Capital Myths and the ‘New Copernican Revolution’

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In the prevalent world view, the ecology is perceived as a subset of the economy where intense state interventions and ideological scaffoldings are needed to sustain this rule of capital. However, this order of things seems to be changing where the economy is now, increasingly, being perceived as a subset of the ecology. This is akin to a “New Copernican Revolution” in the way we look at human relations with nature and with each other. Recent instances, like Vedanta’s Niyamgiri rejection, indicate that entrenched ideas are changing in India too.

A “New Copernican Revolution” that reverses the relationship between economics and the environment has been underway globally for some time, and is finally making its impact felt in India. Two recent developments indicate this trend. First, the rejection of Vedanta’s application to mine in Niyamgiri, which must be seen beyond all cynical speculations about electoral calculations as a victory for tribal rights in forest areas. There are, of course, always several small and big interests at play in any such development: the logic of elections, corporate rivalry, cheerleaders of capital in the media, and movements and struggles. Decisions of such moment cannot emerge unless there is a favourable constellation of different impulses at play in the field.¹

That the Niyamgiri decision is not simply an outcome of cynical calculations in the corridors of power and corporate intrigue, is attested to by the proposal that has been announced by the Union Minister of Mines, B K Handique, in the Rajya Sabha. This, the second important development, is the proposal of the group of ministers to give tribals a 26% stake in profits from mining, that has come up in the course of drawing up the Mines and Minerals (Development and Regulation) Bill that seeks, among other things, to control illegal mining as well as protect the environment and tribal rights.

The latter proposal has unexpectedly encountered opposition from industry bodies like the Federation of Indian Chambers of Commerce and Industry, and sections within the government are already thinking of scrapping it. However, the fact that this proposal is now there on the table can make it the rallying demand for many more struggles across the country. Both the Niyamgiri decision and this proposal echo the reverberations of popular struggles that now resonate in the corridors of power.

It is critical to remember that many of these movements have been around for decades and have not found this resonance before. It is both the intensification of popular struggles over the recent years – usually fought away from the corrupt world of party politics (which is now fully implicated in the world of corporate loot) – and the conjuncture of the shift in common sense (that is the new Copernican revolution) that have made this outcome possible. Moreover, as many activists of these movements point out, eternal vigilance is required to ensure that such decisions, as referred to earlier, are not scuttled.

Suffer for the Nation

Attempts are already underway to try and subvert these decisions. Classically, the argument against reining in of capital is made by invoking some of the “founding myths” of capital.

One, that this is the only way to progress. Industry must replace agriculture and this will always involve necessary costs; some people are bound to suffer in the short run but eventually everybody will prosper. We – poor people of a poor country – desperately need capital to deliver us from the living hell that our lives have become. Jobs have to be rapidly created and so, we must bend over backwards to accommodate all the demands of capital – unrestrained loot of natural resources, hire and fire of workers as and when it pleases, tax exemptions to stimulate investments and so on. If we do not do so, capital will run away to greener pastures and we will all perish in its absence.

Two, that capitalism is the best economic arrangement because it is in tune with human beings’ most primal instincts – labour, consumption, accumulation for instance. So, given half a chance, tribals too would like to live our lives – own washing machines and cars. It is apparently only the romantic radicals (the infamous jholawalas), who are holding the poor tribals prisoners in their state of backwardness! Three, capital is about free enterprise and is the only guarantee of liberty of the individual, whereas all these attempts to regulate capital strengthen the state and signal a return to old-style protectionism. No less a person than the Prime Minister of India has aired this opinion on more than one occasion.

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However, the championing of the tribals’ supposed desire for washing machines and cars cynically ignores the fact that their dispossession is not meant for their uplift. It is meant for profit of the corporations. Thus, in the last 60 plus years, we have amassed a figure of over 21 million (and still counting), of those who have been sacrificed at the altar of capital. In earlier days there was no pretense. Nehru could candidly call upon the peasants and tribals to “suffer for the nation”; he did not pretend that things would be to their own benefit. This fairy tale of tribal advancement is nothing more than a neoliberal lie, a blatant justification of perhaps the most predatory phase of loot and dispossession in human history.

Basically, there are two arguments for industrialisation in this neoliberal arsenal: (1) the employment (and progress) argument, and (2) the efficiency argument. And never are the two deployed simultaneously.

The employment/progress argument is deployed when people have to be dispossessed of their land. Characteristically, it is argued that industrialisation is necessary for generating employment and more importantly, for progress, so that people may rise above mere subsistence level existence – and for that, such immediate dispossession is a minor price to pay. It is not an insignificant detail that those who passionately advocate the cause of progress, never have to pay the cost.

Once the industry is in place, it is the efficiency or profitability argument that kicks in. Now it is argued that industry is not meant to provide employment – it must compete in the global market and for that to happen, it must shed “flab” – that is to say, the workforce (whose wage-bill is a drain on the corporations’ profits). So, even assuming for a moment that the tribals want to ape the vulgar lifestyles of the New Delhi or Mumbai elite, there is no chance in hell that they are going to get there.

