

A Weberian Approach to the European Crisis: Why "Spirit" Matters.

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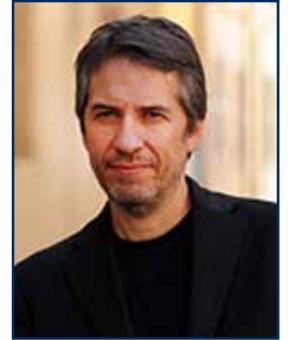
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About the author

Mauro Magatti, PhD, is full professor of Sociology at the Catholic University of Milan, where he is Dean of the Faculty of Sociology. His main scientific interests are focussed on the relationship between economy and society, the role of civic society and on globalization and cultural and social change. His approach is informed by the deep empirical grounding of his theoretical elaboration and on wideranging fieldwork experience. During his career he has worked for the European Science Foundation, the European Union, the Italian Ministry of University. He has been member of the K. Polanyi Insitute at the University of Montreal and of the Global Studies Association of the Metropolitan University of Manchester. In 2006-07 he was visiting professor at the Ecoles des Hautes Etudes in Paris, in 2007-08 at the Catholic University of Buenos Aires.



In the last years, he has directed two large national research on urban suburbs and on italian working class and its transformation. He is the scientific coordinator of Genius Loci. L'archivio della generatività italiana focussed on a collection of "generative", a project based at at Istituto Sturzo in Rome, collecting and analyzing best practices among firms, associations policies aimed at identifying the institutional and moral elements for a realistic reformation of italian society.

Among his most recent publications: *Il potere istituyente della società civile*, Laterza, Bari 2005; *I nuovi ceti popolari*, Feltrinelli, 2006 (with M. De Benedittis); *La città abbandonata. Dove sono e come cambiano le periferie italiane*, (a cura di) Il Mulino, 2007; *Libertà immaginaria. Le illusioni del capitalismo tecno-nichilista*, Feltrinelli, 2009, *The city of flows. Territories, agencies and institutions*, (eds, with L. Gherardi) 2010 and *La grande contrazione. I fallimenti della libertà e le vie del suo riscatto*, Feltrinelli, Milano, 2012

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The great expansion

The first point I'd like to raise has to do with the problem of economic expansion. So-called globalization - a specific historical phase begun in 1989 with the Fall of the Berlin Wall - was the answer to the (economic) crisis of the seventies. Globalization remolded the Keynes-inspired national and international frameworks built at the end of the Second World War. And that was possible exactly because they were no longer suitable to bear the required accumulation rate.

I think this economic expansion has two fundamental dimensions: a systemic dimension and a cultural dimension. My point is that the way these two dimensions have been mixed together has been significantly different for Europe and for your great country. And this difference - I would say - *at the beginning*, explains why and how the two areas ended up in the crisis in two distinct ways.

The main aim of the historical phase behind us was to overcome the idea of the accumulation process as an essentially national process that was embedded in the wartime economic and political order. And that's what happened, paving the way to the first post-colonial season.

How was that possible?

It was possible, I think, through a deep reconsideration of the idea of the State due to the new step reached by advanced democracies since the sixties and seventies.

Since then, in fact, the State has been more and more perceived as a limit, an obstacle, to a never-ending exploitation of new means of economic and subjective expansion. This movement is driven by two main forces: the technical advancement and the generalized condition of freedom. It's only within this framework that we can fully grasp the meaning of the shift from the State to the market in the Western world.

Let me start saying a few words on the economic side. As a matter of fact what happened in the last two decades is nothing more than a new phase of the rationalization process

Weber taught us a century ago. Such a model is based upon, let me put in this way, a world-image (weltbild) with a mechanical heart. The starting point of this development has been the building of a technical global macro-system of which the global market, and finance with it, is a constitutive element.

From an economic point of view, this development produced remarkable outcomes.

The first one was the growth of profitability due to the shift of investments from advanced countries to developing countries. Since the mid-eighties, delocalization has been the most effective way of increasing the rate of profits. In these new markets we have no trade unions, the State is weak, taxes are very low, and returns from investments are fast. All of these are ideal conditions from a strict economic point of view. If we want to measure, we can say that the return of invested capital in a developing country is three, four or five times higher than the one in advanced countries.

The second, more relevant, positive outcome concerns the financial profitability. Since the end of the eighties, we have faced on the one hand the loosening of the rules established at the end of the Second World War and, on the other hand, the flourishing of international financial instruments made possible by technical innovation. These conditions gave birth to a global financial market with endless chances of profit. The creation of new exchange instruments, the computerization of the stock exchange trade, the systematic elimination of the rules established at the end of the Second World War made possible such an expansion, inconceivable until a few years before.

This is without any doubt strongly linked to the rise of neoliberalism but things, historically speaking, went by far beyond what theorists were able to imagine. The unexpected fall of the Berlin Wall created the necessary historical conditions for an unprecedented phase of expansion, freeing a laughing and optimistic mood adequate to invest in the global financial market.

