Citizenship after Orientalism

Transforming Political Theory

Edited by

Engin Isin

palgrave
macmillan

3

Disorienting Austerity: The Indebted Citizen as the New Soul of Europe

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Abstract

This chapter examines the relation between citizenship and orientalism under the new conditions of indebtedness resulting from austerity. By broadly drawing on Lacanian psychoanalysis, the chapter argues that austerity has enacted a new economy of anxiety predicated upon the 'intensification' of certain affects (sacrifice, pain, restraint) and disavowal of others (indulgence, gratification, pleasure), contributing to reconfigure European political subjectivities. Taking its departure from this new economy, the crisis of Europe is described as the anxiety produced by a reversal of those paradigms that have sustained the image of Europe so far. This reversal coincides with a return in Europe of that which for a long time was ejected outside in order for Europe itself to be constituted as a unified symbolic reality. The chapter illustrates how this new economy has exposed a certain 'disorienting' effect of austerity, contributing to rekindling the ambiguities of Europe and therefore reconfiguring the image of the European self against its others. It concludes that this reconfiguration forms the background against which a new relationship between citizenship and orientalism in contemporary Europe should be examined.

Introduction

In a famous elaboration of the concept of crisis in the *Prison Notebooks*, Antonio Gramsci pointed to that particular context in which 'the ruling class has lost its consensus' and the masses 'have become detached from their traditional ideologies'. The crisis, he added, 'consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear'.[1] Zygmunt Bauman has recently emphasized how Gramsci's understanding of crisis had resignified the traditional idea of interregnum, detaching it 'from its habitual association with the interlude of (routine) transmission of hereditary or electable power'.[2] By allowing for

new productive uses of this category, which stressed the transition to a new institutional and ideological system, Gramsci could thus relate his notion of crisis to the extraordinary situations in which 'the extant legal frame of social order loses its grip and can hold no longer, whereas a new frame, made to the measure of newly emerged conditions responsible for making the old frame useless, is still at the designing stage, has not yet been fully assembled, or is not strong enough to be put in its place'.[3] In light of such a resignification, the present-day planetary condition would constitute for Bauman an interregnum, signalling the dying of the 'old' triune principle of territory, state, and nation as 'the key to the planetary distribution of sovereignty' in the face of a 'new' context in which sovereignty is 'so to speak, unanchored and free-floating'. New forces emerge, including multinational financial, industrial, and trade companies. 'Times of interregnum are thus times of uncertainty.'[4]

When actualizing Bauman's proposition, accounting for what is perhaps not yet a fully assembled 'new frame' in Europe, we might ask whether: 'Times of interregnum are thus times of austerity'. It is in fact since the beginning of 2010 that a number of signifiers have begun to resurface and float in the European public space, assuming primary symbolic relevance. For many years, they had been either repressed or deferred (*ejected*) to 'alien' contexts – in Europe but in other 'times' or in the same times but in other 'places'. Signifiers such as 'austerity', 'sacrifice', and 'indebtedness' began to appear in the headings of official documents and policy measures devised to counter the disastrous effect of the 2008 financial crisis as well as in the headlines of world leading newspapers commenting on those same policies. Titles like 'No age of austerity for the rich'[5] or 'Europe embraces the cult of austerity – but at what cost?'[6] accounted for the reactivation of 'austerity' as the term – full of historical connotations – that could best reflect the kind of vision informing the massive cuts on public spending that European governments were just about to put in place. Indeed, in spring 2010, massive public sector cuts were announced across Europe. The UK Chancellor of the Exchequer, George Osborne, delivered what he termed an 'unavoidable budget', a £40bn package of emergency tax increases and welfare cuts. German Chancellor Angela Merkel's 'unprecedented' austerity package involved initial spending cuts of 11.2 billion euros.[7]

In this play of resignification, old statements acquired new meaning, assuming deep symbolic value, as we shall see shortly. A phrase pronounced by Merkel during a meeting with the Christian Democrat party in December 2008 in the southwest German region of Swabia, 'hub of the Protestant work ethic', became a new universal trope, able to capture the kind of linguistic play that discourses on austerity would instantiate henceforth with their intertwining of economic (pragmatic) assertions and moral connotations.[8] 'One should,' she declared, 'simply have asked a Swabian housewife, she would have told us her worldly wisdom: in the long run, you can't live beyond your means.'[9] Besides the reassuring figure of the good 'austere'

housewife who knows how to keep a sensible family budget free from excessive and 'inessential' pleasure – times of austerity in Europe have indeed come to be associated very often with female prime ministers (read Margaret Thatcher in the United Kingdom and Merkel in Germany) – this sentence stirred a sense of fear and anxiety with regard to the political plan it was about to sustain. Fears now surrounded the very idea of Europe. The possibility emerged that those features that up to that point had been seen as its fundamental assets could be compromised or *reversed* altogether (i.e., stability, wealth). 'By undermining social cohesion, this strategy also weakens public support for the entire European project on which past economic success has been built. The deficit hawks must not prevail.'[10]

In the wake of the Greek debt crisis from late 2009 onwards, the economies of some European Union members became bound ever more tightly to financial markets, credit rating agencies, and international institutions such as the International Monetary Fund. Pressure was put on Germany to use its financial weight to sustain a bailout package and realize the possibility of a different economic governance in the euro zone. This pressure, however, was soon accompanied by new internal tensions in Europe, vividly highlighting the symbolic instability of European self-representation as an assumed unified cultural reality. If 'a reluctant Berlin' was thus accused of being 'irresponsible, selfish and even un-European', Merkel's statement about the Swabian housewife was used not simply as a general and systemic assertion (*we*, citizens of Europe, have all enjoyed far too much, beyond *our* means). It was quickly *turned* against Germany's neighbours in the EU, assuming immediate cultural nuances. As the *New York Times* was quick to observe, 'if France wants Germany to be more European, Germany wants Europe to be more Swabian'.[11] Needless to say, following the sovereign-debt crisis in South Europe, Merkel's statement performed a major metaphorical role, embodying strong moral hints when referred to – or perceived by – the henceforth-labelled category of PIGS (Portugal, Italy, Greece, and Spain). The message becomes: If European indulgence was naïve, yours was deceitful and guilty, the recurrent sign of your time-honoured corruption, the mark of an abusive inclusion in the club of the Europeans for which you were culturally inadequate.

