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History and Class Consciousness

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Reification and the Consciousness of the Proletariat

To be radical is to go to the root of the matter. For man, however, the root is man himself.

Marx: *Critique of Hegel's
Philosophy of Right.*

It is no accident that Marx should have begun with an analysis of commodities when, in the two great works of his mature period, he set out to portray capitalist society in its totality and to lay bare its fundamental nature. For at this stage in the history of mankind there is no problem that does not ultimately lead back to that question and there is no solution that could not be found in the solution to the riddle of commodity-structure. Of course the problem can only be discussed with this degree of generality if it achieves the depth and breadth to be found in Marx's own analyses. That is to say, the problem of commodities must not be considered in isolation or even regarded as the central problem in economics, but as the central, structural problem in society in all its aspects. Only in this case can the structure of commodity-relations be made to yield a model of all the objective forms of bourgeois society together with all the subjective forms corresponding to them.

The Phenomenon of Reification

1

The essence of commodity-structure has often been pointed out. Its basis is that a relation between people takes on the character of a thing and thus acquires a 'phantom objectivity', an autonomy that seems so strictly rational and all-embracing as to conceal every trace of its fundamental nature: the relation between people. It is beyond the scope of this essay to discuss the central

How
mechanism is
the sense of 'to be'
'corresponding' to be?

importance of this problem for economics itself. Nor shall we consider its implications for the economic doctrines of the vulgar Marxists which follow from their abandonment of this starting point.

Our intention here is to *base* ourselves on Marx's economic analyses and to proceed from there to a discussion of the problems growing out of the fetish character of commodities, both as an objective form and also as a subjective stance corresponding to it. Only by understanding this can we obtain a clear insight into the ideological problems of capitalism and its downfall.

Before tackling the problem itself we must be quite clear in our minds that commodity fetishism is a *specific* problem of our age, the age of modern capitalism. Commodity exchange and the corresponding subjective and objective commodity relations existed, as we know, when society was still very primitive. What is at issue *here*, however, is the question: how far is commodity exchange together with its structural consequences able to influence the *total* outer and inner life of society? Thus the extent to which such exchange is the dominant form of metabolic change in a society cannot simply be treated in quantitative terms—as would harmonise with the modern modes of thought already eroded by the reifying effects of the dominant commodity form. The distinction between a society where this form is dominant, permeating every expression of life, and a society where it only makes an episodic appearance is essentially one of quality. For depending on which is the case, all the subjective and objective phenomena in the societies concerned are objectified in qualitatively different ways.

Marx lays great stress on the essentially episodic appearance of the commodity form in primitive societies: "Direct barter, the original natural form of exchange, represents rather the beginning of the transformation of use-values into commodities, than that of commodities into money. Exchange value has as yet no form of its own, but is still directly bound up with use-value. This is manifested in two ways. Production, in its entire organisation, aims at the creation of use-values and not of exchange values, and it is only when their supply exceeds the measure of consumption that use-values cease to be use-values, and become means of exchange, i.e. commodities. At the same time, they become commodities only within the limits of being direct use-values distributed at opposite poles, so that the commodities to be exchanged

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If the commodity - situation is pervasive, then Marx's political economic studies can be applied to all areas of the social totality

by their possessors must be use-values to both—each commodity to its non-possessor. As a matter of fact, the exchange of commodities originates not within the primitive communities, but where they end, on their borders at the few points where they come in contact with other communities. That is where barter begins, and from here it strikes back into the interior of the community, decomposing it."¹ We note that the observation about the disintegrating effect of a commodity exchange directed in upon itself clearly shows the qualitative change engendered by the dominance of commodities.

However, even when commodities have this impact on the internal structure of a society, this does not suffice to make them constitutive of that society. To achieve that it would be necessary—as we emphasized above—for the commodity structure to penetrate society in all its aspects and to remould it in its own image. It is not enough merely to establish an external link with independent processes concerned with the production of exchange values. The qualitative difference between the commodity as one form among many regulating the metabolism of human society and the commodity as the universal structuring principle has effects over and above the fact that the commodity relation as an isolated phenomenon exerts a negative influence at best on the structure and organisation of society. The distinction also has repercussions upon the nature and validity of the category itself. Where the commodity is universal it manifests itself differently from the commodity as a particular, isolated, non-dominant phenomenon.

