

Franco Berardi Bifo
**The Future
After the End of
the Economy**

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At the end of 2010, I finished writing a book about the cultural collapse of the most important mythology of capitalist modernity: that of “the future” and its associated myths of energy, expansion, and growth.¹ While I was writing, I sensed a possibility that the economic crisis could be deepening. But what actually happened in the summer of 2011 – the extraordinary crash of global financial capitalism and the beginning of the European insurrection that exploded in London, Athens, and Rome in December 2010 and then grew massive in England during the four nights of rage in August, and which I expect to spread everywhere in the coming months – this has pushed me to write something more. Alas, writing about the present is a dangerous thing when circumstances change so quickly. But I cannot deny the thrill of running alongside the disaster.

– Franco Berardi, August 19, 2011

1. Economics is Not a Science

It is the end of summer 2011 and the economic newspapers increasingly warn that there will be a double dip. Economists predict a new recession before there can be a recovery. I think they are wrong. There will be a recession – on that I agree – but there will be no more recoveries, no return to the process of constant economic growth.

To say this in public would be to invite accusations of being a traitor, a cynic, a doomsayer. Economists will condemn you as a villain. But economists are not people of wisdom, and I do not even consider them scientists. They are more like priests, denouncing the bad behavior of society, asking you to repent for your debts, threatening inflation and misery for your sins, worshipping the dogmas of growth and competition.

What is a science after all? Without embarking on epistemological definitions, I would simply say that science is a form of knowledge free of dogma, that can extrapolate general laws from the observation of empirical phenomena, and that can therefore predict something about what will happen next. It also a way of understanding the types of changes that Thomas Kuhn labeled paradigm shifts.

As far as I know, the discourse known as economics does not correspond to this description. First of all, economists are obsessed with dogmatic notions such as growth, competition, and gross national product. They profess social reality to be in crisis if it does not conform to the dictates of these notions. Secondly, economists are incapable of inferring laws from the observation of reality, as they prefer instead that reality harmonize with their own supposed laws. As a consequence, they

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Hendrik Gerritsz Pot, *Flora's mallewagen*, c. 1640. Oil on panel. The painting is an allegory of the Tulip Mania, a first speculation bubble in 17th Century Holland. The goddess of flowers is riding a wagon headed to the sea, adorned by the most valuable tulip in the market. Weavers from Haarlem have thrown away their equipment and are following the car.

cannot predict anything – and experience has shown this to be the case in the last three or four years. Finally, economists cannot recognize changes in the social paradigm, and they refuse to adjust their conceptual framework accordingly. They insist instead that reality must be changed to correspond to their outdated criteria.

In the schools of economics and in business schools they do not teach or learn about physics, chemistry, biology, astronomy – subjects that deserve to be called sciences, that conceptualize a specific field of reality. Rather, these schools teach and study a technology, a set of tools, procedures, and pragmatic protocols intended to twist social reality to serve practical purposes: profits, accumulation, power. Economic reality does not exist. It is the result of a process of technical modeling, of submission and exploitation.

The theoretical discourse that supports this economic technology can be defined as ideology, in the sense proposed by Marx – who was not an economist, but a critic of political economy. Ideology is in fact a theoretical technology aimed at advancing special political and social goals. And economic ideology, like all technologies, is not self-reflexive and therefore cannot develop a theoretical self-understanding. It cannot reframe itself in relation to a paradigm shift.

2. Financial Deterritorialization and Labor Precarity

The development of productive forces, as a global network of cognitive labor that Marx called the “general intellect,” has provoked an enormous increase in the productive potency of labor. This potency can no longer be semiotized, organized, and contained by the social form of capitalism. Capitalism is no longer able to semiotize and organize the social potency of cognitive productivity, because value can no longer be defined in terms of average necessary work time. Therefore, the old forms of private property and salaried labor are no longer able to semiotize and organize the deterritorialized nature of capital and social labor.

The shift from the industrial form of production to the semiotic form of production – the shift from physical labor to cognitive labor – has propelled capitalism out of itself, out of its ideological self-conception. Economists are dazzled by this transformation, as knowledge that had previously been structured according to the paradigm of bourgeois capitalism: linear accumulation, measurability of value, private appropriation of surplus value. The bourgeoisie, which was a territorialized class (the class of the *bourg*, of the city), was able to manage physical property and a measurable relation

between time and value. The total financialization of capital marks the end of the old bourgeoisie and opens the door to a deterritorialized and rhizomatic proliferation of economic power relations. Now the old bourgeoisie no longer has power. They have been replaced by a proliferating virtual class – a deterritorialized and pulverized social dust rather than a territorialized group of persons – usually referred to as the financial markets.

Labor undergoes a parallel process of pulverization and deterritorialization not only in the loss of a regular job and a stable income, but in the precarious relationships between worker and territory. Precarization is an effect of the fragmentation and pulverization of work. The cognitive worker, in fact, does not need to be linked to a place. His or her activity can be spread in non-physical territory. The old economic categories – salary, private property, linear growth – no longer make sense in this new situation. The productivity of the general intellect in terms of use value (i.e., the production of useful semiotic goods) has virtually no limits.

So how can semiotic labor be valued if its products are immaterial? How can the relationship between work and salary be determined? How can we measure value in terms of time if the productivity of cognitive work (creative, affective, linguistic) cannot be quantified and standardized?

3. The End of Growth

The notion of growth is crucial in the conceptual framework of economic technology. If social production does not comply with the economic expectations of growth, economists decree that society is sick. Trembling, they name the disease: recession. This diagnosis has nothing to do with the needs of the population because it does not refer to the use value of things and semiotic goods, but to abstract capitalist accumulation – accumulation of exchange value.

