The Other Side of the Market: social governance in neoliberal world order and the economy of passive mitigation

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With the widely acknowledged rise of neoliberalism, which explicitly uses market discipline to influence the social and economic decisions of states, firms and individuals, understanding the role of the market in shaping world order has become increasingly pertinent. Many theorists allude to the structural importance of the discipline of the market on state policy, developmental strategies, and economic outcomes. However, the other side of the market remains neglected: the market’s abilities to produce a non-disciplinary form of social governance to manage some of the very social adversities that neoliberalism stimulates. When some of the qualities of neoliberal restructuring produces a social adversity, that same process may often stimulate a new commodity relation which substitutes for the political deliberation that adversity might otherwise provoke. Urban pollution has stimulated a burgeoning market for indoor air purifiers; the deterioration of access to public goods such as water utilities has meant the growth of new markets for private goods, such as bottled water; increased mental anxiety has meant new markets for pharmaceuticals and self-help literature and so on.

This article argues that it is possible to envision an ‘economy of passive mitigation’ which substitutes for the active agency of states, institutions, and transnational classes in reproducing neoliberal world order by
mitigating some of the manifestations of capitalist contradiction. As processes of intensive market expansion colonize what Fernand Braudel called the sphere of "material life," rather than simply abusing this sphere, an economy of passive mitigation works to mitigate the adversities that are experienced therein. The dispersion of various markets for treatment which work together to produce such an economy of passive mitigation act as substitutes for other forms of social governance under neoliberal world order. They efficiently serve to mitigate social adversities through which capitalism resolves its crisis of extended reproduction: through the intensive expansion of markets.

This argument will be made in five sections. Section 1 briefly reviews the ways in which many Marxists understand social governance to operate under capitalism, and attempts to highlight the lack of attention paid to the role of the market in facilitating social governance. Section 2 discusses how market dynamics serve to mitigate some of the manifestations of capitalist contradictions through markets for treatment. Section 3 examines the ways in which markets for treatment are unique to capitalism and can be understood in terms of a general economic dynamic of the capitalist mode of production. This will highlight the existence of an economy of passive mitigation which acts as a dynamic form of social governance. Section 4 uses the Braudelian concept of "material life" to demonstrate how in colonizing previously uncommodified spheres of life, the economy of passive mitigation expands both in size and scope but most importantly as a form of governance. The final section discusses the strengths and weaknesses of the economy of passive mitigation as a form of social governance, and its corresponding strengths and fragility.

**Forms of social governance and the market**

The historical uniqueness of liberal capitalist societies stems from the division of the moment of enforcement and the moment of appropriation, such that they constitute two distinct but complementary spheres: the state and capital itself (Wood, 2003a: 17-18). Thus, while capitalist societies certainly share the practices of "extra-economic" coercion of many pre-capitalist societies, the burden of appropriation is usually shouldered through market forces. What this has historically meant since the emergence of capitalism in England is that while coercive power has
remained, the force of market imperatives acts as a historically unique form of coercion (Wood, 2002; Brenner 1977). Market dependence ensures that the relative propertylessness of producers, and the competitive environment of appropriators drive the former to sell their labour on the market and the latter to engage in rigorous profit maximization strategies of various types.

The separation of the moments of enforcement and appropriation produces its own unique ideological corollary: the corresponding separation of “the political” from “the economic” (Wood, 2002:17-18). Although such an artificial separation in popular discourse has been the locus of diverse forms of resistance to the will(s) of capitalist accumulation, the ideological milieu that flourishes as a result remains the most persistent and powerful ally of capital. As well, this separation remains the most formidable nuisance to those seeking transcendence of capitalism’s contradictions. Economic relationships between people are seen as contractually and voluntarily based, between free and equal autonomous individuals, rather than as relationships involving individuals and groups with asymmetrical access to both market and state power. Furthermore, the fetishism of the concept of the market economy as a power-neutral terrain of mutual contract between individuals also denies the fact that the whole of social life continually becomes something over and above the individuals actively working to create it at any given time, since what each individual historically inherits is contaminated with the forms of domination of the past. Boaventura de Sousa Santos has rightly pointed out the separation of the political from the economic has made possible:

...the naturalization of capitalist exploitation and the neutralization of the revolutionary potential of liberal politics two processes that converged to consolidate the capitalist mode of social relations (De Sousa Santos, 1985:306)

Despite the unrelentingly persistent façade that “the economy” is a separate, “non-political” sphere of social interaction, resistance to capitalism has been as old as such a conceptual separation. Nevertheless, resistance to capitalism has usually not been as complete or as persistent as many have hoped. It has not produced “its own gravediggers” (Marx and Engels, 1998) as efficiently as many early Marxist scholars predicted.
Alternate Routes

This problem has been a pivotal issue for Marxist scholarship for some time. Overall, the general understanding of social change as influenced by “self-consciousness itself [...] changed by the relations of production men enter into independent of their will” (Wright Mills, 1963) has not been discarded. Yet most explanations of the resilience of capitalism have emphasized the conditioning of consciousness by superstructural factors, the roles of ideology, the relative autonomy of the capitalist state, the importance of certain civilizational discourses, and the embeddedness of certain ideologies in norms and practices of daily life. The emphasis on such factors represents an important development that continues to advance a better understanding of how capitalism perpetuates itself amidst seemingly endless contradictions, crises, and opportunities for transcendence.

