

The Use and Abuse of Postmodernism

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James Laxer, *The Undeclared War: Class Conflict in the Age of Cyber Capitalism* (Toronto: Viking 1998).

William McDonald Wallace, *Postmodern Management: The Emerging Partnership Between Employees and Stockholders* (Westport: Quorum Books 1998).

THE NOTORIETY that postmodernism has achieved in recent times derives from two things. On the one hand, its arrival as a mode of analysis, undermining the established certainties and analytical frameworks of many disciplines, has earned it the enmity of scholars occupying positions across the political spectrum. On the other hand, it has now become something of a commonplace, both popularly and within the academy, that we stand at the dawn of a new postmodern era, one in which the social, economic, political, and cultural arrangements of the modern era begun in the Enlightenment and the revolutions of the 18th century are being fundamentally transformed. As with the arrival of postmodernist analysis, the passage to a condition of postmodernity is deplored by many. Indeed, it is a hallmark of the political left today to stand in opposition to both postmodernism and postmodernity.

Indicative of the left's repudiation of postmodernism is James Laxer's *The Undeclared War: Class conflict in the Age of Cyber Capitalism*. The central aim of this work is the analysis of what Laxer takes to be a new, postmodern "cyber capitalism," where the triumph of the market and market ideology over social democracy is nearly complete and where class conflict has re-emerged as a major fact of contemporary social existence. While this aim dominates, of clearly equal concern to Laxer is the revindication, through its practical application, of an essentially Marxist social theory (which is to say one which takes the analysis of global capitalism and class relations as essential) against a faddish postmodernism whose effect, he argues, is to reinforce the social arrangements of the new capitalism. So while it is the analysis of postmodernity (which is to say contemporary

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capitalism) that is front and centre here, Laxer is adamant that this can only be achieved by steering clear of postmodernism, a theoretical framework whose advent is coincident with the rise of postmodernity and with which it is, supposedly, inextricably linked.

It is ironic, however, that Laxer should make theory such an important issue here. For it is the absence of firm theoretical foundations that ultimately undermine his social analysis. As we will see, Laxer wants us to believe that capitalism today is different in its essentials from that capitalism which prevailed from 1945 to 1975 or thereabouts and different yet again from that capitalism which prevailed before 1945. Moreover, he wants to have it that class conflict today pits a capitalist class dominated by a group of the fabulously wealthy "super rich" against a new "working class/middle class," which includes everyone from spotty-faced burger-flippers at McDonald's to tenured academics like himself. What is shockingly absent, however, is a defence of the grounds for speaking of a new capitalism and new social classes. While a fairly traditional Marxism informs some early parts of the book, at the end of the day the mere words "class" and "capitalism" are the pitiful remnants of that theory. In its stead, rhetoric and some very un-Marxist and un-theoretical romanticism, nationalism, and xenophobia become the driving forces of Laxer's analysis. As I will show, a more convincing analysis could be had by simply sticking to Marxism, plain and simple. But sticking to Marxism does not mean turning one's back on postmodernism. For I want to suggest that both Marxism and postmodernism can play an effective role in debunking the impoverished central motivating concept of this book, postmodernity, a concept equally central to a contemporary political discourse so disadvantageous to the left.

Laxer's argument is fairly straightforward. It begins with a reassertion of the existence of social class, a proposition which in and of itself, he argues, transgresses against a "formidable taboo" (32) of an American culture which now has influence throughout the West. Not only is the fact of social class real, but so is a deepening class conflict in which the dominant capitalist class has seized the upper hand. This class conflict has manifested itself in the assault, begun in the 1970s but pursued more aggressively in the last two decades against what Laxer calls the Great Social Compromise between capital and labour that emerged after World War II. The growing gap between rich and poor, the shift from full-time work to part-time work, the decimation of a substantial and secure industrial working class, the descent into economic insecurity of much of the white-collar middle class, the fantastic rise in unemployment in the West, the globalization of capitalism, the enshrinement of the rights and prerogatives of capital in trade deals and new tax regimes, and the steady erosion of the welfare state are all signs of this class war.

One of the chief effects of this new class war, Laxer argues, is the emergence of a "new working class/middle class" whose ranks include traditional industrial workers as well as teachers, nurses, academics, bank employees, and others. What unites this "large and diverse section of the population" as a social class, he argues,

is not merely the fact that they are all "sellers of labour power," (142) but, more importantly, that "their experiences in relation to the dominant social class are more convergent than divergent." (144) As the prime targets in the current class war, all "sellers of labour in the industrialized countries have faced two realities: their real incomes have hardly increased while those of their bosses have soared; and they confront more or less permanent job insecurity." (143) Another common experience which unites this new class is the impediments placed on their ability "to develop themselves within the range of cultural and intellectual possibilities that exist in their society." (42)

