Matthew Flisfeder

Debt: The Sublimated Object of Capital[1]

ABSTRACT

In psychoanalysis, a 'sublime object' is one that signifies the transformation of a condition of impossibility into one of possibility. On the one hand, it represents a moment of internalized prohibition that transforms an impossibility into something possible: the sublime object turns the impossible sexual object, for example, into something that is prohibited, and therefore possible. On the other hand, a sublime object represents the objectification of a lack. Or, in other words, it is lack in object form; it is the objective correlative of nothingness itself. What better definition might we have for the role played by debt in capital, particularly in its financial stage?

Debt is the sublimated object of capital in the sense that it is, itself, a pure nothing that attains object form. It is in its object form that this pure nothing makes possible the global expansion of capital and the class interests that pertain to the latter. Debt operates similarly to the Lacanian the sublime object as the 'object-cause of desire'. If we subtract this object from capitalist system we lose the system itself. Debt is in this sense the object that, on the other side of its 'normal', everyday operation contains both a nugget of the truth of the system itself and the mechanism by which the capitalist system may be overthrown. Debt is the lack in the capitalist system that overlaps with the lack that is the exploited subject.

In my paper, I use the Lacanian concept of the sublime object to demonstrate how debt represents the sublimated object of capital; and, as such, it is the central, universal cause that has the potential to open up a space for the interpellation of radical revolutionary subjectivity.

RÉSUMÉ

En psychanalyse, une «objet sublime» est une qui indique la transformation d'une condition d'impossibilité dans une de possibilité. D'une part, il représente un moment d'interdiction intériorisée qui se transforme en une impossibilité quelque chose de possible: l'objet sublime devient l'objet sexuel impossible, par exemple, dans quelque chose qui est interdit, et donc possible. D'autre part, un objet sublime représente l'objectivation d'un manque. Ou, en d'autres termes, c'est le manque sous forme d'objet, il est le corrélatif objectif du néant lui-même. Quelle meilleure définition pourrait que nous avons pour le rôle joué par la dette en capital, en particulier dans sa phase financière?

La dette est l'objet sublimé du capital dans la mesure où il est lui-même un pur néant qui atteint sous forme d'objet. Il est dans sa forme d'objet que ce pur néant rend possible l'expansion mondiale du capital et des intérêts de classe qui se rapportent à ce dernier. Dette fonctionne de façon similaire à l'objet sublime de Lacan, comme «l'objet-cause du désir». Si l›on soustrait cet objet à partir du système capitaliste nous perdons le système lui-même. La dette est en ce sens que l›objet, de l›autre côté de la «normale», l›exploitation quotidienne contient à la fois une pépite de la vérité du système lui-même et le mécanisme par lequel le système capitaliste peut être renversé. La dette est le manque dans le système capitaliste qui chevauche le manque qui fait l›objet exploité.

Cet article utilise le concept Lacanien de l›objet sublime de démontrer comment la dette représente l›objet sublimé du capital, et, comme tel, il est le centre, cause universelle qui a le potentiel d›ouvrir un espace pour l›interpellation du radical subjectivité révolutionnaire.

KEYWORDS: debt; finance; securitization; sublime object; sublimation

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Introduction[2]

In recent years, debt has become a prominent object of inquiry for critical and cultural theorists. Although debt is not a new category of investigation for critical political economists, books such as David Graeber's *Debt: The First 5,000 Years* (2011) and Richard Dienst's *The Bonds of Debt: Borrowing Against the Common Good* (2011), along with the formation of the Strike Debt movement, have illuminated the politics of debt in the context of the most recent financial crisis (2007–08) and its place in mainstream discourse.[3] Debt has been at stake in some of the most explosive political struggles in Europe and North America over the past few years:

> The debt that the Greeks, Irish, Portuguese, English, and Icelanders do not want to repay and against which they have been protesting over the last several [years]; the debt that legitimizes the increase in British university tuition and has provoked violent clashes in London; the debt that justifies cutting off 800 euros per family in the UK in order to reestablish [*sic*] a balanced budget in the aftermath of the financial crisis; the debt that calls for budget cuts to education in Italy and which Roman students have risen up to oppose; the debt that cuts social services, financing of the arts, unemployment and basic welfare benefits… ." (Lazzarato 2012: 24–5

Debt has been used as the justification for the removal of collective bargaining rights from workers in Canada, including postal workers, Air Canada employees, and public school teachers in Ontario; and it was used to justify a proposed rise in post-secondary tuition fees in Quebec, which sparked a massive student and public uprising in the summer of 2012.[4]

In both the developed and developing worlds, debt has been the single most effective means of disciplining labour since the development of neoliberalism in the 1970s, whether through structural adjustment programs, or it's first-world equivalent: austerity.[5] Debt is of interest because it plays a structural role in the circulation of capital; expansion and growth, from at least the beginning of this period, would not have been possible without what I will refer to here as the "sublimation of debt."

