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In *The Future of Freedom*, Fareed Zakaria argues that there has emerged "too much democracy" and too little liberty in the world today, and suggests this trend may lead to a crisis of belief in democracy. However, what Zakaria calls "democratization" in many cases does not lead to democracy.

The purpose of this study is to analyze instances where democratization and governance of crisis fail, and to arrive at turning points for what democracy may become. Working through undecideable situations can be seen as central to governing our lives and with others. Autonomy – which bridges both democracy and liberty – is examined, particularly in terms of its value for addressing social problems. Sections on responses to financial crises further develop challenges for democratization. The result is a vision of democracy as shared sovereignty, contrasting with and supplementing autonomy. This shared sovereignty involves an openness, if not to crisis, then to turning points or unanticipated events. This shared freedom with all others is a supplement of democracy beyond the institutions of liberty Zakaria supports in *The Future of Freedom*.

The future of democracy is an unconditional sharing of freedom with all others, and an openness to unanticipated events. This openness often seems impossible (or dangerous), and often remains for the future, but at the same time suggests a potential in democracy we should strive to bring about and inhabit.

Turning Points of Democracy

by
Brian Lindsley

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APPROVED:

Signature redacted for privacy.

Major Professor, representing Political Science

Signature redacted for privacy.

Committee Member, representing Philosophy

Signature redacted for privacy.

Committee Member, representing Business Administration

Signature redacted for privacy.

Chair of the Department of Political Science

Signature redacted for privacy.

Dean of the Graduate School

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Brian Lindsley, Author

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INTRODUCTION

Democracy may feel quite familiar and definite. But at the same time, like freedom, it may be impossible to grasp, because it attempts to open the future to as many desirable possibilities, or even seeming impossibilities, as can be attempted. This thesis addresses the possibilities and limitations of democracy, asking the question of whether democratic governance can and will be capable of most responsibly addressing the world's most difficult problems. The starting point of this examination is Fareed Zakaria's book, *The Future of Freedom*. Zakaria says there is too much democracy today. I will argue one should add in which ways there is too little democracy. Zakaria argues that in some situations, non-democratic governance is the better approach. I will suggest ways in which non-democratic governance is not the best approach and presents problems to be overcome. Zakaria too wants to reinvigorate democracy, as he is working toward a vision of democracy he calls our "last best hope." Zakaria focuses on rebuilding a foundation of democracy – based on institutions of liberty such as: separation of powers in government; powerful economic classes in society; and rights of free speech,

association, etc. I will suggest other supplements to understanding democracy through analysis of works by Hernando de Soto, Joseph Stiglitz, Jacques Derrida, and others.

Zakaria suggests that the consequence of too much democracy may be an eventual crisis of belief in democracy. To illustrate, he argues that the following are best analyzed as a few examples of "too much democracy": illiberal democracies (where elected leaders do not enforce or further human rights), the US Congress in recent decades, and referendum law-making. He suggests that the best way to address the issue of illiberal democracy is by re-enforcing institutions of liberty such as human rights. More precisely, he suggests that an unelected leader who happens to enforce rights is better than an elected leader who does not, and that deferring elections can help build a foundation for a better democracy in the future. In some ways, this recalls Ronald Reagan following Jeanne Kirkpatrick's advice to support predictable, pragmatic dictators rather than leftist revolutionaries. Zakaria also suggests that unelected entities like the Federal Reserve which are not open to much discussion or interest group pressure nonetheless function relatively well and responsibly. He thinks democracy needs such "intermediate," "non-democratic" entities to guide it in certain critical areas. Zakaria also suggests violence has become too "democratized," such as via webpages about how to make weapons of mass destruction – but the old warnings such as Eisenhower's about the burgeoning military-industrial complex would still need to be analyzed – we will look at ways economics complicates Zakaria's thesis in a variety of ways.

Stiglitz argues that another largely non-democratic entity, the International Monetary Fund, could have been more responsible in its actions regarding the

international financial crises from 1997 onward. We will examine his argument in detail, including suggestions at the level of finance as well as democracy and responsibility. One question to keep in mind is to what extent we can address financial crises and other issues in a democratic form. One recalls Slavoj Zizek's analysis, such as on most people around the world being against the Iraq War. He states that over at least the last three decades, key economic and geopolitical decisions have hardly been addressed by elections. Regarding Zakaria's proposal for unelected leaders to guide developing countries, Zizek states that the implication is this leader would not tolerate democratic support for nationalizing oil revenues, or applying sanctions to Israel, or refusing global free trade schemes, and so forth. Zizek also refers to US unilateralism, such as its rejection of the International Criminal Court, as a clear and powerful instance of too little democracy in the world today. These are stakes to take into account when analyzing the future of democracy or freedom.

Analysis by Karl Marx of primitive accumulation (a vast build-up of capital which starts capitalism, such as colonialism) helps us reflect on the extent to which the world has been democratized in modern times. Primitive accumulation could be seen as a few striving for autonomy, sometimes by improving economic processes, sometimes by exploiting others, and often enough, a combination of both. Relatedly, Hernando de Soto pursues ways capitalism can start for the masses in developing and transition economies in a more autonomous way. Much as Zakaria speaks of a crisis of belief in democracy, de Soto speaks of a crisis of belief in capitalism today, insofar as many countries have tried repeatedly and been unable to prosper in the global economy. He also looks for a

foundation for capitalism, and finds it in the extension of formal property systems. He argues that most people in the world today still carry out their economic relations without being included in the formal property system. De Soto believes that adapting the existing formal property systems to these vast populations will give them a chance to develop capital, such as via credit, as well as responsibility toward the economic system. We will analyze this in terms of autonomy and democratic responsibility toward others.

Each of these authors offers an alternative understanding of democracy and its implications for addressing the problems faced by a variety of political communities. In addressing these considerations from such perspectives, this thesis will analyze democracy in terms of "how much democracy, and to what effect," while looking at what this means with regard to individual autonomy and democratic responsibility toward others. Rights are sometimes not enforced (it would be quite a democratic movement if they were fully enforced), or other times enforced more as a defensive mechanism for those who already have significant power. Rights often double with the practice of "tolerance" whereby a person "tolerates" all those who differ from him or her – but this is a quite limited sense of both responsibility and democracy. We will also analyze Kant, Foucault, and Derrida on how a less limited sense of freedom can relate to the conditional nature of laws, calculation, and understanding. The concept of autonomy seems to extend naturally to the establishment of rights and other laws, as the rational laws each self posits. Nonetheless, we will consider the concept of autonomy in a situation more like non-coercive heteronomy, a "hospitality," where the experience of shared freedom and responsibility with others is foundational. What drives responsibility is an

affirmation of the irreplaceability of each life, and openness to a free exchange with anyone. Further development of autonomous, creative, and critical thinking in combination with this unconditional sharing of freedom with all others is a supplement for, and of, democracy.

DEMOCRACY AND ZAKARIA, DE SOTO, ZIZEK

In *The Future of Freedom*, Zakaria's thesis or slogan (speaking of one of his own, Derrida suggests there is something of a slogan in every thesis[1]) is that the world has too little liberty and too much democracy. However, what Zakaria calls "democratization" often does not result in democracy – in even more instances than he acknowledges. Thus the slogan or thesis "too much democracy" is to a degree contradictory and too compact to be clear. Nonetheless, like a slogan, it makes a claim on our attention, like the common literary device, the "hook." By contrast, Zakaria's previous book, *From Wealth to Power*, was not written in such a popular (even if somewhat discordant) style; in fact, it was written as a dissertation.

A reviewer writes that *The Future of Freedom* is itself somewhat "democratized" and would need to be about twice as long to better make its argument (Garfinkle 2003).[2] Of course, Zakaria credits democracy with many good things as well – and even calls democracy our "last best hope." Zakaria in an interview says that he wrote *The Future of Freedom* in a more popular style, and that unlike *From Wealth to Power*, marketing of the book was pursued heavily.

Of course, given calculations such as that half the world, three billion[3] people, are living on less than two US dollars a day, Zakaria is not marketing the book to them.

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[1] Cf. *Who's Afraid of Philosophy: Right to Philosophy I* (2002).

[2] One could compare Nietzsche on mastering the aphoristic style.

[3] A related statement is made for example on Stiglitz's *Fair Trade For All*. Cf. Robert Reich (2006), a professor at Berkeley's Goldman School of Public Policy, and a former United States secretary of labor. Also cf. http://www.globalissues.org/TradeRelated/Facts.asp#fact1 (Accessed 6/30/2006).

Joseph Stiglitz, in "On Liberty, the Right to Know, and Public Discourse: The Role of Transparency in Public Life," recalls Amartya Sen's argument that famines do not occur in societies in which there is a free press. Stiglitz emphasizes that famines are caused not by lack of food in the aggregate, but by lack of access to food by the poor who live in famine regions (1999). Free press should be able to (again) make these problems obvious and untolerated. The Frankfurt School had long ago made the point that the technology already exists to feed everyone and yet many still face starvation. As the book *Global Crises, Global Solutions* shows, providing more micronutrients to the malnourished and starving would be one of the most inexpensive and efficient uses of public funds (2004). Derrida asks in *Philosophy in a Time of Terror* if letting millions upon millions starve and die of diseases is not itself a form of terror. The death of others and our own impels us to affirm the irreplaceability and singular freedom of each life. To what extent could we begin to share responsibility with these millions, with the agony of an Abraham who thought God was asking him to sacrifice his own son? Affirming the irreplaceability of each life is a call to sharing freedom with others. It drives us toward democracy. Each life is singular and irreplaceable – and that is the point at which each life may become accountable for itself, responsible, and others become responsible to that life. Democracy is founded on affirming one's own singular freedom but also the unique freedom of all others – this complex interaction is not fully systematized in law, but may found its full practice. We will explore this further in terms of unconditional hospitality toward others, a supplement of democracy which goes beyond Zakaria's emphasis on institutions of liberty. The future of democracy is not only about openness to anyone

different from us, but also about responsibility to anyone, based on a founding affirmation of their singular, irreplaceable nature.

Zakaria argues both that democracy is our last best hope and that we have too much democracy – he is trying to change or supplement what we mean by and pursue in democratization. I will emphasize that democracy should come to signify not only autonomy or sovereignty for oneself, but a sharing of sovereignty with anyone. We will see that Zakaria's book is both making an appeal to elites to take more social responsibility (as he states they did in the 19th century) and to at least some of the masses both to join in and hold them to it.

To some extent, Zakaria argues that more people have more power these days, but they have not created much liberty (such as enforced rights) with that democratic power. Therefore, he argues, often in developing countries the goal for transitioning to democracy should be to risk having a dictator (hoping they will act benevolently), rather than quickly allowing broader democratic participation. He gives examples to support the idea that democracy itself is not bad, but can often be twisted or distorted if there is not a powerful elite (one independent of government per se) pushing for it.

Derrida professes "democracy to come," which would call upon us to accept an infinite responsibility. Although we are constantly selecting this over that, spending time and resources here rather than there, we should attempt to envision greater responsibility even to the point of impossibility, because this insistent call for democracy and responsibility toward others also helps shape our finite practices. Zakaria in some ways tries to bridge the gap between limited and infinite responsibility (Derrida makes the

point that a limited responsibility is a clear conscience) and between social responsibility and protecting today's rich aristocracy by putting faith in an aristocracy to fight for more universal rights, not only an empty constitutional formalism, but one with a certain force.

In *Rogues: Two Essays on Reason*, where Derrida addresses issues such as the reason of the strongest prevailing over all other reason (US unilateralism has taken this form in recent instances, and Zakaria's article "The Arrogant Empire" also addresses this), and the issue of saving the honor of reason and its future, Derrida also addresses briefly the role of human rights in sometimes displacing sovereign national authority. Zizek's article "Against Human Rights" also addresses positive and negative uses of human rights, and cases where a society does not enforce, and many people do not have enough power to enforce, the rights formally attributed to them.

Again regarding democratization not resulting in democracy, Zakaria to some extent shows how this problematizes his "too much democracy" thesis, but this would need to be further articulated. Building on this, I will argue that in a sense we still have too little democracy, and should dare to think of democracy differently. Further, democratization and its failures are often at least as much about the spread of capitalism as democracy. Although Zakaria credits capitalism as a likely precursor to democracy, he also shows (while not always reconciling this contradiction) how capitalistic developments sometimes block the development of democracy (the kind he alludes to as "our last best hope"). Zakaria's thesis suggests that democracy has already gone too far but in many of his examples it is more the case that what one hoped to democratize ended up getting distorted by capitalism in a new way. For example, "direct democracy," where

one skips the legislative mediators but in fact the rich (Zakaria gives examples such as George Soros and Paul Allen) are able to dominate and become the new "direct" mediators of referendum law-making. Zakaria cites this as an example of "too much democracy" but in fact it is more an instance of the powerful or aristocratic in capitalism being able to control democracy more directly (too little democracy).

Zakaria also argues that political parties were central in American democracy in mediating between various interest groups and enforcing a broader unity of message and goals. He states, however, that parties have become little more than shells for fund-raising and name recognition, and so "decentralized" that anyone who is "rich and/or famous," "whether they have any experience in politics or not, is now at a huge advantage." Zakaria cites this as another example of "too much democracy," but does it not seem at least as much a product of economic power relations? Even if democracy is sometimes portrayed in this way currently, we should strive to think of democracy as something not yet perfected, not yet arrived. Zakaria's book on "too much democracy" does acknowledge that democracy is "a work in progress, abroad as well as at home" and refines the argument: he argues for what Tocqueville called "intermediate associations" and not for one model of liberal government to the exclusion of all ongoing, democratic reworking of given models. This reminds one of Derrida's analysis of circles and democracy in *Rogues*, not only the mediation linking (or vanishing mediator, to use Hegel's term) government by the people, for the people, but the turns by which leader turns into follower and so forth (or Rorty's envisioning of a different future where there are not hierarchies except for provisional leadership roles for pragmatic reasons (2006)).

As another problematic example of "too much democracy," Zakaria outlines how the Democratic and then Republican parties responded to the call for more participatory politics sparked by the protests of the 1960s. Unlike the other countries of the world, the US parties at this point started to allow most of their delegates to be chosen via primaries rather than directly choosing candidates themselves. However, he emphasizes that most people do not vote in the primaries, and those who actively and consistently participate in the voting do not as closely represent the "common" views of the party as the old elites did. Again though, we should not simply assume that either of these possibilities is the best we should strive for in democracy. Zakaria suggests the party system committed suicide through introducing primaries – we will later analyze Derrida's concept of autoimmunity (such as when democracy fights itself, committing suicide, sometimes in order to try to paradoxically save itself, making autonomy appear tragic).[4] It is through such vulnerabilities that we can attempt to open ourselves toward other political possibilities and events. Zakaria proposes another example of noble suicide in the sinking Titanic, where most of the rich men died giving spots on lifeboats to women and children. Zakaria writes that we hardly require honor or social responsibility from our present day aristocracy – this may be true in part insofar as present democracy encourages us to conflate the most powerful class with the majority or the rest who cannot afford as much social intervention.

[4] Derrida alludes to the complex example of decolonization in Algeria, where democracy was "killed" to try to save it, since an apparently non-democratic party was positioned to claim victory in the elections.

Zakaria's slogan is also interesting for invoking degrees ("too much" and "too little") rather than logical or ahistorical opposites, but the question of degree could be thought in a Nietzschean sense of becoming or creating a future (not yet fully known) rather than as more or less fulfilling a teleology or linear narrative of democracy. This aims toward more creativity regarding what democracy is or will be. This will also proceed by attempting more critical thinking regarding democratization (particularly regarding capitalism and formalistic legalism) – critical thinking which with Kant points toward Enlightenment (and we may add, in various ways toward liberty, autonomy, and democracy). We need more critical thinking regarding capitalism and more creativity regarding democracy.

It seems ironic to invoke a great critic of contemporary democracy, Nietzsche, when speaking of becoming creative regarding democracy. But as Kellner paints broadly, Nietzsche (and Marx) carrying out "a ruthless criticism of all that exists" nonetheless confronted us with something far from and quite different from a "pure" negation of contemporary societies.

> Although he argues against democracy, liberalism, and various progressive social movements, Nietzsche's attack is at least partially carried out in a modern Enlightenment style, negating existing ideas in the name of a better future. Despite his keen appreciation for past cultures like classical antiquity and defense of some premodern values, Nietzsche is very future and present-oriented, attacking tradition while calling for a *new* society and culture (1999).

And again the relation to Zakaria is interesting, who emphasizes that Hitler was democratically elected, and we could add that Nietzsche in the previous century had severely criticized German anti-Semites, envisioned a democratization of Europe

(particularly as building resistance to the disease or mass hysteria of racism and anti-Semitism, as well as nationalism, such as Wagner's animosity toward French culture), criticized the Reich, and so forth.

