

## Book Review

# The New Spirit of Capitalism

Luc Boltanski, Ève Chiapello  
Verso, London & New York, 2007, 656 pp.

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This historical, sociological and conceptual study, first published in France in 1999, takes as inspiration the social situation of the industrialised West in the mid-1990s. Capitalism was flourishing: returns on invested capital were considerably higher than in the early 80s. On the other hand, unemployment, inequalities and homelessness were also on the rise. Yet, whereas comparable circumstances in the inter-war years and in the 60s had provoked a concerted and redoubtable criticism of the prevailing economic order, in the 90s criticism had largely given way to an economic or Darwinistic fatalism – a rueful (or enthusiastic) acceptance that ‘the laws of the market’ were indomitable. This diagnosis of a crisis of criticism is, despite various knee-jerk reactions to the present financial difficulties, as pertinent to the situation in Western Europe and the U.S. today as it was ten years ago to the French case on which Boltanski and Chiapello concentrate their attention.

The present crisis of criticism, the authors argue, must be understood in connection with a previous crisis of capitalism, or, more precisely, a crisis of a previous *spirit* of capitalism, which erupted most visibly in the protest movements of 1968. Capitalism, understood as ‘an imperative to unlimited accumulation of capital by formally peaceful means’ (p. 4), although it includes a normative, or justifying, component in its definition, cannot by itself motivate people to participate actively – whether as investors or as wage-workers – in the process of accumulation. On the contrary, Boltanski and Chiapello argue that the rise in the suicide rate from 22.9/100,000 in 1977 to 31.6/100,000 in 1994 (p. 423) can be attributed to the ‘anomie’ which results when people are directly exposed to the capitalist imperative without an intermediary ‘spirit’. Desire for essential goods, or even luxuries, is also not enough, the authors claim, to motivate the kind of engagement with one’s work which is required in modern production and services. So capitalism needs a motivating spirit, and must import this spirit from the area of social reality outside the sphere of accumulation.

The spirit of capitalism at a given point in time can be called an ideology, but this should not be taken to imply that it is an inevitable epiphenomenal accompaniment of the economic ‘basis’, that it is necessarily a false representation of reality, or that one social group consciously uses it in order to manipulate another. Rather, the spirit of capitalism must draw on normative orders, or – in the terminology of Boltanski and Thèvenot’s earlier book, *On Justification* – ‘cities’, which are not only endorsed as correct standards of justice across different groups in the society in question, but furthermore form the criteria for success in institutionalised ‘tests’, which as a consequence count as ‘legitimate tests’ rather than bare ‘tests of strength’ (p. 31). In turn, because these tests take a concrete, institutional form, they have a – partially constraining – impact on the process of accumulation.

This book’s intriguing thesis is that capitalism has evolved over the last century not just in response to internal pressures (efficiency, competition) and technological advances, but also



by incorporating large strands of the criticism to which it has been subject into its own motivating spirit. Time and again, criticism of the capitalist imperative itself for its unacceptable consequences, aiming to overthrow or abolish the capitalist economic system, is reinterpreted as a justification for a new form of... capitalism.

To substantiate their claims the authors turn in the first place to the management literature of the 1960s and 1990s, which, in prescribing ways in which a firm should be run, provides managers not only with their own motivations but also with justifications they can use when explaining features of organisation to the workforce. In subsequent historical chapters it is shown that the 'tests' introduced by firms and by government legislation progressively embodied the 'spirits' advocated by the literature directed at managers in these two periods.

The spirit of capitalism in the 60s defined itself in opposition to the capitalism of the first half of the twentieth century. Its defining features can be understood as an incorporation of the substantial criticism directed at capitalism in the inter-war years by European socialist and communist parties, as well as the trade unions. This criticism was largely what Boltanski and Chiapello call 'social critique' – criticism of poverty and inequalities in society, on the one hand, and, on the other hand, criticism of egotistic exploitation of one social group by another. According to this spirit of capitalism, profit should be distributed fairly according to qualification and position in the firm, as opposed to nepotistically, as it often was in earlier, family-based capitalism, and a job in a large firm should provide a worker with lifelong security. The spirit of capitalism in these years had much in common with the ethos of the welfare state.

But it is in opposition to this (second) spirit of capitalism that the new (third) spirit of capitalism defines itself, and whereas the former draws above all on the social critique of the inter-war years, the latter draws predominantly on what the authors call 'artistic critique', which acquired a formidable public voice for the first time in 1968. Artistic critique is criticism of 'inauthentic' activities, emotions and forms of life, on the one hand, and of oppression restricting the individuals' freedom, autonomy and creativity, on the other. Incorporating criticism of industrial capitalism as hierarchical and dehumanising, transforming workers into mere machines for carrying out instructions, the new spirit of capitalism advocates self-management and versatility in the workplace and a new ideal of the manager as an inspiring 'coach' or 'leader', who gets the workers to do what is needed, not by issuing orders, but by converting them to the cause, so that the firm's interests become *their* interests.

This latest spirit of capitalism can, argue Boltanski and Chiapello, be best understood as embodying the values of a new normative order, 'the projectual city', not seen before, and not yet fully articulated – let alone institutionalised. This city, drawing indirectly on neo-Nietzschean philosophy (Deleuze), French and American sociology and the language of information technology, acknowledges that the world of work is now a 'connexionist' world, a mesh of interlinking networks in which the successful actor is the one who has enough transferable skills, contacts and mobility repeatedly to come out on top in this city's chief test: ending one 'project' and beginning another.

While the flexibility prized in the new connexionist world may – in the spirit of a disarmed artistic critique – enhance the autonomy of roving managers, and certainly enhances the revenue of investors on the international financial markets, things are not so rosy for much of the workforce on new flexible contracts with their concomitant insecurity. In 1995 67% of French workers on part-time contracts had accepted these 'for want of something better' (p. 258).

But the same artistic critique that contributed to forming the projectual city also helped to generate the crisis of criticism, which is the book's starting point. For one thing, criticism of



authoritarian hierarchy was from 1968 onwards directed as much at the trade unions and the P.C.F. as at industry. For another, measures required to further autonomy are intrinsically likely to diminish security, and vice versa, so that there is a conceptual tendency for the artistic critique and the social critique to undermine one another.

However, in the most fascinating part of their study the authors outline a model for how the traditional social criticism of exploitation can be adapted to the connexionist world, criticising it from within the normative framework of the projectual city itself. It can be shown that actors with more flexibility and mobility (multinationals, financial firms) rely for their profitability on the fact that other actors (states, local workforces) have less. This fact can then ground claims for more recognition and remuneration on the part of less mobile and versatile actors. The authors perhaps do not make clear how much the traditional model of exploitation by a proprietor class of a working class can still be brought to bear on a connexionist world, as they tend to blur the distinction between what kind of criticism is justified and what kind of criticism is, or can most easily be, institutionalised (unions, laws).

This original and imaginative book, which goes a long way towards making contemporary life intelligible, ends with a subtle and perceptive discussion of new ways in which features of work and consumption can be experienced as inauthentic.