There is something compelling about this argument. The stagnation of wages and salaries since the early 1980s and the spread of job insecurity both real, through the evisceration of labour rights and the increased mobility of capital, and perceived are among the most important social facts of the past two decades. But one wonders whether the experience of these developments shared by millions in the working- and middle-classes are a firm foundation on which to begin to speak of a new social class. For beyond shared common experiences there are also profound differences in social existence within this population. Laxer himself provides an apposite instance of this difference. Introducing a chapter on the pervasiveness of American popular culture, he describes his outrage at hearing American country and western music coming from a radio while he sat at a coffee bar in San Sebastián, Spain. I think even Laxer would concede that the type of income (however stagnant) and professional perquisites that would provide for regular travel to and extended habitation in Europe are far removed from the day-to-day struggles of the non-unionized, *minimum wage employees* with whom he wants to lump academics in a single social class. Moreover, I think that the ownership (prolific amongst middle-class salary earners) of a substantial sum of capital, either through home-owning or RRSP investments, suggests not only a social experience contrasting sharply with that of millions of *propertyless workers*, but a *relationship to the means of production* that points away from Laxer's notion of a broad "working class/middle class." Nor, as Laxer freely admits, have increasingly common experiences given rise to a sense of class identity. One might posit at this point that postmodernism, which has most thoroughly confronted the complex epistemological issues invoked by the concept of experience, might best be able to explain why increasingly convergent circumstances (which is what Laxer really means) do not give rise to increasingly common experiences.

If Laxer's notion of a new "working class/middle class" is problematic, so is his reconception of the bourgeoisie. For he argues that one must draw a distinction in today's capitalist system between mere capitalists and what he describes (giving full reign to an annoying penchant for hyperbole) as a class of "super rich paladins," (90) "megamoguls," (41) "mega-entrepreneurs," (52) "megacapitalists." (46) A favourite example of this group is Bill Gates. What defines members of this group is not only the vastness of their wealth (Gates's personal wealth is estimated to be

\$75 billion), but its global scope and almost instantaneous mobility which allows them to use a form of investment blackmail to determine and to implement “the societal project of contemporary capitalism.” (83) These “super-rich impresarios and corporate managers ... decide where investment flows and where it does not ... determine who works and who does not ... calculate which states and political leaders are onside and which are not.” (89) They “make fundamental decisions that determine the socioeconomic course of the industrialized world.” (87)

This argument, too, has the ring of truth. But, again, Laxer exceeds his reach. For he has failed to specify a means of determining who belongs to this select group of the super rich. He has failed to give evidence that these few super-rich do, indeed, determine where investment flows and where it does not flow. He has failed to show how it is that these super-rich set and pursue a societal project of contemporary capitalism. More tellingly, he has failed to show that there is such a thing as a societal project of contemporary capitalism. Indeed, to the extent that he indicates that what capitalism wants is to let the Darwinian logic of the market place dominate in both the private sphere and the public, it seems to me that the aim of capital today is what it was 150 years ago, to “set up that single, unconscionable freedom — Free Trade.” So his tortured and ethereal theory as to the relations that obtain between the super-rich and “sub-multinational capitalists” and how the agenda of the former is pursued by the latter is simply unnecessary. For their agenda is already unified and, as always, they speak as a single class. Nor has Laxer convinced me that, to the extent that today’s capitalists exert a fantastic influence on state policy, they are any different than yesterday’s capitalists. Indeed, Laxer’s argument merely seems to reinforce Marx’s comments about the state being the organizing committee of the bourgeoisie.

The problems encountered in Laxer’s reconceptualization of social class raises questions about his claim as to the existence of a new “cyber capitalism,” “different from capitalism in the days of Henry Ford,” (4) or different, for that matter, from the capitalism that prevailed in the time of the Great Social Compromise. Laxer never clearly defines “cyber capitalism.” In part, it seems to derive from the theory of postmodernity developed by Frederic Jameson, in his *Postmodernism, or the Cultural Logic of Late Capitalism*, and by David Harvey, in his *The Condition of Postmodernity*. As with Jameson and Harvey, Laxer points to new mobile, global, and flexible systems of production and investment as the defining characteristics of contemporary capitalism. But Laxer makes only the vaguest of hints in this direction and the relation to the theory of postmodernity would be inscrutable to readers unfamiliar with the work of Jameson and Harvey.