As useful as many of these developments are, most existing scholarship that focuses on capitalist contradiction and the mechanisms of social governance suffer from a marked lack of attention paid to the role of markets and systems of economic compulsion as a way to help understand capitalist resilience. The increased exposition of the terms “market economy” and “free market” in Neoliberal discourse has encouraged a proliferation of literature that brings to attention the relationship between the market and social governance. The renaissance of Karl Polanyi and Fernand Braudel are a testament to this intellectual movement (Polanyi, 1957; Braudel, 1977; McQuaig 2001; Birchfield, 1999; Burawoy, 2003; Germain, 1997; Helleiner, 1997). Other explicitly Marxist scholars, such as Robert Brenner and Ellen Meiksins Wood, have elucidated the relationship between market imperatives, the historical specificity of capitalism, and its current trajectory (Meiksins Wood, 2002, 2003b; Brenner, 2003). Much of this literature is interesting and persuasive. It emphasizes the use of the market as a medium by which the dominant classes exercise their social power through reproducing a set of structural imperatives codified in law. Yet it reflects a general tendency in the critical political economy literature assessing the dominance of neoliberalism which emphasizes the disruption and damage done by market forces, without recognizing the capacity for those market forces to address the problems that such disruption and damage creates. The vast majority of Marxist-inspired analysis assumes that markets act as a disrupting force on social relations, and serve to undermine the legitimacy of states, or at least certain forms of state (Meiksins Wood, 2003a; Panitch and Gindin,
Those who focus on the hyper-discipline of international financial markets also allude to the markets ability to invoke crises of state sovereignty and even “threaten the political and economic wealth of nations” (Harmes, 2001; Sinclair, 1994). Ellen Meiksins Woods recent work on capitalist empire emphasizes that the compulsions of competition, accumulation and profit-maximization within the current capitalist empire “constantly threaten to disrupt the social order” (Meiksins Wood, 2003b:16). The “ravages of the market” produce “disruptive tendencies” which must be addressed actively and consciously by states in order to prevent the political outcomes of capitalist contradictions (Meiksins Wood, 2003b:25). The Neo-Polanyianism of many other scholars within international political economy (IPE) literature also reflects this concern with the socially “disembedded” markets ability to disrupt and wreak havoc on “active society” (McQuaig, 2001; Birchfield, 1999; Lacher, 1999). Even Jürgen Habermas, through his recent intensive engagement with cosmopolitan legal theory, has made similar arguments regarding globalization trends and their effect in disintegrating and “opening” the collective “lifeworld” (Habermas, 2001:82-88).

Yet paradoxically, at the same time that the compulsions of competition, accumulation and profit-maximization “constantly threaten to disrupt the social order,” those same compulsions produce the means by which some of those problems are addressed. The composition of what is being produced, exchanged and consumed on the market is conditioned in itself by the social disruption that capitalism generates. Some insightful theorists within IPE have recognized that the micro-political composition of the global polity itself is changing due to the increased penetration of the market into spheres of everyday life in liberal capitalist societies. Indeed, this has been a critical point of issue within critical social theory since at least the late publication of Marx’s Philosophical Manuscripts. Both Stephen Gill and Adam Harmes, for example, have alluded to the emergence of a “market civilization” whereby capitalist norms and practices are increasingly becoming culturally embedded into the structures of peoples everyday lives (Gill, 1995; Harmes, 1998). Others within the field of IPE, such as Kees van der Pijl, revisit the Marxian notion of the intensive expansion of capital, but continue to assume that such a process of deepening produces the “exhaustion” of the “social and natural substratum sustaining reproduction” (van der Pijl, 1998:37).
Those theorists who put the intensive expansion of markets into the forefront of their analyses can offer a great deal to the existing IPE literature. While many are quick to reject Michael Hardt and Antonio Negri’s *Empire* thesis (see, for example, the many excellent critiques featured in Balakrishnan, 2003), their insights into intensive market expansion provide some useful insights into the dynamic nature of market expansion (Hardt and Negri, 2000).

Making use of such a dispersed literature that puts intensive market expansion at the forefront of its analysis, this paper makes the argument that it is possible to envision an economic dynamic unique to capitalism, an economy of passive mitigation, which both feeds off such intensive market expansion and acts as a form of social governance in mitigating some of the manifestations of capitalist contradiction. Such a phenomenon is consequential both in terms of helping to understand the way that neoliberal world order reproduces itself, and also in terms of helping to understand how such non-disciplinary forms of social governance unleashed by the market create a hidden potentiality for transformative political change.

The conclusions regarding the disruptive effects of the market are not contested here. Yet as the social relations of liberal capitalist societies adjust and evolve, it is necessary to develop a “constantly renewed critique of the analytical instruments designed to understand it” (Meiksins Wood, 1995). Such a critique necessarily involves both drawing from some of the insights of scholarship emphasising intensive market expansion, and creating new conceptual categories that facilitate understanding.