> Believing that modern individuals suffered from a weakened personality, Nietzsche wanted the study of history to be put into the service of creating great personalities, to help make possible a rebirth of a life-affirming culture. During the 1870s, Nietzsche was becoming increasingly disappointed with the philistinism of the German Reich and progressively intensified through the 1880s his critique of German bourgeois culture, Wagner, Bismarck, German militarism, and the Reich. He distanced himself from his search for a new German culture based on Wagner's music dramas and published a series of aphoristic works which promoted [an] ethos of enlightenment and social critique, beginning with *Human, All Too Human* [...] In opposition to liberal cultural tolerance, Nietzsche advocated cultural war which he believed would generate cultural diversity and a stronger, more creative culture and individuals (1999).

However, Zakaria's text will be interesting here as well, in that his idea of furthering liberty includes re-envisioning an aristocracy, one both more and less responsible to society and the people – more socially responsible than today's elite or elites largely driven by profit, but less responsible because isolated from society (Zakaria argues for the benefits of protection from special interest groups). This parallels thought on cultural elitism during the time of Nietzsche (such as on maintaining an elite but "recruiting" individuals of any background – and this is what Zakaria says happened later with the American WASP elite).

Zakaria starts his "Death of Authority" chapter by looking at the spread of credit to the American masses. Not that democracy is today often seen as being essentially about the poorest, but one could ask here whether this expansion of consumerist culture helped rich capitalists or marginalized citizens more. This was an expansion of

marketing to the masses, but at least as much about the marketers' desires as the masses'. Bank of America, Chase, et al. became extremely wealthy through this strategy of extending credit to the masses (whereas J.P. Morgan had gotten rich largely by only loaning to the "trustworthy" rich (note de Soto's emphasis too that the word credit comes from a Greek word suggesting "belief" as in believing in someone (we could add: believing (more or less consciously) in something or some social system). Zakaria notes that J.P. Morgan did well enough in this strategy which also involved close relationships with government and big business that it could act as the lender of last resort during the many crises of the late 1800s and early 1900s, until the Federal Reserve took over that role in 1913. To some extent, lender of last resort became the role of the International Monetary Fund (to "stabilize" developing nations), although it was not always filled straightforwardly, and could still be advocated as a needed development in the late 1990s.

It would be interesting to also focus on to what extent capitalism and democracy present the same kinds of effects, but to continue our focus here, the reference to mass-markets has at least as much to do with capitalism as it does with democracy. Another interesting question, which we will address to some degree, is what differences exist between capitalism and liberty (Zakaria seems to leave this partially unanswered). But first the complexity here to note is drawn well by Ben Bagdikian (2000), who shows that the companies which together control half or more of the U.S. media have been reduced from 50 in 1984 to 6 as of 2000 (and still 6 as of 2006). At the same time, Patterson (1994), Bennett (2005), and others show the watering down of substantive content in

order to increase profits. Is that more democracy or capitalism? Perhaps a different future lies ahead for both.

Zakaria also offers the financial democratization example of the 1980s introduction of junk bonds, which gave more companies with poor credit histories access to credit (and fueled several now large companies as well as the S&L scandal, etc.). Again this is not purely about democratically representing people, but about expanding markets and profits. It is the side of the argument that de Soto hopes will convince the wealthy and powerful to lend formal property titles to more people – by integrating the vast extralegal sectors, the rich might get richer. It is also just one of the factors Stiglitz points out in *Fair Trade for All* as a barrier to the Washington Consensus' quick liberalization of developing countries: the financial infrastructure is too weak to provide stability for shifts to industries of comparative advantage, for example. Even de Soto stops short of claiming the rich would thereby try to learn much about other cultures, overcome prejudices, expand hospitality beyond the speculations of property, etc. As we will touch on later, de Soto briefly mentions the challenge of keeping different cultures alive while capitalism sweeps through, and also that one must formalize property relations in ways specific to each culture, but de Soto tends to stick mostly with the idea that the issue of culture can be set aside and further formalizing capitalism can be pursued as the best hope of the future.

De Soto outlines other aspects of formal property systems such as providing more information on individuals and making them more accountable. Al Gore spoke this year on a related abuse of this when it was announced that the Bush administration had been

sidestepping the Constitution and eavesdropping on a huge number of Americans. Gore points out that the executive branch during crises in the past has "suspended" constitutional liberties, but they have been restored afterward. He calls for a restoration of liberty combined with a critical and responsible thinking regarding Bush's indefinitely long war on terror. Zakaria's *Future of Freedom* does not address the Patriot Act and so forth (he does address the Iraq War), but it would be interesting in this light to read his dissertation thesis that a heightening of the US executive branch's power was the main cause of its imperial approach leading in to the 20th century.

In an interview, de Soto emphasizes not so much surveillance and accountability of individuals, but a somewhat different part of his argument, which relates to the sea change which is mass urbanization. He says the elite will be convinced to share power because it is the best defense they have for what is already happening (reminiscent of many writers on social forces which work beyond individual autonomy, including Zakaria on democratization in one form or another being inevitable).

> Whatever resistance on the part of the elites to sharing power, in many cases it has diminished because the poor have already staked out a large amount of the assets. Take the example of my native Peru. Fifty years ago, private companies handled all of our urban transport needs, but today, about 80% of that transport consists of extralegal buses and taxis. In other words, what the rich haven't given to the poor, the poor have simply taken over. My institute actually tries to spread awareness among the elites about their loss of control over markets and their limited access to consumers (2006).[5]

[5] Also cf. "The Mystery of Capital," 21st Annual Morgenthau Memorial Lecture, http://www.cceia.org/resources/publications/morgenthau/99.html (Accessed 6/25/2006).

There is a chaotic aspect today in that laws have not kept up with globalization nor mass urbanization more specifically. Again, this is at least as much about capitalism as democratization. Farming continues to be the primary rural profession but also threatened by the "development" (which we will analyze via Marx on primitive accumulation) which continually transforms farming into a more difficult livelihood for significant numbers of people around the world, and large numbers flood into the cities looking for work. De Soto shows in many countries, that bureaucratic inefficiency and even law more generally keeps vast numbers of people from being able to afford property titles (such as in many rapidly developing new urban sectors).

As a further example, de Soto provides a somewhat culturally specific but primarily economic explanation for terrorism. He thinks that integrating the extralegal sector into the formal property system will replace terrorists as it did the Shining Path in Peru, because terrorists often enough enforce property ownership where the government does not (outlying farmers in Peru, including those growing coca, were "harboring" the terrorists). To a degree, this parallels Robert Pate's findings that suicide terrorism in the last two decades has in nearly every case been in response to a democratic nation which was occupying with military forces the terrorists' homeland or territory they prize. De Soto's work suggests a dialectic between the law and the extralegal may produce social results beyond what we recognize as capitalism today. De Soto works toward adopting laws to specific and changing cultural contexts. The following is an example from *The Economist* on de Soto's approach to terrorism in Peru. And even as there is a degree of cost-benefit calculation (and thus it should be compared and contrasted with giving

unconditional hospitality to others) we could keep in mind the possibilities for giving a more democratic approach to the future.

> [De Soto's] boss, the then-president, Alberto Fujimori, and the army agreed to recognise the farmers' informal militias, grant them land titles and decriminalise the growing of coca; Mr de Soto even got the elder George Bush to support this strategy, in exchange only for a signed pledge from farmers that they would begin a programme of crop conversion away from coca. This certainly undermined support for the Shining Path.
>
> But although, on a recent visit, *The Economist* found that the farmers still felt (and valued being) included—a big achievement—crop conversion had not gone well. Coca output is still high. Rising coca, and falling coffee and cocoa, prices have not helped. But Mr de Soto says the job was not finished properly. Mr Fujimori envied Mr de Soto's popularity and stopped him implementing all his plans. New land rights were granted that did not properly match old informal rights. Mr de Soto could not bring in multinationals to oversee crop conversion (2003).

Thus we see that de Soto attempts to understand the cultural and informal history before pursuing the more universal and systematic strategy of formalizing and extending credit, capitalism, and so forth.

Zakaria does emphasize culture to an extent by emphasizing the risk which precedes democracy when nations are torn by intolerance (racial, ethnic, and so forth) – democratizing the transfer of power in such situations can mean allowing election of intolerant groups – for example, currently in India where an elected party is carrying out ethnic cleansing. Zakaria doesn't claim that democracy is the origin of ethnic conflict, nor that capitalism without liberal institutions would overcome racism and "make the world safe for democracy." Often, of course, racial conflict is also based not only on political struggles for power but on capitalistic antagonisms and class struggle.

Later we will address a part of Zizek's analysis of Nazi ideology. Foucault also addresses origins of ethnic conflict in his College de France lectures translated as "Society Must Be Defended." With Foucault, the state development of biopower, such as postulating and tracking populations and individual sexualities, can be read as determining forms of life and fueling state-powered racism. Zakaria sketches a brief history of liberty as well as failed democratization. Foucault too developed the potentials of the enlightenment (such as in "What is Enlightenment?" and "What is Critique?") as well as writing histories of the disciplinary techniques and power relations the enlightenment also put in motion. Nancy Fraser argues that Foucault's emphasis on disciplinary fields is also appropriate to the Fordist era in which he was writing, but must be updated for the post-Fordist relations of globalization (which bring new layers and combinations of power relations). We will leave much of this to the side in the present paper, but will make space for addressing some of the violent history which was the prelude to democracy and still conditions some of the major distributions of power, such as by reading Marx on primitive accumulation. We will thereby work through conditional forms of social and particularly international relations and toward a fuller sense of democracy as an unconditional openness to others.

A psychology of "I know very well . . . but nevertheless" in some cases structures forms of racism, even or especially disavowed racism in a "tolerant" society. This is an issue of contradictory desires, which will be addressed below in terms of developing autonomy. (bell hooks on the early (well-off, white) feminist movement would also be important to read in this regard).

> For example in Argentina, what was Peron's promise? That you would have capitalism, but at the same time solidarity. I think this contradictory desire was a protofascist desire. It may sound very harsh, but what most people spontaneously craved in Eastern Europe was not socialism with a human face, but rather fascism with a human face. This is very dangerous. Anti-Semitism arises at such moments. Now they are extremely disappointed. Why didn't we get what we wanted, capitalism and organic unity at the same time? (1994)

Much like what de Soto posits regarding extralegals (and perhaps even the obscured history of building property systems), below, also publishing at the turn of the millennium, Zizek remains interested in "unwritten rules" which shape social relations, and suggests that

> perhaps the best way of encapsulating the gist of an epoch is to focus not on the explicit features that define its social and ideological edifices but on the disavowed ghosts that haunt it, dwelling in a mysterious region of nonexistent entities which none the less *persist*, continue to exert their efficacy (2000).

Zizek writes here of how the Balkans have functioned as Europe's ghost – a photographic negative of the tolerant coexistence of ethnic communities, a multiculturalist dream turned nightmare, or a reminder of Europe's own past continual warring. This ghost sets off a chain of racist displacements and can be used to analyze several modes of racism today, which of course spill over into political and economic antagonisms or hierarchies. One example:

> when, in an interview about his film *Underground*, Kusterica dismissed the Slovenes as a nation of Austrian grooms, nobody even reacted to the open racism of the statement – it was OK, since an 'authentic' exotic artist from the less developed part of ex-Yugoslavia was attacking the most developed part of it. . . . *The Balkans constitute a place of exception with regard to which the tolerant multiculturalist is allowed to act out his/her repressed racism* (Zizek, 2000).

Often, racism has been seen as a stronger version of cultural contempt, a version which is heightened to make the claim that the other is inferior for inherent biological or cultural reasons. However, today the respect for culture is itself reflected in racism: the above example could be generalized to show how advanced nations buy certain parts of "exotic" Third World culture to allow themselves to act out more than what is commonly characterized as repressed sexuality; also, recall "the official argument for apartheid in the old South Africa that black culture should be preserved in its uniqueness," or "European racists, like Le Pen, [who] emphasize how what they ask for is only the same right to cultural identity." More than being hypocritical claims, these modes of racism have "the disavowal characteristic of the fetishistic split: 'I know very well that the Other's culture is worthy of the same respect as my own: nevertheless . . . [I despise them passionately]'" (Zizek, 2000). These are disavowals of desired hierarchies, in more concrete terms than the complexities of democratic capitalist society addressed more generally. This disavowal mechanism would be a factor in rewriting law and social practices – perhaps in a broader but related way to de Soto's strategy of formalizing the extralegal majority's ways of living with property.

De Soto says he is responding to a crisis of belief in capitalism and Zakaria critiques trends which may end our belief even in democracy, thus leading to a legitimation crisis. Regarding giving new trust to the future, we will also later address critiques of the IMF, particularly in terms of elites, democracy, and crises. Keynes of course is a founding figure for the IMF (which after the crises of the last ten years and its own mistakes is struggling in some ways to inspire belief in its abilities). Stiglitz notes

that the IMF has in recent years pursued pre-Keynesian strategies, and often they have caused unnecessary social suffering.

The role of lender of last resort (which the IMF fills in some situations) leads to moral hazard problems whereby businesses take out excessively risky loans because they expect to be bailed out. Speculators anticipate that bailout loans will be made and invest for profit in a way that undoes the intent of the loans in the first place (some held for example Soros and other visibly large speculators accountable for hurting thousands who were stuck with dead capital in the affected countries of the Asian crisis). Tratner examines this via Derrida on Mauss' *The Gift* and Keynesian deficit spending. The "gift" or deficit spending must be done in a way that is unexpected – otherwise it will not have the effect of a gift and will not spur masses of people to trust the economy again in a crisis. But that deficit spending is a needed strategy during crises makes surprise difficult or impossible, because it is part of the calculation of responding to crises. One parallel would be how the rich in Phnom Phen were able to acquire control of particular sectors of property right before property titles were extended there. Thus de Soto's giving of formalization has not yet set in there (not to mention the accompanying violence). We will engage these issues again near the conclusion, after working through some social challenges for autonomy and democracy. We will emphasize instances where autonomy becomes a great challenge and where we fall short of democracy, as well as the possibility of supplementing concepts of autonomy with a responsibility toward others.

AUTONOMY AND LAW – REVIEW OF CONCEPTS AND EVENTS; KANT, FOUCAULT

How does autonomy relate to considerations of crisis and responsibility? Let us explore some historical examples and begin with a possible definition of autonomy: to be directed by rational laws with which one can identify ("heteronomy," by contrast, signifies being determined by factors not of one's choosing). Consider the development of genetic technology able to determine one will die of a disease in a precise year – and consider the broader development of fully determining the laws of our bodies, pushing up against the "self" hypothesized as somehow separate from the body. Although the project of genetically mapping humans is motivated in part by potential freedom from suffering and perhaps death itself, it also involves the power relations of what Foucault called "biopower," and "colonizing the lifeworld," to use a Habermasian phrase.[6]

Zizek suggests a Hegelian approach to this historical situation would involve facing this moment where we become fully determined by laws of nature or science. Is this an autonomous or heteronomous moment? (And do we desire such a direct truth or a certain amount of forgetting and deception?) We are confronted with a Hegelian, dialectical experience where truth emerges from a paradox such as "the spirit is a bone" – and through confronting the complete mechanistic determination of ourselves, we would work toward a new historical elaboration of the significance of freedom. We would be constrained to think freedom anew. While biogenetic issues may seem somewhat marginal to the interdisciplinary topic of autonomy in political science, finance, and

[6] Habermas argues that the two other major social realms, that of the state and the market, often tend toward colonizing the lifeworld.

philosophy, and we will only pursue brief examples here, the more far-reaching question of risks associated with social knowledge or systems can be brought out in this way. We have already seen Zakaria's sense that democracy represents both a last best hope and a potentially overwhelming risk. And we will later explore further de Soto's claim that much of the world has already tried to implement capitalism and now may lose faith in its exorbitant value.

Two indicators would expand on this connection. First, one recalls Fukuyama's thesis that, although there may remain crises of various kinds around the world, in essence we have reached "the end of history." Fukuyama's claim, that the best model of politics (democracy) and markets (capitalism) has already been reached for all time (and thus that wars would cease), however, was made conditional in his work ten years later, published shortly after 9/11. Here he argued that since biotechnology allows humanity to control its own evolution, it could make possible such inequalities that democracy itself could not be sustained or realistically attempted.

A second indicator is addressed in Paul Virilio's *Art and Fear* regarding Nazi genetic experimentation, the identification of an Enemy, the "genetically inferior" and so forth. America too pursued eugenics up to WWII, while afterward the focus has been more on government funding to offer the poor a few hundred dollars to get sterilized, although the courts have sometimes ruled that sterilization has been carried out using undue coercion. "American concepts of eugenics, infused as they were with racism and prejudice against the poor and disabled, were taken up by other nations and influenced international public policy" (DaBaets 2004).