It is precisely these kinds of turns and detours in regard to the recent financial 'crisis' and politics of austerity that are examined in this chapter. As canonical tradition has never stopped reminding us, the concept of *crisis* entails not just the phase of deterioration of a medical condition but the turning point in a disease.[12] The temporal and spatial dimension in which a *separation* is enacted between two planes (from Greek *krei* 'to distinguish, to separate') and a *decision* (*krinein* 'to judge') has therefore to be assumed in regards to the direction to be taken. Because of its fundamental function as a 'limit' in its own etymology, this turning point does not appear without its tensions. Rather than figuring as a 'rupture' at its purest, or the linear and progressive unfolding of a movement towards a necessary

direction (e.g., the degeneration of a disease), this 'turn' stands as a paradoxical moment of suspension (*interregnum*) inhabited by reversals, shifts, rotations, detours, and transgressions between continuity and discontinuity. It is in this sense that Antonio Gramsci, in his continuous reworking of the notion of crisis while addressing the 'catastrophic' effects of the 1929 Wall Street Crash, warned against the temptation to conceive the crisis as an 'event' rather than a 'complex process' or an unfolding (*svolgimento*): 'the crisis is nothing but the quantitative intensification of certain elements (which are neither new nor original) – but especially the intensification of certain phenomena – while others, which previously appeared and worked together with them, have been immunized, becoming either inoperative or disappearing altogether'.[13]

Our interest in this chapter is to explore the discursive dimension of this austere 'complex' interregnum, highlighting the type of resignification that these detours have entailed, and accounting for the destabilizing 'morbid symptoms', as Gramsci put it, that have appeared at the level of European political subjectivities. While more generally maintaining that Europe functions, constitutively, as a *concept of crisis* – with the idea of Europe standing as a critical process of constant separation and decision over what constitutes the field of the European (self, citizen, other) – this chapter accounts for some of the major turns that austerity discourses have triggered in the *debt crisis*, with a play of 'intensification' and *reactivation* of certain phenomena to the detriment of others that have become 'immunized', or simply (temporarily) 'inoperative'. This has enacted what can be called an *economy of anxiety*, contributing to reconfigure the image of the European and the relation with its others.

The Il-liberal Turn[14]

In his recent inquiry into the socio-political predicament of the (European) financial crisis, Maurizio Lazzarato highlighted the biopolitical effects produced by the creditor and debtor relationship.[15] According to Lazzarato, the *working poor* stand out as the new subjective figure of a system in which debt and shareholding are proposed as the only alternatives to the increasing impoverishment that the reduction of salary and the elimination of social provisions have produced in the last decades. With declining wages and pensions mostly postponed to later age, access to credit and personal share portfolios have been proposed as a tool, a form of *investment* in the self, able to compensate for changed social and economic conditions. Crucially, the *right* to higher education, housing, forms of social protection, and social services has been reformulated in the form of *benefit*, while its very possibility of enjoyment is conditional upon the adoption of housing and mortgage credit, student loans, and private insurance. According to Lazzarato, the ultimate nexus between private debt and sovereign debt that the crisis has exposed in Europe would finally reflect the function of debt 'as a

"capture", "predation" and "extraction" machine on the whole of society', and a 'mechanism for the production and "government" of collective and individual subjectivities'.[16]

The new discursive emphasis on 'scarcity' and 'indebtedness' in Europe triggered by austerity has furthermore been accompanied in recent years by a critical convergence of *budget deficit* and *democratic deficit*. To intervene on budget deficit has very often required bypassing democratic procedures. This includes the following: the routinization of constitutional tools originally thought of to deal with cases of particular 'necessity and urgency' in places such as Italy and Greece; the increasing use of confidence votes effectively curbing parliamentary debate; the growing dispossession of parliaments' legislative and oversight prerogatives; and the attempts, in specific cases, to halt popular consultation through votes, elections, or referenda in countries such as Italy, Cyprus, or Greece. This overall picture problematizes well-established accounts of neoliberal discourse, whose distinct 'ideological' traits have long been associated with rhetorics of prosperity, unlimited consumption, and the celebration of a 'post-ideological' world promising a cosmopolitan future of harmony and enjoyment, where social tensions are said to be accommodated by way of consensus-seeking procedures which render social conflict unnecessary, ideological divisions obsolete, and all material needs satisfied.[17] In psychoanalytic terms, advanced capitalist societies have long been related to an obscene context modelled around the neoliberal injunction to enjoy, which transforms social bonds into objectified and consumerist relations, demanding the production of increased quotas of surplus enjoyment (*plus-de-juir*).[18]