We actually need to reverse the logic of payment of costs – let those who benefit pay. We must insist – as our industry is fond of doing – that nothing comes without a cost. If you want to mine in forest areas, you will have to pay the costs – both to the tribals by giving them a share in profits and to the environment by being constantly subject to the strictest regulations. Costs of dislocation cannot be paid through low paid, gruelling industrial jobs for a few, from which they can be fired at the employers’ will; offering partnership in the project or share in long-term profits is the only most sensible proposal.

The Myth of Homo Economicus
Modern economics rests on the well-known assumption that private enterprise and free market are the most rational economic arrangements because they conform to the most “basic instinct” of human beings – namely, the acquisitive instinct. However, if recent scholarship shows one thing beyond any shadow of doubt, it is that there is nothing natural or rational or spontaneous about capitalism. It shows, further, that there is nothing “free” about the capitalist market. Histories of labour and of the inculcation of work discipline in Europe and Britain had already shown how labour was not simply released from agriculture and employed in industry in some
smooth and natural process. Already, in *Capital Volume I*, Marx had discussed the way the poor laws and laws on vagabondage (and the extreme violence they entailed) had functioned to discipline and subjugate labour. Foucault’s studies (especially *History of Madness*, and also *Discipline and Punish*) showed us how the “Great Confinement” worked and how the emergence of new disciplines and disciplinary apparatuses and practices worked to produce workers as persons with minimum needs – as docile bodies. There is now a vast body of literature that shows how the labouring body was produced as one that would be free of fatigue – an endlessly productive machine – through a whole range of new sciences (physiology, physics, ergonomics, hygiene, etc).²

**Fuelling Consumption**

Those were the early years of capitalism. Later capital was to be seized with the very opposite anxiety – that of consumption. How to make workers consumers of the industrial commodities they produced? More recent scholarship has demonstrated that not only was “labour” produced through elaborate mechanisms of power, the consumer too was not simply waiting to buy washing machines and cars. Elaborate mechanisms had to be put in place to bring forth the consumer – and much anxiety still surrounds the precariousness of this mode of being. The exponential expansion of the advertising industry, alongside the rise of, what Guy Debord called, the “society of the Spectacle” and what Baudrillard called the simulacrum and the hyperreal (the media, advertising, simulated shopping centres, etc. practically dissolved the order of the real/representation), the lure of credit, the constant beckoning to the individual to *become consumer*, all point to the same anxieties.

A recent expression of such anxieties came in the context of a debate sparked off by the austerity measures introduced by the United Progressive Alliance (UPA) government, in the wake of the recession in the global economy. These measures, quite mild in themselves, and quite farcical at one level, entailed some short-lived curtailment of expenditure by officials and elected representatives. Sections of the corporate media, that see themselves as active campaigners for probity in public life, however, went into a tizzy this time. So, for instance, the *Indian Express*, said in an agitated editorial comment: “the concern is that now a nominally reformist party and government are trapped into a spiral of moral correctness that is rapidly taking on anti-aspiration, anti-rich overtones.”³ The fear was not about certain party leaders wanting to live simply; it was that in some indirect way, “austerity” and “simplicity” were being exalted. In other words, this step was sending out a message that could potentially discourage consumption. We could ask, if some people want to live in luxury, is it their prerogative, but why all this anxiety about others who want to live in simplicity? The answer clearly is that, were this to happen and more and more people were to start enjoying a simple life, the economy would be in crisis. For some people to live their obscene consumerist lives, the myth of the naturally consuming and self-maximising individual must be maintained.

In fact, the entire history of modern capitalism is shot through with this anxiety – of *producing* the consumer. All through the 20th century, attempts have gone on to ensure that people, especially workers, consume in a rational way. In the early years of the last century, Henry Ford even had to send groups of social workers to “educate” his workers on how to spend “rationally” and not squander their wages on useless expenditure.

But perhaps the most significant recent analysis in this respect has come from Robert Reich, a former secretary of labour in the US government. Writing in the *New York Times*, recently, he underlines that the most significant reason preventing recovery of the American economy is the decline in consumption.⁴ Real recovery, he argues, is only possible if consumers have the money to keep spending without artificial boosters from the government (low interest rates, etc.), but the problem is that earnings have simply not kept pace with the growth in the US economy. People managed to spend nevertheless, because when they were through with their savings, people resorted to credit. Sinking ever deeper into debt, they managed to keep spending but this bubble had to burst – and it did. And now, with the experience of the crash, US citizens (whose personal savings rate had reached zero levels some years ago) are already saving to the tune of 6.4% despite stagnant income growth. A lot of governmental effort always has to go in to making people spend, and the signs now are that these may not be working half as effectively as they had in the past.