This structure of America producing knowledge or discourse which then threatens it also relates to Derrida's analysis of "autoimmunity" following 9/11 (2003). Perhaps the best known example is the US funding and training of bin Laden as a terrorist in the 1980s. The basic point to emphasize is that autonomy, as individuals choosing rational laws which form their behavior, is often threatened or flooded by social forces. We will work toward being open to what can surprise or overwhelm us, as a way of engaging responsibly and perhaps creatively with the world.

Another dangerous knowledge and potential trauma in which the US in large part led the way is nuclear warfare, weapons sales, nuclear waste, and so forth. Ambrose notes that in the Gulf War, the US was fighting an enemy it had supplied arms to throughout the previous decade (1997). In addition, the big boost in 1990 arms sales from $7 billion to $18 billion was second only to the protected industry of agriculture in counteracting America's trade deficit. (As Stiglitz addresses in 2006, if Germany and others financed much of the Gulf War for the US, the costs of the current Iraq War are not only on pace to be in the trillions for the US, but lack of spending on armor contributed to many unnecessary deaths and critical injuries).[7] A significant number of transitions were taking place at this time, such as the end of the Cold War and potential

[7] Stiglitz and Bilmes, "War's Stunning Price Tag," *Los Angeles Times*, January 17, 2006. Also see the interview article "The War is Bad for the Economy," http://service.spiegel.de/cache/international/spiegel/0,1518,409710,00.html (Accessed 8/4/2006), and the longer, more academic publication ("The Economic Costs of the Iraq War: An Appraisal Three Years After the Beginning of the Conflict" with Linda Bilmes, National Bureau of Economic Research Working Paper 12054, February 2006, originally presented at the Allied Social Sciences Association annual conference, January 2006, Boston, MA.

transition of Russia to a market economy. Looking back now at the late 1990s financial crisis in Russia, which greatly increased the country's poverty, and also made it more likely that nuclear stockpiles would be sold or taken (with the subsequent heightened risk of the spread of WMDs), it may seem surprising the US did little to support Russia's transition. Billionaire George Soros writes that he was one of the few providing significant sums in the early '90s for Russia's development (2002). Yet, as Ambrose notes, the US had gone from the world's biggest creditor in 1980 to the world's biggest debtor in 1990, and could no longer sustain something like a Marshall Plan, nor any longer claim economic world dominance (even though it had more military power at this time than the rest of the world combined).

Ambrose recalls that in this "American Century" the US had defeated Germany, Japan, Russia, fascism, communism, etc. The US achieved economic success in large part through winning WWII, backed by nuclear and other military technology, and thereafter making the rules for many of the international institutions (from Bretton Woods, etc.), giving itself exceptional powers such as veto, taking a central position with the dollar as the main reserve currency around the world, and so forth. (Of course, more foundationally, US power and wealth came from imperialism and genocide of the native peoples, which will be addressed by Marx on "primitive accumulation"). Stiglitz reminds us that the US has an economy of $13 trillion per year, and so while it can afford the Iraq War, nonetheless it is of course a matter of using up finite resources. The costs of the Iraq War could likely have paid for much more effective democracy-building

efforts; a trillion dollars could also fund US social security for the next 75 years twice over.

The extent to which America autonomously chose its response to 9/11 is a great question.[8] The cost analysis by Stiglitz and Bilmes adds another chapter to works such as David Domke's *God Willing?*, which analyzes the way the press echoed the Bush administration following 9/11. The Bush administration had pulled out cost estimates of the Iraq War of $50-60 billion. "When Lawrence Lindsey, the president's chief economic advisor, said the war was likely to cost $100 billion to $200 billion, he was fired" (Hebert 2006).

Today, America has a record deficit, a fact which Fareed Zakaria analyzes in terms of politics and potential crisis in articles such as "A Safe Haven's Risks" (2005). "Historically the dollar has been the ultimate safe haven in times of trouble," he writes. But there are many factors today which may change this traditional strategy. As countries grow, such as in Asia, they choose where to invest their extra capital, and US Treasuries are often chosen. Doing this also helps US interest rates stay low, and Americans to borrow and to spend on Asian goods. A seemingly simple way to maintain balance here is by allowing the US dollar to decline so that Asian imports become more expensive for Americans, so they spend less and eat away at the US deficit. Even though currency markets have become so large in recent decades that no one country can control its own currency's price in the open market (this is one of the many ways forces of

[8] Cf. for example Derrida (2003) on media and the term event in the fullest sense. Also cf. Zizek's *Welcome to the Desert of the Real* on choosing to play only the victim and avoid reflecting on America's roles in the world.

globalization have shifted autonomy or sovereignty for some toward interdependence), Greenspan and others attempt ways to make rational economic transitions (in America's and to varying degrees in terms of broader interests). This sets up the corresponding concern that market participants will react irrationally during crises or other situations.

Zakaria notes the fund managers he's asked have given a mixed response on whether a political crisis, such as a large-scale terrorist attack, would have the effect of moving money into or out of the dollar.

> "If a crisis shocks and thus slows consumer spending, what can the U.S. government do?" asked Mohammed El-Erian of PIMCO, one of the world's most respected fund managers. "The budget deficit is large, so the government can't spend its way out. We already know that entitlement spending will rise dramatically over the next few decades. The U.S. is running out of policy tools" (2005).

Zakaria states that politics and psychology often play an important role in financial issues. Regarding politics, he gives the example that the currencies of most Asian countries are not determined primarily by market forces, but are kept artificially low to strengthen their export-led economies. This, along with Asian central banks holding significant surpluses in dollars, will not go on forever, as dollars continue to decline. In addition, "Everyone is uneasy with a complete reliance on one currency. The euro now gives the world an important non-dollar asset. Japanese officials actively talk about the need for an Asian currency bloc." If everyone expects that the dollar will be in less demand, it is likely that some will jump out in front "irrationally" to try to avoid loss (or perhaps to profit through short sales or other strategies). Zakaria refers to an essay indicating "the currency system of the 1950s and '60s collapsed because of a similar

'defection' by France in 1968." While irrational behavior may be more a symptom of larger social issues, this does give us some ways into thinking about challenges for autonomy.

To what extent may social crises overwhelm even most autonomous individuals? And can we identify laws which would prevent all surprises? I would answer that we cannot prevent all surprises, and should look for ways to affirm the unexpected. What if the attempt to impose such laws were itself risky in some ways? An example of this risk is the power relations generated by the twentieth century attempt to identify sexuality as the essence of identity, which Foucault analyzes, and more generally the development of "biopower." Here one may transition away from the apparently closed and determined field of genetics, for example. Zizek suggests it would remain beyond the power of genetics to objectify or master the bodily issue of trauma. Trauma signifies an excessive experience, relating one so directly with overwhelming forces outside oneself that following the event, it may remain impossible to signify the trauma itself. Responses to trauma such as disavowal and other defense mechanisms are well-known – as well as the repetition compulsion by which one repeatedly attempts to signify the trauma and master it, through echoes of the event. Social forces also confront many with overwhelming experiences and not necessarily in the form of what we largely define as an event, or stamp with and even name by a certain date, in an occurrence such as 9/11.[9] As Derrida

[9] The name "9/11" suggests a "pure" repetition of the moment, where the only content or description is the time of the occurrence. See Derrida (2003) on 9/11 and the definition of an event. This name "9/11" suggests we still don't know what to make of that moment (even if it is not as traumatic as the "end" of optimism which WWI brought).

emphasizes, much of the trauma of 9/11 comes from the future, in that one knows technology exists which could do much more damage. Examples with an international scale could include nuclear weapons and nuclear waste – as well as social uprooting produced by capital flows, the "mad dance" of global capital, an extension of what Marx called "real abstraction." Later we will analyze Marx on ways capitalism continually "revolutionizes" social relations, making the most solid of relations or traditions vanish into the air of the flow of capital. For this, we will focus on Marx's analysis of "primitive accumulation," the origins of capitalism such as colonization, and the removal of masses of people from farmland in order to produce larger divisions of labor.

Let us attempt to step back again and ask the philosophical question, what is autonomy? Autonomy, coming from the Greek words for self and law, *autos* and *nomos*, suggests self-law. Let us begin analysis here at the level of self, although the state and other social groups are often thought of as helping guarantee individual autonomy, and are themselves often judged as autonomous or not. We will address the question of autonomy as a basis for analyzing crises and responsibility, particularly regarding issues of international concern.

There is also irony to some degree in providing a linguistic definition of autonomy, insofar as language is one of the things from which many have desired autonomy. At first glance, though, "natural" language and conceptual language regarding autonomy appear similar. Rousseau and Kant argue that humans are free only when they obey a law they themselves made. And as with John Frankfurt, one issue becomes how we identify our true self and true desires. In Rousseau's *Social Contract* the individual

may achieve truth and freedom through submitting to the community's general will. Kant's reflections on moral and practical reason are known for claiming a central place for autonomy, although many works, such as Mill's *On Liberty* also value autonomy.

For Kant, insofar as we are free to posit and follow laws which are rational, we can be autonomous rather than heteronomous. Kant suggests heteronomy involves obeying a law originating outside ourselves out of fear or other interest. In "What is Enlightenment?" Kant writes,

> Enlightenment is man's release from his self-incurred tutelage. Tutelage is man's inability to make use of his understanding without direction from another. Self-incurred is this tutelage[10] when its cause lies not in lack of reason but in lack of resolution and courage to use it without direction from another. *Sapere aude!*[11] "Have courage to use your own reason!" – that is the motto of enlightenment (1988, p. 462).

Foucault analyzes the role of *parrhesia*, which appears for the first time in Greek literature in Euripides. *Parrhesia* is not concerned primarily with comfortable truths, but in taking the risk of stating dangerous truths publicly. Foucault suggests this involves the roots of the "critical" tradition in the West. An example is Plato, who in some sense

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[10] The unusual grammar here perhaps recalls the wise Star Wars character Yoda standing outside the cave as the new trainee Luke faced his fear of his father. Here Yoda suggests, "But beware: fear, anger, aggression; the dark side of the force are they! If once you go down the dark side, forever will it dominate your destiny, consume you it will." Later, of course, we see the tragic truth of how Luke's father became Darth Vader through pursuing his ideal of love, and how the Republic became the Empire through pursuing its highest ideals – a turning point or crisis Zizek suggests is not unlike the US war on terror as the necessity to destroy the monsters it created in fighting Communism (bin Laden). The last point here regarding popular culture is the democratic impetus of Enlightenment – the project of reason should be popularized – although Kant warns that one must not make language too simple, for fear of being difficult to read, if it is at the expense of rigorously drawing philosophical distinctions.

[11] Kant quotes Horace's Ars poetica, "Dare to be wise!"

confronted the tyrant Dionysius in Syracuse. However, as opposed to this frankness, Plato's *Republic* and *Laws* also invoke a rarer pejorative use of *parrhesia*, closer to "chattering," "for example, as a characterization of the bad democratic constitution where everyone has the right to address his fellow citizens and to tell them anything – even the most stupid or dangerous things for the city" (2001, p. 13). This seems to be part of Zakaria's argument against "too much democracy" and for more responsibility by elites. Democracy necessitates courage as well as continual striving for education and research – for a higher manifestation of autonomy in social challenges where it may be questionable whether we act rationally or not.

Another example relevant to autonomy is found in Kant's *The Conflict of the Faculties*, which elaborates a schema of academic freedom and the university as ruled by an idea of reason, "by a certain link, in other words, with infinity. Following this model, at least in its essential features, every great Western university was, between 1800 and about 1850, in some sense re-instituted" (Rand 1992). Kant envisions the philosophy department as authorized by the state to be autonomous in a certain way which departments such as medicine, law, and theology are not, as the latter are closer to the state insofar as they are more about the exercise of power.[12] Kant does not suggest the consolidation of reason and rule which Plato's philosopher-king seemed to present, or Aristotle's God-like unmoved mover, which may be seen as blueprints for the ideals of sovereignty and autonomy. (And in *Rogues*, Derrida suggests that although Tocqueville

[12] Businessmen and employees of the state are characterized in Kant as those who generally hold the most influence over citizens.

seems to speak only rhetorically of "the people" being the new god and eternal, self-referential circle, that this metaphysical legacy in fact remains a part of present democracy).[13] Kant instead suggests philosophy can give counsel "without power" to leaders who retain power "absolutely," but may change their course after hearing from philosophers. Kant thus proposes a certain separation of knowledge and power (not unlike one common interpretation that autonomy only means knowing one's own true desire, rather than power or freedom to carry it out or attempt it in reality).

Here, Kant gave a blueprint for academic freedom, with the philosophy faculty playing the role of autonomous (and yet, it was an autonomy granted by the state) counsel to the state which was more directly served by other faculty in law, business, and so forth. The philosophy faculty, designated as the lower faculty, was portrayed as giving constative (descriptive) knowledge, whereas the state and higher faculty in various ways pursued performative knowledge or actions. Kant had drawn up this blueprint not simply from "a priori" knowledge but following the occasion of (*Religion Within the Limits of Reason Alone*) being censored by the King. Reminiscent of Socrates' trial, in this less dangerous instance the King chastised Kant for leading the youth astray and acting irresponsibly regarding his duty to the King. Derrida reminisces that it is no longer possible to so readily identify the source of one's censorship in a sovereign leader. It would also be important to consider the need for the free flow of information (in finance,

[13] Tocqueville writes, "The people reign over the American political world as God rules over the universe. It is the cause and the end of all things; everything rises out of it and is absorbed back into it" (Derrida 2005).

politics, philosophy, and other fields) in order for the autonomous subject to make and affect their own decisions.

As Foucault explores in his response to Kant's "What is Enlightenment?", Kant raises the question of Enlightenment as the question of "What difference does today introduce with respect to yesterday?" – not only in the sense of becoming censored or threatened, as above, but in the sense of an exit from tutelage. Further, Kant in this essay to some extent reverses "what has been meant, since the sixteenth century, by freedom of conscience: the right to think as one pleases so long as one obeys as one must." Kant states that reason must be free in its public use but submissive in its private use. Further, what Kant calls "private" is often what others call public. For Kant, when one acts as a "cog in the machine," in civil employment, paying taxes, military service, or as part of the clergy, one makes a private use of reason.

In *Leviathan*, Hobbes argues that most obey laws out of fear, and that it is rare one finds an exception, one who follows the law out of something like generosity (an exception which perhaps would return us to questions of the sovereign as one who has the power to suspend the law).[14] Generosity would also return us to other figures, such as that of the gift, which is not required by law or even reason, calculation, and so forth. This points toward a "non-coercive heteronomy" and different sense of responsibility which Derrida attempts, regarding "democracy to come," as we will work toward.

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[14] From chapter 27 of *Leviathan*: "Of all passions, that which inclineth men least to break the laws is fear. Nay, excepting some generous natures, it is the only thing (when there is appearance of profit or pleasure by breaking the laws) that makes men keep them. And yet in many cases a crime may be committed through fear."

Autonomy is largely a modern concept, a value ushered in with the Enlightenment, along with other powerful and individualistic concepts. Emphasis is placed on the individual's ability to govern her/his self, as opposed to metaphysically determined positions, such as the different social "levels" one finds in Plato's Republic. Nonetheless, insofar as reason as we know it is proposed as a method for self-governance,[15] thought on autonomy is implicated in the metaphysical project from Plato to the present. Additionally, the history of equality includes metaphysical guarantees, such as conceptions of natural rights.[16] Nietzsche, too, speaks of the self as a society, a complex competition of drives; he argues that this necessitates creating a unity of style among this plurality, such as perhaps Goethe evidenced (although Nietzsche has criticisms for Goethe as well in some regards). For Nietzsche, autonomy is something few are able to achieve.

Autonomy and Finance

In finance, there are also many levels at which autonomy comes into play, and these levels can overlap. One may develop one's own knowledge of the market and/or study from others, and again, either invest directly or have financial advisors manage one's investments. There are recently well-known cases of fraud, such as Enron and Worldcom, and issues regarding "insider trading," such as in Martha Stewart's case. For

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[15] And Plato had of course already contemplated governance by reason in relation to the spirit and appetites (desires), with spirit restraining the appetites according to reason, for example. Also cf. Foucault's *Care of Self*, and Zizek's objections that "lifestyle" politics are replacing more substantive politics.

[16] Cf. for example Litowitz, *Postmodern Philosophy and Law* (1997).

many investors, these issues potentially detract from their ability to make informed, rational, autonomous investment decisions – the issue of deception is clearly a rich one for autonomy. There are also technical factors, such as the digitization of trading and the invention of new financial products, changing the field of choices. Joseph Stiglitz has written on the issue of asymmetric information, where not all market participants have the same access to information shaping their decision or desire to invest. This situation is contrasted with the concept of perfect markets. Different levels of such ideal markets allow for different levels of market efficiency. Stiglitz suggests that while perfect markets do not exist, asymmetric information is a more troubling problem in many still-developing markets around the world.