Cultural theory might play a role in articulating the logic of debt in finance capital differently, in a way that can help to subjectivize debt as an object of political thought. My present interests lie with the Lacanian "sublime object," a concept that represents a moment of internalized prohibition that cognitively transforms impossibility into something possible. Prohibition makes the sublime object appear as though it has a positive existence in reality, to which access is barred by the prohibition. For example, in his *Seminar XX: Encor*e, Lacan claims that sublimation in courtly love makes up for the absence of the sexual relationship "by feigning that we are the ones who erect an obstacle thereto," when really there is no sexual relation (Lacan 1998: 69). Prohibition obscures the non-existence of the object and hence the impossibility of its attainment. A sublime object represents the *objectification* of this lack/impossibility. It is lack in object form: the objective correlative of nothingness itself. What better definition might we have for the role of debt in capital, particularly in its financial stage?

Debt is the sublimated object of capital in the sense that it is a pure nothing that attains object form as fictitious capital, such as credit and other financial commodities, including mortgage backed securities. In its object form, this pure nothing makes possible the global expansion of capital and capitalist class interests. Debt operates similarly to the Lacanian sublime object, as the "object-cause of desire" (the *objet petit a*). Since debt is the *objectification* of lack, if we subtract debt-as-object from the capitalist system, we lose the system itself. Debt is in this sense *the* object that in its "normal," everyday operation contains both a nugget of the system's truth (the gap/lack at its core), and the mechanism of its structural transformation and potential dissolution; the redistribution of debt necessarily redistributes wealth. Debt is the lack in the capitalist system that overlaps with the lack that *is* the exploited subject.[6]

What I propose in this paper is that the role of debt in the objective system of capitalist production is analogous to the role of the "sublime object" in the constitution of the subject's libidinal economy. However, because debt pertains to subjection and expansion, which are both necessary elements in maintaining the capitalist order, it is also the key to imagining emancipation from capitalist exploitation, not unlike the way that Slavoj Žižek relates political emancipation to the sublime object and enjoyment. Like the sublime object, debt is split between desire and drive.

I begin with an explanation of the sublime object as it has been taken up in Lacanian psychoanalysis, and particularly in Žižek's theory of subjectivity and ideology. Then I move on to an explanation of the form that debt takes when sublimated in the logic of finance capital. Here, I examine the way that debt operates in financial commodities, such as securities, collateralized debt obligations (CDOs), and credit default swaps (CDSs). Debt is then analyzed in the overall context of capitalist expansion and growth. In conclusion, I take up the role of debt as the sublime object of ideology, and as *the* "object-cause" capable of interpellating an emancipatory subject position. In order to understand the latter, it is necessary to grasp the way that the sublime object divides the subject in its relation to enjoyment, to which I now turn.

The Sublime Object, or the Affective Dimension of Lack and Surplus

The sublime object pertains to arousal. But arousal need not occur strictly in the context of sexuality. Sublimation, for Freud, has to do with the diversion of sexual desire into non-sexual areas of human life. The sublime accounts for "human activities which have no apparent connection with sexuality, but which are assumed to be motivated by the force of the sexual instinct" (Laplanche and Pontalis 1973: 431). Art, for example, redirects the sexual instinct towards aesthetic creativity and the pleasure it provides. But Lacan defined the sublime simply as the raising of the object—the sublime object—to the dignity of the Thing (Lacan 1992: 112). The latter invokes the overlap between the psychoanalytic conception of the sublime and the Kantian sublime.

The Kantian sublime describes a gap in our experience of empirical objects in phenomenal reality. This is a gap that separates phenomena from noumena: the Thing-in-itself, which lies beyond representation. According to Kant, no representation can adequately come close to the dimensions of the Thing. We can know only our *knowledge* of things, but we cannot know things-in-themselves. The sublime signals two aspects of experiencing the Thing, both in its negative and positive forms: it represents our coming close to the Thing, but it also signals our failure to ever grasp an understanding of the Thing, which is why the sublime object procures both pleasure and pain—the Lacanian definition of *jouissance*. The sublime object gives us pleasure in coming close to the Thing, but also represents a painful experience of our lack of access to the Thing beyond representation.

