

Marx, Freud, and Capital

There have been many studies that juxtapose the Marxist and Freudian models. This study selects those that speak most directly to its argument. The first major contributions to a collective understanding of Marxism and psychoanalysis outside of the Soviet Union—where the reception of psychoanalysis was far from generous—are found in the works of the Austrian Psychoanalyst Wilhelm Reich (1897–1957), most clearly in his *Dialektischer Materialismus und Psychoanalyse* (1934) (*Dialectical Materialism and Psychoanalysis*). A further contributor was the Austrian psychoanalyst Otto Fenichel (1897–1946), in his *Über die Psychoanalyse als Keim einer zukünftigen dialektisch-materialistischen Psychologie* (1934) (*Psychoanalysis as the Nucleus of a Future Dialectical-Materialistic Psychology*). In Reich, one sees the beginnings of a psychoanalytic view of the injustices of capitalism. Reich believed that neuroses were caused by the capitalist system and would disappear in a fully socialist society. This theme continues in the work of Deleuze and Guattari.

This tradition took on greater form in the work of the Frankfurt School, most notably by the German philosophers Erich Fromm (1900–1980) and Herbert Marcuse (1898–1979). Perhaps the most comprehensive synthesis in the postwar era is found in Marcuse's *Eros and Civilization. A Philosophical Inquiry into Freud* (1955). The title neatly tropes on *Civilization and its Discontents*, the English (mis)translation of Freud's *Das Unbehagen in der Kultur* (1930) (it would be better translated as “malaise or discontentment in human culture”). There are two German versions of Marcuse's work: *Triebstruktur und Gesellschaft* (1965) (“drive/instinct

structure and society”) and a version closer to the English *Eros und Kultur* (1957). In this work, Marcuse develops his theory of surplus repression, calquing on the Marxist notion of surplus value, which holds that society has caused humans to suppress themselves more than is sufficient for the maintenance of human culture. Surplus repression comprises “the restrictions necessitated by social domination. This is distinguished from (basic) repression: the ‘modifications’ of the instincts necessary for the perpetuation of the human race in civilization” (Marcuse 1955, p. 35). Where Freud sees the acculturated control of instinct as a given, albeit one that causes frustration, Marcuse sees human culture a culprit; it organizes instincts, occupies them, and makes them not our own: “If absence from repression is the archetype of freedom, then civilization is the struggle against this freedom” (14). Marcuse attempts to construct a homology between repression and oppression, between the psychological and the political: “The pleasure principle was dethroned not only because it militated against progress in civilization but also because it militated against a civilization whose progress perpetuates domination and toil” (40). This also contains some curious biblical echoes of a fall from an Edenic state to one of hard labor.

The counterculture movement of the 1960s yielded some further adaptations of Marxism and psychoanalysis that were, and understandably so, articulated within the logic of that era. In 1970, Philip Slater proposed a synthesis of psychology and economics in *The Pursuit of Loneliness: American Culture at the Breaking Point*, which was updated a bit in 1976. Already in 1970, Slater remarked that “Americans feel less safe...the guns under pillows, and the multiple locks on city doors betray our fears without easing them” (Slater 1970, p. 1). And he astutely observes that “cold warriors have always attributed this uneasiness to the growth of communism” (1). Some of his observations are frighteningly current over 40 years later: “The masculine ideal in our culture, for example, has traditionally been one of almost complete emotional constipation...most men even today are stuck with this choice between articulate and inarticulate zombiehood” (3). This calls to mind the current image of the laconic male with minimal affect. Slater’s larger project is a critique of individualism, which he sees as an American malady: “American independence training has in the past been severe relative to the rest of the world” (27), and he astutely interprets the postwar flight to the suburbs as motivated by that individualist drive (16). This all results in a lack of a communitarian spirit.

The uses of psychoanalysis, however, are quite scant, but he does interesting things with orality and consumerism. He characterizes

consumer society as an “oral culture”—an interesting point—and says that we respond to stress by “retreating into infant orality and ‘consuming,’ thereby requiring more possessions” (28). “The American love of bigness is itself a sign of orality” (28), he holds, also an excellent observation. One can expand on this a bit. The word consumer originates in the Latin *consumere*, which consists in *con*, “together” and *sumere*, “to take up,” indicating a collecting together. Now, this can be viewed within the framework of the oral phase as a regression to the undifferentiated state at the mother’s breast before the consciousness of separate self. One over-consumes in a simulacric attempt to revert to this state of primal narcissism in reaction to the anxieties of separation.