In addition to autonomous decision-making being aided by efficient and egalitarian information flow, differences in legal structures around the globe are also seen as providing varying degrees of investor and creditor protection (such as during bankruptcies and takeovers).[17] We will explore this as well as the interdisciplinary issue of International Monetary Fund intervention in a later section. This latter issue also involves issues of responsibility and political autonomy for nations in financial crises, and how much such decision-making has been democratized. In addition, there are regulatory decisions, at the level of policy as opposed to law, which respond to investor "overreaction" and may add to the conditions for investor autonomy. This involves a technical attempt to balance investor desires, and restore information flow quickly after

[17] Cf. La Porta, Rafael, et al., "Law and Finance" (1997).

crises or shocks, with shared stability mechanisms. An example we will address later is that of financial market "circuit breakers."

Autonomy may seem an irrefutable value, since its opposite, being determined by forces outside of oneself which one does not authentically embrace seems to signify or lead to oppression (consider, for example, Young's "five faces of oppression – exploitation, marginalization, powerlessness, cultural imperialism, and violence") (1990). Or consider the overlap here with Young's definition of domination: "a lack of participation in determining one's actions and the conditions of one's actions" (1990, p. 258). Young states that much like the welfare state's focus on distributive justice, foreign aid distributes aid without changing the structures making it an ongoing necessity. This international distribution may be somewhat more politicized than at the level of the welfare state with its post-political, expert administration and management of risk – nonetheless, it tends to take place via expert "managers" behind closed doors (as the IMF, WTO, et al. often demonstrate), and in some cases only representing or dominated by the richest nations. Zakaria's eclectic book also offers here that in some cases it is better to give aid to a (hopefully) benevolent dictator than to a new democracy, when the latter gets distorted by irresponsible leaders. De Soto, too, will have his take on why structural changes in developing nations must supplement aid, rather than only the other way around.

Young critiques ways universalizing discourse has been used to speak of bringing together diverse social groups while in fact privileging a particular group which defines the social structure more than the other groups. She thus affirms as a possibility of civil

society, which repoliticizes public life outside of official state activities, "marginal international economic networks, the international peace movement, international people-to-people organizations of material and cultural solidarity, and international movements of women, people of color, and other groups." Young argues for the EU, and the pan-African movement toward a broader economic and governance structure, while largely keeping the uniqueness of each group involved. She affirms a pluralism where social groups affirm their cultural differences from other groups, even as she recognizes that around the world this can be more dangerous than in relatively tolerant Western capitalist societies (and that global capital is often a part of bringing groups into contact whether they want to or not). Zakaria, somewhat by contrast, thinks proliferation of special interest groups is a dangerous part of democracy. Young thinks it is not possible to maintain complete autonomy for each social group, but that differences should be encouraged in the formation of broader deliberative social bodies. This also includes not defining the public realm as that of reason as opposed to the private realm of desire and feeling – the public realm would include discussing the possibility of being bound not only by reason but by passions (Young 1990).

> Only psychological dispositions, cultural expressions, and political institutions able to loosen but not dissolve borders, make them permeable and undecidable, at the same time that they create guarantees of group self-definition and representation in the public, can hold the hope of a more peaceful and just future for the world (1990).

In America, for example, human rights have been slowly extended to marginalized groups through the centuries. And of course, this remains an issue requiring vigilance, insofar as it is incomplete and requires repeated effort. (Young also

suggests America's genocide of the native peoples constitutes a kind of "differance at the origin" of democratic America, to use Derrida's phrase, and to lead toward Marx on primitive accumulation). Even more so in cases where powerful countries in effect donate extra rights to the powerless but then confront the truth that the powerless could not use or have these rights enforced, as Zizek addresses in "Against Human Rights." There is the criticism that just at the historical moment when more marginalized groups are beginning to have a better chance at subjectivity or political autonomy, "radical" thinkers are questioning the possibility of subjectivity in general, undermining its efficacy. In this paper we define a "basic" autonomy, and pursue issues of degree, as well as the possibility of affirming something different, a "non-coercive heteronomy."

Autonomy is often defined as being directed by one's own authentic desires. There is debate about whether there are substantive and/or procedural conditions for identifying one's authentic desires (Christman 2003). Substantive autonomy means that for a condition to count as autonomous, it must include a valuation, such as the desire for freedom. One sees how this can become complex. Some ask what value there is in the autonomy of a self if it is a self-destructive self. Likewise, in the West the example is often given of a Middle Eastern woman who has rationally reflected on her situation and chooses to wear a veil and accepts some other practices others consider more or less oppressive. Some would question whether her reflection was truly rational, as they disagree with her conclusion. From Plato to Descartes and beyond, philosophy has often taken the form of questioning convention, tradition, or the values of one's times (it thus at times appears monstrous or is born posthumously, as Nietzsche writes). And to then

define our other term, a requirement such as that one must arrive at one's own desires through rational reflection constitutes a proceduralist condition for autonomy.

The Frankfurt School is known not only for its attempt to explain why something like a Marxist revolution had failed up to that point, but more specifically, the reason for the rise of fascism in Germany. This included a partial turn to psychological analysis regarding why a people would desire fascism. As Zakaria emphasizes regarding "too much democracy," Hitler was "freely elected." Foucault, Deleuze and Guattari in *Anti-Oedipus*, and others also analyzed this disturbing modern "fascistic desire." Marx had analyzed "commodity fetishism," and in general it could be said that capitalism itself included an element of multiplying fetishes, creating or perverting desires in new directions for new markets (marketing which of course does not begin by simply showing the supply of some product in demand). Much as in Kant's plan for perpetual peace, which included the possibility of peace coming from commercial interdependence around the world, the US promoted a consumerist passion instead of totalitarian passion (at the same time, populist reactionary movements remain possible, as Rorty states (2006)). Zizek addresses the concept of "forced choice," where the subject is treated as if he had already chosen (1989, p. 166). This is not just the Hobbsean social contract which precedes and conditions the subject's entry into society, but capitalism as a fundamental symbolic texture in which the subject (as well as the university, for example) must involve itself and respond. Zizek adds the psychoanalytic point that "the subject who thinks he can avoid this paradox and really have a free choice is a *psychotic* subject, one who retains a kind of distance from the symbolic order – who is not really caught in the

signifying network." Further, "the 'totalitarian' subject is closer to this psychotic position: the proof would be the status of the 'enemy' in totalitarian discourse (the Jew in fascism, the traitor in Stalinism) – precisely the subject supposed to have made a free choice and to have freely chosen the wrong side."[18]

Psychological and economic factors combine in complex ways (finance itself addresses to varying extents "investor overreaction" and other psychological factors of investing). More along the lines of political-economic factors, Ambrose writes,

> The coming to power of Hitler, followed by World War II, taught Americans that it had been a mistake to subject a defeated nation to a vindictive peace settlement and to walk away from the responsibilities of victory. After World War II, the United States treated the defeated nations of Japan and Germany with magnanimity and stayed on the job to lead the defeated totalitarian states into a democratic future (p. 377).

The vindictive peace settlement in part refers to the defeated Germany being required to make huge payments to the US, and subsequently facing an economic crisis which made it more likely a leader could come to power and justify "emergency" actions (and blame the larger social antagonisms on the Jews). Walking away from responsibility here refers to US isolationism after WWI. The US since its birth had often followed an "exceptionalist" policy which both claimed a special democratic-capitalist destiny for the US in the world, and attempted to keep the young US out of the seemingly constant

[18] If autonomy involves identifying one's true desire, love also gives us something to think about autonomy (the following may be part of why love is mostly kept private rather than political, although later I will argue for an openness to others, a hospitality and giving which is not necessarily fulfilled by autonomy or sovereignty). "'Let's choose which of these women I will fall in love with', it is clear that this also does not work, that it is not 'real love'. The paradox of love is that it is a free choice, but a choice which never arrives in the present – it is always already made. At a certain moment, I can only state retroactively that I've already chosen" (ibid).

European battles and power plays. Thus isolationism equates with a seemingly straightforward definition of autonomy, of avoiding "entanglements," as George Washington had advised.

Such historical background gives us a chance to think about complexities of democracy regarding autonomy and responsibility, whether on an individual, national, or international level (part of the issue of course is that these entities cannot always be ideally separated, and that they should not be). Democracy points toward both sovereignty for the self and for the other, for anyone. This shared sovereignty is already *aporetic* in the Kantian sense that it appears reasonable that the self should be sovereign, but the "opposite," the sovereign other, seems reasonable too.

Democracy also involves us in complex interaction between individual and governance. Often intervention in the life of individuals is rationalized as providing autonomy for them, but this could be contrasted for example with "individualization," a governing technique which helps secure the state and give it autonomous decision-making power (which arose in a time of social upheaval in early modern Europe, and was posited originally for sovereigns but inherited by other modern governments).[19]

Derrida explores the idea of democracy as dividing and sharing (*partager*) sovereignty among the people. As John Christman summarizes,

> Liberalism arises historically out of the social contract tradition of political philosophy and hence rests on the idea of popular sovereignty [...] This connects with the core liberal idea that justice — the principles that free and equal persons would choose to be governed by — must be secured prior to the pursuit of collective goods in a society (2003).

[19] Cf. *The Foucault Effect*, for example.

Rawls's Theory of Justice was seen as a modern manifestation of Kant's approach to justice, where justice was conceived as those principles that would be chosen under conditions of unbiased rational decision-making (such as the hypothetical situation where people would choose the laws of the society before they knew what their own social status would be in that society) (Orosco 2004).

Rawls also acknowledged that there may be disagreement even about metaphysics and values themselves, and expanded the hypothetical foundation of justice toward an ongoing political conception.

> Under political liberalism, autonomy of persons is postulated, not as a metaphysically grounded "fact" about moral personality or practical reason as such [natural law and so forth], but rather as one of several "device[s] of representation" under which diverse citizens can focus on the methods of derivation (such as the original position) for substantive principles of justice (Rawls 1999, 303-58) (Christman 2003).

Thus, "public discussion and democratic institutions must be seen as a constitutive part of the principles of justice rather than a mechanism for collective determination of the social good" (my emphasis). As we saw with Kant, the Enlightenment is linked to the creation of a free public space – this is a positive liberty which Habermas pursues via communicative action, and Derrida pursues, for example, in the future of the university "without condition."[20] Young, for example, explores ways to

[20] Cf. *Without Alibi*, "The University Without Condition," which although it has not existed, calls upon us to produce or let it arrive as a public space which unconditionally pursues truth – whereby one openly says whatever this requires and/or freely keeps secret or fictive – and the future of the humanistic tradition, often enough in resistance to other sovereign powers (whether economic, technological, political, or having to do with the media or publication, etc.).

increase marginalized social groups' autonomous power for participation in the democratic process. Here, it is possible that this would involve determining what democracy itself is, much as de Soto's incorporation of extralegal social relations can also transform the law itself. In both cases, there would be a call for justice which has not yet been attained. And in both cases, it may seem risky, insofar as it is not programmed in advance. This is complicated in that we have both an unconditional call for justice, for responsibility to others, to something or someone we do not anticipate, and the necessity of imposing laws, making decisions, priorities, and so forth (Derrida 2003). Christman concludes,

> the challenge remains for any theory of justice which rests on a presumption of the normative centrality of autonomy to avoid the twin evils of forcibly imposing a (reasonably) contested value on resistant citizens, on the one hand, and simply abandoning all normative conceptions of social order in favor of open ended struggle for power on the other. The view that individuals ought to be treated as, and given the resources to become, autonomous in one of the minimal senses outlined here will, I submit, be a central element in any political view that steers between the Scylla of oppressive forms of perfectionism and the Charybdis of interest-group power politics.[21]

Some analysis of autonomy stops at the level of identifying one's true, uncoerced desires, which is already a difficult problem, while other analysis extends the definition of autonomy to include the ability to follow through on one's true desires. These complex questions involve us in social structures such as all citizens granting a monopoly on violence to the state to enforce reason or justice. Democratic vigilance and critical thinking must remain in such a case, insofar as law is finite and calculating and can fall

[21] This also recalls Rorty's "the best can be an enemy of the better" whereby pursuing ideals can prevent us from making beneficial viable changes (2006).

short of justice. Another social structure involved is the quest for truth or knowledge that science is charged with. We need this (shared) social practice for formulating autonomous decisions in many cases. And in principle there would be no way to justify limiting or controlling scientific or philosophical quests for truth. One basic issue concerns financing for science and philosophy. One finds powerful systems of speculation regarding which projects are most promising, which are most valuable.[22]

Military funding for scientific projects, governmental or entrepreneurial support for biotechnology, and many other examples would call on us to continue to evaluate the allocation of "reason's" projects. One of the less clear aspects of this evaluation is the contrast between science's (or others') expectations for future discoveries, and science as inductive, as theoretically or truly open to unanticipated experience or events. One recalls Nietzsche's characterization of science (or "theoretical man," originating provisionally with Socrates) and art as infinite fascinations with the empirical, with life. Of course, this involves the unanticipated parts of the future (and/or ourselves), which may bring incredible surprises, either astonishing gifts or terrible tragedies, or both and in such a way that our very evaluation of what "good" and "bad" signify would change. Consider nuclear physics as just one example, which also involved physicists "acquiring" a sovereign power over life and death (along with sovereign leaders of nations, et al.).

Derrida states that just as no power would be able to justify through reason the decision to control scientific research, research for the truth (or any democratic

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[22] Cf. Horkheimer in *Critical Theory* for an analysis of prioritizing scientific projects. This is also a central issue in Lomborg's *Global Crises, Global Solutions*.

participation and questioning by anyone, one could perhaps add) via "political, juridical, religious, ideological, or economic" means, no knowledge would ever fully found the instance of decision or responsibility (2005, p. 145). If knowledge could fully prepare each decision, it would not be a matter of decision, but of a programmatic unfolding,

> perhaps even a program under the refined form of teleological norms, values, rules, indeed duties, that is to say, debts to be acquitted or reappropriated, and thus annulled in a circle which is still implicitly economic. That is why what I say here, I'm well aware, involves a serious risk (2005, p. 146).

We always need more knowledge, the best knowledge, but something always remains unanticipated. Here Derrida alludes to Kierkegaard's statement that the moment of decision is madness.[23] Elsewhere, Derrida works out the aporia which suggests that any decision in the fullest sense of the word, must begin by going through what may feel like excessive indecidability. Reason itself leads us to this "inductive" necessity, or right up to the threshold where "we know not what we do." What is unanticipated remains "beyond good and evil," as essential to life and history, and essential even to reason. We will argue this is primarily so through the rational attempt of democracy to be open to

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[23] We should also bear in mind the way knowledge practices can be used contrary to democratic values. Said draws on Foucault's work to critique the way Western powers have pursued extensive knowledge of the East in order to colonize it. Foucault analyzes in general a "will to knowledge," which appears to be the other side of Nietzsche's proposal of "will to power," and gives us to think, alongside Hegel perhaps: "and if humanity ends up sacrificing everything for knowledge?" Derrida too addresses related questions of knowledge and power from Plato (does might make right? what of the reason of the strongest? in what way might the Good be sovereign?) onward. Derrida also notes that excessive moment or event in Descartes founding modern reason and science where the cogito is posited even if one is mad, or deceived about the entire sensible world (thus renewing the infinite project of the Greeks). These issues and others would be involved in fully addressing what we truly or autonomously desire.

anyone, to any voice or visitor, rich or poor, and our responsibility to all others, to any unrepresented, or unanticipated, life.

This unanticipated or uncontrolled issue for autonomy may seem far removed from issues of basic autonomy. Responsibility is one of the ways these "two" levels of autonomy overlap, as is the democratic discussion on justice which we led up to above. Marx remains one of the key figures in this regard. We will examine his analysis of "primitive accumulation," as it relates to modern forms of autonomy.

MARX AND "PRIMITIVE ACCUMULATION"

If we permit a long citation from Zizek, who begins here by quoting the Communist Manifesto, we will get one sense of "real abstraction" which leads into our considerations on autonomy and responsibility. This will also relate to de Soto's interest in the history of successful capitalist property systems, in ways capital has been created as an idea and practice, an abstract system with real effects (autonomy in some ways, heteronomy in others).