While for Kant the Thing exists beyond all phenomenal reality, for Hegel the sublime merely signals the fact that there is *nothing* beyond phenomenal reality. The form of our experience of the sublime does not change as we still experience the sublime in terms of both pleasure and pain. For Hegel, the sublime does not signal the transcendental beyond of the Thing, but the immanence of the negative—negativity as a positive feature of the Thing. The Kantian sublime therefore relates to the desire aroused in coming close to the transcendental object while the Hegelian sublime announces the lack in the structure of our experience of the transcendental. This lack announces the positive condition of the subject as one of negativity or, in other words, as lack(ing).

Reinterpreting Lacan through the prism of Kant and Hegel, Žižek argues that there is an overlap between the Thing and the subject. The Thing is ultimately the subject itself (Žižek 1999: 305). The subject represents the immanent negativity of the structure of symbolic reality—it overlaps with *the gap* in the structure. This is why the basic problem for the subject of psychoanalysis is not whether reality "out there" exists; rather, the problem for the subject is the traumatic encounter with the possibility of her own non-existence (Žižek 2005: 57). It is here that we can begin to understand the Lacanian thesis on the sublime object, which is raised to the dignity of the Thing. The sublime object "fills out the void, the impossibility of the signifying *representation* of the subject" (Žižek 1989: 208). The sublime object is the objectification of a lack that *is* the subject. It is that which stands in for the missing representation of the subject in the symbolic field of the Other, which gives a minimum of consistency to the subject's positive sense of self. However, in order for the subject to emerge in the field of symbolic "reality," she is forced to renounce this traumatic lack, which she is paradoxically condemned to seek out as part of the constitution of her own positive existence. It is in this way that the subject emerges into the symbolic order as a *desiring* subject. The sublime object stands for the "object-cause of desire," or the lost object of which the subject is constantly in pursuit. Its positive existence is its condition of being lost, and so it acts as a lure that propels the subject's ongoing attempt to attain the *impossible* object of desire. Blind to the fact that the sublime object is *only* a lure—that it in fact has no positive existence—, the subject conceives the scenario of her desire through fantasy. Fantasy is *not* the scenario of attaining the lost object of desire; it is, rather, the scenario that teaches the subject about *what* she desires.

While desire involves the constant pursuit of the lost object, *drive* represents the kind of enjoyment that is procured by this pursuit. In constantly failing to attain the object of desire, drive emerges as an odd enjoyment that the subject receives from continuing to fail. Drive turns failure into success and emerges as surplus enjoyment (surplus *jouissance*). Sublimation stands for the transformation of the impossibility of enjoyment into the successful enjoyment of failure, while fantasy works as a screen that prevents the subject from realizing that she is obtaining little nuggets of enjoyment by failing to get the lost object. The sublime, therefore, raises the object to the dignity of the Thing through this weird mix of pleasure and pain, which reaffirms as it denies the immanent negativity of the subject herself.

She is the very loss that the lost object may fill out in the symbolic order; but her pursuit of the lost object produces both the lack *and* the surplus of the object, not as desire, but as drive.

The sublime object plays the role of mediating between the lost object of desire, and loss itself as an object in drive. At a very basic level, the object deals with the transubstantiation of lack into surplus. The logic of the sublime object can help us to explain some of the structural contradictions of capitalism, locate the capitalist enjoyment of failure, and find how capital turns failure into success. It is here that we can start to understand debt as the sublimated object of capital.[7]

Sublimating Debt: Securities, CDOs, and CDSs

The clearest example of sublimated debt in the logic of capital is that of debt securitization. Securities turn debt into tradable commodities on the market. The process takes sums of debt from sources such as mortgages, corporate loans, credit card debt, student loans, etc., and repackages them as securities that can be purchased (McNally 2011: 99). Securities assure the buyer a steady stream of income through the interest payments due on debts, and directly demonstrate the way in which debt, as a lack in the system, is sublimated in the production of surplus-value.

According to David McNally, securitization fundamentally changes the role of banks. Instead of making money by lending at a higher rate than the one at which that money was borrowed, banks now provide loans and then sell them off to institutions that create financial products like mortgage-backed securities. Banks can move loans from their ledgers and accumulate a fee every time they sell them to investment banks. The risk is therefore passed on to its new owner. Much of the profit generated by banks comes from selling of these new financial products, instead of from interest on individual loans, which creates incentives for banks to increase the number of loans they offer. This is what lead banks in the United States to offer low-wage workers, especially African-Americans, mortgages at subprime rates. These mortgages were offered to increase the profit that could be earned through debt securitization, which worked out well until interest rates went up and the poor were unable to pay back their loans. Although securities can bring high returns for capital, they are risky.

