Abstract: By going no further than common sense, mainstream economists are accustomed to considering the “crisis” as “when things go wrong” -- in technical terms: “when we’re out of equilibrium”. How puzzling, then, that mass unemployment and inequalities – definitely things going wrong – last for decades. Can the sheer idea of a thirty year crisis make sense? This rhetorical question gives rise to quite another concept of crisis, in line with French “Regulation theory”: it’s not “when things go wrong” but when “things change.” Actually they do change! They do because capitalism is a historical succession of patterns of accumulation. Crisis is the name of the more or less disorderly transition from one accumulation regime to another. In other words, a crisis occurs when significant changes in the institutional setting of capitalism can be observed. However, such a change cannot be determined - only by an “objective” economic state of facts. It all depends on the way the agents (the social groups) make judgements about it, and are consequently driven to take a new, transformative (and conflictual) course of action. In its essence institutional change is a political process and, considered from a Spinozian perspective, a political process is a matter of collective affects and desires. In order to complete “Regulation theory” we are required to see that crises breakout through the mediation of political affects and desires. They are passionate events.

Keywords: crisis, Regulation theory, Spinoza, affects

Economists haven’t thought about the catastrophe. We should ask ourselves why not? History has witnessed enough devastations, suitably economic, that have lead our societies to the fringes of chaos: German hyperinflation of 1923, major financial and banking collapses like that of 1929… The open crisis that began in 2007 could have potentially carried dislocations of this magnitude - it is difficult to concretely imagine what would have happened had the Euro collapsed, which almost happened in autumn 2011 (indeed, perhaps this is a story that remains unfinished…).

Yet, as if the economic order of things were postulated by an intrinsic regularity, or rather, only admitting “reasonable” irregularities, economists seldom have at their disposal a concept other than that of “crisis.” What can they offer in the name of the “catastrophe”? Perhaps a terminal destruction of the institutions of the capitalist economy… That is to say, the annihilation of their “object” is the reason why the “catastrophe” remains of the order of the ill-considered - if not of the decidedly unthinkable [impensé]? Therefore there will be, continually, only the “crisis.” Furthermore: do economists really think about it?

Economists ought to consider it, since, in the expanded field of public and political debate, in a competition of “concepts,” the notion of “crisis” is a forerunning candidate for the most poorly constructed. It is
enough to have a notion of the uncontrollable proliferation of “crises” in all its guises, “economic” of course, but equally, “political,” “social,” “environmental,” “moral,” and/or “[crisis of] civilisations.” And we must also question the meaning that the continued evocation of an “economic crisis” - for almost forty years - could well assume. Therefore, we must not rely on the discourses by “media experts,” avid employers of the term, to go beyond the common sense apprehensions which form the generic denomination of political humour and social gloom, sentiments of collective dissatisfaction, and varied malaise, which ultimately yields, more or less, the implicit announcement that: “the crisis is when things go wrong” - typically, thirty years of mass unemployment: thirty years of crisis. However, ceasing to dwell in the register of vernacular formulations, the crisis is not when “it goes wrong”: It’s “when it changes.”

But what is the “it,” a pertinent object of change susceptible to qualifying a crisis? We cannot say that standard (Neoclassical) economic theory has shined as a direct result of its profound analysis; which merely contented itself with a change in the sign of a derivative, known as a reversal of the growth path: a crisis is a fluctuation in decline in the evolution of Gross Domestic Product... In its most extreme form,1 neoclassical theory goes so far as to hold that since the economy is in itself a system of markets that is perfectly stable and auto-regulated, economic disharmony can only affect the economy from the outside. In theory, economic fluctuations are only a result of “exogenous shocks,” in the view of this very particular context - itself a very anti-Keynesian position, a supply-side shock is, in general, a shock of supply that creates its demand - therefore, it is never from the latter side (that of demand) that any problems could arise. That’s how, for example, the Great Depression of the 1930s is said to be the product of supply-side shocks. An enormous and unfortunate event which came about from the outside, we don’t know where from exactly, that had brutally displaced the production function - something like a massive outburst of collective stupidity leading to a sudden collapse of productivity. The take-away lesson is evident: the system of markets left to its own devices does not know (connait) the crisis, it experiences itself as being inevitably connected to an externality (political, oil, geo-strategic, technological, etc.), as unique origins of its perturbations.

