps. Deleuze and Guattari provide us with the means of both understanding and enabling such modes of resistance.

2. From Bretton Woods to Financialisation

At the end of the Second World War, the global financial system was treated as an object for international regulation (Hobsbawm, 1994, p. 274; Obstfeld & Taylor, 2004). The Bretton Woods system provided a 'reconstitution of the global financial system' that had been broken by the Great Depression (Bryan & Rafferty, 2006, p. 112), and brought with it the widespread implementation of Keynesian macroeconomic policies. The Bretton Woods institutions – the International Monetary Fund (IMF), the General Agreement on Tariffs and Trade (GATT, which became the World Trade Organisation in 1995), along with the International Bank for Reconstruction and Development (the World Bank) – sought to facilitate international trade in a context characterised by regulated finance, the consensus being that increased trade, rather than deregulated finance, would restore prosperity (Bryan and Rafferty, 2006, p. 113).

The Bretton Woods system began to unravel from the 1960s onwards, its undoing an aspect of the wider set of crises then engulfing capitalist economies (Montano, 1975; Glyn, Hughes, Lipietz, & Singh, 1990; Burnham, 1995; Holloway, 1995). The system was destabilised by two factors, in particular: first, 'weaknesses' in the US economy, themselves a result of the wider crises, whose supposedly 'as good as gold' currency formed the basis of the system; and second, the mechanisms predicted by Robert Triffin (1960) a decade earlier, which would 'inevitably' lead to the US running ever-increasing balance of payments deficits and an accompanying loss of confidence in the dollar. In August 1971, the 'inevitable' happened: US president Richard Nixon 'closed the gold window', cancelling the convertibility of US dollars into gold at the fixed rate of $35/ounce; devaluation of the dollar against other currencies swiftly followed, ushering in an era of free-floating exchange rates (Bryan & Rafferty, 2006, p. 118). Further aspects of financial deregulation or liberalisation included the removal of capital controls: these were lifted by the US in 1974, by the UK in 1979, and by other advanced capitalist countries in the 1980s and early 1990s. The age of 'financial repression' (McKinnon, 1973; Shaw, 1973) was over (Bonefeld, 1995).

There followed a surge in the profit rates of US financial corporations; by 1982, for instance, their profit rates exceeded those of industrial corporations (Duménil & Lévy, 2005, p. 38: Figure 2.11). As a result, the ratio of the net worth of financial relative to non-financial corporations rose in the United States from around 10% in the early 1970s to 30% in 2000 (Duménil & Lévy, 2005, p. 40: Figure 2.12). Attracted by the higher rates of profit available, non-financial corporations started operating within the financial sector. General Electric, for example, made large profits through banking activities (McNally, 2009, p. 56). The ratio of portfolio income to cash flow for US non-financial corporations more than doubled between the early 1970s and 2000 (Krippner, 2005, p. 185: Figure 4). Besides the flight of capital into money, the crisis of capitalism was overcome through a 'new wave of capitalist expansion . . . centreded on East Asia' (McNally, 2009, p. 35) and a corresponding emphasis on foreign direct investment and 'lean management' (De Angelis & Harvie, 2008; McNally, 2009, p. 45, see also Mohun, 2006, p. 348: Figure 1 and Davies et al., 2011). But the Asian crisis of 1997–1998 'signalled the onset of new problems of over-accumulation that shape the contours of the present crisis' (McNally, 2009, p. 46), while this present crisis (of 2007–2008) is intimately connected to the rising levels of personal credit and debt (Turbulence Collective, 2009; Graeber, 2011a, p. 361–391; Lazzarato, 2012; Caffentzis, 2013, p. 2).

This, in broad-strokes, is the shift from industrial to financial capitalism, the shift from the factory to finance, and the shift from Keynes to Hayek. This, as well as the birth of neoliberalism, is the birth of *financialisation*, defined by Epstein (2005, p. 3) as 'the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies'. A further aspect of financialisation is the growing supplementation of individual income through personal debt (Lapavitsas, 2011, p. 623), part of what can be understood as the neoliberal 'deal', in which workers accepted stagnant wages in return for (i) easy access to plentiful credit, (ii) cheap food, clothing, electronic good and other commodities, and (iii) aspiration, or the hope that their children would do better than themselves (Turbulence

[1] According to the Bank for International Settlements average daily turnover in foreign-exchange markets was $5.3 trillion in April 2013, while over-the-counter (OTC) trading in interest rate derivatives was $2.5 trillion (BIS, 2013a, 2013b). Global GDP in 2013 was $74.172 trillion (IMF, 2013).

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