Slater offers other observations that are still amazingly current. He speaks of “the peculiar germ-phobia that pervades American life,” which is “rooted in the attempt to deny the reality of human interdependence” (34), part of a vast conspiracy to suppress communality. (This evokes current images of the supermarket sanitary wipes one finds next to the shopping carts.) Also quite current, he argues that we prefer to see violence in the lower classes as a way to punish them and cut our ties to interpersonal responsibility. This correlates well with the current preponderant representation of violence among minorities on TV and in film.

He also critiques Benjamin Spock, the American pediatrician and author of the wildly successful *The Common Sense Book of Baby and Child Care* (1946), which has sold tens of millions of copies. (It is considered to be one of the best-selling English language books in history.) He sees Spock as enabling the egotism of the postwar “do your own thing me-generation”: “Spock’s work is in the old American tradition that every individual is unique and has a ‘potential.’ This potential is viewed as innate, partially hidden, gradually unfolding, and malleable” (67). His views anticipate those of Christopher Lasch, whose work *The Culture of Narcissism* (1979) offered similar arguments. For Slater, American society is “moving away from the instinctive sense of community that villagers had in the past—still moving with dizzying speed toward greater anonymity, impersonality, and disconnectedness...nothing will change in America until individualism is assigned a subordinate place in the American value system” (128).

Some of the uses he makes of psychoanalysis are a bit off the mark. He claims that Freud saw all cultural achievements as stemming from a repression of sexuality (88). And here, he is being quite reductionistic; culture is generated by a repression of instincts in general. “Civilization is a parasite on human eroticism,” Slater claims (88). Also, in his pleas against

rampant technology, he refers to the part in Freud's work on malaise where Freud holds that technological advances do not provide one with more contentment. But here, Freud is not saying that we should not have technological advancement. He is simply saying that malaise is a constant in human culture. *Homo faber* (*homo produicens* for Marx) is here to stay, along with *homo psychologicus*.

The major problem with Slater's analyses is that they remain within the realm of volition, not organization by leftist or environmental political parties. "Changing our culture will require participation by everyone" (140), he asserts, affirming that we need to "reverse our old pattern of technological radicalism and social conservatism" (141). Ironically, the changes that he advocates do not depend upon governmental organization, but upon the private-sphere individualism that he so strongly critiques: "This is not an argument for adding more power and wealth to our bulging federal bureaucracy...I'm only concerned with changing our ways of thinking about the economy—instead of just manipulating economic mechanisms" (174).

There is no mention of universal health care here, nor free college education, and there is a dearth of international comparisons. And he does not shy away from the occasional adventurous overstatement, calling individualism "the midwife of fascism" (164).

He does put forth some very progressive ideas, however, such as an abolition of the inheritance tax and of all tax deductions, which he sees as favoring the rich. He also advocates "a 100 percent tax on income over \$100,000 a year" (191), which would convert to ca. \$622,000 in 2017. But these progressive ideas are hard to square with his overarching antigovernmental stance: "Community needs and obligations can be handled in many ways, and the tendency to dump them into the lap of the federal government is just inertia" (193). In his concluding paragraph, he states that all the changes he recommends "seek the same end: instead of money being a freely-responsive force that controls the expression of human energies, human energy would be a freely-responsive force that would control the distribution of money" (201). Thus, he evokes a quasi-mystical force that would bring about an equilibrium.

The Pursuit of Loneliness appeared the same year as Alvin Toffler's *Future Shock* (1970), which held that rapid change, caused by a hyperactive technology, has made people go insane. Slater, too, is preoccupied with a critique of uncontrolled technology. He calls our technological products "Frankenstein-monsters" (61). Both works emerge from the counterculture

of the 1960s, from the antiwar movement, the opposition to the military industrial complex, and the profound antiauthoritarianism that characterized that era. The rebellion of the era, however, was co-opted by and articulated within an antigovernmental individualist ideology that could only inhibit the development of a communitarianism.

The year 1970 also saw the appearance of Joel Kovel's *White Racism. A Psychohistory*. It uses psychoanalysis to analyze capitalism, slavery, and racism. The epigraph is a quote from Freud on the "struggle between Eros and death" as antithetical instincts fundamental to human culture. These are two of the master tropes for Kovel's study. Kovel offers a good observation on slavery in the USA that fits well into a psychoeconomic model: Slavery instantiates the priority of private property rights over human rights (Kovel 1970, p. 6). Since slavery existed before capitalism, however, the integration of this astute observation into his analysis becomes a bit problematic.