The fact that the boundaries lack sharp definition must not be allowed to blur the qualitative nature of the decisive distinction. The situation where commodity exchange is not dominant has been defined by Marx as follows: "The quantitative ratio in which products are exchanged is at first quite arbitrary. They assume the form of commodities inasmuch as they are exchangeables, i.e. expressions of one and the same third. Continued exchange and more regular reproduction for exchange reduces this arbitrariness more and more. But at first not for the producer and consumer, but for their go-between, the merchant, who compares money-prices and pockets the difference. It is through his own movements that he establishes equivalence. Merchant's capital is originally merely the intervening movement between extremes which it does not control and between premises which it does not create."²

And *this* development of the commodity to the point where it becomes the dominant form in society did not take place until the advent of modern capitalism. Hence it is not to be wondered at that the personal nature of economic relations was still understood clearly on occasion at the start of capitalist development, but that as the process advanced and forms became more complex and less direct, it became increasingly difficult and rare to find anyone penetrating the veil of reification. Marx sees the matter in this way: "In preceding forms of society this economic mystification arose principally with respect to money and interest-bearing capital. In the nature of things it is excluded, in the first place, where production for the use-value, for immediate personal requirements, predominates; and secondly, where slavery or serfdom form the broad foundation of social production, as in antiquity and during the Middle Ages. Here, the domination of the producers by the conditions of production is concealed by the relations of dominion and servitude which appear and are evident as the direct motive power of the process of production."³

The commodity can only be understood in its undistorted essence when it becomes the universal category of society as a whole. Only in this context does the reification produced by commodity relations assume decisive importance both for the objective evolution of society and for the stance adopted by men towards it. Only then does the commodity become crucial for the subjugation of men's consciousness to the forms in which this reification finds expression and for their attempts to comprehend the process or to rebel against its disastrous effects and liberate themselves from servitude to the 'second nature' so created.

Marx describes the basic phenomenon of reification as follows:

"A commodity is therefore a mysterious thing, simply because in it the social character of men's labour appears to them as an objective character stamped upon the product of that labour, because the relation of the producers to the sum total of their own labour is presented to them as a social relation, existing not between themselves, but between the products of their labour. This is the reason why the products of labour become commodities, social things whose qualities are at the same time perceptible and imperceptible by the senses. . . . It is only a definite social relation between men that assumes, in their eyes, the fantastic form of a relation between things."⁴

What is of central importance here is that because of this

situation a man's own activity, his own labour becomes something objective and independent of him, something that controls him by virtue of an autonomy alien to man. There is both an objective and a subjective side to this phenomenon. *Objectively* a world of objects and relations between things springs into being (the world of commodities and their movements on the market). The laws governing these objects are indeed gradually discovered by man, but even so they confront him as invisible forces that generate their own power. The individual can use his knowledge of these laws to his own advantage, but he is not able to modify the process by his own activity. *Subjectively*—where the market economy has been fully developed—a man's activity becomes estranged from himself, it turns into a commodity which, subject to the non-human objectivity of the natural laws of society, must go its own way independently of man just like any consumer article. "What is characteristic of man just like any consumer article, that in the eyes of the labourer himself labour-power assumes the form of a commodity belonging to him. On the other hand it is only at this moment that the commodity form of the products of labour becomes general."⁵

Thus the universality of the commodity form is responsible both objectively and subjectively for the abstraction of the human labour incorporated in commodities. (On the other hand, this universality becomes historically possible because this process of abstraction has been completed.) *Objectively*, in so far as the commodity form facilitates the equal exchange of qualitatively different objects, it can only exist if that formal equality is in fact recognised—at any rate in *this* relation, which indeed confers upon them their commodity nature. *Subjectively*, this formal equality of human labour in the abstract is not only the common factor to which the various commodities are reduced; it also becomes the real principle governing the actual production of commodities.

Clearly, it cannot be our aim here to describe even in outline the growth of the modern process of labour, of the isolated, 'free' labourer and of the division of labour. Here we need only establish that labour, abstract, equal, comparable labour, measurable with increasing precision according to the time socially necessary for its accomplishment, the labour of the capitalist division of labour existing both as the presupposition and the product of capitalist production, is born only in the course of the develop-

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ment of the capitalist system. Only then does it become a category of society influencing decisively the objective form of things and people in the society thus emerging, their relation to nature and the possible relations of men to each other.⁶

If we follow the path taken by labour in its development from the handicrafts, via co-operation and manufacture to machine industry we can see a continuous trend towards greater rationalisation, the progressive elimination of the qualitative, human and individual attributes of the worker. On the one hand, the process of labour is progressively broken down into abstract, rational, specialised operations so that the worker loses contact with the finished product and his work is reduced to the mechanical repetition of a specialised set of actions. On the other hand, the period of time necessary for work to be accomplished (which forms the basis of rational calculation) is converted, as mechanisation and rationalisation are intensified, from a merely empirical average figure to an objectively calculable work-stint that confronts the worker as a fixed and established reality. With the modern 'psychological' analysis of the work-process (in Taylorism) this rational mechanisation extends right into the worker's 'soul': even his psychological attributes are separated from his total personality and placed in opposition to it so as to facilitate their integration into specialised rational systems and their reduction to statistically viable concepts.⁷