The financial sector introduced credit-default swaps (CDS) to reduce risk and further push the profit-generating machine. A CDS is like an insurance policy where, for a high price, a financial institution will agree to "swap" the default risk of a security. Buying up risk is like making a bet that the possibility of default is low. The higher the risk, the higher the cost for a CDS. For a long time, risk was deemed low and insurance companies such as AIG sold CDSs to anyone who was interested. In 2000 it became legal to buy CDSs on assets not owned by the investor (McNally 2011: 105).

Derivatives are another form of financial risk management. Derivatives "are meant to provide protection from financial and currency volatility" (McNally 2011: 94). They are contracts in which no actual commodity is exchanged in the here and now, but the price of the commodity to be exchanged in the future is *derived* from the prices of real commodities in the present. Derivatives therefore reduce risk by locking in a price prior to the actual sale of the commodity. However, when derivatives are implicated in exchanges of *financial commodities* such as collateralized debt obligations (CDOs), the price is most often set by expectations of *future* values rather than past exchanges. These future values have become rather unpredictable. McNally notes that, since 1973, there has been a significant increase in transactions involving financial derivatives related to currency and financial uncertainty.

What the examples of debt securities, CDOs and CDSs demonstrate is that, far from being just a "cog in the machine," debt has become the very condition of possibility for capitalist expansion. Its limit, in other words, is its very condition of possibility. As Maurizio Lazzarato puts it, "[d]ebt is not an impediment to growth. Indeed, it represents the economic and subjective engine of the modern-day economy. Debt creation… has been conceived and programmed as the strategic heart of neoliberal politics" (Lazzarato 2012: 25). Nevertheless, the financial stage of capitalism shouldn't be seen as merely an aberration from the "real" economy. Rather, finance—what Lazzarato refers to as the "debt economy" of finance viewed from the subjective position of the debtor (24)—must be placed within the overall structure and cycle of capitalist accumulation.

Surplus-Value, Competition, Expansion, Debt

According to David Harvey, in the 1980s, the amount of debt held by the average household was around $40,000. This has risen to about $130,000 (Harvey 2010: 17). Household debt has been on the rise, promoted by financial institutions, which were needed in order to support continued demand as the wages of working people stopped increasing. In the 1980s, the extension of credit began with workers who were steadily employed. According to Harvey, the market became exhausted by the 1990s and credit had to be extended to those with lower incomes. Political pressure was put on financial institutions to loosen credit, then, awash with credit, these institutions debt-financed those without steady incomes. Harvey notes that without this extension of financing, "who would have bought all the new houses and condominiums the debt-financed property developers were building?" (Harvey 2010: 17). Financial institutions were debt-financing both developers and buyers, and thus controlled supply and demand. This has also been the case with various forms of consumer credit, extended for the purchase of luxury commodities, and for more basic daily needs as real wages have decreased.

If we are to understand the structural role of debt in finance-led capital, it is necessary to put it into the context of the general story of capitalist expansion and crisis.

As Karl Marx (1990) explains in *Capital*, the place to begin is by thinking about what capitalists actually do when they start the cycle of accumulation. The capitalist begins with some money (M) and uses a portion of that money to buy up materials, machinery, and labour power (C), which are all put to work in order to produce a commodity that can then be sold in the market for a value that is greater than the original amount put into production. This creates profit, or surplus value (M^1). The general formula for the production of surplus value developed in the first part of *Capital Volume One* is therefore: $M\text{-}C\text{-}M^1$. While it appears that surplus value originates in the laws of supply and demand in the market (buying low and selling high), Marx shows that it actually comes from the exploitation of surplus labour time in the production process. The labour power sold by the worker is used by the capitalist for the time necessary to produce a value greater than the price of this labour. The production of surplus value originates in the exploitation of labour by capital: profit is first produced by extracting more work than was actually bargained for from the labourer. Commodity fetishism obscures this fact for both the labourer *and* the capitalist, where the price or exchange value of a commodity appears to directly represent value but ultimately accounts for an original lack or gap produced in the labourer to generate profit. Proletarianization names this process of producing a "substanceless subjectivity," where unpaid surplus labour time is extracted and appropriated from the worker.

Surplus value is produced in the production process and realized in the market; but, as every capitalist knows, if he does not re-invest some of that surplus value in expanded production, he will fail in competition with other capitalists. Competition between capitalists creates a barrier to further accumulation since "other capitalists have an interest in taking markets and sales from their competitors" (McNally 2011: 74). As capitalists compete with each other for the sale of products to a finite number of consumers, they enter into a conflict for dominance of the market.