The third master trope for Kovel is that of anality. He trees out the classic division of oral, anal, and phallic stages and holds that the "anal phase is so important in discussing racism because anality" occurs at the time "when a child is painfully detaching himself from this mother and establishing himself as a separate person...dirt, becomes, then, the recipient of his anger at separation, while the love of possessions becomes the substitute for the love of what has been separated from him" (49). This is presented as the primary cause of the scatologizing of blacks. This produces a black and white distinction, quite literally, falling neatly along the watershed of evil/good, infected/pure, devil/god, etc. In the chapter "The Symbolic Matrix," he examines these binaries as constructions and describes their associative networks. These are displacements or metonymies, although he does not use the terms, nor does he use dreamwork to analyze the associative networks. Dreamwork techniques would have aided in the illumination of the unconscious prejudices that he indicts. He speaks of primary and secondary symbols and seems to relate them to primary and secondary processes, terms that are, however, not employed.

Kovel also attempts a taxonomy of racists. There are "dominative racists" who advertise their bigotry, "aversive racists" who are racist but do "nothing overt about it," and the third type, "he who does not reveal racist tendencies at all," except at an unconscious level (54–55). The reader eventually learns, toward the end of the book, that the third type consists in "metaracists" (see below). What is lacking in his study is the notion of the fictionalization of the overt racist as a straw man in order to divert attention

from the economic factors that are most damaging to minorities. He does make a good observation that the historically racist society imagines the black “in his promiscuity, removes, with the power, the superego structures that come from identification with power, and frees the black to act out what the white cannot” (73). Thus, the (sexual) violence attributed to blacks is a projection and displacement of precisely those violent urges in whites. And in an attempt at a relation to the economy, he observes that “the avoidance of black people was greatest in those areas that were the most materially successful and the least tainted with slavery...of the Deep South” (80).

He asserts that the bourgeoisie “made the world a market” (112) and then criticizes “the radical extension of the market principle to the entire universe” (117), holding that technology should become “devoted to the service of the life forces” and thus “the tool of Eros.” If technology is “in thrall to domination and the endless production of lifeless substance,” then it will become “the tool of destruction” (121). This is a metahistorical battle between Eros and Thanatos, life and death.

Kovel’s work is strongly influenced by Norman O. Brown’s *Life Against Death: The Psychoanalytic Meaning of History* (1959), especially Brown’s study of anal retentivity and anal sadism in Martin Luther. Kovel offers a broad narrative of the anal personality in the West, drawing a large equation among the anal stage, the anal retentive personality, the reformation, capitalism, and individualism, all of which produce an absolutist binary of good and evil, white and black, and a racism dominated by the death instinct. Kovel holds that “it was the excremental Devil whom Luther invested with all the corporeal evil of the world; and it was from this symbolic turning point that anality spread, by repression, sublimation and abstraction, onto the entire world” (149). He extends this to puritanism, empiricism, and capitalism, via Weber’s *Protestant Ethic and the Spirit of Capitalism* (1930). “Humans were made into things, into abstract equivalents of bodily filth to be regained by the white Western self” (184), he posits, and situates slavery within “the Western psychohistorical matrix of anality,” which sought to “include the black—retain his instinctual appeal and the strength of his labor—but *control* him utterly” (186).

He offers the term “metaracism” to describe those who “are not racists—that is, they are not racially prejudiced—but metaracists, because they acquiesce in the larger cultural order which continues the work of racism” (211–212). And here, a psychoanalytic opportunity eludes his analysis, occluded by a panhistorical vision of anality and Thanatos as causal forces.

There is no analysis here of the use of defense mechanisms in the class he terms metaracist, a class that engages in defensive rationalizations in order to suppress an economic solution to inequality, an inequality that is strongly correlated with race.

There is a good deal of 1960s neo-romanticism in Kovel's vision. He is also influenced by Norman O. Brown's *Love's Body* (1966), which attempts a neo-romantic aesthetic synthesis of William Blake and Freud, pointing to an apocalyptic triumph of Eros. Kovel's solution is that "a generally loving attitude toward reality is necessary for any climb out of the abyss of racist thinking" (213). His concluding sentences read: "And, however submerged, we still have Eros on our side, along with its coordinated faculties, a creative intelligence, and a free, autonomous ethic. The rest is up to history" (247). All you need is love.