> "It has drowned the most heavenly ecstasies of religious fervour, of chivalrous enthusiasm, of philistine sentimentalism, in the icy water of egotistical calculation. It has resolved personal worth into exchange value, and in place of the numberless indefeasible chartered freedoms, has set up that single, unconscionable freedom — Free Trade. In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation."
>
> However, the fundamental lesson of the "critique of political economy" elaborated by the mature Marx in the years after The Manifesto is that this reduction of all heavenly chimeras to the brutal economic reality generates a spectrality of its own. When Marx describes the mad self-enhancing circulation of capital, whose solipsistic path of self-fecundation reaches its apogee in today's meta-reflexive speculations on futures, it is far too simplistic to claim that the spectre of this self-engendering monster that pursues its path disregarding any human or environmental concern is an ideological abstraction, and that one should never forget that, behind this abstraction, there are real people and natural objects on whose productive capacities and resources the capital's circulation is based and on which it feeds like a gigantic parasite. The problem is that this "abstraction" is not only in our (financial speculator's) misperception of social reality, but that it is "real" in the precise sense of determining the structure of the very material social processes: the fate of whole strata of the population and sometimes of whole countries can be decided by the "solipsistic" speculative dance of Capital, which pursues its goal of profitability in a blessed indifference to how its movement will affect social reality. Therein resides the fundamental systemic violence of capitalism, much more uncanny than the direct pre-capitalist socio-ideological violence: this violence is no longer attributable to concrete individuals and their "evil"

> intentions, but is purely "objective", systemic, anonymous. Here we should recall Etienne Balibar who distinguishes two opposite but complementary modes of excessive violence in today's world 3: the "ultra-objective" ("structural") violence that is inherent in the social conditions of global capitalism (the "automatic" creation of excluded and dispensable individuals, from the homeless to the unemployed), and the "ultra - subjective" violence of newly emerging ethnic and/or religious (in short: racist) "fundamentalisms" — this second "excessive" and "groundless" violence is just a counterpart to the first violence.
>
> The fact of this "anonymous" violence also allows us to make a more general point about anti-Communism. The pleasure provided by anti-Communist reasoning was that Communism made it so easy to play the game of finding the culprit, blaming the Party, Stalin, Lenin, ultimately Marx himself, for the millions of dead, for terror and gulag, while in capitalism, there is nobody on whom one can pin guilt or responsibility, things just happened that way, through anonymous mechanisms, although capitalism has been no less destructive in terms of human and environmental costs, destroying aboriginal cultures... In short, the difference between capitalism and Communism is that Communism was perceived as an Idea which then failed in its realization, while capitalism functioned "spontaneously". There is no Capitalist Manifesto (1998).

Adam Smith's *Wealth of Nations* is quoted at the beginning of Marx's Part Eight of *Capital* Vol. 1, "So-Called Primitive Accumulation." Smith writes, "The accumulation of stock must, in the nature of things, be previous to the division of labour." Marx explains,

> We have seen how money is transformed into capital; how surplus-value is made through capital, and how more capital is made from surplus-value. But the accumulation of capital presupposes surplus-value; surplus-value presupposes capitalist production; capitalist production presupposes the availability of considerable masses of capital and labour-power in the hands of commodity producers. The whole movement, therefore, seems to turn around in a never-ending circle, which we can only get out of by assuming a primitive accumulation [...] an accumulation which is not the result of the capitalist mode of production but its point of departure.

We can emphasize a few aspects of this "primitive accumulation" here. Europe's break between feudalism and capitalism included kicking masses of agricultural peasants off

their small bits of land which they had farmed independently for subsistence. These peasants were thus "deterritorialized" in Deleuze and Guattari's term, and lost a kind of autonomy. Only a few retain much economic autonomy or control over their means of production. This created new "free" and rightless workers who needed to enter into work for those who had "accumulated" the larger farms (or converted these to the more efficient business of raising livestock); it also compelled more to pursue manufacturing and move to towns. Later we will analyze Hernando de Soto's work on capital accumulation and law, from the US squatters following the genocide of the native population, to the mass urbanization and global slum phenomena at present.

Economy dictates society's laws of motion to various degrees, and thus remains significant when considering autonomy.[24] The state and dispersed practices immersed in power relations (such as those Michel Foucault analyzes) are often given as another measure of the level of individual autonomy. To what extent are all individuals autonomous and these fields the product of their will? We will continue to consider this by next turning briefly again to Marx on law and other aspects of primitive accumulation.

One instance seems not unlike Russia's "transition" to capitalism in the 1990s, where privatization involved the state selling its vast holdings to oligarchs at nominal prices. And although this example differs somewhat from Marx's in that the oligarchs made these enterprises unproductive by quickly stripping them for currency which they shifted abroad before the financial crash, another parallel is the drastic increase in poverty for the majority.

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[24] Cf. Zizek, 1989.

> The process of forcible expropriation of the people received a new and terrible impulse in the sixteenth century from the Reformation, and the consequent colossal spoliation of church property. The Catholic church was, at the time of the Reformation, the feudal proprietor of a great part of the soil of England. The dissolution of the monasteries, etc., hurled their inmates into the proletariat. The estates of the church were to a large extent given away to rapacious royal favourites, or sold at a nominal price to speculating farmers and townsmen, who drove out the old-established hereditary sub-tenants in great numbers, and threw their holdings together. The legally guaranteed property of the poorer folk in a part of the church's tithes was quietly confiscated (1990, p. 881-2).

These situations recall the idea that capitalism is the "greatest revolutionizer" in history, the Manifesto on repeatedly turning what is holy and most established into the remarkably powerful air of capital. And although as Marx states, revolutions are not made with laws, in many ways, the law also served to legitimate the upheavals capital brought, such as severely punishing the displaced poor if they did not find work quickly enough amid the emerging new conditions, whether possible or not.

While the rightless proletariat "could not possibly be absorbed by the nascent manufactures as fast as it was thrown upon the world," laws maintaining perhaps order, as contrasted with justice, in England began under Henry VIII. Vagabonds

> are to be tied to the cart-tail and whipped until the blood streams from their bodies, then they are to swear on oath to go back to their birthplace or to where they have lived the last three years and to 'put themselves to labour'. What grim irony! By 27 Henry VIII [c. 25] the previous statute is repeated, but strengthened with new clauses. For the second arrest for vagabondage the whipping is to be repeated and half the ear sliced off; but for the third relapse the offender is to be executed as a hardened criminal and enemy of the common weal (1990, pp. 896-7).

Many similar laws were enacted in other European countries, and remained for centuries. Capitalism has required a basic split between the few who have accumulated ownership

of the mode of production and those organized by the division of labor, the masses, who more or less just have their own labor to sell. The state also "employed police methods to accelerate the accumulation of capital by increasing the degree of exploitation of labour," such as by not allowing unions (not to mention allowing child labor). If freedom existed equally for everyone, then Lenin's suggestion to respond to claims about general freedom by asking "freedom for whom?" would not raise many problems. In the following description from Marx on unions, we see the question of autonomy for whom, including the freedom to deliberate on individual or shared interests.

> During the first storms of the revolution, the French bourgeoisie dared to take away from the workers the right of association they had just acquired. By a decree of 14 June 1791, they declared that every combination by the workers was 'an assault on liberty and the declaration of the rights of man', punishable by a fine of 500 livres, together with deprivation of the rights of an active citizen for one year. This law, which used state compulsion to confine the struggle between capital and labour within limits convenient for capital, has outlived revolutions and changes of dynasties. Even the Terror left it untouched. It was only struck out of the Penal Code quite recently. Nothing is more characteristic than the pretext for this bourgeois *coup d'état*. 'Granting,' says Le Chapelier, the *rapporteur* of the Committee on this law, 'that wages ought to be a little higher than they are . . . that they ought to be high enough for him that receives them to be free from that state of absolute dependence which results from the lack of the necessaries of life, and which is almost a state of slavery,' granting this, the workers must nevertheless not be permitted to inform themselves about their own interests, nor to act in common and thereby lessen their 'absolute dependence', 'which is almost a state of slavery', because by doing this they infringe 'the liberty of their former masters, who are the present entrepreneurs', and because a combination against the despotism of the former masters of the corporations is – guess what! – a restoration of the corporations abolished by the French constitution! (1990)

Finally around Marx's time unions became legal to a degree, but as Chomsky explores for example in the 1970s US, unions were declining again – and on an international level

do not presently have much power. Part of the liberal position generally involves furthering international organizations. Of the authors cited in the current paper, this position is shared in various forms by Toulmin, Zizek, Marx, and Derrida for example. I would agree that we should attempt to use the autonomy we have to further our responsibility at an international level, and will address this further in the paper. The 1970s were of course a point where the US recognized the growth in Asia and that its own economic dominance might be wavering. This was the decade when many women joined their partners in the workforce in part just to maintain their standard of living (what's more, many minority women had been working all along), and since then, working wages have barely kept up with inflation, and have even fallen for many workers.

At first, the rising bourgeoisie needs the state to terrorize and discipline the poor, but eventually the mode of production sufficiently locks the poor as a class in by itself. And while "anyone" might move up to becoming a wealthy business owner in this "democratic" system, capitalist accumulation and division of labor would not work if most people were wealthy business owners. It is a hierarchical structure not unrelated to the issue of tokenism, which Lani Roberts addresses:

> Assimilation is the first requirement for tokenism which Pharr defines as "a method of limited access that gives false hope to those left behind and blames them for 'not making it.'" Tokenism contributes to ubiquitous victim-blaming by pointing to the one or two tokens of a target group and then asking why all the others of her or his kind cannot also succeed. This form of co-optation takes the best and the brightest of target groups who have assimilated, "rewards them with position and money (though rarely genuine leadership and power), and then uses them as a model of what is

> necessary to succeed, even though there are often no more openings for others who may follow their model" (Roberts 1997).

Even champion of the free market Alan Greenspan suggested in 2005 that the disparity between the rich and the rest of Americans is so large and growing fast enough that it might threaten the democratic capitalist system. And consider again that the world's gap between rich and poor grew since WWII.

Edward Said remarks that as of the end of WWI, 85% of the Earth was colonized by Europe. Colonization represents one of the most overwhelming legacies of primitive accumulation. And as Said shows in *Orientalism*, colonization was typically rationalized in part by the claim that the colonized peoples' could not reason autonomously, that global freedom and destiny depended on the West, and so forth. The Manifesto citation above also alludes to the West's religious and political rationalizations for exploitation (although, Said shows that Marx was both outraged at brutalities committed against colonized peoples and yet somehow sure that in many cases they could not "represent themselves" or play a more prominent role in the historical struggle for freedom). Zizek suggests, however, that the West projected a lack in its sense of itself onto other nations. This would help explain the ambivalence Said finds in the West's study of "the Oriental" as both great in the past and decadent in the present, simultaneously dangerous and powerless, and so forth. That is, Zizek suggests the West embarked on colonization because of something lacking in itself, convinced it must deploy itself on a journey for eternal power and wisdom – and even Plato believed that the East (for him, the

Egyptians) were the original speakers of self-sufficient wisdom. This self-sufficiency of course would also connote autonomy in a variety of historical forms.

Lastly with regard to economic disparity and growth, Stiglitz shows that some of the Asian countries in which the state played a stronger economic planning role not only grew faster than the US, but also were more successful in reducing poverty than the US. It may be Asia is still on solid footing after the crisis which began in 1997. In terms of poverty, it seems clear that Africa is suffering the most.[25] And here regarding responsibility on an international scale, it is disturbing yet necessary to consider that, in effect, we put different prices on lives:

> Ultimately, national political decisions end up – directly or indirectly – prioritizing all resources available to the nation. One of the major guidelines for such prioritization is: 'who benefits?' This is immediately obvious when looking at how priorities are set in first world countries, where a new medical treatment may cost millions of dollars to postpone death by a year, while the average cost of saving a human life for one year in the third world is just $62 (Lomborg 2005).

We are confronted with an unconditional call to responsibility, equally, to everyone – an infinite responsibility which nonetheless must go into effect through calculations, law, a whole economic set of practices and decisions. I say "we are confronted" to emphasize my support, but also to refer forward to Derrida on concepts such as giving, which can only be unconditional when it is not enacted out of some obligation or duty. But let us

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[25] But here are some statistics on global poverty: From 1987 to 1998, the share of sub-Saharan Africa's population living on less than $1 a day remained constant at around 46 percent. In Latin America and the Caribbean, the poverty rate stayed steady at about 16 percent from 1987 to 1998. In South Asia, it fell from 45 to 40 percent, but that region's rapid population growth added 50 million people to the ranks of the poor. Only East Asia (including China) experienced significant success, with the region's poverty rate dropping from 27 to 15 percent (Samuelson 2001).

first examine the issues of autonomy, crises, and responsibility further through the texts of Stiglitz and de Soto, and other recent or ongoing examples of crises.

STIGLITZ ON THE INTERNATIONAL MONETARY FUND AND CRISES

Joseph Stiglitz, in his book *Globalization and Its Discontents*, in response to the financial crisis which began in Southeast Asia in 1997, claims that financial liberalization can be pushed through so quickly in present times as to contribute largely to crises. One indication of this is that while Europe and the US did not let their exchange rates float until the 1970s, much newer capitalist economies are being pressured to do so in a small fraction of the time. Another aspect of this, which Hernando de Soto addresses, is the lack of knowledge in successful capitalist countries regarding how the history of their formal property systems played out. And to a degree, these successful countries have reached a level of autonomy where they can forget such issues, unlike the developing world. After Stiglitz, we will consider aspects of de Soto's argument that as the majority of the world's population still hold their homes extralegally, this vast amount of property should be transformed into a legal, formalized system freeing it to be invested as capital. Our analysis of both texts will address the establishment of and threats to autonomy, alongside ways autonomy is involved in social relations and heteronomy. This will further the argument that there is not "too much democracy." One related issue concerns the rationality of the hierarchies authorized (via democratic process or otherwise), enforced, etc. – again a question of autonomous will and law-giving, sharing the law and autonomy democratically with others, etc. Financial issues are of course a central issue for democracy, and thought about democracy includes critical thinking regarding how financial crises are dealt with, and how autonomous or heteronomous relations to decision makers play out.

Stiglitz demonstrates that particularly since the 1980s, financial and commercial interests have come to increasingly shape our international economic institutions. His primary example is the IMF, which during this time in many ways created unnecessary instability in the world (such as worsening the Asian Crisis through "contagious" mistakes, much like the beggar-thy-neighbor reactions during the Great Depression, as well as failed bailouts in Russia and Latin America). The IMF repeatedly failed in its mission of promoting global economic stability and growth, which in particular should include maintaining employment at high levels, although it often helped rich creditors come out of crises with much less damage than workers. Along these lines, Gottlieb notes Marx on ideology producing a *camera obscura* effect – which the highly successful author Scott picks up on in his popular novels – whereby the rich see their relatively trivial suffering during economic crises as much greater than that of the poor (Gottlieb 2006). (Let us note that arising from the Bretton Woods meetings, the IMF was based on the idea of currencies convertible into gold or U.S. dollars, while allowing capital controls. This was to avoid competitive devaluations as witnessed during the Depression and maintain exchange rate stability to promote international trade).

It is often thought that investors should indeed be privileged over workers if they provide more capital (with all that entails) as the primary engine of growth, which then may "trickle down" to the workers later. And although the US largely rejects the trickle down approach for its case, the Treasury and IMF have pushed it on other countries (2002). IMF austerity programs have destroyed jobs for millions without creating more efficient replacement jobs; the IMF has reduced aggregate demand, while creditors (and

in some cases corrupt governments) take advantage of its "corporate welfare." Social costs (such as to workers) could have been avoided or reduced in many cases; and ironically, their destabilizing affect often hurt the growth with which the IMF claimed to be fundamentally concerned. Stiglitz emphasizes that when the IMF acts to reduce global aggregate demand, it causes slow downs in growth which are often not recovered (consider the lost decade in Latin America).

A change in governance practices is required to better use globalization to create benefits for the world. The IMF is held accountable to finance ministers and central bank governors, but not to taxpayers (for example, of the countries who repay the IMF), who finance it, or the billions of people it affects. It substantially lacks transparency. These are key issues regarding a democratic sharing of autonomy, of political decision-making around the world. (And for example where Zakaria argues for insulating elites from democratic pressures, Zizek points out that this has been the case for at least three decades now regarding experts "running" financial globalization). Based on historical anachronism, the US gave itself the exception of IMF veto power and claims this is necessary because it contributes the most money, but this is complicated by the fact, for example, that the US would not allow China to increase its capital contribution. The US' exceptional status on the Security Council, its history of resistance as a superpower to UN democratic processes, the International Criminal Court – the whole clustering of US autonomy, sovereignty, and unilateralism would need to be examined in addition to issues of finance. Although the IMF supposedly wants competitive efficiency for others, in its own realm it quickly acted to destroy a nascent Asian Monetary Fund, which would

have disturbed its application of the Washington Consensus to the different versions of market economy in Asia.