A second barrier to accumulation comes from labour. The human body is limited by the need to eat, sleep and reproduce, taking time away from the production process. An additional barrier is organized labour and class struggle, with its power to demand higher wages, fewer working hours and better working conditions. Thus, the barriers of competition and labour "impose an imperative on each and every capitalist to invest in new technologies that break through workers' resistance, speed up work, and get an edge on the competition" (McNally 2011: 74). Through competition, capitalists are compelled to act in this way. They are bound to continue investing part of their surplus value into production efficiencies in order to lower costs and boost sales, increasing profits over their competitors. The goal is to grow bigger and faster, more "efficiently" than the competition, in order to avoid being driven out of business. The fallacious notion that capitalism is based on competition conceals the fact that it is actually based on *eliminating* competition.

Further expansion relies on the banking system. Companies need to borrow in order to finance investment, making the flow of credit and debt essential to capitalism's daily operations. As McNally explains:

> often, the only way firms can finance the massive investments necessary to keep up with the competition is by borrowing money. For this reason, modern capitalism could not function without a highly developed credit system, involving banks, stock exchanges, and other financial institutions. This credit system makes it possible for capitalists to finance spending on a scale that would not be possible from their retained earnings alone. But in order to borrow, firms have to pledge a share of future profits in exchange for investment funds in the here and now. And the future profits pledged must both repay the original loan (the principle) plus a flow of regular interest payments. But because the only thing creditors receive in the here and now is a promise to pay—be it a stock, a bond, or some other kind of promissory note—that represents a claim to a share of future profits, they are accepting forms of fictitious capital.... (2011: 79)

According to David Harvey, fictitious capital is "a flow of money capital not backed by any commodity transaction" (2006: 265). As McNally puts it, fictitious capital refers to "paper promises [that] are fictitious precisely because the profits they pledge to share may never materialize. What holders of these 'financial assets' possess is in fact a debt, a legal IOU. But should the debtor go under, the loan itself may never be fully repaid, if at all" (2011: 79-80).

Investment in fictitious capital is risky because it lays claim, not to actual wealth produced in the here and now, but to the possibility of future profit. Risk increases when fictitious capital is commodified into bundled packages of debt, such as securities, and is then bought and sold on the market. This occurs not simply because of capitalist "greed" that motivates a search for higher profits; as Albo et al. (2010) explain, it happens because finance plays an integral role in "pooling social surplus, creating credit-money in advance of production, disciplining wayward firms by withholding credit and in determining what new branches of industry to channel new investments" (34). Financial capital therefore "represents and defends the interests of all capitalists in capitalism" and makes possible the further expansion of the entire system (Ibid).

The price of fictitious commodities can become inflated at points of exaggerated speculation. Investors start to buy stocks of fictitious capital and commodities—paper claims to future wealth—not because they represent the existing profits of the company, but because investors expect that prices will increase. Ultimately, speculative investment is based purely on a bet that someone else will pay even more than the initial investor did for the fictitious stock. But all of this investment ultimately leads to an overaccumulation of fictitious capital and thus an overaccumulation of debt. Crises emerge when capital

> as a whole… has accumulated to an extent that the surplus value (profits) being extracted from workers and the stream of revenues flowing to capitalists from sales is not high enough—whether due to a wage-squeeze, a decline in the productivity of the capital stock, or adequate effective demand in the economy—relative to the investments made to sustain an adequate level of profitability. Without profits, capital cannot continue to expand and a crisis unfolds. (Albo et al. 2010: 38)

Due to competition, compulsion towards expansion impacts labourers as debtors. As human labour power is replaced by machinery, or by exploitive methods of "lean production"— getting workers to work harder, longer, and for less—a problem arises on the side of demand. If workers, who are also consumers, are earning less, a problem arises in effective demand for the commodities being sold by capitalists, creating yet another barrier to capital. The solution is increasing the amount of credit provided to consumers: "In the U.S., the largest family purchases (a house, a car and maintenance, education expenses) are made on credit. But consumption runs on debt even for everyday purchases, quite often paid for with a credit card" (Lazzarato 2012: 19–20). This "is the simplest way to transform its owner into a permanent debtor" (19–20). For both sides of capital and labour, the drive towards surplus value and a system based on production for profit ultimately ends up producing debt as its corollary.[8] As credit levels increase, more power is passed over to the financial sector and the debt economy. The interests of finance serve the interests of capital in general, but as increasing levels of credit are advanced, greater levels of debt accrued, sublimated, and repackaged as fictitious capital that perpetuates the system.