The hard discipline and imperatives of the market are not sufficient alone to provide a holistic understanding of the reproduction of neoliberal world order. An understanding of the ways in which markets serve to alleviate the adversities of neoliberal restructuring, and how markets expand and deepen, is needed to help explain such resilience. Such a process reveals an economic dynamic which, although touched on by some, has not been successfully elaborated into a coherent theory. The remainder of this paper explains and elaborates such a theory.

**Markets for treatment**
A subtle, yet increasingly important dynamic within liberal capitalist societies is the market’s function as a form of non-disciplinary social
Chemins Alternatifs
governance in which the psychological, social, and environmental adversities generated by neoliberal restructuring actually stimulate economic activity, and the growth of new markets. The reaction of people faced with situations that they feel are undesirable often creates a market opportunity for someone to supply a commodity to medicate or treat the adversity experienced.

It is possible that changing relations of production, which may sharpen the effects of alienation felt by working people, may serve to make critical social theory tractable, and thus provide impetus for change through political action (which may, if effective, address the source of that alienation). Interestingly, however, the manifestations of peoples alienation also present opportunities for capitalists to profit from the situation; a new commodity is produced and consumed that treats the alienation experienced, which acts completely without intention in political terms as a substitute for the stimulus to political action. For instance, the drudgery of post-Fordist production, the unstable nature of deregulated labour markets, and a depreciating connection to a sense of community in North American society can stimulate the markets for antidepressant drugs such as Prozac. As some of the critical Green political economy literature has also pointed out, even environmental devastation produces new markets for environmental cleanup, stimulates all kinds of economic activity, and contributes to the GDP (Halstead and Cobb, 1996:197-206). Some groundbreaking work in theoretical criminology has recently explored how the perception of violent crime in many communities has created a new market for private security companies (Rigakos, 2002; Shearing and Stenning, 1993; Tinsley, 1999). The ways in which private security provisions have manifested in situations of international conflict also speaks to this issue of “disorder” creating new markets (Shearer, 1998a; Shearer, 1998b; Shearer 2001; Singer, 2001/2002; Shepard, 1998; Davis, 2000).

The market activity in all of the above examples is not politically neutral; indeed, the changing composition of what is being produced, exchanged and consumed on the market is increasingly explicitly oriented toward treating the adversities that are themselves produced by the intensification of market imperatives that is characteristic of neoliberal world order. While a number of different examples of such market dynamics could be invoked, the market for treating mental anxiety is the most striking. Whether or not the authors have made explicit connec-
tions between mental depression and a Marxian understanding of alienation, it is perhaps instructive that a diversity of mainstream political economy scholarship alludes to a connection between serious mental health disorders and changing relations of production. The International Labour Organization recently reported a rising “world epidemic” of serious mental health disorders, and linked them to increased stress in the workplace (ILO, 2000). Daniel Cohen’s work on the “new nature of capitalism” posits mental “burnout” as a significant component of “Our Modern Times,” stating that in “todays world, it is not longer machines that break down; it is men and women” (Cohen, 2003:40). One should also not forget Alan Greenspans comments in 1997 when he heralded the feelings of fear and insecurity of the US population and the way in which those emotions allowed for labour market tightness beyond the NAIRU levels (Chomsky, 2000: 507).

While a great deal of ink can be spilled over the particularity of the causes of this trend and its various manifestations, it is hard to deny that the pharmaceutical industry responding to a latent demand to treat peoples disorders, has had a placating effect on this development. This is evidenced in the fact that every year, 30 million US citizens take antidepressant drugs, and that in the course of the 1990s, antidepressant drug use grew by 800 percent (Levine, 2002). Without a doubt, these and many other disorders are not purely reducible to a single common cause, and it should also be emphasized that there are powerful discursive articulations that give added market power to large pharmaceutical interests. However, inasmuch as some pharmaceutical activity can be attributable to the problems associated with neoliberal restructuring suggested above, there is a very interesting dynamic at play.

Since such market activity serves a particular social governance function of treatment, (however unintended), it is possible to speak of different markets for treatment. The creation of new markets and the growth of existing markets in capitalist society can be seen as a result of the dialectical tension between certain manifestations of capitalism’s contradictions and people’s desire to improve their situation rather than identifying, or acting on, the source of those contradictions. The market for Prozac is essentially a market for treatment, as is the burgeoning market for professional advice, self-help books, relaxation systems and so on, that are designed and marketed explicitly to help people cope. The markets for water filters and indoor air purifiers to filter environ-
mental pollution from domestic environments are other examples of such a market for treatment.

But although the aforementioned examples depict a dynamic of market clearing where demand (for alleviation of some adversity) is met by the supply of a new commodity to treat such felt adversities, such a dynamic should not suggest that the effects of alienation, environmental disaster, or community insecurity are actually corrected by such a market dynamic. Indeed, most often the most practical (and normatively desirable) option is not the production and consumption of new commodities, but rather political action that may address the causes of the adversity experienced. However, in the absence of popular and effective counter-hegemonic strategies, such an option remains relatively hidden from view. In such a political milieu, and because of the naturalized culture of consumerism, people look to the diverse possibilities of consumption as a way to manage many of their problems.