This model had at least three merits:

- economy grew at an unprecedented pace
- hundreds of millions of people entered the labour market and had access to economic well-being
- democracy became victorious as the legitimate political system at the global level

Nevertheless, the conditions out of which the model emerged as victorious would have been, at the same time and as often happens in history, the causes of its defeat: the outburst of the crisis is deeply related to the conditions for the victory of the model. Let me give you two examples. The first one has to do with the extreme "finanziarization" that has ended up in a widespread high debt level. But here we must pay attention: a high debt due not to deficit but to abundance. We have become indebted because we could. Let me put

it straight: economic growth would have been impossible at this pace without finance but if you are living on the edge, you'll have a heart attack sooner or later. The second example refers to social inequalities and, at least since the beginning of the crisis, to the erosion of the middle class. This is a general tendency of advanced countries starting from the beginning of the nineties. Without social conflict, economic growth is fostered to the detriment of social development.

The American way: a global vision

The second point I want to raise is the specificity of the United States. I don't want to focus on this aspect, here. What I would like to say is simply that this phase of economic expansion was, in your country, framed within a political vision open to the world. Technique and democracy were constitutive parts of an historical global mission. Since the fight with the "Evil Empire," passing through the fall of the Berlin Wall, negotiations with China for joining WTO, the building of a global market, the Kuwait War, to the Twin Towers, the United States has always had a strong political frame. I would say that politics and technique deeply entwined and gave birth to a new tight relationship between the national and the international framework. This relationship went so far as to justify the growth in debt both of enterprises and families, as well of the state due to its international responsibilities. As a matter of fact, in the American model the loss of disposable income of the middle class has been substituted by private debt that has exceeded, as you well know, 100% of the GDP. American workers have been in the economic system not only through wages but also through debt.

The European case

I can now move to my main point: Europe. Europe did not understand the question of the global vision. That's the reason why it has ended up copying - badly - the Anglo-Saxon model that had been able to work only as a piece of a more complex framework.

In Europe the expansion was connected more with the cultural dimension than with the political/systemic one. The cultural dimension was characterized by some elements I would define antiauthoritarian, subjectivistic and nihilistic. Let me explain.

Following Weber, a system of accumulation needs a world-image (weltbild) with a spirit (geist). Lacking of a global vision, Europe retreated into itself and developed an imaginary of freedom almost entirely based upon the idea of desire as pleasure (jouissance)

This imaginary has two different roots.

The first one is what I can define as a culture of authenticity, of self-realization and self-expression, with a clear neo-Romantic flavour. This kind of culture erects the personal dimension of life against any normative requirement of social life. From this point of view what we must preserve, however high the cost may be, is the subjective need of self-expression. No external authority is legitimate. Freedom lies in the fundamental right of the subject to choose his own norms of life.

The second root is the neoliberal idea of choice. To have many options means to be more free and so the more a man is able to choose between several options the more he is free. But this is a difference with respect to the US: both market and State contribute to enlarge options amongst which individuals may choose.

At first sight these two roots seem very different - also because they seem to fight each other in the media public sphere. But if we look more closely, they are allies indeed. They were precious allies in the building of what I call techno-nihilist capitalism and moreover they are invaluable allies in fostering it.

I don't mean that in the US these forces were not effective. What I'm trying to clarify is that there are at least two important differences. One: in Europe the first root - that we can trace back to the Leftist thought deeply influenced by Nietzsche - was much stronger than the Neoliberal one. Second: in Europe the political classes played an enormous role in mediating the individual access to opportunities, while they lacked a real political framework able to tie together subjective experiences.

All these roots joined together giving birth to a new "psychic economy," or, following Weber, to a new "spirit" based upon an intra-mundane idea of desire that, in a Lacanian perspective, tend to be objectified, becoming mere pleasure (*jouissance*).

On the one hand, authenticity takes the shape of the openness to the playing with lifestyles. From this point of view to be open means to be eager to search for desire, without prejudice or limits. But the problem is that we are not able to find this desire because it is always a step beyond us. Since it always turns itself into something else we chase it but we can't really catch it. The effect is that the search becomes permanent and the subject is always in a liminal tension toward the endless options of life.

On the other hand, to have more options means to be opened up to further desires. We can't fully grasp the present-day meaning of the idea of choice if we don't understand that we are machines of desire always open to the newness of life.

Techno-nihilist capitalism reigns over Europe through the exploitation of desire shaped as pure individualistic and objectified pleasure (*jouissance*). As a matter of fact, everybody desires to desire. Even the working class is committed to this logic of desire. Every social group yearns for an ideal of life centered on the constant openness to the new and the unexpected. Indeed, this is not an ideal for the millionaire. Everybody can hope to change

his lifestyle even with a moderate amount of money. This is exactly what cinema and the showbiz teach us every day.