The capitalist drive towards the production of surplus value engenders a compulsion to expand due to competition; the necessity of credit for expansion; the necessity of driving down the cost of production in order to grow; and the need for credit in order to deal with the barrier of effective demand, all of which show that the "mad dance" of capital mirrors the "mad dance of desire."[9] The pursuit of surplus value is like the subject's pursuit of the lost object of desire—the transcendental beyond of desire. Like the pursuit of the lost object of desire, which ends up producing lack itself as an object, the pursuit of surplus value produces an overabundance of debt. Like the sublime object, debt is that feature which is both responsible for the lack in the system, and for its surplus. But what makes debt of further significance is that it makes the economy immediately subjective.

Subjectivizing Debt: From Cynicism to Anxiety

Debt has played a significant role in disciplining labour and integrating workers into the matrices of finance capital both at the material and ideological levels. As workers continue to look to credit to sustain their private lives, anger towards the banks ultimately gives way to cynicism and "acceptance of the necessity to 'save the system' [that] workers [have] become dependent on" (Albo et al. 2010: 127). This credit cycle is the material basis for the kind of cynical reason that has come to dominate as the standard ideological, fantasmatic support of postmodern, late capitalism; what Mark Fisher (2009) refers to as "capitalist realism." Cynicism is the form assumed by the subject of desire. Related to the psychoanalytic concept of fetishism disavowal, cynicism is best described using the formula, "I know very well, but nevertheless…" As Todd McGowan puts it, cynicism is,

> a mode of keeping alive the dream of successfully attaining the lost object while fetishistically denying one's investment in this idea. Cynicism constitutes the primary ethical and political danger today because it allows subjects to acknowledge the hopelessness of consumption while simultaneously consuming with as much hope as the most naïve consumer… The cynical subject recognizes the logic of the drive and clings nonetheless to the promise of desire. (McGowan 2011: 29)

This kind of cynicism relates to Fredric Jameson's well-known thesis that it seems easier for us to imagine "a thoroughgoing deterioration of the Earth and of nature than the breakdown of late capitalism" (1994: xii). What the ideology of the end times accomplishes for capitalism is precisely its de-historicization. It creates the *fantasy* of an eternal capitalist order where the only thing that follows capitalism is the apocalypse (Flisfeder 2013). But what happens when the fantasy of the end times dissolves, given that this fantasy is what protects the subject from a traumatic encounter with the Real, in the form of the negativity of debt? The spatialization and thus obliteration of time under the conditions of finance capital makes the dissolution of this fantasy increasingly possible.

Time figures into fantasy to the extent that the attainment of the lost object is constantly delayed. Debt is sublimated through a kind of "temporal displacement." But the debt economy must *neutralize* time: since subjectivizing debt means disciplining debtors to honour their debt promises, capitalism tries to place a control over the future because "debt obligations allow one to foresee, calculate, measure, and establish equivalences between current and future behaviour" (Lazzarato 2012: 46). The debt economy is turned toward the future because finance is nothing if not a promise of future wealth. According to Lazzarato, there is therefore an incommensurability between the promise of future wealth and the actuality of present wealth (2012). Finance is another means of risk management in the interests of capitalist class power: "all financial innovations have but one sole purpose: possessing the future in advance by objectivizing it" (46). For the debtor, finance has little to do with objectivizing and holding onto the future; it has more to do with the obliteration of the future, affirming Jameson's thesis. If the debtor must constantly borrow from future income and wealth, then she is constantly working in the present to pay "back" what will never be because it has already been borrowed, not saved. This creates a condition of what Jameson has elsewhere referred to as a "perpetual present" (Jameson 1998: 137). The debtor is always trying to catch up with her debts, the result of which is increased levels of anxiety.[10]

Anxiety, according to Alenka Zupančič, is one of the two moments of experiencing the sublime developed in Kant's writings. First, there is a moment of anxiety, which the subject can only escape by transforming it into the feeling of the sublime (Zupančič 2000: 149–50). Anxiety is thus the reverse side of the sublime. When the subject encounters the traumatic proximity of the Thing, she introduces a new distance towards it through the mediation of fantasy. As Renata Salecl explains, fantasy and anxiety "present two different ways for the subject to deal with the lack that marks him or her as well as… the symbolic order. With the help of fantasy, the subject creates a story, which gives his or her life a perception of consistency and stability" (Salecl 2004: 46–47). Fantasy provides comfort, while anxiety incites discomfort.