The IMF and World Bank are "public" but their leaders are "elected" on the basis of economic power rather than by the public. The IMF's leaders often come from and return to powerful positions in the financial industry – a revolving door for elites who, as we have seen, Zakaria proposes should be held more accountable. The IMF has overtaken the World Bank on some issues of development. Is there a way to democratically check the way these leaders serve the world's poor? Likewise, the Federal Reserve is not elected but has significant political power. The US Treasury, IMF, and Fed form a fundamental part of the Washington Consensus which we will explore. "Before September 11, 2001, the secretary of treasury even defended the secrecy of the offshore banking centers" (2002). Unlike the goal of having "open doors" at universities, but like central banks, the IMF is "naturally" secretive; the WTO also holds its deliberations behind closed doors. Thus timely criticism is avoided and special interests can hold fuller sway. Such offshore banking of course has generally been a tool of the rich. Those making up the Washington Consensus criticize others (such as the nations of the Asian Crisis) for insufficient transparency, but purposely fall short of it themselves.[26] Further, they appear to believe in a new mission of (rapid) financial and capital market liberalization so "deeply" that they refuse to admit and respond to many of its harmful effects (however, the IMF may be changing its approach somewhat at this

[26] The competition, tension, or antagonism between business secrecy and disclosure would involve us in many other questions of autonomy and heteronomy. Cf. for example Poovey, 2002.

point, such as by reconsidering the extent of its conditionalities and the austerity of its prescriptions).

However, Argentina for example has been recently trying to distance itself from the IMF.

> After its debt default and economic collapse of 2001, Argentina attracted much sympathy from the outside world. Not, though, from the IMF, whose staff reversed their earlier leniency towards the country. Last year, however, the governments of the G7 rich countries did not wish to be seen to hit the place when it was down, so they overruled the IMF's staff and brokered a new accord.[27]

Argentina negotiated as much as it could, trying to maintain autonomy where possible. Stiglitz cites examples of countries which hardly recovered any of their own resources when foreign interests came in to help run them. This, along with facts such as that two thirds of Venezuela's population was living in poverty under the old economic system (even if there was GDP growth, most people didn't share in it), and one has more of the context for tough negotiation and at times erratic attempts at financial decision making:

> Néstor Kirchner, Argentina's pugnacious president, is making life awkward for his opposite number in Brazil. Earlier this month, he briefly stopped repaying a loan from the International Monetary Fund and was rewarded with a new credit on easy terms. This week he demanded that private creditors swallow a 75% write-down in the value of debt on which Argentina defaulted in 2001.[28]

Stiglitz points out that the IMF acted in blatantly pro-creditor ways:

> The IMF bias was totally clear in Argentina. After Argentina had reached an agreement with 75 percent of its creditors on a payback deal, the IMF, amazingly, insisted on a better deal for the 25 percent who held out! As

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[27] "Argentina and the IMF," *The Economist*, Jan 29, 2004.
[28] "Brazil, Argentina, and the IMF," *The Economist*, Sep 25, 2003.

> matter of policy, this is just wrongheaded. Nobody would ever agree to a deal if they knew they could hold out and get a better deal (2006).

Argentina instead chose new loans with Venezuela, and was willing to pay a higher interest rate than the IMF was offering.

> In January, Argentina pre-paid its debt to the International Monetary Fund (IMF) and President Nestor Kirchner said he would no longer negotiate with the IMF because its conditions were too onerous. Argentina has gotten back on its feet under anti-IMF Kirchner policies (2006).

To continue with the Asian Crisis and broader analysis, IMF and US Treasury policies of capital market liberalization led in some cases to destabilizing speculation, and financial market liberalization to bad lending practices – and their criticism regarding lack of transparency was largely an effort to shift blame from themselves to Asia. Major investment firms did the same to alibi their advisors, and Western lenders disavowed their own bad lending practices. It is typical to look for "which side" was wrong, but in fact "both sides" had made mistakes. Further, those of the Washington Consensus were doing their best to deny that the Asian Crisis placed any doubt on the universal triumph of capitalism in the 1990s. We will return to this with de Soto, as he claims the Third World and transition economies' belief in capitalism is in crisis.

When a World Bank report appeared in the *New York Times* which touched on the subject of the IMF's contractionary fiscal policies exacerbating the East Asia crisis, the restructuring in Indonesia leading to a bank run and violence, "Orders to muzzle the critics were issued. More tellingly, the IMF never pursued the issues further" (2002). The Washington Consensus supports a market fundamentalism which ignores many market imperfections, believing markets are more rational and efficient than government

(but of course the IMF's very existence testifies to the imperfection of markets, although the IMF also ironically insists at times that it knows more than firms do about their own markets (such as the global chip industry for South Korea[29]). Further, one sees the irony in the "exuberance" with which the IMF insists on the rationality of markets, and ignores its systematic underestimation of the depth of recessions and excessively contractionary policies. The IMF has lost some creditability among developing nations, and even to some extent the financial community (particularly as the IMF expanded its role beyond managing crises to development and the economies transitioning from Communism). Of course, another tension is that even if the IMF lost some creditability, they still largely control the access to credit for countries in crisis. So an autonomous critique of the IMF would be more or less forced to take this structure into account.

At issue here is the more or less autonomous regulation of vast social relations, particularly during crises. In his dissertation on market stabilization mechanisms, Jimmy Yang points out the difficulty in empirically testing how well versions of "circuit breakers" work in the real financial markets. Not only would disrupting the market for the purpose of the test be infeasible, but in cases where circuit breakers were used in the past, we do not know what would have happened had they not been there. Thus, Yang reviews historical transaction data for periods of high volatility. Further, there is the necessity of finding a representative example of "crisis" or high volatility where circuit

[29] As the demand for chips recovered there, the economy recovered. Korea did not heed the IMF's advice to get rid of its "excess capacity" in this industry – if it had, Korea's recovery would have been much more muted (2002).

breakers were used. Yang emphasizes IPOs in Taiwan.[30] While this makes an aspect of crises measurable (how well circuit breaker responses to excessive volatility performed policy intentions), and more empirical knowledge is needed, there are also issues at the theoretical (and of course, policy) level. Yang begins by offering interdisciplinary context:

> The term "circuit breaker" originates in electrical engineering to describe a pre-set switch that shuts down electrical activity in excess of a system's design capacity. After the stock market crash of October 1987, the Brady Report (1988) and several academic researchers suggested the imposition of "circuit breakers" to prevent the market from fluctuating excessively.

Financial circuit breakers here fall into two categories: price limits, where the price is not allowed to go beyond a given increase or decrease in a day; and trading halts, where trading is halted for a specific stock or the whole market, for a pre-specified duration or at the discretion of the initiators. Yang later notes a debate over whether "automatic" circuit breakers or market interventions at the discretion of officials are more effective. For example, he measures a "magnet effect" of circuit breakers which involves investors being induced to overreact precisely because the price of a stock is approaching the pre-set circuit breaker level. Thus, with the magnet effect, buying or selling is artificially heightened rather than cooling off and being quickly returned to equilibrium during "information shocks" such as good or bad news. Thus, the greater unpredictability involved in leaving intervention up to the "discretion" of officials may reduce overreaction. Yang proposes as a future research question given that "the cooling-off hypothesis is supported by consecutive limit hits, would a hybrid or combination of

[30] See his detailed reasons on page 62 of his dissertation.

price limits and trading halts perform better than pure price limits or trading halts in reducing overreaction?" As Yang points out, the quick and substantial drop in the 1987 stock markets followed by a quick rise is one instance of overreaction calling for this kind of policy analysis. One could relate the project of circuit breakers to the project of autonomously regulating social relations according to rational laws. This of course requires experimentation, particularly regarding situations as uncertain as crises, but also requires some theoretical work, including where direct experimentation would be too disruptive.

Let us continue analyzing the IMF responses to financial crises, emphasizing the lack of democratic discussion and decision-making, and lack of shared sovereignty. The challenge would be to give these "things" which are lacking while still determining and implementing technical solutions.

In Ethiopia, there are two main governmental revenue sources – taxes and foreign aid. The IMF stated that it would not give its approval to Ethiopia's budget (and in many cases, the IMF can effectively stop all lending, including from the World Bank, the EU and many others, to a country it disapproves[31]) unless aid was not included in the budget, because it may be too unstable a source. However, this absurdly implies that "no poor country can ever spend money on anything it gets aid for" (2002). Counter to this, World

[31] In the period leading into the Asian Crisis, Stiglitz recommended concerted capital controls to leaders in the region, but ultimately they were forced to fear being branded by the IMF in the future. "It is no accident that the two large developing countries spared the ravages of the global economic crisis – India and China – both had capital controls" (2002). The imposition of temporary capital controls in Malaysia also helped that nation stand in a far better position than those countries that took IMF advice.

Bank staff ascertained that in fact tax revenues are more unstable than aid. Further, the IMF did not recognize that Ethiopia had already responded appropriately by building up reserve funds in case income was interrupted, as well as thinking through the tough decisions of cutting spending on schools, health clinics, and so on.

Politically, the IMF at times proceeds more in the form of a "subtle" colonialism than through democratic recognition or even affirming the sovereignty of a nation. IMF conditionality in many cases has neither ensured that money is well spent nor that countries grow faster. Another fundamental problem is that while most economic issues are debated in wealthy democracies, many countries feel policies are largely being imposed on them, even policies which countries like the US have rejected. While many argue the IMF is necessary, or that a similar function would be needed in any case, at the very least, there is a responsibility to productively critique this function and its effects. There are issues of legitimation for all sides, and critique itself must also be reflected upon regarding the ways it represents or constructs crises (the latter point being one some IMF staff quickly pointed out after Stiglitz's *Globalization and Its Discontents*).

Stiglitz writes that East Asia grew successfully via sequencing and pacing (2002). The former refers to the order with which changes are made, such as the practice in the region of not fully liberalizing trade in an industry before enough new jobs had been created. Pacing refers to the problems with liberalizing too fast, such as before regulatory or banking systems are well-established. Sequencing and pacing would also be questions of developing forms of autonomy or heteronomy. Both sequencing and pacing provide a way to reflect on the Washington Consensus, which the IMF has often manifested by

attempting a one size fits all approach. The problem with this approach can be seen in the contrast between Latin America and East Asia.

> At the onset, the IMF seemed to have misdiagnosed the problem. It had handled crises in Latin America, caused by profligate government spending and loose monetary policies that led to huge deficits and high inflation; and while it may not have handled those crises well – the region experienced a decade of stagnation after the so-called successful IMF programs, and even the creditors had eventually to absorb large losses – it at least had a game plan that had a certain coherency. East Asia was vastly different from Latin America; governments had surpluses and the economy enjoyed low inflation, but corporations were deeply indebted [and unions were not nearly as prevalent] (2002).

The inflation of Latin America suggested there was excess demand which needed to be decreased, but the issue in East Asia was insufficient demand. The IMF solution of raising interest rates, of contractionary policy, in both cases – especially considering that highly indebted corporations clearly could be bankrupted by raising interest rates – showed its lack of economic recognition and flexibility. Here one could note that the US knew that its own recession in 2001 clearly necessitated an expansionary policy. The US has more power than other nations to enforce autonomous decision making for itself. Why did it not veto contractionary policy for others' recessions? The IMF has returned to a (pre-)Hooverite contractionary policy, after Keynesian expansionism widely succeeded in lessening economic downturns and extending upswings, including in the US, for decades.

Further, deregulation, an agenda pushed by the IMF, is not necessarily stabilizing, as the S&L scandal demonstrated (which was in fact a small instance in terms of the affected country's GDP), and as do privatized monopolies which are more efficient than

the state monopolies at exploiting consumers. In East Asia, the IMF had pushed for capital market liberalization, bringing in foreign lending, even though East Asia had little need for additional sources, as it had one of the highest savings rates in the world. It was claimed that liberalization would increase stability through diversifying the sources of funding. Korea, for example, had emphasized creating its own businesses, rather than promoting foreign direct investment, and did not want to liberalize and deregulate too fast. Wall Street pushed to speed this up largely because it wanted to capitalize on its own comparative lending advantage before it lost it, and was not above pushing this through the Treasury. This ended up hurting Korea, the US, and the global economy as a whole, while only benefiting a small group.[32] European nations themselves did not accept capital market liberalization until well over a century of development – they got rid of capital controls in the 1970s – but encouraged developing nations to do so much more quickly, before social safety nets had been developed. And in fact, "the limited competition in financial markets meant that liberalization did not always bring the promised benefits of lower interest rates" (2002). Removal of capital controls also allowed currency speculators to quickly pull out of East Asia, exacerbating the crisis. In addition, the IMF did not keep credit flowing, so export firms could not support recovery by taking advantage of the currency devaluations. Liberalization also helped oligarchs in

[32] Another example one could explore is the speculative real estate market in Thailand. In many parts of the world, speculative real estate lending leads to "excess capacity" and is a major source of instability. Here, we could also note that according to market fundamentalism, the market, rather than government or anyone else, must know best, even when it is leaving empty new skeletons of buildings in its wake. When the market says buy, buy, buy! the product is supposedly efficient, but sometimes efficiency is not the most efficient – when it leads to crashes.

Russia sweep their capital overseas – from the newly stripped assets of privatization gone awry – shortly before the exchange rate, artificially sustained by the IMF, collapsed. Further, the poor (how might a billion people with a couple dollars a day outrun crises with their "dead" capital?) often disproportionately carry the costs of such instability.

The Washington Consensus does not acknowledge that development requires a transformation of society.[33] It is also typically forwarded as though there were not political dimensions to the decisions which result from it, even though, for instance, the IMF has forced more controversial conditionalities on smaller nations which it could not risk experimenting with on more powerful nations. It is generally agreed that growth is needed in order to sustainably reduce poverty at the national and international level. However, it is not the case that a rising tide lifts all boats: often smaller boats are destroyed on the rocks.[34] This is why considerations of sequencing, pacing, and socio-political dynamics must be taken into account, rather than placing all faith in an invisible hand of market economy. Stiglitz also notes that Adam Smith himself recognized more imperfections in markets than many of his so-called followers do.

At this stage in history, several downsides to the Washington Consensus are clear:

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[33] This claim from Stiglitz may seem surprising given that capitalism defines itself through social upheaval, through the necessity to repeatedly revolutionize the conditions of production (Marx), and that wealthy conservatives often enough claim that certain developing cultures are "just incapable" of adapting to capitalist dynamics (a claim de Soto counters).

[34] Also cf. Derrida's "The University Without Condition" on Jeremy Rifkin and what the latter calls the 3rd Industrial Revolution, which may create social uprooting while not eventually creating (more or less) enough jobs, as in past revolutions: "The end of work."

> Trade liberalization *accompanied by high interest rates* is an almost certain recipe for job destruction and unemployment creation – at the expense of the poor. Financial market liberalization *unaccompanied by an appropriate regulatory structure* is an almost certain recipe for economic instability – and may well lead to higher, not lower interest rates, making it harder for poor farmers to buy the seeds and fertilizer that can raise them above subsistence. Privatization, *unaccompanied by competition policies and oversight to ensure that monopoly powers are not abused*, can lead to higher, not lower, prices for consumers. Fiscal austerity, *pursued blindly*, in the wrong circumstances, can lead to high unemployment and a shredding of the social contract (2002).

While the rich have benefited from the Washington Consensus, even the middle class, with its "progressive" buy-in, which has often so far been the group to push for more representative law, universal education, and social safety nets, has suffered set backs. An example is Russia, with its enormous decline in output, eroded middle class, and huge increase in inequality after the IMF bailout (which was largely in order to keep Yeltsin in power), thus contributing to social and political instability. Nevertheless, the IMF "believes it is fulfilling the tasks assigned to it: promoting global stability, helping developing countries in transition achieve not only stability but also growth. Until recently it debated whether it should be concerned with poverty – that was the responsibility of the World Bank – but today it has even taken that on board as well, at least rhetorically" (2002). In the 1990s, the IMF wanted to control the growth of money supplies, and get budgets in order. But that is not in itself a growth strategy, and the other strategies the IMF pursued did little to aid its mission.

Strategies besides the Washington Consensus always remain. For example, land reform which comes before capital market liberalization, competition policies which come before privatization, and job creation which helps guide trade liberalization.

Strategies do not always need to be universal.[35] China has been a leader in growth and did not quickly privatize nor liberalize financial and capital markets. Although many have failed at land reform, there has been success in Korea and Taiwan. Land reform should not only ensure that workers get land, but access to credit (this does not always need to be foreign, where lenders may have less interest and knowledge in the region), and extension services that educate about new seeds and planting techniques. The Washington Consensus largely ignored inequality, while East Asia reduced poverty following the idea that greater social cohesion can also be good for investors.

The IMF appears to believe that very low inflation is always good, but some economists have shown that below a certain threshold benefits are no longer applicable, and even that there are costs from pushing inflation too low. More fundamentally, Stiglitz writes,

> markets cannot be relied upon to produce goods that are essentially public in nature, like defense. In some areas, markets fail to exist; governments have provided student loans, for instance, because the market, on its own, failed to provide funding for investments in human capital. And for a variety of reasons, markets are often not self-regulating" (2002).