The fact that markets for treatment only serve to be partial correctives does not mean that people will choose the optimal solution of taking political action, with all its risks and uncertainties. As much of the critical literature on consumerism has pointed out, many people simply feel a "dull compulsion to consume," which can be understood as an addictive impulse (Warde, 2002:19-20). A great deal of literature suggests that the culture of consumerism has caused the simple act of purchase to be symbolically loaded with abstract meaning (Morris, 2001:10-11). Looking to the market for solutions to ones sense of lack is thus understood as being embedded in the logic of consumer culture, something that many critical theorists and green political economists have pointed out is an important element of the global neoliberal advance (Morris, 2001; Daly and Cobb, 1994: 373; Klein, 2000). Mark Neufeld also points out that the related naturalization of the culture and practices of "possessive individualism" are integral to the intersubjectivities that sustain Neoliberal reproduction on a world scale (Neufeld, 2001:100-101; Macpherson, 1962).

The phenomenon of markets for treatment highlights an important dynamic that speaks to the way in which social governance is increasingly facilitated by the market itself. Such a development indicates that attenuating the manifestations of capitalist contradictions does not have to be facilitated through the active, politically conscious direction of a capitalist state, a transnational ruling class, or a dominant hegemonic bloc neutralizing dissent through a mix of concessions and coercion. In
all of the above examples, of markets for treatment, the burden of mitigation is handled primarily by market forces and little else. Just as the Gramscian concept of hegemony has proved a useful tool within social theory to understand how social governance is effective because it appears banal (Gramsci, 1999; Cox, 1996), so too can an understanding of the significance of markets for treatment be useful because of its appearance as a politically neutral dynamic. This is not to say that markets for treatment are more effective or more important than other forms of social governance that assist with the reproduction of neoliberal world order. On the contrary, such markets for treatment may be relatively minor when the total burden of social governance is considered. The point, however, is that markets for treatment act as substitutes for other forms of governance to some degree. As the next section will demonstrate, markets for treatment are held together by dynamics specific to the capitalist mode of production, and therefore, cannot be spoken of in terms of simple market activity, but rather should be understood as an economic dynamic unique to capitalism, which can be called an economy of passive mitigation.

Markets for treatment and the historical specificity of capitalism
The pressing questions evoked by the trend of markets for treatment are why such a phenomenon is occurring and how it is related to capitalism. Have markets not always existed to mitigate people’s sense of alienation? The obvious and correct answer is yes. As many scholars (such as Karl Polanyi, Fernand Braudel, and Ellen Meiksins Wood) have pointed out, markets of some form have usually been an important feature of human societies, although in significantly varying degrees of social embeddedness. One may add that historically, markets have facilitated a function not only of what an economist might call need or want satisfaction (Firat and Dholakia, 1998:22-23). They have also acted as outlets for the effects of alienation as those effects express themselves through consumption. The longstanding market for alcohol is one obvious example.

Despite the reality that markets for treatment have long been with us, there are several reasons why the extent of the role of markets in facilitating social governance is unique to capitalist societies, perhaps increasingly so as market-penetration and processes of commodification
become more intense under neoliberal world order. First, the forms of alienation that people experience in capitalist societies are often more intense and diverse than in previous epochs, and thus provide for more market niches to be filled, and more demand for treatment. Secondly, only in capitalist societies is the economic perceived to be separated from the political, which may be important in allowing markets to penetrate into spheres of life without much social resistance. Last, and perhaps most importantly, in contrast to non-capitalist modes of production, capitalism is distinct in that markets act not simply as a source of opportunity and discretionary interface, but rather act as an imperative. This last point deserves explicit attention. As Ellen Wood has succinctly pointed out:

Capitalism differs from other social forms because producers depend on the market for access to the means of production (unlike, for instance, peasants, who remain in direct, non-market possession of land); while appropriation cannot rely on “extra-economic powers of appropriation by means of direct coercion such as the military, political, and judicial powers that enable feudal lords to extract surplus labour from peasants but must depend on the purely economic mechanisms of the market (Wood, 2002:2).

Since both producers and appropriators are governed by market imperatives, in capitalist societies the search for and acquisition of profits becomes the operating dynamic for economic organization, indeed for the whole society. This means that the capitalists’ werewolf thirst for profit makes them eager to both revolutionize the relations of production in a way that extracts the most surplus value from labour. It also necessitates the organization of some form of countervailing mechanism to address the structural inevitability of ineffective demand problems. One way in which the problem of ineffective demand and the extended reproduction of capital latent in capitalist production is overcome is through the geographic/extensive expansion of markets. Since the early 20th Century, this has been a pivotal explanation for understanding capitalist “imperialism” within Marxian literature. (Hobson, 1978; Lenin, 1939; Luxemburg, 1968; Brewer, 1989).
A growing amount of recent Marxist scholarship also refers to a process of intensive/social expansion that is related to this dynamic. Both Stephen Gill and Adam Harmes, for example, have alluded to the emergence of a “market civilization” whereby capitalist norms and practices are increasingly becoming culturally embedded within the structures of people’s everyday lives (Gill, 1995; Harmes, 1998:113-14). Michael Hardt and Antonio Negri rightly point out that “capitals thirst must be quenched with new blood, and it must continually seek new frontiers,” and that these frontiers are social and at intimate levels of human experience (Hardt and Negri, 2000). Similarly, Jason Read alludes to the fact that because of capitals precarious hold on “living labor,” capitalism must become increasingly “all pervasive, running through all dimensions of life” (Read, 2003: 159). Read argues persuasively that the real subsumption of living labour to capital has taken on a new intensity:

Capital no longer relies on cooperative networks of the reproduction of subjectivity that are exterior to it; instead, it directly produces and profits from the production of subjectivity... The reproduction of the worker as healthy, skilled, and docile is no longer left outside the circuits of capitalist production in the home or the state but has become directly productive for capital, paving the way for a whole new series of businesses and interests (Read, 2003:158-9).