We will, of course, continue to tell ourselves that the discipline of economics is not in good shape as long as it continues to ennable these types of contortions2 destined to hold together a few facts that are difficult to contest (we had a Great Depression, other crises too), and the

defence at all costs is the dogmatic image of the economy as both optimal and stable, the “general equilibrium of markets.”3 In order to overcome these aberrations, we owe it to honesty to recognise that Keynesian macroeconomics has not delivered a concept of the crisis that is any more profound. The concept of the crisis, in Keynesian macroeconomics is considered under the rubric of cyclical fluctuations – those which, in contrast to the neoclassical position, contents itself to a waiting game of the spontaneous regulation of markets, calling any intervention, by means of differing instruments of political economy, counter-cyclical.

Life and death of the regimes of accumulation

The so-called “Régulation school”4 defined itself against the poverty of these conceptualisations of the notion of the crisis and their corollary inability to think about the rupture. At the beginning of the 1970s, the growth rates of output and productivity were brutally reduced from a 4.5% trend, to a much lower slope of 2-2.5% per annum - a rupture which is not visibly justifiable neither from neoclassical denial (in theory), nor in the case of simple Keynesian stimuli (in practice).5 Therefore, it was not an ordinary fluctuation that they were attempting to investigate, it was something else which had more to do with a change of era. Régulation theory's first step, inspired by the dialectic historicisation inherited from marxism, was to break transhistorical universalism (or, to put it another way, ahistorical universalism), of the “laws of economics” in order to think about the accumulation of capital in its particular sequences, that is to say as a periodised process. Still, it was necessary to abandon the original view of the economy as a “system of markets,” in order to give itself the alternative aim of finding capitalism, up until then designating a set of social relations which were institutionally married, in order to access the idea that capitalism does not allow us to see its institutional configurations, and yet it is nevertheless constitutively subject to historical transformations.6 Capitalism changes because its institutional frameworks change. If the social relations of capitalism are its invariables for a very long period, the institutions which particularly express them are products of history, as such contingent and temporary, that is to say

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1 The so-called Real Business Cycles.
2 Robert Lucas, Finn Kydland, Edward Prescott...
3 To be quite honest it is important to emphasize the dissonance between on the one hand what should be called, strictly speaking, the theory of general equilibrium - which has never shied away from the fact that it is unable to demonstrate the stability of equilibrium. And on the other hand, macroeconomics, which is inspired by an all too simplified framework for the properties of equilibrium to be restored.
5 As is evidenced by the two attempts at Keynesian stimuli (Chirac 1974; Mauroy 1981), which resulted in the same failure.
6 As well as geographical variations.
that which is offered by the formations and transformations of history. And who has a clear intuition of this? Doesn't the fundamental relation of waged labour receive markedly different actualities than what was envisaged during the first thirty years of the twentieth-century, from 1954 to 1985, or under the regime of neoliberal globalisation? And even for the forms of competition, those in the financial services, industrial organisations, state intervention methods, etc. The Régulation approach gives some analytical consistency to this basic intuition, that capitalism varies. By changing the institutional forms, you change the mechanisms which drives the accumulation of capital. As a result, the macroeconomic dynamic of the growth path - as regular or unstable, at low or high speed, high or low employment rates, with particular consequences on revenue sharing and inequality, etc. Capitalism will never let us see that the historical succession of the regimes of accumulation, what is called “crisis,” i.e. the transition from one to another of these “epochs” - the crisis “is when things change,” and what changes in a crisis is the overall coherence of a regime of accumulation.