Reality, however, is very different from hope because desire as pleasure is at hand only for people who enter the magical circuit of profit and fame. And this is the dominant type of man within the techno-nihilist capitalism: the type of man considered as worthy of praise by the working and the middle class.

That's why politics wanes. Nobody longs for socialism anymore. But this involves also a dramatic decline of social, religious and political ideal. What we are allowed to dream of or desire is to hit the jackpot and become a famous person like the ones we watch every day on TV or the Internet, or read about in the newspaper. He who lives this kind of "authentic life" made by endless choices is the object of mimetic desire.

Techno-nihilist capitalism was able to kill two birds with one stone.

On the one hand, it was able to increase profits and drop salaries. The outcome has been the growth of social inequalities, despite the extensive role played by the state.

On the other hand, it made dominant for both the affluent and the poor the same way of life based on the right of the "pursuit of pleasure" for the individual.

The ambiguous role of the welfare state and the lack of political vision

Indeed, aside from the UK, European countries are still state-centered. More exactly, they are welfare-state-centered.

We can identify two different models.

The first one is the Nordic model, based upon a peculiar mixture between individualization and functionalization. In these countries, the welfare state has been technically reorganized and it is now effective insomuch as to displace social relations: from families to communities up to the collective actors of civil society.

The second one is the Mediterranean model which exploits the State and its finances in order to bear the pleasure of the individuals, ignoring any technical requirement.

(There is also a third case, Germany. Having followed a different historical path which ended up in a strong and meaningful political project of reunification, Germany has developed a peculiar and powerful antidote to the nihilist feelings of our times.)

From this point of view, within the European model, the public expenditure is still fundamental, although in two different ways.

In the first model, the state sustains a strong individualistic stance and weakens the entire social and relational fabric made by families, groups and associations.

In the second model, it fosters corruption both at the political and the economic level, often deeply tied together. At the same time, it bears the standard of living and the pleasure of specific social groups, such as pensioners (retired persons) by public debt.

It should be added that an effective role in keeping the equilibrium stable is played by immigrant workers. This kind of labour allows salaries to be kept low because it produces competition among workers.

Within this framework, the question of the edification of Europe as a political community remains a distant concern, well beyond the national political scenario. It never becomes a priority as it should. The question of globalization remains distant as well. It bothers us more than it challenges us as it should.

Without fundamental values and a vision open to the world, the European political class does nothing but make mistakes. Just think about what happened with the European constitution. And this does have effects on what European citizens feel for Europe.

So this is why I maintain that the European crisis is a matter of spirit.

This is a spiritual crisis showing itself in the clearest way in the lack of a vision for the future. If we pay attention to the demographic question we'll be able to see how the economic crisis in Europe has to do with a problem of meaning. I can't think of a more fundamental difference between US and Europe than this one. It is desire as pleasure which has realized the conditions of possibility of the demographic crisis: desire as individual pleasure ends in itself, without, literally, giving birth to anything but itself. It generates nothing but more desire as pleasure.

The economic crisis deepens this problem, because it shows how mutilating it is to think of an economic unity without a political unity. The differences among nations are destabilizing because they undermine an already weak feeling of being tied together, of being a community of fate.

Yes, we need more Europe. But we don't have a shared cultural vision of what Europe is and could be. That's why we are bound to talk of a spiritual crisis.

This crisis is for sure an economic and financial crisis but I think we need to realize its anthropological dimension. There are two topics European culture seems to have forgotten from this anthropological point of view.

The first one is that the human being is relational. This is the consequence of the constitutive human openness towards the world in which he lives. This openness drives the human being to search his environment and to look for the new. But this movement of

opening needs at the same time a movement of closing because in order to survive and not to get lost we need a border, a limit that marks the difference between ourselves and the world. And this is the same for social life. We need a balance between the opening and the closing of the community. This is clearly shown in the case of Europe, which can't define itself and set a spatial limit marking where Europe is and where it ends. Moreover, even if we are essentially open to the world, the way the world is is to a great extent given to us. It is not at our disposal and it limits our freedom. Here we can see again the limit of politics. Being unable to tie together under a shared framework of meaning the various subjective experiences, it becomes more and more irrelevant. The welfare state - and let me say I want to stand for it as European - is nowadays no longer able to realize this tie. Quite the opposite, it makes the state the object of a hyperindividualistic claim.

The second anthropological issue concerns religion. In Europe, we don't understand the importance of the religious, extra-mundane dimension of social life. This dimension is kept outside the European public sphere but in doing so Europe neglects his own history and loses its openness to the future. This is a huge problem because it produces an empty society without a memory and without hopes. After the end of ideologies, Europe has been confining itself in the short period of its subjectivistic culture which has been drying up the roots of real desire.

I think that without throwing aside its heavy cloak made of nihilism, Europe will hardly overcome this crisis and will prowl through world history like the faded copy of an ancient glory.