Similarly, Hardt and Negri argue that capital no longer looks outside but rather inside its domain, and its expansion is thus intensive rather than extensive (Hardt and Negri, 2000:271-72). Whether or not one agrees with Hardt and Negri’s overall Empire thesis regarding the disappearance of modern sovereignty, the idea of the intensive expansion of capitalism is certainly a novel and important one. It is this intensive expansion that helps facilitate the role of markets as a mitigating agent which facilitates specific types of social governance. It is through such intensive market expansion that the phenomenon of markets for treatment grows, both in size and scope, and also in importance as a form of social governance. Since such a dynamic grows alongside the ways that capitalist reproduction is facilitated, it is possible to characterize this as a dynamic characteristic of the capitalist economy, which can be called an economy of passive mitigation.
The abuse, and colonization, of Material Life
Existing Marxist scholarship that attempts to understand the importance of the intensive expansion process has highlighted how such a process both sustains the power of capital, and eventually undermines it. Trying to understand the processes of capitalist reproduction on a global scale, Kees van der Pijl theorizes the intensive expansion of markets, and declares that:

... in the constant quest for unpaid labour in its social stratum, and once a major deposit is found in its social sub-stratum, it seeks to raise the rate of exploitation in the actual labour process; until at some point the social and natural substratum on which capital feeds, which it penetrates and transforms, begins to show signs of exhaustion [emphasis added] (van der Pijl, 1998:36).

Van der Pijl’s assertion that the process of intensive expansion leads to the eventual exhaustion of “the social and natural substratum” is important here, because it reflects a common understanding amongst Marxian theorists that intensive expansion leads capitalism into new avenues of contradiction. For Marx, although there was a level of the formal subordination of labour to capital, workers could still “live” between the harsh world of the formal production process and the relatively non-commodified sphere of life to recover from the effect of formal work. When this reproductive sphere becomes itself subject to the profit maximization strategies of capital, then labour is subordinated to capital even more intensely. Marxists like van der Pijl argue that this process leads to a scenario whereby:

... recovery/regeneration itself becomes subject to commodification and exploitation, and this leads to the eventual exhaustion of the social and natural substratum sustaining reproduction (van der Pijl, 1998:37).

Marx’s observation that the English bourgeoisie would have undermined the basis of their own wealth through the “unrestricted waste of human...
life" resulting from the "unnatural extension of the working day" is relevant in this regard (De Sousa Santos, 1985:313). The "passion of capital for a limitless draining of labour power" was overcome by the capitalist state acting as an arbitrator to the problem of collective action faced by English capitalists, with the ten hour day legislation and the Factory Acts (Panitch, 1977:5-6). With the intensification of economic competition and the "internationalization of the state" under conditions of Neoliberal world order, the states capacity to solve such collective action problems has diminished (Cox, 1987: 253-65). This is significant today because according to van der Pijl, the relative increase in the powers of capital means that people are working longer hours, getting less sleep, experiencing the break-up of household bonds, and experiencing increased atomization and alienation (van der Pijl, 1998:46-8).

To those who focus their attention on the disruptive nature of intensive market expansion, this process leads to something akin to social disorder, which, if channelled properly, can lead to political pathways for change. The explanation for why this does not happen typically invokes the fact that the discipline of the market (which causes the social disorder) is accompanied in practice by more traditional forms of social governance, whether disciplinary (the use of physical coercion) or non-disciplinary (the use of a hegemonic strategy of consent generation coupled with real material concessions). Consider, for example Colin Leys recent depiction of the "commercialization of everyday life," whereby he explains "little serious resistance" because of the entrenchment of "a general market-based ideology" in Britain and the United States (Leys, 2001:54-5).

Increasingly, however, the ravages of the market need not be supplemented by such traditional forms of social governance, such as that conducted by states or dominant classes. To use Fernand Braudel's conception of material life (Braudel, 1977:6-8; Braudel, 1981; Braudel 1967.ix), what many Marxists claim has been as a broader conceptual tool to replace the term "the social and natural substratum sustaining reproduction." Using the term material life for conceptual convenience then, what many Marxists claim has been an ongoing occurrence in capitalist societies is akin to the pillaging and abuse of Material Life which serves to undermine social stability in capitalist societies.