But what happens when the object of satisfaction is no longer available? When austerity programmes emerge that impose new limits on consumption and seem to go against the neoliberal and capitalist injunction to enjoy? For Lazzarato, this denotes the beginning of a 'new phase' marked by an 'authoritarian turn'.[19] With this formula, he refers to the final abandonment of the 'European social model' and the attempt by the state to organize the passage from the neoliberal policies of credit of the 1980s and the 1990s 'to the new authoritarian and repressive forms of the repayment of debt and the figure of the indebted men'.[20] In contrast to what seems to be Lazzarato's connotation of this 'turn' as a moment of change and rupture, however, we would like to stress the level of structural complexity informing this term, highlighting its link to that Gramscian idea of crisis as a complex unfolding mentioned above. From this standpoint, the il-liberal turn points to a shift in the rhetoric of freedom, with a downplaying of its usual play on liberal attitudes, success, prosperity, and credit in favour of other elements that were once thrust aside (or 'outside' the cultural borders of Europe) and that are now intensified – namely, illiberal practices, failure, poverty, and debt. These two sides constitute what we call the *il-liberal nexus*, with the dash in this term emphasizing the structural contiguity of credit and debt, 'liberal'

and 'illiberal' tendencies (the latter, thus, being just an internal component of it). At this point, a Lacanian perspective can be introduced to expose the level of complexity at stake.

According to French psychoanalyst Charles Melman, the psycho-social paradigm organizing advanced capitalist societies could be described in terms of a 'generalized perversion'.[21] Roughly, in Lacanian psychoanalysis 'perversion' denotes a structural position in which the subject veils the symbolic experience of castration through *disavowal* ('I know it happened, but I carry on *as if* it hasn't').[22] It denotes the subject's attempt to pursue '*jouissance* as far as possible', moving beyond the pleasure principle, the Freudian homeostatic limit imposed on bodily pleasure in order for it to be bearable to the subject.[23] The expression 'generalized perversion' denotes, therefore, the tendency of what Lacan once called 'the discourse of the capitalist' to promote a certain *excess* of pleasure, transgressing the limits and the norms that sustain the pleasure principle.[24] Melman's reference to perversion, in this regard, fully adapts to an old context dominated by the neoliberal celebration of credit and prosperity. We believe, however, that this clinical figure can also help understand the kind of libidinal economy that the debt economy instantiates, revealing the way in which anxiety interacts with lack, *jouissance,* and castration in times of austerity.

In Freudian psychoanalysis, while anxiety was initially seen as the effect of an inadequate discharge of 'physical sexual tension' arising out of libido,[25] it became, in later theories, an 'affective state' situated at the level of the ego and resulting from the perception of a threat.[26] Besides linking the nature of this threat to the possibility of organic injury, however, Freud also connected it to the overwhelming dimension of the event, to what Lacan would later define in terms of the real. With this term, Lacan referred to the excessive character of the event, pointing to the impossibility to fully symbolize and codify empirical reality. In this respect, anxiety emerges in association with a situation that is or can be traumatic and *uncodable* – such as the loss of the mother ('separation anxiety'), loss of love, object-loss, and so on. It is an effect – or the anticipation of an effect – of an encounter with the uncoded, an experience of trauma and castration that cannot be symbolized.

In addition, Lacan also considers anxiety as a condition emerging when lack itself fails to appear, when 'the lack happens to be lacking'.[27] If translated into the Oedipal scene, anxiety here would not result from loss and separation but would be an effect of the very proximity with the incestuous object. In this context, anxiety results from a full access to *jouissance*, which would obstruct or veil the emergence of lack. This means that the subject would experience the condition that occurs when lack happens to be lacking, a condition of absence of norms, prohibitions, and limits to *jouissance*, a deadly proximity to the object of satisfaction that would 'consummate' the subject when the object is 'consumed':

> I'll simply point out to you that a good many things may arise in the sense of anomalies, but that's not what provokes anxiety in us. But should all the norms, that is, that which makes for anomaly just as much as that which makes for lack, happen all of a sudden not to be lacking, that's when the anxiety starts.[28]

It is precisely because of the complex dynamics of anxiety, as an effect of both separation and loss on the one hand, and proximity and lack of limits on the other, that Lacan can state that: 'anxiety is very precisely the meeting point where all my previous discourse awaits you'.[29] It is here that we can trace the perverse character of neoliberal discourse, where the saturation of lack produced by the proliferation of libidinal objects makes the very anxiety of the subject vibrate, an anxiety that consummates the subject at the very moment it consumes its object of satisfaction.

This consummation, however, is itself an object of consumption. The consummation of the other is an effect of the instrumental character of *jouissance* in the discourse of the capitalist. The ability of a system marked by the neoliberal discourse to rouse the anxiety of the subject can also be seen, in fact, in terms of the instrumental logic informing perverse desire. In subcategories of perversion such as sadism and masochism, for instance, the subject becomes the *powerful* 'instrument of the Other's *jouissance*'.[30] By assuming the position of the object-instrument of the 'will-to-enjoy', a perverse position finds its possibility of *jouissance* reliant on the *jouissance* of the other, working and directing its activity to achieve this objective. In allowing the other a certain access to *jouissance*, however, the power to provoke the experience of anxiety is also constituted. While the very proximity to *jouissance* by the other remains somehow an excessive experience, this proximity is irremediably dependent on the whims of the pervert who acts as its means and who might, in fact, tend to enact a play of presence and absence of this access, offer, and subtraction of *jouissance*, support for its access, and blackmail as soon as this access is realized. What we have is then an ultimate transferral of the very experience of castration to the field of the other. As Lacan put it: 'the anxiety of the other, his essential existence as a subject in relation to this anxiety, this is precisely the string that sadistic desire means to pluck'.[31] By stirring the anxiety of the other through an encounter with *jouissance*, hence consummating the other through a transposal of castration, a certain consumption of libidinal economy is also secured for the pervert and ultimately realized.