Debt incites anxiety signalled not by an encounter with a lack or gap, but with the lack of a lack, that is, with a sublime object that takes the place of a lack. Anxiety arises when "at the place of the lack one encounters a certain object, which perturbs the fantasy frame though which the subject assessed reality" (Salecl 2004: 24). Confronting and identifying with this feeling, rather than escaping back into the protective shield of fantasy, makes the politicization of debt possible.

A Politics of Drive/A Politics of Debt—Se faire choisir

In *The Ticklish Subject* (1999), Žižek argues that desire and drive presuppose one another. They are "two ways of avoiding the deadlock of negativity that 'is' the subject…. [But, they] involve two thoroughly different notions of subjectivity" (298). The subject chooses her desire, but for the subject of drive, "the act of choice is inverted into *se faire choisir*, 'making-oneself-chosen…. [T]he only… freedom I am granted in drive is the freedom to choose the inevitable" (299). An ethics of desire means yielding to one's enjoyment/*jouissance*. The subject can move from one object to the next—a constant, metonymical search—without ever succeeding in moving beyond desire. In contrast, an ethics of drive means not giving way to one's desire by committing oneself to the *sinthome*: the grounding, originary symptom that is tied to the subject's fundamental fantasy and marks the initial instance of subjectivization. Rather than distancing herself from enjoyment, the subject of drive identifies with it fully (Žižek 1993: 60). Identification with the *sinthome* signals the conclusion of analysis, after the subject has "traversed the fantasy" that sets her position in relation to the symbolic order.

Given the structural position of debt in finance capital, a politics of debt is *already* a politics of drive. Debt is the object that chooses and politicizes the subject in finance-led capital. As Silvia Federici (2013) notes, "Being indebted to a bank hides the fact that there is a relation of exploitation. As a debtor you don't appear any longer as a worker. Debt is very mystifying. It brings about a change in the management of class relations." A politics of debt therefore means "[t]he resumption of class struggle in the right place" (Lazzarato 2012: 164). Debt in its object-form overlaps with the subject as the gap or lack in the system. It signals processes of subjection, but for this very reason it also signals the politics of emancipation.

Conclusion

A politics of debt can mean calling for defaults on loans, as in the case of the sovereign debt crises in Europe. It can also mean building campaigns for forgiving and annulling debt, as in the case of Occupy Wall Street, the Strike Debt project, and decades of protest in the third world. It can also mean refusing austerity measures, such as in the 2012 Quebec student protests against rising tuition costs. I argue that in addition to these tactics, we must rethink the role of the state and the necessity of occupying state mechanisms for countering the neo-Malthusianism of the capitalist class.[11] Instead of reliance on the liberal democratic state, this would be a politics that makes use of state mechanisms to democratize the allocation of resources and desublimate debt in the logic of capital. Recent scholarship on the de-privatization of the commons—natural resources, information, intellectual property, etc.—moves in this direction.[12] So do processes that rebuild the political order from the bottom up, moving beyond mere inclusion to prioritization of the interests of the excluded, such as in developing forms of Latin American Socialism (see Harnecker 2010).

Other approaches may include democratizing finance, as Albo et al. (2010) propose: this would mean "bringing the banks into the public sector," which they argue "is pivotal to any broader strategy of economic democracy" (110). It is not enough to raise the question of regulation since finance is not a separate sphere from capital; it is its central, organizational, artery. This is why democratization is required above regulation. What is needed:

> is to turn the whole banking system into a public utility so that the distribution of credit and capital would be undertaken in conformity with democratically established priorities, rather than short-term profit. Similar considerations arise regarding the kinds of public provisions required to meet the new definitions of basic human needs, including those that come to terms with today's ecological challenges. It is hard to see how anyone can be serious about converting our economy to a sustainable one without understanding that we need a democratic means of planning through new sets of public institutions that would enable us to take collective decisions about allocating resources for what we produce and how and where we produce the things we need to sustain our lives and our relationships to our environment. (Albo et al. 2010: 110)

Democratizing finance in this way might lead towards a new vision of how human needs are funded, and presents a debt towards needs rather than profits. Sticking to a politics of debt in this way is the first step in desublimating capital, as opposed to the inequitable social relations of production that capital obscures.

The Left must proceed with caution since the ruling class has its own politics of debt, which advocates through mainstream media for a self-serving increase in austerity, giving further evidence that debt is a central material and ideological feature of class struggle. Debt is Real in the Lacanian sense because it represents both the limit to the existing system and the principle of its ideological distortion. Cuts to social spending are legitimized through reference to rising levels of national debt, which conceals the fact that diminishing state revenues are the result of tax cuts to the wealthy, privatization of the commons, and the socialization of risk, debt and loss. Public debt is transformed into the private debt of the exploited classes, brought on by the structural contradictions of the system and its need to expand. Whichever shape the desublimation of capital takes, it will require a sustained democratic and anti-capitalist movement alternative to the existing liberal democratic model.