Countervailing this assumption is a new perspective emerging in Feminist sociology. What Arlie Russell Hochschild has observed is that
in addition to simply pillaging and abusing material life, Neoliberal restructuring has meant that material life is increasingly colonized by market forces. In her analysis of elaborating the pathways by which the true costs of production are shifted onto the domestic sphere, Hochschild alludes to the ways in which the logic of commodification has accompanied the ways that social disruption of material life are managed. People are increasingly looking to the market as ways of resolving their problems and the market is responding. Unlike van der Pijl’s analysis, the manner in which the colonization of material life occurs is seen to facilitate capitalism’s persistence, not its social degeneration. Furthermore, while other forms of social governance are important (patrimonial notions of the family, for example), increasingly, the market mechanism facilitates a social governance function.

Hochschild’s conception of the expanding “commodity frontier” stands in strong proximity to the aforementioned dynamic of markets for treatment. Primarily interested in how families in liberal capitalist societies manage changes brought on by changing relations of production, Hochschild explains that:

The commodity frontier, Janus faced, looks out on one side to the marketplace and on the other side to the family. On the market side it is a frontier for companies as they expand the number of market niches for goods and services covering activities that, in yesteryear, formed part of unpaid family life. On the other side it is a frontier for families that feel the need or desire to consume such goods and services (Hochschild, 2003: 35-6).

Drawing on her previous work on the “Time Bind” (Hochschild, 1997), Hochschild notes that Neoliberal restructuring places stress on the functioning of households, and that this process creates opportunities for new markets to produce commercial substitutes for what was previously unpaid labour by family members. In other words, material life is first abused, but then colonized by the market. Observing that in the United States “the state has done nothing to ease the burden at home” (Hochschild, 2003:38), Hochschild notes that the market increasingly mitigates
the burdens of cost-shifting onto the domestic sphere. She also points out the effectiveness of this process, at least for those who can afford it:

Just as the French bakery often makes better bread than mother ever did, and the cleaning service cleans the house more thoroughly, so therapists may recognize feelings more accurately, and childcare workers prove more even-tempered than parents. In a sense, capitalism isn’t competing with itself, one company against another, but with the family, and particularly with the role of the wife and mother (Hochschild, 2003:37).

Hochschild also investigates the burgeoning market for women’s self-help books, arguing that this too can be cited as a way of understanding how in the face of a more competitive, unstable and demanding world, the mental anxiety of women is placated and mediated by certain texts produced and sold on the market (Hochschild, 2003:58-72).

Recent literature within Green political economy also alludes to a process which can be understood as the colonization of material life following abuse of that terrain. Examining the contradictions of capitalism at the level of the natural environment, Martin O’Connor notes that the cumulative effects of capitalism’s tendency for cost-shifting is likely to undermine the very conditions of production on which capitalism depends. This is seen as the “second contradiction of capitalism.” Attempts to improve profitability by free riding on existing extra-capitalist infrastructures (ecological, human, and social service infrastructures), O’Connor argues, leads to higher costs of production for capital as a whole, thus undermining its imperatives of accumulation (O’Connor, 1994:127-28). One of his insights is that the dialectical interaction between the needs of capital and the social resistance to ecological destruction ensure that the physical environment itself is thought of and treated as capital. O’Connor suggests that, instead of destabilizing the legitimacy of capitalism:

... environmental crisis has given capitalism a new lease on life. Now, through purporting to take a hand in the saving of the environment, capitalism invents a new legitimation for

The insight here is that through the “capitalization of nature,” the modus operandi of capital as an abstract system “undergoes a logical mutation” whereby previously uncommodified elements of nature become thought of and treated as commodities (O’Connor, 1994:126). Since he understands capital to be a social relation, O’Connor calls the ideological process that accompanies the “capitalization of nature” the “semiotic expansion of capital” (1994:126). Through such processes, he argues, capitalism overcomes its “second contradiction,” at least conceptually. In this conception, the process of cost-shifting first abuses and then colonizes material life, and in doing so gives “capitalism a new lease on life.”

Since the process of managing the contradictions that may arouse collective responses against capital is one of the primary tasks of social governance under capitalism, it is, therefore, possible to claim that the colonization of material life facilitates an increasingly important social governance function. Since the colonization of material life can be understood through the dynamics of the intensive expansion of markets, it also possible to see how an economy of passive mitigation grows through the very same process that capitalism resolves some of its own contradictions. Social adversities, or at least what people subjectively perceive to be adversities, facilitate this growth.

Throughout this article, I have tried to show that an economic dynamic unique to capitalist societies, an economy of passive mitigation, acts as a partial substitute for other forms of social governance by mitigating the manifestations of certain capitalist contradictions. In the presence of the culture of consumerism and possessive individualism, and in the absence of a counter-hegemonic political engagement, people will turn to market choices as a way to solve many of the adversities arising from capitalism’s manifold contradictions. This article has alluded to how the colonization of material life brought fourth by intensive market expansion represents the economy of passive mitigation at work, a dynamic which both feeds off of and purports solutions for the manifestations of capitalist contradictions.
Implications

The implications of the existence of the economy of passive mitigation are profound, especially when one considers the fact that such a form of social governance grows alongside capitalism's tendency for intensive expansion. Since the project of neoliberal restructuring is marked by an increasly intensive use of market discipline, this dynamic becomes all the more pertinent. On the one hand, the economy of passive mitigation facilitates a social governance role under conditions of neoliberalism, and in consequence relieves part of the burden from other, non-market forms of social governance, such as the organization of consent facilitated by states, institutions, or transnational classes. On the other hand, there is a greater importance placed on those complementary discourses and features of capitalist societies that provide the milieu in which the economy of passive mitigation can flourish, namely consumerism.