A fundamental link between *jouissance* and anxiety, excitement and blackmail, consumption and consummation characterizes, therefore, the perverse framework here delineated. Renata Salecl has examined the dangerous allure that the pervert exerts over the other, accounting for the destabilizing encounter of pleasure (for instance, sexual pleasures, freedom of choice, and consuming the object of satisfaction, etc.) and fear (AIDS, Anthrax attacks

in the 1990s, 'guilt' when the very possibility to enjoy is prevented) across several 'ages of anxiety' intensifying in the period between the 1990s and the recent War on Terror.[32] We believe that this link finds expression, more recently, in those elements of corruption and generalized blackmail that Lazzarato, for instance, considers to be 'consubstantial to the neoliberal model', but which appear also as the structural effects of that very regime of freedom that Foucault himself detected.[33] It is within this perverse scenario that, for instance, we interpret the anti-social function of the so-called precariat.[34] This stands as a new form of proletariat trapped in the pervasive logic of blackmail *qua* condition for excitement: hence, neoliberal labour policies murmuring, from a perverse standpoint, 'if you wish to work, to *enjoy* the benefits of work, then you need to accept your exposure to uncertainty, precarity and lack of rights, even at the cost of exploitation'. While the economic convenience of the recent proliferation of temporary jobs, mini-jobs, precarious jobs in Europe is questionable (minor labour costs are often accompanied by minor productivity in terms of motivation and qualification of the *working poor*), the disciplinary effects are clear, contributing to enhance the level of uncertainty and blackmailing of society as a whole.[35]

It is, again, within this framework that we read the incredible rhetorical force of those gauges that in the last years have measured the level of threat and danger, and whose use, however, has functioned to increase uncertainty and anxiety. We think, for instance, about the way in which national terrorist alert scales were devised during the 'War on Terror', using the colours of the traffic light to signal the level of imminent danger, with the result, of course, that colours changed so quickly and unreasonably, even several times per day, that paralysis was produced as a result, with people ultimately unable to rate their condition of safety and inclined, in conditions of anxiety, to accept heavy restrictions on civil rights. As Jackson put it, 'the language of threat and danger was not inevitable or simply a neutral or objective evaluation of the threat. Rather, it was the deliberative and systematic construction of a social climate of fear'.[36]

It is in this complex context of *jouissance* and anxiety, excitement and blackmail, that the logic of credit and the logic of debit disclose their structural contiguity, manifesting the contradictory nature of capital as an unrelenting producer of codes. Capitalism reveals here its axiomatic nature, dominated by 'abundance' in conjunction with 'scarcity', as Deleuze put it in his lessons preceding the publication of the *Anti-Oedipus*: 'an axiomatic with a limit that cannot be saturated' so that when it encounters something new which it does not recognize, 'it is always ready to add one more axiom to restore its functioning'.[37] It is here that the logic of an abundance of capital intersects with the logic of scarcity and austerity in a terrain where 'semiotics of guilt' and 'semiotics of innocence' overlap.[38] Hence, the impersonal voice of a fluctuating 'market' emerges whispering: 'you should enjoy and live in harmony with your credit. But if you do, be ready for the failing effects of this enjoyment,

your condition of indebtedness!' Or, conversely: 'you should abstain from enjoyment in times of austerity, yet, shame on you if you do abstain, as you are not helping your economy!' In this respect, the il-liberal nexus sustaining the phantasm of freedom of neoliberal discourse appears to be marking not so much the erupting emergence of a debt economy opening a new authoritarian phase but the critical and complex *processuality* of an economy of anxiety in a context where old and new codes coexist, guilt and innocence overlap, liberal and illiberal practices coalesce, and the subject is suspended in the uncodable terrain of a contradictory circularity between success and failure, satisfaction and emptiness, limitless credit and limitless debt. In the face of this uncodable terrain where conflicting codes overlay, where the neoliberal emphasis on self-entrepreneurship and success is contrasted with the inability to properly manage the all-pervasive dimension of indebtedness, anxiety emerges as the inevitable condition of a real encounter with the uncoded.

The Disorienting Function of Austerity: European Detours

It is against this background that crucial questions arise in the wake of the 2014 elections to the European Parliament, which juxtaposed pro-European against anti-European factions, challenging, as never before, the validity and the meaning of the European project, its ability to provide a shared political, cultural, and imaginary horizon for millions of citizens within the European borders. What has been the impact of this overall debate on the idea of Europe? What are the effects of an economy of anxiety on current rearticulations of orientalist narratives and possible reconfigurations of European subjectivities?

Returning to our definition of Europe as a concept of *crisis*, we believe that the conceptualization of limits, the ability to draw and 'decide' lines of 'separation' between planes, spaces, phases, whether in the form of political borders or cultural boundaries, is a good starting point for attempting to answer this set of questions. When considering, for instance, the construction of the nation-state discourse in Europe, and the progressive affirmation of the very idea of Europe as the cultural and political horizon of those nations, a 'paranoid' principle of integrity can be said to have played a major constitutive role. By this we mean it has allowed for the adoption of rigid and clear-cut lines of separation, for example between the inside and the outside of the nation or the idea of Europe as a whole vis-à-vis a savage, oriental outside. In broad psychoanalytic terms, this required reverting a fundamental logic informing the fantasy of the subject, its relation to that something (*object petit a,* as Lacan termed it) that should be excluded, mediated, and kept at a distance in order for the subject to have normal access to reality. In the clinical figure of paranoia, this primordial movement of reversion is realized by *ejecting* this inassimilable something outside, *projecting* it into the other who, precisely because of its superimposed association with this something, will