The works by Slater and Kovel display the academic side of the heady visions of 1960s counterculture, which remained impractical and individualistic in its orientation, and which became quickly absorbed into the hypercapitalist system. There is a lot of interesting psychohistorical speculation here, but psychoanalysis is focused elsewhere and remains disengaged from practical solutions to an egalitarian political economy, avoiding the necessities of organized labor and centralized redistribution of wealth. It is as if the system deflected conceptualization into a buffer zone, a sort of ineffective DMZ, where oppositionality became neutralized and translated into permutations of individualism that would, in the end, readily assimilate into the dominant system itself.

The vision of these early works on Marxism and psychoanalysis is largely optimistic and utopian and attempts to discuss the possibility of an egalitarian future society of individuals free or relatively free from repression. In this regard, the synthesis preserves Marx's belief in the democratic progress of history, but not Freud's less optimistic conviction of the inevitability of the condition of desire and the fact that satisfaction is intermittent. The present study has no such utopian project. It uses Marxism and psychoanalysis as tools for analyzing a political and economic sociopathology in the present American culture. The political solution that it points to is nothing new; it is simply the welfare capitalism of the industrialized world, itself ameliorative of inequality to an extent. In this sense, the present study is not opposed to capitalism per se. It is opposed to the exceptional American form of capitalism, which is an anomaly among the major industrialized nations. It seeks to show how that anomalous capitalism is

insulated, protected, rationalized through defense mechanisms, and how it contains and restrains opposition.

The most comprehensive study of Marxism and psychoanalysis to date can be found in Victor Wolfenstein's *Psychoanalytic-Marxism: Groundwork* (1993). This is a massive compendium of theories and issues that speak to Marxism and psychoanalysis, an overview through modernity and post-modernity from that perspective. It surveys a wide panorama of issues to which Marxism and psychoanalysis apply: race, class, gender, ecology, and so on. It is a groundwork in Marx's program of a *Grundriss*, a foundation to build upon, and a massive one at that. The title's syntax is a bit odd in hyphenating a single adjective modifier before a noun: psychoanalytic-Marxism, instead of simply psychoanalytic Marxism. This indicates a disjuncture and a subordination: Marxism is the operator that subsumes psychoanalysis into its democratic project. Contradictions, commonalities, disjunctures, even catachreses are digested into its overall project.

In his laudable attempt, Wolfenstein must resort, however, to grant reductionistic generalizations. Pieces assemble here as in a jigsaw puzzle, and there are many binaries that snap together quite easily. For instance, he says of Marxism and psychoanalysis:

at the level of anthropology, the two theories are mutually exclusive...For Marx interests are a function of work-activity. Desires and emotional life are molded by historically specific forms of the work-mediated relationship of human individuals to each other and nonhuman nature. For Freud manifest desires are a function of sexual and aggressive drives. Work-activity and historically specific economic relationships are sublimations of our basic drives. Productive activity, so far from being a part of our nature, is an externality nonhuman nature imposes upon us. (Wolfenstein 1993, p. 10)

These sublimations, however, which include productive activity, are basic to human nature for Freud. Wolfenstein says of Marxism and psychoanalysis: "The former speaks the imperatives of mass movement, the latter speaks against them." (93). This also seems overstated. He sees Marxism as "an objective theory, psychoanalysis a subjective one" (52). The binaries continue: "Marxism is a praxis of human emancipation, psychoanalysis is a praxis of individual emancipation. The one is public and political, the other is private and (in important respects) extrapolitical" (52).

And some declarations seem to miss the mentalist and oneiric nature of psychoanalytic inquiry: "Freud's interpretation of history is a more or less

covert mythology...His story of civilization may be good psychology but it is bad history” (49). But illuminating how events are interpreted unconsciously by primary processes—is this not psychohistory itself? Such neat generalizations are also applied to diverse theorists: “Reich and Fromm present us with mirror images of social reality. Reich flees from the problematics of social life into sexual romanticism and a reduction of mind to body...Fromm, by contrast, engages the problematics of social life. He also hides within them. He retreats from body into mind, from sexuality into issues of relatedness” (90).