Notes

1. I would like to give very special thanks to Max Haiven and the blind peer reviewers for their helpful comments and suggestions, all of which I take quite seriously. There is far too much to discuss on this topic in these few pages (and I take full responsibility for the gaps and omissions). What I present here is only the beginning of a conversation that needs to be continued.

2. This article gathers inspiration from two central sources. The first is Alain Badiou's question: "What kind of politics is *really* heterogeneous to what capital demands?" (2001: 106). The second is the debate between Slavoj Žižek and Simon Critchley (see Žižek 2007 and Critchley 2008). In his book, *Infinitely Demanding* (2007), Critchley proposes an ethics of "interstitial distancing" from state power, as a tactic for the radical Left, whereby activists can continue to bombard those in power with an infinite list of demands that cannot necessarily be met. In response, Žižek argues that the thing to do is "to bombard those in power with strategically well-selected *precise*, *finite* demands which cannot allow for the same excuse" (Žižek 2008: 350). It is possible to reformulate Žižek's position somewhat, to move from a finite *demand* to a finite *object*. My suggestion is that debt is an object that meets the criteria of Žižek's proposal.

3. Neither is it a new object of struggle for activists. Silvia Federici (2013) notes that the first big debtors' movements began in Latin America in the 1980s. Maurizio Lazzarato (2012) also notes how Gilles Deleuze and Félix Guattari's *Anti-Oedipus* provides an historical examination of debt as a way of analyzing contemporary capitalism, just before the full arrival of neoliberalism. For an intriguing critique of Graeber's book see Beggs 2012.

4. For an excellent analysis of the Quebec student uprising see Louis-Paul Willis 2014.

5. Stephanie Black's film, *Life and Debt* (2001), demonstrates with brilliance the way that debt continues to be used as a mechanism for enforcing the economic imperialism of the global North over the global South in the post-colonial context. Silvia Federici (2013)

notes microfinancing loans tend to leave borrowers, mainly women, worse off than before they took the loan.

6. The indebted, exploited subject, brings to the surface the underlying structure of subjectivity more generally, just as debt as the lack in the system indicates something about its "normal" operation.

7. Kordela (2007) argues similarly that the subject is tied to capital by human *schuld*: moral/legal guilt and economic debt.

8. There is a conspicuous gender dynamic at play in the "financially fetishistic imaginary" (Ball 2007: 33), since the financial industry continues to be dominated by men, while the burden of debt is increasingly unloaded onto women and people of colour (Strike Debt: 23, 96; see also Covert 2011 and Warren 2009).

9. Referring to the poststructuralist category of *différance*, Karyn Ball makes a similar argument regarding the circulation of fictitious values. Her term, "textual materiality," refers to "the agency of signifiers in supplementing fictitious values" (2007: 7). The relationship between the agency of signifiers and my argument regarding debt as the sublimated object of capital, may be thought in terms of the Lacanian distinction between the master-signifier and the *objet petit a*. These exist in what Žižek (2006) calls a parallax relationship. Both, in other words, constitute the front and back of the same object, but each is viewed differently depending upon the subject's position of enunciation. The fictitious values that Ball describes follow the logic of the signifier, while debt follows the logic of the *objet petit a*. Fictitious capital and debt, in other words, are two ways of relating to the same object, depending upon one's subject-position within the system. This is not unlike the way that capital and labour relate differently to the logic of the commodity; or, even the different ways of relating to credit and debt.

10. See note 7. It is worth considering the slide between anxiety and guilt when it comes to the politics of debt. Anxiety emerges in confronting the object minus the screen of fantasy, which is the result of a weakening of the superego. The superego, however, is the agent of invoking guilt feelings in the subject. As Žižek puts it, superego is "the price we pay for the guilt we contract by betraying our desire in the name of the good" (1994: 69). A politics of debt requires traversing the fantasy—as in the process of the Lacanian cure—in order to confront anxiety directly, and shift from an ethics of desire to an ethics of drive.

11. See note 2. This is a point for returning to the terms of the debate between Žižek and Critchley: between an ethics of "interstitial distancing" and one of directly occupying state mechanisms.

12. See, for example, Federici 2012b; Hardt and Negri 2009; Douzinas and Žižek 2010.

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