figure henceforth as a threatening and persecutory presence. It is, however, this ejection that allows a certain field (the field of the subject, whether the national or the European subject) to be constituted as an image of pure unity and integrity. A paranoid regime of separation, when linked to concepts of rectitude and innocence, has been crucial to sustain the ideal of moral supremacy of European nations, enacting an intimate link between national narratives and logocentric orientalist motifs. Since Said's groundbreaking work, *Orientalism*,[39] wide attention has been given to the negative dialectic informing the cultural imaginary of European nations, with colonial subjects becoming the object of pervasive forms of power-knowledge through which they were perceived as 'other' and defined in terms not simply of *difference* but of *radical opposition*. As Hardt and Negri pointed out, 'What first appeared as a simple logic of exclusion, then, turns out to be a negative dialectic of recognition. The colonizer does produce the colonized as negation, but, through a dialectical twist, that negative colonized identity is negated in turn to found the positive colonizer Self'.[40] Hence, the long series of dichotomies defining a colonizable and orientalized other as uncivilized, emotional, undemocratic, and allowing for the dialectical construction of a new civilized, rational, and liberal European citizen. This logic, therefore, informs the orientalist gesture of Europe at an embryonic level, allowing that something that cannot be symbolized of its own history and politics, its own 'impurity', to be ejected in the figure of the stranger: its oriental and *orienting* other. It is because of the construction of this oriental excessive other, in fact, that Europe could 'orient' itself at the level of the constitution of the Self along a principle of integrity.

An early example of this dynamic can be found in the range of discourses on Asiatic despotism that began to circulate in Europe in the seventeenth and eighteenth centuries. In his *The Sultan's Court*, Alain Grosrichard links Asiatic despotism to an ongoing tension between democratic and absolutist instances at the time of the emergence of European nations. This resulted in the re-elaboration of the classic concept of 'tyranny', which was so central to the philosophical and political debate in ancient Greece.[41] Tyrannical tendencies were extracted from the image of Europe and distorted, located, and ejected in the figure of the oriental despot, which came to epitomize the 'nature' of Asiatic societies, allowing, at the same time, for the reorganization of European subjectivities along the unitary, liberal, and 'integral' character of the 'people'. This entailed distancing national identity historically, from both feudal and absolutist modes of power, and culturally, by moving towards geo-political settings against which the new national Self could play its specificity. It is precisely the paranoid mechanism described above that permits tracing the internal logic of this movement whereby the image of a deviant and intrusive otherness marked by historical obsolescence and cultural anomie (e.g., Asiatic patrimonial and personalistic modes of power based on bodily pleasure and license) was functional to the self-representation of a

new Europe. In place of the contemporaneous figure of the oriental despot (as a locus of infinite and perverse *jouissance*), the rational and liberal traits of emerging European nations could then be forged and mobilized externally, in colonial settings, and internally, as a disciplinary paradigm, reflecting the fundamental paranoid logic of reversion described here through a phantasmatic relation between external *aggression* and internal *subversion*.

In recent decades, a sharp contrast between 'capitalist authoritarian states' and 'liberal-democratic counterparts' or, more succinctly, between 'Western' and 'authoritarian' capitalism has denoted a similar mechanism in motion. New capitalist developments in countries such as China, Russia, and some East Asian economies (Singapore, Taiwan, etc.) have been said to retain forms of direct coercion that characterize precapitalist economic systems, with politically unorganized labour deprived of those forms of social protection that distinguished class-formed 'Western' capitalism in its crucial association with democratic political systems.[42] While a key achievement of the latter has long been located in the 'expansion of social citizenship associated with the welfare state', such achievement assumes full significance when juxtaposed with 'Asiatic societies', where the supposed lack of customary and social rights and state control and the absence of forms of social articulation qualifies the deviant authoritarian trait of these economic systems.[43] This juxtaposition, as we have seen, is not a new one. Besides old-fashioned discourses about Asiatic despotism, Marx's writings on the economic modes of production in India deployed a similar mechanism, using analyses of precapitalist Europe to describe economic developments in the 'Orient'. This mechanism of reversion was certainly strengthened by the hegemonic affirmation of modernist theories, whereby a number of stages were posed in the evolutionary process from 'traditional' to modern 'mature' societies, with emphasis put on the process of industrialization as being productive of socioeconomic transformations (such as an increasing institutional differentiation) and distinct cultural paradigms (scientific rationality, democratization, the belief in progress).

The limits of this approach – whether with theories of the origin of capitalism or modernist analyses of traditional societies – have been largely discussed, exposing the distortions that analyses using Western experience to inquire into non-Western contexts produce.[44] The aspect that we would like to highlight, however, concerns the way that such accounts are retrospectively used to recount and validate European theories themselves and the self-representation of Europe. Again, a logic of reversion is at stake here, one that fully mobilizes the *orienting* function of the Orient to account for Europe's past, present, and future. It is not surprising that even when caution is displayed against orientalist tropes, such an orienting function is retained: 'Modern-day China is not an oriental-despotic distortion of capitalism, but rather the repetition of capitalism's development in Europe itself'.[45] In the European transition from 'welfare state to the new global economy',

authoritarian capitalism stands not as 'merely a remainder of our past but a portent of our future'. This statement by Žižek, with its limits and merits, was enounced in the context preceding the 2008 financial crisis.

But what happens when this transition to the new global economy seems to have reached its final stage? What happens when the debt economy brings about the ultimate dismantling of European welfare states, and those same features that had been ejected to the East are now reinstated to discipline European societies? What happens when budget deficit and democracy deficit become more and more the concrete reality of Europe itself, and austerity discourses emerge that assume the enfeeblement of social and labour rights as a necessary remedy against the challenges of the present, if not a marker of progress, a way to keep abreast of the times? To put it another way, what happens to the orienting role of the Orient when the Orient ceases to be the Orient because its attributes have been dispersed in the real and symbolic determinations of the West?