He discusses Freud’s 1933 lecture *Über eine Weltanschauung* which is oddly translated as *The Question of a Weltanschauung*. It is literally “On a world view,” perhaps more smoothly as “On world views.” Here, Freud discusses the notion of having a world view in the first place. And he criticizes Marx for having a perspective that is solely economic, saying that this is reductionistic, and that it needs to include psychological models. While Freud is not rejecting economic causality in toto, Wolfenstein seems to read the essay as anti-Marxist and as posing problems for a synthesis. “The core of Freud’s critique in the ‘Weltanschauung’ essay is that Marxism is psychologically untenable” (34), Wolfenstein holds, which seems to imply that Freud is throwing out the baby with the bath water, which he is not. Marx’s treatment of ideological illusions should be seen as opening up avenues for psychological analysis.

Wolfenstein also characterizes Freud as saying that people are inherently lazy and do not want to work, and he opposes this to Marx’s view that humans fulfill themselves through labor (36). But Freud’s human is also one who sublimates drives in and through work; therein lies human creativity. The humans must create; it is in human nature to do so. Work for humans is transformational. One is reminded of Freud’s observation in *Totem und Tabu* (1912–1913) that hysteria can be seen as a caricature of a work of art, a paranoid delusion as a caricature of a philosophical system, and an obsessional neurosis as a caricature of a religion. For *homo psychologicus*, all work is a working through. The Indo-European root for “work” indicates a turning. Words such as “wrench” and “wrought” are also root-related and can be seen as acts of transformation.

Freud’s model is not utopian, and Marx’s may well be. But this does not mean that they cannot talk to each other. And in a perplexing statement in the context of the death instinct, he says that for Freud, “The forces of production are the legions of the God of Death” (44). But he does manage

to qualify this a bit later, saying that the aversion is not to work as such, but rather to alienated labor (48).

Oddly, Darwin is not mentioned once in Wolfenstein. This is indeed peculiar, as Freud was profoundly influenced by Darwin, as is clearly evident in *Totem und Tabu*, and as he admitted in the autobiographical notes in his *Selbstdarstellung* (1925), in which he said that Darwin played a major role in his decision to study medicine in the first place. Darwin's theories also strongly influenced Freud's configuration of instincts. In addition to the omission of Darwin, Juliet Mitchell's groundbreaking *Psychoanalysis and Feminism* (1974) is oddly absent, as well.

In toto, Wolfenstein's synthesis is itself a polemic against capitalism, if not against all forms of domination. But most importantly, it reveals the pervasiveness of a capitalism gone viral, its transparent ubiquity. In his review of *Psychoanalytic-Marxism*, Kovel has pointed out the functional primacy of the dialectic in Wolfenstein's project, which one may see as a neo-Hegelian use of psychoanalysis and Marxism in a dialectic engagement with domination and a superseding thereof. As Lacan has pointed out, psychoanalysis opens a dimension of dialogue.

Kovel summarizes very effectively: "Psychoanalytic Marxism is that doctrine which roots out blockages in the dialectic wherever these occur, whether in the inner or outer worlds" (Kovel 1994, p. 581). And it must be said that this is also the project of the present inquiry, to use Marxism and psychoanalysis to illuminate submerged discourses of domination that pass themselves off as democratic.

In doing so, however, I do not hold that Marx's work is a fixed and stable text to be interpreted "correctly," and neither is Freud's. One can collect tools from both models and use them for analysis. These models need not be, and in all likelihood cannot be reduced to a single root. In diagnosing a medical pathology, for instance, one uses heterogeneous tools quite successfully, such as meteorology and bacteriology. Climate can codetermine the success or failure of an organism. That the models are, respectively, inorganic and organic and deal with inanimate and animate matter does not at all indicate incompatibility for a sound analysis. So it is with the synthesis of Marxism and psychoanalysis that I present here, in application to a particular pathology. It is not, and cannot be, a totalizing holistic unification of both models.