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[35] Cf. Zizek, such as the interview "Liberation Hurts": "The [20th century] lesson of totalitarian subordination is not 'renounce, suffer,'; but this subordination offers you a kind of perverted excess of enjoyment and pleasure. To get rid of that enjoyment is painful" (http://www.electronicbookreview.com/thread/endconstruction/desublimation) – or Derrida on "athesis." While the social upheaval of capitalism too is painful in many cases, Zizek seems to be driving at, more specifically, renouncing the pleasure taken in relying on capitalism's promise of continual, self-enhancing production, such as he addresses in *The Fragile Absolute*. As Toulmin shows, the drive for universals at the time of Descartes and Leibniz takes place in a time of political, social, economic crisis, as opposed to the image of this time as the birth of prosperity and scientific clarity, etc. A critical genealogy here can give us insight into our present time as well, insofar as this modern legacy continues today. There is also the issue of how to respond to the necessary division of labor of science(s), of Reason – cf. Husserl 1970.

Government has an important role in promoting stability through market booms and busts, and international institutions are needed for focus on issues where global collective action is desirable or necessary.[36]

In many ways "incentives" seem weak for developed countries to meaningfully reform negative aspects in developing countries:

> after all, off-shore banking centers and hedge funds serve interests in the developed countries, and the developed countries can withstand well the instability that a failure to reform might bring to the developing world. Indeed, the United States arguably benefited in several ways from the East Asia crisis (2002).

One could add here the developed countries' (multinational corporations') exploitation of weak environmental and worker protections in some countries – and along with the export of undesirable labor, the outsourcing of torture after 9/11. Clearly, even as attempts are made to change this "incentive structure," developing countries also continue to pursue strategies independently, which might include managing their budgets, eliminating protectionist barriers, regulating against

> speculators from the outside or corporate misbehavior from the inside. Most important, developing countries need effective governments, with strong and independent judiciaries, democratic accountability, openness

[36] One would also need to look at the international issue referred to in a recent textbook (Lairson and Skidmore, 2002) under the heading "tragedy of the commons" – "the fact that resources held in common are easily and often overexploited" (437). This is then applied to issues such as atmospheric conditions (particularly the deadlock on global warming, where the US' power allows it to continue competition and pursuit of profit without acknowledging responsibility) – in a problem affecting the globe, who can be called upon to respond? Peter van Wyck also addresses this regarding taking responsibility for nuclear waste (2005).

> and transparency and freedom from the corruption that has stifled the effectiveness of the public sector and the growth of the private (2002).[37]

We will see other development projects for countries with de Soto's work.

Stiglitz outlines further needed reforms, now that the IMF and others have begun to acknowledge their mistakes: recognizing the dangers of capital market liberalization and that short-term capital flows impose huge externalities; creating more efficient bankruptcy laws so that growth is not impeded, and also making greater use of standstills in loan payments, rather than relying so much on bailouts; improving banking regulation and risk management tools (such as insurance against exchange rates, countering the moral hazard presented by bailouts)[38]; improved safety nets (enhancing people's ability within vulnerable countries to absorb risks, including unemployment insurance programs and programs tailored to agriculture and small business); and improved response to crises. In the 1997-98 crisis we saw that assistance was badly designed and poorly implemented. It was hardly taken into account that collapse in trade between countries would spread the crisis. The damage caused by high interest rates is not reversed simply by lowering them, which goes for increasing unemployment as well. Greater use of basic economic principles, rather than focusing on the unpredictability of "confidence," is needed: "confidence will never be restored to economies that remain mired in deep recessions" (2002). There needs to be more balance between support for creditors and

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[37] In this matrix we have some elements of what Zakaria calls liberty as well as democracy. One could add that after the 2000 US elections, many such as Rorty, called into question the effectiveness of even the judiciary branch. Zizek too criticizes a conception of democracy as unconditional adherence to legalistic formalism.

[38] Cf. van Wyck as well for problems of insurance and moral hazard in his analysis of ecological catastrophes (2005).

support for workers and small businesses (one may note also the tax incentives given to the wealthy (often funded in part by everyone else's taxes), to MNCs, etc. who are supposed to drive growth and stability).

It does makes sense to increase the risks we are "all" able to absorb, and yet the language of risk is often designed more for the affluent, and falls short of truly addressing the billions in poverty. The more or less hierarchical structure just analyzed itself risks crisis. And this goes beyond "transferring risk" to the poor, to use financial terminology a bit differently. Further, the trickle down promise reminds one of the characterization of religion as the opiate of the masses – the poor are to defer to another world, indefinitely – or even variations on the Opium Wars. The irony for market fundamentalism is that regions such as East Asia have both grown quickly and substantially reduced poverty, in large part through involvement of government. And just as the argument that any political action these days, such as responding to cuts in education budgets for philosophy or community colleges,[39] can be co-opted is a nice excuse not to act, this belief in letting market forces be the "automatic" arbiter of justice effectively disavows our political responsibility.

[39] See Derrida, 2002 for the former and, for the latter, Cheryl Scott's OSU education finance dissertation "Enhancing Community College Revenue Sources by Leveraging Land Resources" (2005).

DE SOTO – ON CRISES AND FUTURES OF CAPITALISM

Another response to poverty and development is offered by de Soto – although it reaffirms a capitalist economic system, it potentially does so in a way which sets existing law and socio-economic relations (including the vast numbers of people outside the law) in a dialectic which may transform them. De Soto's *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* begins by stating that capitalism is itself in crisis, that much of the world is about to lose faith in it and stop trying for it, right at the historical moment when it seems triumphant over communism.

De Soto argues that the "North," or those parts of it with fully developed formalized property systems, should not react to globalization today by again trying to avoid "infection" from the rest of the world (the rest which have not fully implemented capitalism, and a "risk" the IMF has addressed with difficulty) by only advising them to stabilize currency, ignore food riots, wait for foreign investors, etc. Instead, de Soto argues, we should reflect further on the extent to which the North's history is not unlike the developing world's today. It too had many violent politico-economic problems, which were partially solved by the extensive implementation of a private property system (tracking who owns what, who is responsible, allowing capital to be reinvested to generate surplus, and so forth).

Zizek at times points out Third World similarity to the developed world's past as well, such as regarding the disavowal involved in the US criticizing Russia and Asian countries for cronyism, and turning attention away from its own history of crony capitalism. But to what extent does the characterization of the Third World as being less

developed than the First also imply something like a parent-child or civilized-primitive relationship, as well as that the First World already has the answers and the Third World should largely just copy them? Foucault examines the infantilization of the poor and others in his work on the historical conditions of the modern state, and David Bernell points out the replacement of overtly racist wording with the term "developing" nations. Nonetheless, de Soto is attempting greater independence for the majority of the world, many of which remain in poverty. There are other likely problems with the strategy of "catching up" to the developed nations, but let us continue with de Soto's argument.

How do we know and produce capital, the spectral nature of which sometimes drifts (us) toward crisis? De Soto argues that what detaches and fixes the economic potential of assets is law. De Soto also emphasizes that capital is "not created by money; it is created by people whose property systems help them to cooperate and think about how they can get the assets they accumulate to deploy additional production." While mass urbanization and other effects of globalization are outpacing the adoption of new laws, policies, and practices, two thirds of the world are encouraged to be extralegal by the elite protection of the status quo. That is, many countries' capital systems are so "inefficient" or access is so limited to the elite that it can take decades to start a small business or become the registered owner of one's property. The cost is too high, so most people in the world develop other extralegal social contracts for managing their social relations and things. De Soto aims to know these other social contracts, adopt the law where needed to them, and persuade as many as possible that it is now less costly to

participate in the legal property system than to avoid it. De Soto also engages history to identify ways the law can be transformed by extralegal property relations.

In "The Missing Lessons of U.S. History," de Soto explains how he found that most professionals who operate property systems had not thought much about how to integrate extralegal property systems with the legal order (2000). So he instead turned to the history books. One aspect of integration he found this way is that technology plays a supporting role but did not in itself adapt the laws to the majority of the population. Even most historians have not written about property law integration, in part because the process is still incomplete, may seem mundane or get obscured by other events, or is written mostly from the perspectives of already advanced nations. American colonists often moved on, at a whim, to more fertile territory; and "the result for property rights was a great deal of variability and extralegality" (2000). As expansion accelerated, the American government often told people to go no further, but so many continued heedlessly that the state was powerless to stop the mass migration. These migrants or settlers created their own form of law in the process, including the key development of "preemption" – "allowing a settler to buy the land he had improved before it was offered for public sale" (2000). More power was beginning to shift to the squatter side. "Even when George Washington, the father of the United States, tried to eject the people who had squatted on his Virginia farmland, his lawyer warned that 'if he succeeded in his suit against the settlers on his estate, they would probably burn his barns and fences'" (2000). The shift could also be seen in *Green v. Biddle*, not to mention the Homestead Act. Soon following the former, it became increasingly difficult to find judges who would sit to try

such controversial cases on ownership rights. Regarding the Homestead Act, de Soto shows that much of the land had already been taken by settlers, and the government granted permission after the fact, trying to look politically generous while it still could. The government was beginning to see settlers as beneficial rather than a threat (not to mention that the process as a whole constituted a genocide of the native peoples, adding to a "primitive accumulation" of the US). Claim associations and miners' organizations were in effect extralegal formations of law which later became official law (such as in 1866 legislation which also recognized that (extralegal) "value added to assets was something the law needed to encourage and protect" rather than deny and ward off, as it had done before (2000)). The extralegals became leaders in creating or forming the law; this may in some ways parallel what the extralegals in the 3rd World and former communist nations today end up doing as well. Here we see a way a crisis ended up being prolonged and deepened, resulting in the creation of new law (even if retroactively) and social relations. However, while the decision (even if not originating from a particular leader) to work through and extend a crisis in this way demonstrates autonomy and sovereignty, it also demonstrates injustice to the native inhabitants and lack of responsibility toward others. At present, de Soto at the least attempts to learn how extralegals in a given region live, and thereby re-make laws in response to these other forms of social and economic relations.

In "The Mystery of Legal Failure," de Soto states that many elite have maintained self-serving assumptions that extralegals just want to skip out on taxes, that law which ignores how most people interact economically will still somehow work for most people,

as well as that high-level political leadership is unnecessary for this economic reform (2000). "To integrate all forms of property into a unified system, governments must find out how and why the local conventions work and how strong they actually are" (2000). There have been many attempts to legalize the assets of the poor, but often the elites had greater (more or less legal) power to nonetheless make use of these assets. Leaders often enough blame the poor for not understanding the elegance of the laws, and leaders often do not ground law in how the majority actually use and exchange property. Perhaps we can become aware of most or all of the economy (whereas Smith pursues another Kantian limitation of speculative knowledge here), or perhaps there remain complexities in that "the core of the institution of ownership is a matter of unquestioned and largely unconscious social and economical practices that must be rooted in non-legal developments" (2000).

We should also note how de Soto concludes briefly but strongly, "I love being from the Third World because it represents such a marvelous challenge – that of making a transition to a market-based capitalist system that respects people's desires and beliefs" (2000). The book begins early on by countering the argument that many countries around the world fail in capitalism because their cultures cannot adapt to it. De Soto claims the limitation or failure in capitalism comes not from lack of entrepreneurial will nor from cultural diversity (since the cultures which have had success with capitalism are already diverse) but from insufficient (integrated) expansion of formal property systems. Thus de Soto largely avoids questions of cultural upheaval in capitalism except through his original focus on getting to know the existing extralegal social contracts which vast

numbers of people have created to order their economic lives. The value of studying extralegal social contracts around the world for de Soto is in countering the exclusionary practice of law: formal property law has benefited the rich, creating new possibilities for production, and those already within the law in some ways do not wish to bring in "outsiders" or face social changes which could create significantly new and inclusive laws. Globalization outstrips the ability of law to keep up with the associated social changes, and international law is quite young, fragile, in need of nurturing. There are risks on "both sides" – in changing the law and in not changing the law – but de Soto attempts to make this opportunity to change the law one which reduces the risks of sustained socio-economic hierarchies and exclusions, one which responds at least in some measure to the poverty and "near-poverty" in much of the world.

A crisis or sea change like the American settlers' situation (and today's mass urbanization) which de Soto explores is important here in part because the call for rewriting property law could proceed peacefully or violently. More truthfully perhaps, such a vast phenomenon includes both peace and violence. A nation's law itself is typically founded on a violence which the law makes illegal retrospectively, imbuing itself with nationalist myths, while attempting a state monopoly on legitimate violence. Our examination of crises and challenges for autonomy also addresses types of violence where they are not expected or disavowed, such as when it is a question of rewriting the force of law (consider IMF conditionalities as another example). Further, the force of law is complicated not only by its political and economic dynamics, but by its

philosophical foundations (which are unlikely to be critically analyzed or "accessed" by all those involved.[40]

Toulmin's book, *Cosmopolis*, is valuable for considering philosophy's relation to politico-economic crises, as well as to international law. *Cosmopolis* analyzes the social upheaval existing around the Thirty Years' War, and its effects on modern philosophers. Monarchical displacement, religious wars, and economic devastation formed crises which in part provoked Leibniz to look for a universal language (particularly to facilitate communication between warring nations, between Protestants and Catholics, etc.) and Descartes to look for a new foundation of certainty. These philosophical moves and others, nevertheless, often had the social effect of reducing international tolerance (as compared to the preceding Renaissance era). Toulmin recommends a revitalization of Renaissance tolerance in order to further build the international institutions we need currently.

[40] Cf. Derrida, 2002, *Who's Afraid of Philosophy: Right to Philosophy I.*

RESULTS, CONCLUSIONS, REVALUATIONS

In this thesis, analysis of autonomy has led us into the first two themes of US international relations, security and prosperity. The third being morality – precisely here we can suggest something to heighten morality beyond moral law and contractual law This could also be a supplement to formalizing property or social relations, a supplement to security and prosperity as a calling of responsibility or a power without power, a sovereignty without sovereignty, something that could be called "uncoerced heteronomy," an attempt to think of responsibility and generosity other than by the dictates of the present opposition between autonomy and heteronomy.

In this light, certainly a critical genealogy of tolerance, a critical reworking of the possibilities at its origins, appears all the more valuable given critique such as this:

> Tolerance is always on the side of the "reason of the strongest," where "might is right"; it is a supplementary mark of sovereignty, the good face of sovereignty, which says to the other from its elevated position, I am letting you be, you are not insufferable, I am leaving you a place in my home, but do not forget that this is my home ...[41]

Although tolerance is "the good face of sovereignty," (a good face as accompanying the "obscene superego" side which the force of law also takes) and is better than overt racism or absolute intolerance, it still is not the most we can aim for, as it assures itself with a hierarchical distance. On the recent Muhammad caricatures, and elsewhere Zizek argues that a false respect is often offered to others by saying they have a right to believe while implying that "we" will go easy on them and leave them to their childish beliefs.

> While a true atheist has no need to boost his own stance by provoking believers with blasphemy, he also refuses to reduce the problem of the

[41] Derrida, 2003, *Philosophy in a Time of Terror*, p. 127.

> Muhammad caricatures to one of respect for other's beliefs. Respect for other's beliefs as the highest value can mean only one of two things: either we treat the other in a patronizing way and avoid hurting him in order not to ruin his illusions, or we adopt the relativist stance of multiple "regimes of truth," disqualifying as violent imposition any clear insistence on truth.[42]

In this patronizing way, no true encounter takes place. Even if this "peaceful, democratic" tolerance provides enough stability for economic exchange, it need not be our "highest system" in history for interacting in the world. Instead, Zizek outlines the value of treating each other as serious adults responsible for our beliefs.

Derrida works toward unconditional hospitality, hospitality *itself*, which he affirms involves taking on responsibility for some dangers (one could contrast this with the formula that for a state to be absolutely secure it requires the surrounding states to be absolutely insecure).

> In addition to the religious meaning of tolerance whose origin we have just recalled, we should also mention its biological, genetic, or organicist connotations. In France, the phrase "threshold of tolerance" was used to describe the limit beyond which it is no longer decent to ask a national community to welcome any more foreigners, immigrant workers, and the like. François Mitterrand once used this unfortunate expression as a self-justifying word of caution: beyond a certain number of foreigners or immigrants who do not share our nationality, our language, our culture, and our customs, a quasi-organic and unpreventable – in short, a natural – phenomenon of rejection can be expected. I had at the time, in an article published in the newspaper *Libération*, condemned this organicist rhetoric and the "naturalist" politics it attempted to justify. It is true that Mitterrand later retracted this language, which he himself deemed unfortunate. But the word "tolerance" there ran up against its limit: we accept the foreigner, the other, the foreign body *up to a certain point*, and so not without restrictions. Tolerance is a conditional, circumspect, careful hospitality.[43]

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[42] Zizek, *The New York Times*, editorial March 12, 2006.
[43] Derrida, 2003, p. 128.