In the complex turn from the rhetorics of credit, innocence, and freedom to those of debt, guilt, and failure, we pointed to the return in Europe of most of those features that had sustained its self-representation in post-war times, allowing the crisis of Europe to be first and foremost an identity crisis, a detour of its own imaginary, a moment of suspension and interregnum.[46] Hence, new discourses appear aimed to separate and decide about what constitutes the field of *Europeanness* and consequently redesign the field of *Orientness*. We testify here to a certain reactivation and intensification of orientalist projections at an *intra*-European level. We saw, in this respect, the way in which in the wake of the Greek debt crisis, accusations of 'egoism' and 'lack of solidarity' towards Northern European partners have largely been juxtaposed by narratives portraying the ultimate corrupted, irresponsible, and somehow 'oriental' traits of South Europe and the so-called PIGS (Portugal, Italy, Greece, and Spain) in what has been called a 'spaghetti Orientalism'.[47]

More than simply calling into question old rivalries between European countries, such discourses seem to stand as the natural effects of the generalized reorganization of European subjectivities that austerity has enacted under the rule of an economy of anxiety and the indebted man. What if these discourses reveal, then, the very *dis-orienting* function of austerity in times of European detours? What if they reveal the ultimate enfeeblement of the orienting function of the Orient at the time of a new *critical* moment of redefinition of Europe's own imaginary and identity; in a word, a new traumatic encounter with the uncoded?

The Indebted Citizen

To answer this set of questions, emphasis should be put on the type of libidinal economy that we examined in the first part of the article, when we

addressed the range of conflicting affects that sustain austerity discourses in Europe. We pointed to the affirmation of a new subject, who is constitutively indebted and anxious, and whose 'entrepreneurship', as required by the dispositif of debt, is now directed at the management of an unsolvable 'knot' intertwining conflicting passions such as sacrifice and gratification, pain and pleasure, restraint and indulgence. What makes this knot unsolvable is the immensurability and immeasurability that the logic of debt enacts in this framework, a debt that escapes any possibility of quantification, standing as a function, not a concrete quantifiable exchange. This allows for an ongoing circulation of consumption and consummation which nullifies any possibility whatsoever of a final fulfilment of debt. More than simply mobilizing a classic negative dialectic at an infra-European level (Southern Europe fulfilling the role of an orienting constitutive outside towards Northern Europe and vice versa), discourses on PIGS and the like point to the construction of a new 'soul' of Europe morally 'responsible' for a condition of generalized *indebtedness*. The parsimonious distribution of 'benefits' that neoliberal economy has granted in substitution of old twentieth-century 'rights' – replacing the 'general' and 'abstract' character of rights with the 'particularistic' and 'conditional' character of the benefit – goes in this direction, contributing to the ultimate transition from the post-war figure of the *entitled citizen* to the neoliberal figure of, we would call here, the *indebted citizen*, the new soul of Europe.

We argued that the anxiety of Europe is, among other things, partly elucidated above, the anxiety of a return in Europe of that which was either projected in the figure of the phantasmatic and excessive other or repressed in the distorted shadows of its own history and politics. More than simply entailing the abandon of old narratives of prosperity, liberality, and credit, we suggest that this return coincides in Europe with the emergence of the indebted citizen, who stands as the new paradigmatic figure of the disoriented development described above. While denoting the construction of a new 'European' upon whom rests now the 'responsibility' to administrate the inextricable knot of its own indebtedness, with its conflation of guilt and satisfaction and the impossibility to gain final redemption, an economy of anxiety is once again what the biopolitical dispositif of debt mobilizes. This is well evidenced by the conditional logic organizing the discourse on benefits. While their allocation assumes more and more the form of conditional gift – dependent on acceptance of the new harsh rules of the labour market, neoliberal structural reforms, and so on – their enjoyment remains irremediably subjected to endless revisions and evaluations, which can lead to their withdrawal at any moment. We see here how the critical encounter between an offer of enjoyment and the possibility of its withholding that we posited at the centre of this economy of anxiety is activated in this context, producing once again an inevitable interplay of guilt and satisfaction. The very acceptance of these same benefits by the indebted citizen entails

in fact discriminating between the recipients of the benefits and those who remain suspended in an interval of precarity, so reproducing a vicious circuit of privilege, consumption, and guilt.

The logic of confession, when thought of in association with the apparatus of indebtedness, offers a good perspective from which to consider the dynamics mobilized here. In his recent work, Andrea Teti has drawn on Foucault's analyses of *confession* to explore the operation of democratization as a discourse with regards to the Middle East. In this space, orientalist characterizations are said to rely on positionalities that parallel those of Confessor and Sinner in the first volume of Foucault's *History of Sexuality*,[48] allowing for forms of cultural essentialism on Arabo-Islamic 'deviant' alterity. Within this perspective, 'disciplinary interventions are framed in order to generate a productive failure, which provides the root mechanism through which confessional – and thus Orientalist – discourses are capable of (re)producing their specific subject positions and relations of power'.[49] Whether with discourses on modernization or democratization, a 'polymorphous and deviant causality' constantly fails and reproduces an emancipatory/reformatory agenda instantiated by the Occident and introjected by the Orient, transforming 'any Orientalist discourse into a carceral space, the fundamental function of which is to govern the other by framing its purpose as emancipation on this confessional discourse's own terms, and by disciplining its (inevitable) failures'.[50]

This enacts a circularity between failure, care, and discipline, whose operational workings, seemingly, we saw transposed in the European activation of an 'unpayable debt' mobilizing the anxious circuit between semiotics of guilt and semiotics of innocence just described. Only ten years ago, discourses about the renegotiation of Third-World debt and the disciplinary effects of foreign aid (with its necessary links to neoliberal structural reforms and confessional strategies) denoted the centrality of the 'indebtedness paradigm' in the relation between Europe and its others, contributing to sustain the image of a Europe of prosperity and credit and to reproduce the 'indebted' and 'failing' position of the Third World. The return of the indebtedness paradigm from the 'laboratory' of emerging economies to Europe helps us to identify a further sign of detour in the European crisis.