As the “cyber” in cyber capitalism suggests, however, for Laxer, as opposed to Jameson and Harvey, a fundamental aspect of this new capitalism is computer technology. Advances in computer technology, he argues, are central to the increased mobility of capital today. Computers allow investors “distant from productive enterprises, [to] move in and out of participation in their financing in a matter

of minutes or hours," (107) a facility of capital movement which gives rise to a "money-economy" destructive of the "real economy" of the production of goods and services. This notion of an essential and constitutive link between contemporary capitalism and computer technology pervades this work and fuels much of Laxer's rhetorical excess. Joseph Lewis, a British financier who has made a substantial fortune playing "techno-financial games," (108) is described as "personif[y]ing the new techno-wizard billionaire." (109) Bill Gates, who lives in a "techno-retreat" on Lake Washington, (86) is described as a "demigod, not merely because of his wealth but because he is the sorcerer, the master of symbols. He produces the very technology that has helped liberate the flow of money in our time. He is the alchemist who fuses the new technology with money." (95)

The force of these arguments about the destructive effects of technology rely upon the power that largely romantic literary themes exercise over the Western imagination rather than on critical reflection. For it is the telephone (a technology that Laxer does not seem to fear) and the current international regulations governing the flow of capital, not the computer, that permit the kind of by-the-minute investing characteristic of contemporary capitalism. Moreover, to the extent that Marx pointed out that the chief defining characteristic of industrial capitalism was continual technological revolution giving rise to continual social and economic revolution; and to the extent that he also argued that capitalism "must nestle everywhere, settle everywhere, establish connections everywhere" it seems to me that we exist today in that self-same system of capitalism that Marx defined, one that is not at all superseded by computers or globalization nor one which might merit speaking of a new and different "cyber" capitalism. Computer technology is merely another technological innovation of industrial capitalism, no more constitutive of it than, say, the automobile. To suggest otherwise is to abandon Marxism for science fiction.

But the abandonment of Marxist theory, which Laxer seems to invoke when he claims to want to "analyze global capitalism as a system and to draw conclusions about who has power within it and who does not," (4) is one of the defining characteristics of this book. Not only do we have the problematic conceptions of social class and "cyber capitalism" outlined above, but one can also see the influence of George Grant's *Technology and Empire* when Laxer argues that American superpower has allowed "American ideas and values" (in what way these ideas are essentially American and not indicative of capitalism *tout court* is not explained) to become hegemonic and have foreclosed options that Canada might pursue in resolving social and economic problems presented by contemporary capitalism. (240) This theoretical heterodoxy gives rise to the question of why Laxer makes issues of theoretical orthodoxy, and especially the denunciation of postmodernism, so important to this book.

Central to Laxer's opposition to postmodernism is the largely unsubstantiated notion of an essential link between postmodernism and postmodernity. He may

have a point in suggesting that, to the extent postmodernism informs identity politics, it diverts attention away from issues of class and the inequalities of the capitalist system. Similarly, there is no doubt that postmodernism's concern with discourse makes concepts such as "class" and "capitalism" more problematic than heretofore. None of this, however seems to justify Laxer's claim that postmodernism is one of "the intellectual defences erected to fortify capitalism against all basic criticism," (56) nor does it in any way address the question of any fundamental link between postmodernism and the social arrangements of postmodernity.

Nevertheless there are those who want to use postmodernity to do just those things that Laxer suggests. One example of the is William McDonald Wallace's *Postmodern Management: The Emerging Partnership Between Employees and Stockholders*. While Wallace holds a graduate degree in business administration and is now the chair of economics at St. Martin's College, Washington, his main work has been as an economist in the private sector, most recently as chief economist at Boeing. This is not to say that he is unaware of academic debates about postmodernism. While he (incorrectly) sees in French postmodernism a rejection of "the mechanistic, overly 'rational' modern era" which accords well with his own interests, he turns away from it both because of what he sees as its Marxist orientation and origin and because it "is driven by philosophers with no real responsibility for affairs and it poses no practical alternative of any kind." (xi) Indeed, none of the figures associated with postmodernism — Michel Foucault, Jacques Derrida, Jacques Lacan, Jean-François Lyotard, Roland Barthes, Jean Baudrillard — figure in Wallace's book. Rather, his bibliography reads like the catalogue of a New Age book store, typical of which is Deepak Chopra's *Quantum Healing: Exploring the Frontiers of Mind and Body*, and Gary Zukav's *The Dancing Wu Li Masters*.

For Wallace, then, postmodernism denotes the collapse of a Newtonian mechanistic, rational worldview which informed the West's mechanistic, rational, and bureaucratic social order and industrial organization. Evidence of this collapse, he posits, is given in the failure of Western economies in the 1970s at the very time the Japanese economy was prospering. The difference, he argues, can be accounted for by the organic, family-like organization of Japanese business. In the Western system workers are mere "hirelings" who work at a specific task at a pay rate linked to that particular task. This specific task orientation and the pay structure attached to it blocks creativity and inhibits hirelings from working for the common good of the enterprise. Not so in Japanese companies, in which a partnership based upon a common goal unites all "members" of the enterprise. A postmodern management system, which is to say one that recognizes the poverty of the mechanistic worldview, is one in which hirelings would become partners. Of course, partnership does not imply ownership. Rather, as Wallace says, the "key word is *goal*. For partnership to work, the firm needs a common goal, one in which all partners freely share" (139) though the mechanics of free goal-setting are merely sketched out. This