One very recent study of psychoanalysis in a political context is found in Eli Zaretsky's *Political Freud: A History* (2015). (The epigraph to the book is a quote from *Life Against Death*.) Zaretsky holds that his work "charts the

rise and fall of political Freudianism” (Zaretsky 2015, p. 12). It seeks to trace its political presence “from its charismatic origins to its ‘obsolescence’” (5), and to depict it as an agent of political change. He claims that Freud became popular because his theories appealed to a new hedonism in culture, one that opposed itself to the protestant ethic described by Max Weber. In the twentieth century, people “separated from traditional familial and communal morality, gave up their orientation to denial and thrift, and entered into the sexualized ‘dream-worlds’ of mass consumption on behalf of a new orientation to what I will call personal life. Psychoanalysis—I will argue—was the ‘Calvinism’ of this shift. But whereas Calvinism sanctified mundane labor in the family, Freud urged his followers to leave behind their ‘families’—the archaic images of early childhood—not to preach but to develop more genuine, that is, more personal, relations” (18).

The study is burdened by a view of Freud almost as a catalyst for these changes, much in the same way that Weber viewed Calvinism. Weber’s study suffered from a failure to see economic conditions as pinning a religious flag to their motives, and Zaretsky’s study has a similar flaw: It sees Freudianism as a vehicle for a cultural change in direction, instead of the occasional sidecar that it was. “Psychoanalysis, I have argued, served as the Calvinism of the second industrial revolution” (37), he asserts, assessing it as “a mass cultural phenomenon” (18), which seems a bit overstated. Psychoanalysis was clearly present in the counterculture movements of the postwar era, but Freud did not become a poster boy for those movements, as Reagan did for the antigovernmentalism of the late twentieth century. He also sees the American New Left as greatly influenced by Freudianism. Clearly, some leftists (Marcuse, for instance) were influenced by Freud; but all leftists? The situation was polyvocal and decentered, and one should not hazard such totalizing causal connections.

Zaretsky sees the adoption of Freudianism in American culture as focusing on “instinctual release or gratification over and against Freud’s goal of instinctual renunciation or sublimation” (6)—especially in the postwar era—which led to its “obsolescence.” He also notes, but sparsely, the influence of “data: behavioral probabilities subject to prediction and control” upon the reception of psychoanalysis (192), which he terms a “cybernetic” movement, but in large, he pays insufficient attention to the role of empiricism in the gradual suppression of psychoanalysis in the postwar era (discussed here in Chap. 9). He also indicts “‘poststructuralist’ distortions of psychoanalysis” that led to “political correctness” in this collusion (193). Consumer capitalism is also cited as contributing to its

obsolescence. All of this seems oddly overstated: “political correctness converges with cybernetics through the idea that identities, such as race, gender, or sexuality, are points of relay, exchange, and intersection, which can be shifted as easily as computer codes” (193). But he does hold, and astutely so, that psychoanalysis was suppressed by a society that does not want to introspect. If Freudianism recedes, so does “the ethical commitment to self-reflection” (13). We need “the capacity or examine one’s thoughts, wishes, and conflicts without judging them” (13).

Oddly, the afterword: “Freud in the Twenty-First Century” offers no political program. It laments the passing of “the high value placed on self-exploration during the long Freudian century” (195), but in doing so, it can propose no political engagement to its title *Political Freud*. Zaretsky issues a nationwide call to introspection, disengaged, however, from an effective political economy. Zaretsky’s work should be seen as a description, however overstated, of the presence of Freud in some of the political movements of the twentieth century. What it lacks is a psychoanalysis of the political phenomena themselves. Such an analysis is greatly facilitated by an alliance with Marxism.

The Marxist psychoanalysis that this study employs, however, does not consist in a categorical rejection of capitalism in toto. It is, instead, a critique of the American ideology of a deregulated capitalist market. And here, the contributions of Fernand Braudel are very valuable for identifying the errant point in the American configuration of capitalism. In his study of the rise of capitalism, *Les jeux d’échange*, Braudel holds that capitalism itself was responsible for the enormously influential developments of the renaissance; it was itself the means to those developments. The shift to modernity was precipitated by the great international commercial voyages, the stock markets, and paper money. Braudel holds that “the value of the great stock markets of Amsterdam and London was that they assured the triumph, which came slowly, of paper money, of all paper monies” (Braudel 1986, p. 116). As the expedient medium of exchange value paper money performed “the role of the accelerator of capitalism” (116). And this coordinates with stages in maritime trade. When the coastal horizons were Mediterranean, it was Venice that profited most; when they became transatlantic, England and the Netherlands profited most, and, subsequently the USA.