This return figures, as we put it, as a return in Europe of that which, from outside, allowed Europe to be constituted as a unified symbolic reality: Europe, a space of prosperity, democracy, labour, and social protection, opposed to the authoritarian quality of Asiatic *despotic* states and *despotic* capitalisms; Europe, as a space of credit, abode of creditors, as opposed to a Third World, to whom *aid* had once to be granted – on condition, of course, of *rights* being transformed into *benefits* after neoliberal structural reforms; Europe as the house of the *modernist* paradigm yielding shelter to industrialization, belief in progress, social and institutional differentiation – all features missing in the 'primitive' sociality of the Rest and now leaving a vacuum

in the current context of uncertainty, stagnation, deindividualization, and deinstitutionalization of Europe. The anxiety of the critical turn that the crisis has instantiated is the anxiety of the return of all those elements that had once marked the field of the other, and that now populate the social life of most Europeans, making old orientalist narratives somehow enfeebled, if not untenable. How to talk about authoritarian capitalism, in fact, in the face of today's European 'need' for flexibility, a flexibility that serves, more and more, as a masquerade of the precariat?

This is not to say that these elements were absent before European austerity. But the hegemonic position that austerity discourses have granted them produces a fundamental encounter at the level of symbolic inscription, allowing for a general reshaping of European subjectivities. If, as Foucault put it, 'in the universality of Western Reason [*ratio*], there is a split [*partage*] which is the Orient: the Orient thought of as origin, dreamt of as the vertiginous point from which are born nostalgias and promises of a return', an encounter with this split, with this original constitutive truth, can only stand as an encounter with the uncoded, with that 'lack of lack' that we posited as a crucial condition for anxiety.[51] It is here, in this crucial movement of turns and reversions, with Europe somehow compelled to confront the Orient inside itself (that is, the reversion and return of all those paradigms that bestowed on Europe its ontological consistency) that we can detect the crisis of Europe and envisage the interplay of different strategies at work. Hence, once again, the deployment of paranoid solutions aimed at imposing an hypertrophic line of separation between the Orient and the Occident, with the effect of recompacting the idea of Europe along a logic of rejection in a critical context of social and cultural dis-*orientation*. This tendency, however, combines with other disciplinary frameworks mobilizing different libidinal economies. When thinking about al-Qaeda in the aftermath of 9/11, it is easy to detect, for instance, the instantiation of a paranoid strategy sustaining the persecutory phantasm of an illiberal Islam, while, at the same time, testifying to a perverse mobilization of al-Qaeda's spectre as a vehicle of anxiety in a framework organized upon the production, consumption, and consummation of insecurity and fear. Similarly, the recent surfacing of ISIS (Islamic State of Iraq and Syria; English acronym for DAIISH, *Al-Dawla al-Islamiya fi al-Iraq wa al-Sham*) in the international scene, right at the moment of a crucial passage with the 2014 European elections and the utmost eruption of anti-European feelings, seems to produce a twofold effect. On the one side, it helps to recompact the European field in the aftermath of a harsh electoral campaign dominated by populist movements, rekindling the old civilizational position of the West against a barbarian Islamic terror; on the other, it re-enacts a confessional logic revitalizing the same rhetoric that was used following September 11, with European Muslims asked, on a daily basis, to *confess* what they stand for: to unremittingly declare their abhorrence of Islamic terror (e.g., recent demonstrations declaring: 'Not in

our names!'); to publicly stand against the ISIS, so reproducing the *impossible* task for the *indebted* Muslim, whether outside or inside Europe: to keep pace with and finally prove compatibility with democracy and tolerance. We see reproduced here a generalized mechanism of production and consumption of failure at work in the debt economy, with the crucial nexus between orientalism and citizenship reconfigured along the paradigm of the new indebted citizen of Europe, which now extends to the whole society. It is here that we locate the *dis-orienting* function of austerity and its ability to mobilize a typical transferral of sadistic perversion by which the symbolic experience of castration is turned over to the other, and an 'inassimilable' core of anguish (*anxiety*) is passed on, as Lacan would say, in the imperturbable and 'soulless' location of God:[52] the irresponsible Muslim, Christian, or lay European citizen now remodelled, through an *unsolvable* knot, in the figure of the indebted citizen, responsible in the end for a new soul to be provoked, blamed, cared for, and disciplined.

Notes

1 A. Gramsci, "'Wave of Materialism' and 'Crisis of Authority'," (1930/1972), 275–6.
2 Z. Bauman, "Times of interregnum," (2012), 49.
3 Ibid.
4 Ibid., 51.
5 http://www.theguardian.com/commentisfree/cifamerica/2010/jun/30/useconomy-georgeosborne
6 http://www.theguardian.com/business/2010/jun/13/europe-embraces-cult-of-austerity
7 http://www.telegraph.co.uk/finance/budget/7846849/Budget-2010-Full-text-of-George-Osbornes statement.html
8 http://www.nytimes.com/2010/05/04/business/global/04iht-euro.html?_r=0
9 Ibid.
10 http://www.theguardian.com/commentisfree/2010/jun/25/g8-g20-europe-deficit-hawks
11 http://www.nytimes.com/2010/05/04/business/global/04iht-euro.html?_r=1&
12 R. Koselleck, *Critique and Crisis* (1952/1988).
13 A. Gramsci, "Q 15 (II) § 5, Passato e presente. La crisi," (1933/2001), 1756; translated by the author.
14 This section draws material from a previously published article, which examines the biopolitical workings of indebtedness from the viewpoint of Lacan's discourse of the capitalist: A. Mura, "Lacan and Debt: The Discourse of the Capitalist in Times of Austerity," *Philosophy Today* 59 (2015): 2. For an in-depth analysis of this relation, please refer to this article.
15 M. Lazzarato, "The Making of the Indebted Man: Essay on the Neoliberal Condition" (2012).
16 Ibid., 29.
17 For instance, A. Badiou, *Metapolitics* (2006); and J. Ranciére, *On the Shores of Politics* (2007).
18 For instance, F. Declercq, "Lacan on the Capitalist Discourse: Its Consequences for Libidinal Enjoyment and Social Bonds," (2006).