In addition to realizing the shifts in the relative burden of the deployment of different social governance forms, it is also important to consider the relative efficiency of the economy of passive mitigation in facilitating social governance. States, Hegemonic discourses and international cadre classes are important for facilitating social governance under conditions of neoliberalism, but in efficiency terms, the market mechanism is in many ways more technically adept at responding to the micro problems of a diverse population experiencing the manifestations of capitalist contradictions. Because the economy of passive mitigation is based on the market mechanism, it shares all of the epistemological strengths of the market, except that the commodities produced, circulated and consumed are not politically neutral, but rather forms of treatment with politically implicative effects on the polity. Friedrich Hayek's critique of the knowledge problem inherent in socio-economic planning is relevant here not with regard to socio-economic planning, but at the level of social governance (Hayek, 1976b:107-132). A hegemonic discourse, or a policy by an international institution aimed at ensuring social stability, is somewhat inefficient in terms of its ability to resonate with each individual targeted. Indeed, the very prospects for counter-hegemonic mobilization are built on the fact that some individuals and/or groups are not animated by the hegemonic discourse as it is intended by the dominant bloc that produces it. But when social governance is facilitated by the economy of passive mitigation, the many diverse and
micro-level adversities are treated in an efficient and capillary-like fashion.

The economy of passive mitigation is also limited by a number of factors, which are complementarily linked to other forms of social governance. The strength of the hegemonic discourse of possessive individualism, for example, plays a role in normalizing the practice of turning to consumption as a means of dealing with one's personal sense of alienation. It is also important to consider that economic factors, such as the expansion of personal credit, play a large role in the economy of passive mitigation being able to reach people commanding lower incomes. But perhaps more interesting is the way in which the economy of passive mitigation may expand or contract as both the contradictions of capitalism are made manifest to increasing numbers of people globally at the same time that the traits of consumerism and possessive individualism are both globally spread and globally contested. While the manifestations of capitalist contradictions and the abuse of material life are felt more poignantly by growing numbers of people across the globe as neoliberalism dictates the range of social organization possible to achieve the good life, the persistent resistance to the values of consumerism and possessive individualism may prove to limit the ability for the economy of passive mitigation to expand and act as a substitute social governance form. On the other hand, the fact that a culture of possessive individualism and consumerism seems to be persistently spreading alongside neoliberal socio-economic organization throughout both the North and the South would seem to suggest that social governance could be facilitated through market dynamics at least to some impressive degree (Neufeld, 2001:100-1).

The fragility of an economistic form of social governance
For Marx, the proletariat was both the product of capitalism and its dialectical gravedigger (Marx and Engels, 1998:50). This paper argues that the economy of passive mitigation is also a product of capitalism; is it a gravedigger as well? Since the economy of passive mitigation assists in the reproduction of neoliberal world order, it would seem that it too represents a helpful assistant to capitalism, instead of its gravedigger, and that in consequence it aids in the maintenance of neoliberal world order. However, there is also reason to believe that in certain circumstances, the opposite may be true.

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The fact that the economy of passive mitigation at its root rests on more purely economistic relationships between people and commodities than do other forms of social governance perhaps reveals one way in which it is comparatively fragile. Forms of social governance such as hegemonic leadership or nationalist narratives are resilient due to the fact that even during periods of economic crisis, the legitimacy of production relations are not necessarily undermined. Because many forms of social governance rest on changing collective intersubjectivities through discursive power, an economic crisis doesn't necessarily undermine the legitimacy of the political economy in its entirety. The glue that holds norms and practices in their previous configurations is social and intersubjective. However, unlike these forms of social governance upon which we rely, the economy of passive mitigation relies more purely on the production and consumption of commodities, and here the glue is simply a relation between a person and a commodity, and as such is vulnerable to the possibility of that relationships disruption. A consumption crisis at the national or regional level is an example of such a disruption. Seen in this way, comparing the prospects for the strength of the economy of passive mitigation during a consumption crisis can be likened to the strength of military coercion when guns and tanks melt away precisely when they are needed most readily.

It is also important to consider that such fragility is not only dependent on levels of income polarization, but also on the allocation of personal credit. The fact that the last number of serious crises in the global economy have not been in the realm of production but at the level of finance is implicative in this regard; the increasingly volatility of international financial markets and the frequency of currency crises, is thus another way that the economistically fragile economy of passive mitigation may be seriously fractured (Bellow et. al. 2000). The question of its strength, then, is a function not only of the cultural milieu in which it thrives, but on the future prospects of the stability of the global economy.