If neither labour nor consumption are natural proclivities of human beings, neither is accumulation. The work of Hernando de Soto, lionised by neo-liberals the world over and whose services have been enlisted by the Government of India recently, indicates, despite himself, that in most parts of the world ordinary people do not “naturally” take to accumulation. The burden of his song has been that capitalist has failed everywhere except in the west. And this, while the poor all over the non-western world have amassed huge amounts of wealth and have shown great enterprise, so much so that according to de Soto and his Institute of Liberty and Democracy, this wealth created by the poor is far larger than what is there in capital markets. But alas! says de Soto, all this is dead capital because people do not want to invest these resources (say their houses), put them up as securities and so on.

Of course, his argument is that this is because of faulty property systems which are still mired in *forms of property that are not bourgeois*. They are not based on individual ownership, which can facilitate sale and purchase but are based on “archaic” notions of ownership (common property, family property, etc). The point to remember is that this creation of bourgeois property does not occur without the use of force – it is not simply a matter of *recording and representing* actually existing property forms into deeds and titles, as de Soto seems to suggest. Everywhere, wherever the bourgeois property form has established sway, it has been through a process of violent annihilation of older forms. But we can set that aside for the time being. If one were to follow de Soto’s own argument – which I think tells us a fundamental truth about capital – then it is only through a massive process of state intervention and the incorporation of the informal economy into the formal, that accumulation of capital can actually take the form it did in the west.
In short, capitalism and private property are a state project from the beginning to the end. They have nothing to do with the natural proclivities of human beings. Wherever capital has achieved dominance, it has been through the violence of the state. Liberation from capital can only be based on liberation from its predatory bid to colonise life itself. So, Prime Minister Manmohan Singh should disabuse himself of this mistaken impression that there has ever been an era of a free market and recognise that regulating corporations is a call of justice that cannot be subordinated to some fictional logic of pragmatics.

The New Copernican Revolution

More importantly, something else has happened in the last couple of decades – the “New Copernican Revolution”, in Lester Brown’s words. The original Copernican revolution, inaugurated in 1543 with the publication of On the Revolutions of the Heavenly Spheres, completely transformed our sense of the world by making us aware that it was not the earth that was the centre of the universe but the sun. It nevertheless took 200 years for this heliocentric model to replace the Ptolemaic geocentric model of the universe – when there were no direct material interests involved in holding on to the old model. Such was the combined force of ignorance and prejudice.

The new Copernican revolution does something similar in relation to our understanding of the social world. The disciplinary knowledges of the 19th century, especially political economy/economics and Marxism colluded in instituting “the economic” as the larger totality of which the ecology was a mere subset (as natural resources to be mined and exploited for human consumption). The new Copernican revolution completely reverses that order. It tells us that, on the contrary, it is the economy that is a subset of ecology. Global warming, climate change, the serious energy crisis facing today’s world, underline this fact as never before. Important economists, and even neoliberal propagandists like Thomas Friedman, have now begun to recognise the impact of this revolution. But such is the combination of prejudice, ignorance and material interests that propaganda machines – ranging from a host of corporate media organisations and think tanks to key functionaries in all parties and the government – work overtime to prevent this recognition from spreading. At its most benign, we see naïve economists talking economic wisdom as if it were still a simple matter of some ostensible laws of the market.

What this change of paradigm demands is nothing short of a rethinking of the fundamentals of economics itself – including its notions of externalities. Costs of production can no longer be calculated by merely adding up factors like wage bills and costs of raw materials. They must include the costs of polluting and depleting the water resources of Plachimada (in the case of Coca Cola), of the damage done to lives of generations of people in Bhopal (in the case of Union Carbide), as illustrations. They must include treating tribals as partners in profit, and the landowning peasantry too as partners contributing land-as-capital. Costs must include the costs of water and air pollution, of dangers posed to the health of the unsuspecting populace in the vicinity of industries. Last
but not the least, they must include the costs of damage done to the health of workers.

Our economists can, of course legitimately, turn back then and ask: If you include all this in the costs of production, how can there be any incentive for anyone to invest? Why should any private entrepreneur put in his money in such a situation? Our answer will be: Let them not. Let them also join the ranks and let us then all put our heads together to see what can be the most ecologically just route to “progress”. Maybe, at the end of the day, if all these questions are seen as internal to economics, capital will come up against serious barriers to accumulation, maybe even cease to be capital!

At least one thing is clear: there is no ethical argument left in favour of unrestrained private enterprise. The days of unrestrained corporate capitalism are over and the most vicious battles of coming decades will have to be fought on the matter of reclaiming the world from its vampire-like grip. The new battles are about decolonising life from the stranglehold of such blood-sucking capital.

NOTES
1  It is worth recalling how many times workers' strikes have been represented as “being instigated” by rival corporate interests. There may sometimes be some truth in this, insofar as rival interests are often driven to egg on strikes just as they have often been driven, at the global level, to force the recognition of rights of unionism and universal labour standards – so that fair competition is maintained.
3  “Holy Cows”, editorial comment, Indian Express, 16 September 2009.