Growth, in the economic sense, is not about increasing social happiness and satisfying people’s basic needs. It is about expanding the global volume of exchange value for the sake of profit. Gross national product, the main indicator of growth, is not a measure of social welfare and pleasure, but a monetary measure, while social happiness or unhappiness is generally not dependent on the amount of money circulating in the economy. It is dependent, rather, on the distribution of wealth and the balance between cultural expectations and the availability of physical and semiotic goods.

Growth is a cultural concept more than an economic criterion for the evaluation of social health and well-being. It is linked to the modern

conception of the future as infinite expansion. For many reasons, infinite expansion has become an impossible task for the social body. Since the Club of Rome published the book *The Limits to Growth* in 1972, we have understood that Earth's natural resources are limited and that social production has to be redefined according to this knowledge.² But the cognitive transformation of production and the creation of a semiocapitalist sphere opened up new possibilities for expansion. In the 1990s the overall economy expanded euphorically while the net economy was expected to usher in the prospect of infinite growth. This was a deception. Even if the general intellect is infinitely productive, the limits to growth are inscribed in the affective body of cognitive work: limits of attention, of psychic energy, of sensibility.

After the illusions of the new economy – spread by the wired neoliberal ideologists – and the deception of the dot-com crash, the beginning of the new century announced the coming collapse of the financial economy. Since September 2008 we know that, notwithstanding the financial virtualization of expansion, the end of capitalist growth is in sight. This will be a curse if social welfare is indeed dependent on the expansion of profits and if we are unable to

redefine social needs and expectations. But it will be a blessing if we can distribute and share existing resources in an egalitarian way, and if we can shift our cultural expectations in a frugal direction, replacing the idea that pleasure depends on ever-growing consumption.

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4. Recession and Financial Impersonal Dictatorship

Modern culture has equated economic expansion with the future, so that for economists, it is impossible to consider the future independently of economic growth. But this identification has to be abandoned and the concept of the future rethought. The economic mind cannot make the jump to this new dimension, it cannot understand this paradigm shift. This is why the economy is in crisis and why economic wisdom cannot cope with the new reality. The financial semiotization of the economy is a war machine that daily destroys social resources and intellectual skills.

Look at what is happening in Europe. After centuries of industrial production the European continent is rich, with millions of technicians, poets, doctors, inventors, specialized factory workers, nuclear engineers, and so forth. So how did we suddenly become so poor? Something



Stock image for business and finance themes.

very simple happened. The entirety of the wealth that workers produced was poured into the strongboxes of a minuscule minority of exploiters and speculators. The whole mechanism of the European financial crisis is oriented towards the most extraordinary displacement of wealth in history: from society towards the financial class, towards financial capitalism.

The wealth produced by the collective intelligence has been siphoned off and expropriated, leading to the impoverishment of the richest places in the world and the creation of a financial machine that destroys use value and displaces monetary wealth. Recession is the economic way of semiotizing the present contradiction between the productive potency of the general intellect and its financial constraints.

Finance is an effect of the virtualization of reality acting on the psycho-cognitive sphere of the economy. But at the same time, finance is an effect of the deterritorialization of wealth. It is not easy to identify financial capitalists as individual persons, just as finance is not the monetary counterpart of a certain number of physical goods. Rather, it is an effect of language. It is the transversal function of immaterialization and the performative action of indexicality – statistics, figures, indexes, fears,

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and expectations are not linguistic representations of some economic referent that can be found somewhere in the physical world, as signifiers referring to a signified. They are performative acts of speech producing immediate effects in the very instant of their enunciation.

This is why, when you try to seek out the financial class, you cannot talk with someone, negotiate, or fight against an enemy. There are no enemies, no persons with whom to negotiate. There are only mathematical implications, automatic social concatenations that one cannot dismantle, or even avoid.

Finance seems inhumane and pitiless because it is not human and therefore has no pity. It can be defined as a mathematical cancer traversing a large part of society. Those who are involved in the financial game are far more numerous than the personal owners of the old bourgeoisie. Often unwittingly and unwillingly, people have been dragged into investing their money and their future in the financial game. Those who have invested their pensions in private funds, those who have signed mortgages half-consciously, those who have fallen into the trap of easy credit have become part of the transversal function of finance. They are poor



Concept design project by Mac Funamizu for future mobile internet search, 2008.

people, workers, and pensioners whose futures depend on the fluctuations of a stock market they do not control or fully understand.

renounce accumulation and growth and be happy sharing the wealth that comes from past industrial labor and present collective intelligence.

If we cannot do this, we are doomed to live in a century of violence, misery, and war.

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The psychology of fear in the stock market. Still from the CBS Evening News story.

5. Future Exhaustion and Happy Frugality

Only if we are able to disentangle the future (the perception of the future, the concept of the future, and the very production of the future) from the traps of growth and investment will we find a way out of the vicious subjugation of life, wealth, and pleasure to the financial abstraction of semicapital. The key to this disentanglement can be found in a new form of wisdom: harmonizing with exhaustion.

Exhaustion is a cursed word in the frame of modern culture, which is based on the cult of energy and the cult of male aggressiveness. But energy is fading in the postmodern world for many reasons that are easy to detect. Demographic trends reveal that, as life expectancy increases and birth rate decreases, mankind as a whole is growing old. This process of general aging produces a sense of exhaustion, and what was once considered a blessing – increased life expectancy – may become a misfortune if the myth of energy is not restrained and replaced with a myth of solidarity and compassion.

Energy is fading also because basic physical resources such as oil are doomed to extinction or dramatic depletion. And energy is fading because competition is stupid in the age of the general intellect. The general intellect is not based on juvenile impulse and male aggressiveness, on fighting, winning, and appropriation. It is based on cooperation and sharing.

This is why the future is over. We are living in a space that is beyond the future. If we come to terms with this post-futuristic condition, we can

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