Conclusion
Undeniably, one of the monumental strengths of neoliberalism has been its ability to deal with systems crises. While there have been many serious systems’ crises in the global economy, this has not led to an identity crises in the Habermasian sense (Habermas, 1975, Hay, 1994). One has
to marvel at the fact that after 20 years as an all-encompassing economic and social philosophy, neoliberalism has been able to deal with systems’ crises by simply proscribing more neoliberalism (Panitch and Gindin, 2002:19)! Periodic economic crisis and stagnation have been met with the prescription to liberalize markets more intensely; the environmental epidemic has been met with the prescription to make better use of market principles; public institutions starved of funds due to neoliberal policies are encouraged to make themselves more market-oriented. Part of this capacity, as many IPE theorists have made clear, can be attributed to the ability of states, institutions, and classes to mobilize hegemonic discourses and practices in an effort to gain the consent of the populations adversely affected by Neoliberal restructuring. The use of physical coercion is, without a doubt, also still an important feature of Neoliberal world order as well. These views are very useful, yet it is also important to understand the ways in which the unleashing of market forces produces adversities which it then treats: producing a unique form of social governance that mitigates some of capitalism’s contradictions. Recognizing the economistic manner in which this form of social governance is facilitated, however, leads to a better understanding of both its inherent fragility and weakness and thus can assist with envisioning possible openings for change within neoliberal world order.

Notes
1. Alienation is understood here as the Marxist theory of alienation. Although there is debate surrounding the definition, the one that will suffice for the purposes of this paper is alienation understood as “...the seizure of surplus value in a social process of production that alienates laborers from the product of their labor, from control over the labor process, as well as from other laboring comrades, and from the political (as well as sensual and aesthetic) potential of the human species itself” (Reitz, 2000:70).

2. The glaring problem in identifying which commodities’ production and consumption represent a “market for treatment” is that while some commodities are explicitly produced to “help people cope,” others may “help people cope” because of the symbolic meaning of the commodity itself, instead of its objective physical properties. For this reason, only commodities that are explicitly produced and consumed for the purpose of ‘treatment’ are used as examples here. The fact that, in reality, such a clear demarcation does not exist is one of the most significant limitations of this paper.
3. Indeed, under the conditions of neoliberal world order, many formal paths of action are effectively ‘blocked.’ On the one hand, adaptive legislation that might help mitigate the ravages of unregulated capitalism are often deemed essentially illegal in favour of the rights of private investors, enshrined in multilateral ‘trade’ agreements, such as the NAFTA’s Chapter 11. On the other hand, where governments do have flexibility to respond to many social adversities, the hegemonic strength of neoliberal discourse has engendered a changing conception of the proper role and function of legislation, such that active and purposeful intervention to mitigate the adversities of structural change are doomed to failure (see Hayek, 1976a, 1976b).

4. The French “annals” historian Fernand Braudel’s concept of Material Life is understood here as the realm of social life and of production that is distinct from formal economic processes of what Braudel would understand to be the market economy and capitalism. See Braudel, 1977:6-8. In some ways, the level of Material Life is not dissimilar to that of Habermas’ conception of the “lifeworld.” In reference to the citation of van der Pijl, the “natural and social substratum sustaining reproduction” can be included within the realm of Material Life since, although they are shaped and influenced by capitalism, they stand outside of it in that commodified exchange, pricing, and the functional purpose to which they serve for the participants lay outside of the sphere of capitalism. The domestic sphere of reproduction, for example, does not organize care and the reproduction of new generations for sale on the market. Seen in this way, the realm of Material Life is the realm where Polanyi’s fictitious commodities are in their historical element.

5. What might be added to this analysis is that not only is Material Life colonized through the “capitalization of nature” but also through the manner in which people respond to environmental problems. Because the “semiotic expansion of capital” allows for the representation of capitalism’s environmental devastation as “manageable” through the extension of market-based practices and modes of thought, the idea of erecting a regulatory structure that would stand in the way of capitalist rationality destroying the ecology of the planet is invalidated as a non-option. As a result, the options that individuals turn to in order to deal with the effects of environmental crisis on their mental and physical health are based on market-choices. The well-intentioned, ecologically conscious consumer not only buys “Green” toilet paper and laundry detergent, s/he also buys water filters, face masks for walking in downtown areas, and frequents health-food stores in search of cures to depleting health.
6. As has been discussed, the diverse markets for treatment which emerge in liberal capitalist societies play a role in mitigating some of capitalism's adverse effects, acting in turn as a substitute for other forms of governance. While this may be true, it is also true that it is often the case that those affected most adversely by capitalism's contradictions simply cannot rely on their purchasing power to consume their way into a form of "treatment." This is without a doubt an important shortcoming of the model presented in this paper. However, several factors may help to at least partially surmount such a deficiency. The first of these factors is the existence of personal credit systems in late capitalist societies. It is perhaps significant that, as Juliet Schor has pointed out, the culture of consumerism is reliant heavily on people's access to credit (see Schor, 1998:72-74; Morris, 2001: 11 and especially Secareccia, 2004). The expansion of networks of popular credit allocation in late capitalist societies has meant that people can consume commodities at a rate that is only derivatively related to their real incomes. The real incomes and the stability of the latter does, of course, draw important limits on the ability to use credit as a substitute for raw purchasing power. Nevertheless, credit remains a way of overcoming at least some of the limitations imposed by low incomes that would otherwise exist in the absence of credit, and in doing so absolves some of the barriers of 'markets for treatment' circulating within low-income communities. It is also perhaps significant that because of the intensity of the alienation felt by many poor people, the substitution effects within an individual or household's budget constraints can be sizable.

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