Now, there is necessarily a crisis since capitalist social relations are expressed in a certain set of institutional forms which are intrinsically contradictory, and these institutions are able to temporarily accommodate these contradictions; this is the “regularity” which lends its name to the theory. Therefore, the regime of Fordist accumulation for example, which relies on the extraction of the gains of productivity by extending the series, encounters its limit when domestic markets reach saturation. They request and apply for renewals of initial equipment provisions - less homogeneous which demand a shorter and differentiated series. Thereby contradicting the structures placed in industrial organisations, and disrupting their own regime of productivity. Seeking to extend Fordist logic by replacing exports with domestic consumption only increases the destabilisation of the regime; whose macroeconomic closure was founded on the strong and steady growth in wages. Virtuous, perhaps, in a self-centred growth pattern where the solvency (solvabilisation)\(^7\) of domestic consumption was critical; yet caught in an awkward position when the economy opens beyond a certain threshold, and is engaged in a game of cost competitiveness. In a typical illustration of Marx’s dialectical intuition, Fordism dies in having succeeded too well. It’s the very same functioning in the structure which in the long term has “twisted” its constitution until ... it arrives at a critical point where
crisis coherence is ruptured.\(^6\) Similarly, the neoliberal regime is in jeopardy, since having licensed everything to capital markets, and, thus, having left finance to expand its operations to the point where the accumulation of risks and debt (public and private) is no longer manageable. It is no longer able to find processes of resolutions in a succession of massive defaults which are extremely destabilising (the default of US household credits on their \textit{subprime} mortgages, defaults on sovereign debt in Greece).

Incidentally, the neoliberal regime of capital accumulation demonstrates that we could not do better than that which analytically separates the crisis, conceptualised as rupture of an ancient schema, adhering to the accumulation of capital as “the crisis-[is]-when-it-goes-badly.” Mass unemployment, as well as inequalities, or precarity, are no indication of a “crisis” - which have lasted for over 30 years? – they are permanent characteristics of this regime, stable products of the installed coherence – in effect for over 30 years... It is obviously not that the crisis can only come from this regime of capital accumulation - no one is exempt, and contemporary events testify as much. But, precisely, the production of the crisis in the neoliberal regime of accumulation\(^9\) is not founded on the components that have run for decades in ordinary discourse on the notion of “crisis”: these are exceptional destabilisations\(^10\) produced by the functioning of the structure – notably in the financial market sector – and the structure itself is no longer in a state being accommodating: since the subprime mortgage shock of 2007, in effect, we could say that the regime of neoliberal accumulation has entered a crisis.

But it only just entered. So what needs to be done for it to be properly installed? There must be the effective driving forces of change - that is to say of institutional transformations likely to deliver a new “coherence” of all capitalist accumulation. As Régulation theory has perpetually highlighted, it is perhaps in this kind of argument that halts the powers of pure macroeconomic analysis; since the process of transforming institutional forms fundamentally remain the responsibility of political practices.

This means that uncertainty has inaugurated a phase of large-scale destabilisations, which could lead to a variety of reconstructions; yet relegated to a game of unpredictable power relations \textit{ex ante}. As well as giving rise to attempts (by those dominant!) to somehow accommodate the differences so as to maintain all that could be saved from the previous system - against the backdrop of the desperate efforts of current governments to disengage from the prerogatives of capital

\(^7\) By “solvabilisation” of consumption, we should understand the total cash flow (wages and income transfers) that contribute to the formation of a “solvent” demand (i.e. have the financial means to express) of households.

\(^8\) Lordon 1995 (2002).

\(^9\) Which we could name, more accurately, but more circuitously: “predominantly financial deregulation of capitalism”

\(^10\) Exceptional in terms of magnitude of changes in macroeconomic parameters (drop in growth, deficits, debts ...) and financial (massive devaluation of certain assets).
The formation of such a majoritarian affective-ideation is not, however, self-evident; and for insistence on the theme of the trace and the tracing in Spinoza’s theory of ingenium, see: Vinciguerra 2005.


13 For insistance on the theme of the trace and the tracing in Spinoza’s theory of ingenium, see: Vinciguerra 2005.

14 ‘Parts’ since it always remains in the biographical trajectory of an individual set of idiosyncratic experiences, so if sociologically close, two individuals can never have a quite identical ingenia.