He holds without question that mercantile surplus value was the basis of all commercial exchange: “That mercantile surplus value should be the necessary stimulus for all commercial exchange is so self-evident that it

seems absurd to insist upon it" (188). It was the merchant class that profited from the price differences between two countries, where a commodity is expensive in the one and cheap in the other. This constitutes the rise of the sine qua non of capitalism, its very specter: the merchant or middleman. The itinerant artisan who went from village to village offering his services existed at the margins of the market. The market actually begins with the boutiques, continually open, that operate on credit, borrowing and lending money.

Braudel sees capitalism as born with the merchant, the intermediary who buys from the peasant and sells to the consumer, and with whom the public market becomes the private one. The intermediary breaks with the rules of the traditional marketplace: In *La dynamique du capitalisme*, he says, "It is evident that this consists in unequal exchanges, in which competition—the essential law of the economy of the public marketplace—has a minimal function, and in which the merchant...interrupts the relationship between the producer and the person for whom the product is intended." It is here that "the capitalist process clearly emerges...in long-distance commerce...a realm of liberal movement...in this vast zone of operation, he has the possibility of choice, and he chooses that which maximizes his profits" (Braudel 1985, p. 57). Braudel sees no evil in the competition among producers; it is the law of the marketplace, a natural system that facilitates quality. The problem arises with the merchant class. And here, Braudel offers perhaps the most succinct characterization of alienated labor: the interruption of "the relationship between the producer and the person for whom the product is ultimately intended" (57). But there is a translation problem concerning the concept of alienated labor that needs to be pointed out.

The term that Marx used was *entfremdete Arbeit*. *Arbeit* is work, quite straightforwardly. *Entfremden* contains the root *fremd*, which means strange or foreign, and the prefix *ent*, which corresponds to the English "out of," as well as to the Latin *ex*. So the meaning would be something like "to make strange, to extract into strangeness," as in the English "estrangle."

The *Duden* dictionary defines *entfremden* as:

1. "to cause an existing close relationship to be dissolved, to make something strange/foreign"
(*bewirken, dass eine bestehende enge Beziehung aufgelöst wird, fremd machen*).

2. “not to use something for the intended purpose”
 (*nicht dem eigentlichen Zweck entsprechend verwenden*). (Duden)

Among the synonyms given by *Duden* are “to use incorrectly, to misuse, to refunction to use for another purpose” (*falsch verwenden, missbrauchen, umfunktionieren, zweckentfremden*). Thus it designates labor that is misused; capitalism changes the purpose or goal of labor. Clearly, Marx discussed psychological estrangement in his theories of alienation, but here, in the phrase *entfremdete Arbeit*, there is a clear meaning of redirected labor, one that tends to get omitted in translation. There are two new idioms that have entered the vernacular recently that could also be employed: to repurpose and to retask.

For Braudel, capitalism is an interruption to the rules of competition. This seems a bit counterintuitive, but what he means is that, in the village and the public market, the direct relation between artisan and consumer creates a balance of competition and supply and demand. The long-distance market, the market of capital, changes the public market into a private one, managed by the middleman. In this market, the merchant has abandoned the rules of the traditional market and created “a realm of liberal movement” (*un domaine de libre manoeuvre*) (Braudel 1985, p. 58), where the middlemen are free to create surplus value as they wish.

He observes a centralization of European economies in cities, beginning with Venice, then moving to Antwerp and Genoa in the sixteenth century, Amsterdam in the seventeenth, and London in the eighteenth. With London, the capital of the British Isles, the economy ceases to be municipal and becomes national, and it continues as such in the USA in the twentieth century. The organization of a national capitalism in Great Britain, however, was easier to realize due to its vast maritime routes. This helped facilitate the union with Scotland in 1707 and Ireland in 1801. The process in France, however, was hindered by insufficient maritime access and the internal obstacles of overland communication. Thus, there was a vast economy of autonomous consumers that essentially remained completely removed from the economy of exchange. Even in the most developed parts of Europe, there were zones that participated minimally in general commerce and remained isolated, clinging obstinately to their premodern economies. He sees this as persisting well into the eighteenth century and beyond. He sees these zones outside of modern capitalism as constituting the rule rather than the exception, with the majority of the population existing in the immense realm of “material life” (43–44).

Braudel sees a progression from slavery to servitude to capitalism, all the while adding that the process is not exclusive; there is considerable overlapping. But he notices one important aspect of capitalism: that it depends upon a tertiary servitude (*servage tertiaire*), upon a collaboration with the other. Thus, it depends upon both the centers and the margins. Within this model, there is plenty of room for including Third-World dependencies (97). He notes that arch-capitalists prefer external to local investments, as the former are more secure and profitable, and in this model, the government is represented as wasteful or corrupt. This outsourcing also helps enterprises circumvent local laws (109). This aids in understanding the American ideology of untrustworthy government, misrepresented as a force that suppresses competition and thus the furnishing of affordable goods to Americans.