Derrida continues,

> unconditional hospitality does not consist in such an *invitation* ("I invite you, I welcome you into *my home*, on the condition that you adapt to the laws and norms of my territory, according to my language, tradition, memory, and so on"). Pure and unconditional hospitality, hospitality *itself*, opens or is in advance open to someone who is neither expected nor invited, to whomever arrives as an absolutely foreign *visitor*, as a new *arrival*, nonidentifiable and unforeseeable, in short, wholly other. I would call this a hospitality of *visitation* rather than *invitation*. The visit might actually be very dangerous, and we must not ignore this fact, but would a hospitality without risk, a hospitality backed by certain assurances, a hospitality protected by an immune system against the wholly other, be true hospitality? Though it's ultimately true that suspending or suppressing the immunity that protects me from the other might be nothing short of life-threatening.
>
> An unconditional hospitality is, to be sure, practically impossible to live; one cannot in any case, and by definition, organize it (2003, p. 128-9).

This could be read as a creative extension of paradoxes such as defining what freedom must be, what autonomy is or brings about. It is also a critique of a variety of authoritative claims. Derrida encourages thought on how conditional and unconditional hospitality may interact. Unconditional hospitality appears to involve a "form" which does not dictate a certain social format, an openness at risk of disappearing but also one of the forces offering a potential risk. Unconditional hospitality could represent, for example, a democratic openness to the other, to anyone, even to what one cannot prepare to be open to – it would thus be a democratic sharing of sovereignty which does not simply multiply sovereigns, but instead presents a sovereignty without sovereign power over others, for everyone.[44] Derrida works toward developing a future of international law which is less limited in its hospitality, and a sovereignty less suspicious and

[44] Cf. for example, Caputo, 2003.

hierarchical. He also develops the theme of "autoimmunity" in several ways, which would provide another reading of "built-in crises,": "As we know, an autoimmuntary process is that strange behavior where a living being, in quasi-*suicidal* fashion "itself" works to destroy its own protection, to immunize itself *against* its "own" immunity" (2003). While Derrida applies this theme to analysis of the Cold War and "the balance of terror," it is also revalued and reworked in his discussion of unconditional hospitality, above.

As we saw, one instance of autoimmunity is the now often repeated analysis of the US generating its own monster or excess, for example by funding and training bin Laden and many others to fight Russia in Afghanistan. We should reflect on the extent to which any hegemonic position generates such excesses which resist it. (Or consider how the US stayed out of WWI until other powerful nations had almost exhausted themselves). For example, it would be valuable to reflect on the origins of nuclear warfare. Einstein's letter to Roosevelt is well-known. Physicists envisioned the possibility of horrifically destructive bombs (scientists became all the more powerfully responsible for life and death, as Foucault suggests), and with Hitler's aggression and Germany's potential for developing nuclear weaponry, Einstein, having abandoned his strict pacifism, urged Roosevelt that the US must take action (including gathering uranium ore for experimentation, noting that Germany had recently stopped selling its own ore). Elsewhere, Einstein states:

> Concern for man himself must always constitute the chief objective of all technological effort -- concern for the big, unsolved problems of how to organize human work and the distribution of commodities in such a

> manner as to assure that the results of our scientific thinking may be a blessing to mankind, and not a curse.[45]

As Ambrose notes in *Rise to Globalism*, the US took the position that with its monopoly on nuclear weaponry, it could fight a more efficient war, and thus outmatch the much larger army of the USSR.

The question of efficiency in war is central in new ways in the Powell Doctrine (the "no casualties" (on our side) war, such as in the Gulf War, and in Afghanistan more recently, where, as Habermas describes,

> the asymmetry between the concentrated destructive power of the electronically controlled clusters of elegant and versatile missiles in the air and the archaic ferocity of the swarms of bearded warriors outfitted with Kalashnikovs on the ground remains a morally obscene sight. This feeling is more properly understood when one recalls the bloodthirsty colonial history that Afghanistan suffered, its arbitrary geographic cutting up, and its continued instrumentalization at the hands of the European power play (2003).

Now, with the spread of the technology of weapons of mass destruction beyond state control, the autonomous development of efficiency and power threatens autonomy in an autoimmune way. In 1945, the strategies for controlling military technology already seemed problematic.

> In late 1945, just four months after the explosion of the two nuclear weapons over Japan, the U.S., the U.K. and Canada jointly called for international control, under effective safeguards and through the UN, of both military and peaceful applications of nuclear energy. However, even at that early stage, they recognized that:

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[45] Quoted on http://www.aip.org/history/einstein/nuclear1.htm (Accessed 5/10/2006). One could compare it with ways Heidegger thinks of technology as revealing and responsibility in "The Question Concerning Technology."

> "*no system of safeguards will of itself provide an effective guarantee against the production of atomic weapons, or of new methods of warfare*" (Robertson 2005).

By 1949, the USSR had exploded its first nuclear bomb, and several nations were to follow. The US shifted to a strategy of sharing knowledge with those committed to peaceful use. Nonetheless, the spread of nuclear weapons has already extended beyond any guarantee of controlling it.

We are certainly at risk by our own technology. At times adding to risks, as the sole superpower, the US uses its exceptional sovereignty to override democratic decisions by the UN, and to largely control the Security Council which addresses these disturbing threats. At the same time, there is the chance to continually rethink the role, meaning, and power of sovereignty and to attempt to repeatedly give democracy new chances.

Constitutional liberalism can strengthen democracy, but by itself does not necessarily lead to a democratic, unconditional hospitality given to others, given to anyone, even the most unexpected or unknown. Much less does capitalism necessarily lead us to become fully responsible in a democratic way (as Zakaria's criticisms of failed democratization often show). While capitalism has not made everyone wealthy, it has been part of giving more time to some, which makes it possible those with wealth could become more socially responsible and giving (not only in financial terms but creative research – consider de Soto for instance).

A paradox of giving is that as soon as one appears to be giving, one enters into a circle of exchange and debt (Derrida 1994). Whether such a system of exchange is autonomously willed and/or takes effect at more subtle levels, it is thereby made more

difficult to give without obligating the "receiver." Thus, for a gift to be received as such, it must not appear as a gift.[46] Giving may also be a unique phenomenon regarding responsibility, insofar as it is not based on being obligated, doing one's duty, or even according one's actions autonomously with rational laws. Giving itself, as with unconditional hospitality, would not be based on conditions and calculations. It would be a supplement which perhaps puts the circle of exchange in motion but itself remains different from exchange.[47] This supplement is quite needed, without being obligatory in the sense of law or even systematic morality. Caputo suggests examples such as these:

> The laws are needed, and who would deny this, to get us past the sweat shops and dusty mines which ground the lives and health of workers into the ground. But laws are not enough. When workers will not do anything they are not required to do, when they will not make an extra effort to do something well, when they will not spend an extra moment that is not mandated by the clock, then the work will not be done well and they will be miserable on the job. When employers are not generous with employees, when they will not do anything more than is spelled out in the contract, they will turn the place into a living hell. When a nation's leaders and the electorate that elected them treat the nation's weakest and most defenseless citizens in the most rigorous and parsimonious way, and tell them that the rest of us are not responsible for them, that they are on their own to raise their fatherless children, to get off drugs, to get a job and climb out of poverty, they will turn the nation into hell. When nations

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[46] As possible examples in a slightly different context, one recalls Zizek's interview, "The One Measure of True Love Is: You Can Insult the Other," 2001. http://www.lacan.com/zizek-measure.htm (Accessed 5/10/2005). Also in this interview, Zizek recalls, "In the Yugoslav army where we were all of mixed nationalities, how did I become friends with Albanians? When we started to exchange obscenities, sexual innuendo, jokes. This is why this politically correct respect is just, as Freud put it, 'zielgehemmt'. You still have the aggression towards the other."

[47] Or rather, Derrida argues in *Given Time: Counterfeit Money* (p. 13) that law, the symbolic order, founds the circle of exchange, and that giving lies "outside" this circle. This perhaps recalls scenes such as Hobbes on the social contract and the well-known issues that Zizek notes of how to have a contractual possibility before the contract, and how to have the need for language before language (the anticipation of expression, etc).

> erect walls of law around themselves, subjecting refugees and immigrants, legal and illegal, to the most rigorous immigration laws, demanding application fees that such people above all cannot afford, when they offer the others, the *tout autre*, of other nations the minimum of hospitality, the minimum that international law requires, they turn the earth itself, which on a more generous reading, belongs to us all, into hell (2000).

Although as we have seen regarding primitive accumulation, law clearly can be used to enforce a hellish existence for some in periods of historical transition, law can also represent a form of society autonomously willed – if not as the highest goal, a step along the way.

Zakaria speaks of institutions of liberty, such as constitutional law, as well as economic strength, the latter of which can act as a precursor or another institution of liberty. Our focus in the paper on autonomy, self-given law, addresses this foundation of and for democracy which Zakaria analyzes. But here we attempt to show where democracy does not exist through law alone and future developments remain. Law in some ways offers enough to get by[48] (although in that law can differ from justice, it does not always offer even enough to get by), and likewise, Zakaria early on offers a minimal definition of democracy as free elections. It makes sense that a minimal definition would focus like this on the transfer of power or sovereignty. But even in this sense, the 2000 US elections demonstrated how this process can break down, as Eric Alterman details, as well as the limitations of democracy conceived as unconditional adherence to constitutional formalism (Zizek 2003). (It is also true that many other countries have progressed past the US in terms of election techniques and monitoring).

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[48] In *Human, All Too Human*, Nietzsche suggests that law generally originates with the strong classes imposing a minimal form on society.

Democracy concerns sharing sovereignty. The law and various policies, contracts, etc. in many cases give a minimum requirement for social relations (although as de Soto shows, it seems more the case that the law itself is not meeting the minimum requirements for participation by the majority of people). Caputo's analysis is helpful here (2000). He recounts that ethics cannot keep up with the specificity of each problem – we are open to the future existence of a problem or other unforeseeable event before a law or essence can define the proper response to the singularity. Caputo suggests that ethical thought is at times constrained to responding after an accident, or sometimes to something like shouting "incoming" in the trenches: "An accident, of course, is something that no one saw (*theorein*) coming, although afterwards everyone has something to say about it, up to and including insisting that the proper authorities should have seen that this would happen." The larger point is to "recall us precisely to the difficulty" of decision-making in the fullest sense, and to not depending on "'guides to ethical theory,' in any strong, hard, virile sense, which [pretend] to show the way to the perplexed" or "the sure guidance theoretical seeing pretends to lend in advance." It is not a call to stop thinking, then, but to extend our own critical thinking skills further, including on the degree of purpose or egoism in giving gifts.

> That means that we can never say a law or a principle is just, for that would be too sweeping and pretentious, the manifestations of its injustice being just around the corner, and certainly not that a human being at large is just - the more just the individual the less likely he or she is to make such a claim. At most, we might say, with fear and trembling, that a singular event was carried out with justice (Caputo 2000).

This would be the case, for example, for de Soto's project, the complexities of which it may be pleasurable for some to overlook. This critical thinking which calls the individual beyond the assurance of a law imposed by the individual (autonomy) or by any leader – this thought is called for by democracy, a "democracy to come" as Derrida has phrased it.

And so the business of ethics and law-giving can be supplemented by affirming the future in the fullest sense, by expressing the fullest love possible and giving this without requirement. This involves hospitality to visitors, including to visitors we cannot even imagine, or could only see through a creative act. For some, the unimaginable may include the extralegal conditions under which a great many potential visitors live; whence the creative and affirmative potential of de Soto's work.

Giving would involve hospitality to the "wholly other," to something or someone unthinkable to us, except perhaps with art, "something so utterly alien to us that we would just have no relationship to it at all, something that we love and affirm, the wholly other would just pass us by like a ship in the night" (Caputo 2000). This also suggests that the other is not required to visit us. Following de Soto's example again, we see a necessary, rational calculation of costs and benefits: by "hitting the streets" and seeing how social relations work for extralegals, by then making laws change to better welcome extralegals in a larger society, de Soto wants to show extralegal communities that it has become less costly to join the legal system than to live outside it. Likewise, de Soto wants to persuade those already within the law that they will benefit from the increased productivity that integration would bring. This is of course in some ways an already

complicated proposition. Although there have been problems in some instances with implementing de Soto's ideas so far, here we recall that what is beyond cost-benefit calculation and opportunism also counts for democracy to come.

Let us consider a possible example of the meaning of a gift being outside the circle of calculation and return. Consider this example of the *refuseniks* which Zizek gives as part of registering and remembering eternal acts, even or especially if rare and fragile events:

> An epochal event took place in Israel in January and February: hundreds of reservists refused to serve in the Occupied Territories. These refuseniks are not simply 'pacifists': in their public proclamations, they are at pains to emphasise that they have done their duty in fighting for Israel in the wars against the Arab states, in which some of them were highly decorated. What they claim is that they cannot accept to fight 'in order to dominate, expel, starve and humiliate an entire people'. Their claims are documented by detailed descriptions of atrocities committed by the Israel Defence Forces, from the killing of children to the destruction of Palestinian property. Here is how an IDF sergeant, Gil Nemesh, reports on the 'nightmare reality in the territories' at the protesters' website (www.seruv.org.il):
>
> My friends - forcing an elderly man to disgrace himself, hurting children, abusing people for fun, and later bragging about it, laughing about this terrible brutality. I am not sure I still want to call them my friends . . . They let themselves lose their humanity, not out of pure viciousness, but because dealing with it in any other way is too difficult. (Zizek, 2002, p. 113-4)

As Caputo suggests, if giving is beyond any systematic or prescriptive ethics, it is not an indication of anarchy spreading everywhere: instead, giving itself is a rare and difficult phenomenon. In "What is Enlightenment?" Foucault argues for a reduction of the power of intellectuals. While loss of power is quite a common thing, and often enough just means someone else grabbed it up elsewhere, instances such as the *refuseniks* or giving

unconditional hospitality may achieve something different whereby an event is created which justifies us in our heteronomy and gives a new force to autonomy.

Zakaria offers for thought the thesis that there is too much democracy, but too little liberty. Zakaria begins early in his book by defining democracy minimally as free elections, and moves on to broader definitions, including through analyzing examples of democratization. He suggests that liberty is distinct from democracy, and often serves as a needed foundation for democracy.

> Zakaria wants to revive an understanding of American government that every high-school student used to have [...] Liberty consists of certain socially ratified individual rights that the state may not infringe: freedom of speech, assembly, and conscience, constitutionally enshrined; and the sanctity of contracts and the rule of law, enforced by an independent judiciary (Garfinkle 2003).

While Zakaria gives examples where constitutions are effectively a "fairy tale," to use Foucault's phrase, and Zizek and others examine cases where people do not have the power to enforce their human rights, these values of liberty form part of the history and goals of humanism, of what is autonomously desired for the concept of the human. This political concept of the human is in a position to be spread as well as critically considered in today's world of "complex connectivity."

Zakaria fairly often gives negative examples of democracy, such as the election in his home country of India of a party which has been helping carry out ethnic cleansing. He works toward renewing the sense of social responsibility, even or especially at the perhaps non-democratic level of the elite. Although he distinguishes liberty and

democracy, often along the lines of substance versus procedure, it could be said that the democracy he says is our "last best hope" is defined for Zakaria largely by liberty.

If liberty is more substantive than democracy, nevertheless, much like freedom, it may be paradoxical to define it (particularly beyond more or less minimal definitions). If liberty is the sort of thing calculated and enforced by laws, it may be that democracy in a fuller sense takes place beyond laws and even moral duties. It is easier, although also needed, to point out where social relations fall short of democracy, than to envision what democracy will become (and of course much of what democracy will become will be up to future generations and events, including different interpretations of the past).

Nevertheless, if democracy to come takes place in some ways beyond laws and cost-benefit calculation, it may make sense to speak of unconditional hospitality and giving, a giving which is beyond any requirement or obligation to give. And this perhaps at times impossible goal is all the more important when we face social crises which may otherwise make us become all too conservative, or lash out in a paranoiac way.

Zakaria is concerned with the possibility that failed attempts at democratization may lead to a loss of belief in democracy. He tries to go back to the historical foundations which made democracy a great question and hope for the future. Similarly, de Soto sees a crisis of belief in capitalism already looming in that many Third World and transition economies have tried and been unable to succeed in the capitalistic system. He goes back into both the history of the wealthy capitalistic nations to find how they built fundamental property relations, and into the living history of extralegal social relations to find how property relations function at present. By learning how to found more inclusive

formal property systems, de Soto in some ways aims toward democratizing much of the world, and building a foundation of economic liberty.

Often what is called democratization does not bring about democracy. Great accumulations of wealth and power have accompanied societies attempting democratization. Often the autonomous decision-making of leaders and others is placed in challenging and uncertain situations, such as with financial crises, conflicts of interest groups, or acts of terrorism. We are called upon to exercise critical thinking and creativity regarding even what is enacted in the name of our highest social and political values. As Zakaria and de Soto show, even democracy and capitalism can themselves be faced with crisis. Beyond what seems necessary, we must attempt a giving to shared freedom that aims to bring about a more responsible autonomy and a more creative democracy.

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