19 M. Lazzarato, "The Authoritarian turn of neoliberalism – Preface to the Italian edition," *La Fabbrica dell'Uomo Indebitato* (2012), 5–27, translated by the author.
20 Ibid., 18.
21 C. Melman, *L'homme sans gravité: Jouir à tout prix* (2002).
22 Roughly, expressions like 'paternal law' or 'symbolic castration' refer to the requirement of a certain drive renunciation that Freud posited as conditional for the inclusion of the subject in the programme of civilization. The 'oedipal' institution of the law in the forms of social and moral norms (but also the very function of language in Lacanian psychoanalysis) while 'limiting' the subject, 'humanizes' and 'socializes' it through that very request for sacrifice and renunciation. Although negative, this prohibition is therefore also productive, as it allows the subject to develop 'desire' (for instance, the desire to recover the very object that has been lost or sacrificed). Because of this sacrifice and drive renunciation, 'lack' is established as a fundamental constitutive feature of the subject.
23 J. Lacan, "The Subversion of the Subject and the Dialectic of Desire in the Freudian Unconscious" (1960/2006), 700. *Jouissance* (in English, 'enjoyment') figures in this context as a 'painful pleasure' that is always excessive for the physical survival of the subject: see, for instance, J. Lacan, *The Seminar Book VII, The Ethics of Psychoanalysis* (1959-1960/1992), 184.
24 J. Lacan, "Del discorso psicoanalitico," (1972/1978).
25 S. Freud, "Extracts from the Fliess Papers," (1894/1953-74), 191.
26 S. Freud, "Inhibitions, Symptoms and Anxiety," (1926/1953-74), 140.
27 J. Lacan, *Anxiety: The Seminar of Jacques Lacan, Book X* (1962-63/2014), 42.
28 Ibid.
29 Ibid., 3.
30 J. Lacan, "The Subversion of the Subject," 700.
31 J. Lacan, *Anxiety,* 104
32 R. Salecl, *On Anxiety* (2004).
33 M. Lazzarato, "The Authoritarian turn of neoliberalism – Preface to the Italian edition," (2012), 14.
34 G. Standing, "The Precariat: The New Dangerous Class" (2011).
35 A. Corsani and M. Lazzarato, *Intermittents et précaires* (2008).
36 R. Jackson, *Writing the War on Terrorism: Language, Politics and Counter-Terrorism* (2005), 120.
37 Deleuze, "Cours Vincennes – 16/11/1971: Capitalism, flows, the decoding of flows" (1971).
38 M. Lazzarato, "The Authoritarian turn of neoliberalism," 7.
39 E. Said, *Orientalism* (1978).
40 M. Hardt and A. Negri, *Empire* (2000), 128.
41 A. Grosrichard, *The Sultan's Court: European Fantasies of the East* (1979/1998).
42 J. Lee, "Western vs. Authoritarian Capitalism" (2009). For a critical reading on this point, see also, P. Bowles, *Capitalism* (2012).
43 P. Heller, *The Labor of Development: Workers and the Transformation of Capitalism in Kerala* (1999), 42.
44 G. Hamilton, *Commerce and Capitalism in Chinese Societies* (2006).
45 S. Žižek, "China's Valley of Tears – Is authoritarian capitalism the future?" (2007).
46 For a detailed account of the economic and social causes of the crisis and its impact on the narrative of prosperity and 'necessary' growth at the core of Europe's self-representation in post-war times, see I.T. Berend, *Europe in Crisis: Bolt From the Blue?* (2013). The debate about the crisis has touched upon the role

of the European Union vis-à-vis national members. In a recent analysis on the crisis and its effects on the European social model, Marie-Ange Moreau pointed to a rejuvenated function of the nation-state as 'important generator of policies to fight the effects of economic crisis', observing a higher reliance on national law over EU law by members, M.A., Moreau, ed., *Before and After the Economic Crisis: What Implications for the 'European Social Model'*? (2011), 4. From a critical angle, Wolfgang Streeck advocated a stronger role of those institutions – included revitalized national institutions – able to regulate financial markets, denoting a fundamental recasting of the European state system during the crisis, with the incipient formation of a European multilevel governance regime subsuming debt states, Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism* (2014). While cautioning against the risks of 'nostalgic' views across leftist readings of the crisis and their critique of Europe, Habermas proposed re-enacting constructive engagements with the European project able to promote a truly democratic 'transnational' view, J. Habermas, *The Crisis of the European Union: A Response* (2013).

47 A. Teti, "Spaghetti Orientalism: From Tunis to Schengen" (2011)
48 M. Foucault, *The History of Sexuality: An Introduction* (1976/1990).
49 A. Teti, "Orientalism as a Form of Confession" (2014), 194.
50 Ibid., 207.
51 Foucault, *Dits et Ecrits, Tome I*, (1961/2001), 189; translated by Andrea Teti and quoted in Teti, "Orientalism as a Form of Confession," 208.
52 J. Lacan, *Anxiety,* 164.

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