In sum, Braudel sees a progression from “material life,” to the economy of the marketplace, and then to capitalism, which he sees as internationalist and monopolist. The most important transition can be succinctly phrased as a shift from the market to the marketer. In the market, the producer sells goods directly to the consumer, sets the price, and competes with other producers. This yields to a system in which prices are determined by marketers, those who do not themselves produce, but buy and resell (116). This system persists to this day: “For sure, capitalism today has changed fantastically in size and proportion...but, *mutatis mutandis*, I doubt that the nature of capitalism has changed at bottom” (115).

This dynamic will generate moralities that justify its economy. He discusses Max Weber’s work *The Protestant Ethic and the Spirit of Capitalism*, which holds that a particular American protestant spirit facilitated the development of the American capitalist economy. Braudel holds, and rightly so, that Weber proceeds counterclockwise and back-reads the present into the past. To support this, he observes that capitalism emerged in the Italian renaissance, a decidedly catholic era, and long before the protestant reformation (684). It is not a protestant ethic that produced capitalism, but capitalism that generates such ephemeral rationalizations, for instance, the familiar myth that competition and independence are in the “American protestant soul.”

It would be ridiculous to suggest that one ought to return to an economy before the days of merchant capitalism. But psychoanalysis is interested in origins, and thus it necessitates an illumination of capitalism *ab origine* in order to properly place the permutations of capitalism—

surplus value, exchange value redirected labor, and a host of others—in a psychoanalytic context.

In 2013, the French economist Thomas Piketty published the widely well-received *Le capital au XXI^e siècle*, in which he addresses the problems of the unequal distribution of wealth. He emphasizes that the question of the distribution of wealth is too important to be left only to academics and also holds that the novels of Jane Austen and Balzac offer depictions of the distribution of wealth in the UK and France at the turn of the nineteenth century that illustrate the problem with a “truth and evocative power that no statistical or learned analysis could equal” (Piketty 2013, p. 17). For Piketty, the distribution of wealth always has a subjective and psychological dimension that escapes empirical analysis (17). Economic determinism is not to be trusted here, as the distribution of wealth “is always a profoundly political story that can never be assessed by purely economic means. In particular, the reduction of inequality observed in the developed nations during the years 1900–1910 and 1950–1960 is above all the product of wars and public policies put into place following those shocks” (47). He says of economics, that it “never should have tried to separate itself from the other social sciences; it can only develop in their midst” (64).

He stresses the fact that there is no mechanism in capitalism itself that will distribute wealth in an egalitarian fashion. In criticizing the idea of the “invisible hand,” he holds that there is no natural and spontaneous process that can alleviate inequalities in any lasting manner. Public policy intervention is a necessary regulatory mechanism. The recent American belief that deregulation will distribute wealth more equally than regulation is a myth in the service of the class in which wealth is concentrated. And in an astute observation—one that should be self-evident, but that is not—he says that “the reality is that the inequality of capital is much more domestic than international” (80). World wealth is equal to world production, but that is clearly not the case with national wealth. And this is largely due to outsourcing and tax havens.

Piketty defines capital as the ensemble of non-human activities that can be owned and exchanged on the market (82). He uses the simple relation: $r > g$, where r is the yield on capital and g is the rate of economic growth; if the yield on capital outpaces national economic growth, then wealth will concentrate in one class. The resultant inequality will generate a mass of social problems that can only be ameliorated by a tax on capital and an engineered redistribution of wealth among the less affluent classes. Since there is no mechanism in capitalism that automatically redistributes wealth,

centralized public planning is the only solution, despite the erroneous claims to the contrary found in the “Reaganomics,” “supply side,” and “trickle down” ideologies, along with the absurd “Laffer curve” claim that tax cuts increase tax revenues.

In Braudel’s view of the medieval market without the merchant, where competition does regulate itself, and value is determined by use and quality, state intervention is really unnecessary; in the age of industrial capitalism, where the exchange of capital dominates and value fluctuates radically and mysteriously, public regulatory mechanisms are imperative for a redistribution of wealth.

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