15 The formation of such a majoritarian affective-ideation is not, however, self-evident; and it would require, in all likelihood, and case by case, the exposure of the social mechanisms that determine such a formation: intra-individual mimetic influences, where the direction of authority is passed through the agreed interlocutors or opinion prescribers, which is to say, they refer to the poles of concentrated symbolic capital, etc.

the affects, according to Spinoza’s statement in Eth., III, 51. It is for this reason that we are unable to locate, a priori, the rupturing threshold that would maintain the diagnosis in the register of economic conditions (the, statistically documented, state of economic affairs). Recall the prophecy which was prevalent at the beginning of the 1970s, in Pompidou’s France, announcing “the explosion of French society” if unemployment surpassed 500,000; with hindsight we know that was ridiculously wrong. Undoubtedly, since the increase occurred gradually (and no doubt for a multiplicity of other reasons), the economic affection of mass unemployment did not produce an affective-ideation collectively powerful enough to arrive at the opinion of the threshold of the intolerable. One suspects that there must exist somewhere an unemployment rate (15%? 25%? but 25% is the rate in Spain... it has not moved (still); we need more?) that would eventually lead social unrest aimed at large-scale riots - and finally substantial political changes. Yet, no one can say where the critical point is exactly, whose location is not given ex ante but emerges endogenously - during the process. In the same way, one is struck by how the capacities of the different social bodies, for example in France and the US, are able to tolerate a certain level of inequality; and again it is the collective ingenium which manifests its tolerances and intolerances. And the various collective ingenia may be affected differently by a single economic condition, and one collective ingenium can be affected by a single economic affection in different ways at different times. What are the collective affects of the condition of the credit crunch? What will the economic downturn and austerity policies produce? This is the question that remains hanging, the becoming-crisis of this situation; which is to say the contingent birth of a collective of passionate dynamism with sufficient power to achieve a transformation of the (political) institutions of capitalism - and a change in the regime of accumulation. Similarly, the question of whether the present state of the economy qualifies as a crisis in capitalism, i.e. where the stakes would be delimited by the passage from one regime of accumulation to another, or as a crisis of capitalism, remains totally open. Nothing can exclude - and yet nothing makes it necessary either - that the question of capitalism itself, and the opportunity to surpass it, is biased in favour of existing (dis)orders. A simple crisis of the regime of accumulation could mutate into a crisis of capitalism itself, if, as a result of these economic affections, the idea of forming a majoritarian affective-ideation crossing the intolerable threshold is understood as having to do with capitalism itself. And if one day this terminal event is to occur, it will first take on the guise of a crisis of the regime of accumulation, in some ways the crisis of too much, packed with affective amplification of unprecedented intensity. A critical dynamic is launched only by the formation of collective power determined to transformative action. And this formation of power itself is only constituted under the influence of common affects that are sufficiently intense. These affects have to do with the limits of the intolerable, of “what cannot last any longer.” But the extension of the “what” is the object of judgment, and the intensity required for it to be judged “can no longer continue,” are immune from a certain a priori knowledge. When the conditions of economic affairs transform themselves into a crisis, they demand the knowledge of what affects these affections will produce. For their fortune and their misfortune, power lives in this uncertainty. Power shelters in the plasticity of the social body whose tolerance and capacity for accommodation can extend a remarkably long way; or, the social body lives under the perpetual risk that its ability to cross the invisible threshold is already realised too late. Since the subprime bubble burst in 2007, five years of serious economic chaos has not yet decided on the final orientation of affairs. The question that remains open is whether this set of economic and social conditions will be determined by the lack of large-scale collective movements, and will instead only give rise to individual sorrows or sporadic movements without results; put another way, the result of collective affects yielding only limited concessions in the style of Roosevelt’s New Deal which remains in capitalism by reconfiguring the regime of accumulation. Or instead triggering the formation of a collective revolutionary power - the “catastrophe”? Translated by Sinan Richards
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