partnership is to be cemented by a share paying arrangement on top of base pay. This is not the paying out of shares in the company but a division of the company's net revenue. This seems very egalitarian until Wallace points out that an "effective compensation plan" would be one that sees a 35 to 1 share ratio between the highest paid to lowest paid. (145) The advantages of this system are twofold. On the one hand, commitment to a common goal provides partners, formerly known as workers, with a sense of identity, thereby overcoming the alienation associated with traditional industrial organization. On the other hand, the greater the proportion of bonus pay to base pay the longer all workers can be maintained through economic slumps. This Wallace describes as getting labour "to accept flexible earnings." (172) Obviously, unions and collective agreements would be inconsistent with this new plan of management.

While Wallace's thrust is the transformation of management within the individual enterprise, he leaves no doubt in his concluding chapters that he foresees in the long run a larger process of change leading to a postmodern economy, one whose central characteristic is a still freer free market. Clearly, such a vision reflects that of many on the right whether or not they would describe the new economy as being somehow postmodern.

But as we see in Wallace's intellectually flaccid tract, it is not that postmodernism stands in the way of any "basic criticism" of capitalism, but the concept of postmodernity. For what the concept of postmodernity signifies is both a new age, which is upon us and about which we can do nothing, and which is epochal precisely because of the profound transformation of the social, economic, political, and cultural arrangements indicative of modernity. Thus, the object of social analysis itself has been radically transformed. Yet whose argument is this but Laxer's? It is Laxer who argues that the "idea that we live in a new age is not misguided" (4) and who spices his text with phrases like "at the dawn of the new millennium" and "this age of cyber capitalism." And what is this age? Post modern. What I would suggest, however, is that this new age is not a "thing" which we must confront, but an object of discourse, one whose very immateriality leads Laxer into the pitfalls I have outlined above. So when Laxer speaks of something that impedes any "basic criticism" of capitalism, instead of running to the departments of cultural or literary studies at York University he ought to turn into the men's room and look in the mirror.

By arguing for the legitimacy of the concept of postmodernity, Laxer goes a long way toward legitimizing the argument of the right that we live in new times with new realities that must be confronted. Moreover, having rejected a postmodernist analysis which takes as its point of departure the idea that all discourse establishes relations of power, not so much by repressing individuals but by constituting them as subjects, he cannot even begin to comprehend the possible effects of his use of the concept of postmodernity in the political realm. A review such as this, of course, cannot discuss in any detail these effects. But, to return to

a point I made earlier, postmodernism, to the extent that it does look at the relations between discourse, power, and subjectivity, seems well suited to understand the role the concept of postmodernity plays in shaping contemporary social experience in such a way that the left has either been shut out of political power or has been forced to adopt a "no enemies to the right" political strategy. For surely the concept of postmodernity enables people of all classes to reshape their political identities, to distance themselves from others of the same socio-economic strata, from traditional organizational and political affiliations, and to understand themselves, through the prism of postmodernity, as radically free of all social and community ties and as hostile to those political ideas which would want to limit them in any way.

If anything, it is on this count that Laxer's analysis suffers most. For he largely ignores the question of why increasingly convergent material condition of existence have not led to the development of class consciousness within the broad spectrum of the population he lumps into a single class. He speaks vaguely about the complicity of the mainstream media in representing capitalists as "the most important and creative actors" in society. (152) As well, he speaks about the "hegemony" (240) of American ideas about the values of the market and of the inherent right to social leadership of capitalists. Yet the analysis of this hegemony is virtually non-existent and, to the extent that he argues it derives from American power and from the right of capitalists to hire and fire, it is thoroughly un-Gramscian. So it can be said that Laxer needs something like postmodernism.

There is no doubt, though, that there is much out there that goes by the name "postmodernism" that is useless to the left (such as the aesthetic postmodernism that informs contemporary literature and the plastic arts) and indeed not postmodernist at all (such as identity politics, which posits essential, gay, lesbian, ethnic, etc. identities which are merely repressed by those white, patriarchal, heterosexual discourses in which they are represented). Careful distinctions must be made. But certainly there are variants of postmodernism (such as Michel Foucault's which few would argue is not central to the postmodernist enterprise) which offer critical tools that can usefully be brought to bear in left-wing social analysis. It can offer an analysis both of the role current political discourse plays in shaping political subjectivity and of the history of the discursive conditions of possibility of the emergence of the concept of postmodernity. To this extent postmodernism poses no threat to the left and left-wingers need not eschew it as a baneful influence. Indeed, postmodernism may represent the best hope the left has in defeating postmodernity, a concept fundamental to a political discourse and a political landscape in which the left has no role.

Death to postmodernity! Long live postmodernism!