We are concerned above all with the *principle* at work here: the principle of rationalisation based on what is and *can be calculated*. The chief changes undergone by the subject and object of the economic process are as follows: (1) in the first place, the mathematical analysis of work-processes denotes a break with the organic, irrational and qualitatively determined unity of the product. Rationalisation in the sense of being able to predict with ever greater precision all the results to be achieved is only to be acquired by the exact breakdown of every complex into its elements and by the study of the special laws governing production. Accordingly it must declare war on the organic manufacture of whole products based on the *traditional amalgam of empirical experiences of work*: rationalisation is unthinkable without specialisation.⁸

The finished article ceases to be the object of the work-process. The latter turns into the objective synthesis of rationalised special systems whose unity is determined by pure calculation and which must therefore seem to be arbitrarily connected with each other.

This destroys the organic necessity with which inter-related special operations are unified in the end-product. The unity of a product as a *commodity* no longer coincides with its unity as a use-value: as society becomes more radically capitalistic the increasing technical autonomy of the special operations involved in production is expressed also, as an economic autonomy, as the growing relativisation of the commodity character of a product at the various stages of production.⁹ It is thus possible to separate forcibly the production of a use-value in time and space. This goes hand in hand with the union in time and space of special operations that are related to a set of heterogeneous use-values.

(2) In the second place, this fragmentation of the object of production necessarily entails the fragmentation of its subject. In consequence of the rationalisation of the work-process the human qualities and idiosyncrasies of the worker appear increasingly as *mere sources of error* when contrasted with these abstract special laws functioning according to rational predictions. Neither objectively nor in his relation to his work does man appear as the authentic master of the process; on the contrary, he is a mechanical part incorporated into a mechanical system. He finds it already pre-existing and self-sufficient, it functions independently of him and he has to conform to its laws whether he likes it or not.¹⁰ As labour is progressively rationalised and mechanised his lack of will is reinforced by the way in which his activity becomes less and less active and more and more *contemplative*.¹¹ The conforming to fixed laws and enacted independently of man's consciousness and impervious to human intervention, i.e. a perfectly closed system, must likewise transform the basic categories of man's immediate attitude to the world: it reduces space and time to a common denominator and degrades time to the dimension of space.

Marx puts it thus: 'Through the subordination of man to the machine the situation arises in which men are effaced by their labour; in which the pendulum of the clock has become as accurate a measure of the relative activity of two workers as it is of the speed of two locomotives. Therefore, we should not say that one man's hour is worth another man's hour, but rather that one man during an hour is worth just as much as another man during an hour. Time is everything, man is nothing; he is at the most the incarnation of time. Quality no longer matters. Quantity

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qualitative and not quantitative time

alone decides everything: hour for hour, day for day. . . ."¹²

Thus time sheds its qualitative, variable, flowing nature; it freezes into an exactly delimited, quantifiable continuum filled with quantifiable 'things' (the reified, mechanically objectified 'performance' of the worker, wholly separated from his total human personality): in short, it becomes space.¹³ In this environment where time is transformed into abstract, exactly measurable, physical space, an environment at once the cause and effect of the scientifically and mechanically fragmented and specialised production of the object of labour, the subjects of labour must likewise be rationally fragmented. On the one hand, the objectification of their labour-power into something opposed to their total personality (a process already accomplished with the sale of that labour-power as a commodity) is now made into the permanent ineluctable reality of their daily life. Here, too, the personality can do no more than look on helplessly while its own existence is reduced to an isolated particle and fed into an alien system. On the other hand, the mechanical disintegration of the process of production into its components also destroys those bonds that had bound individuals to a community in the days when production was still 'organic'. In this respect, too, mechanisation makes of them isolated abstract atoms whose work no longer brings them together directly and organically; it becomes mediated to an increasing extent exclusively by the abstract laws of the mechanism which imprisons them.

The internal organisation of a factory could not possibly have such an effect—even within the factory itself—were it not for the fact that it contained in concentrated form the whole structure of capitalist society. Oppression and an exploitation that knows no bounds and scorns every human dignity were known even to pre-capitalist ages. So too was mass production with mechanical, standardised labour, as we can see, for instance, with canal construction in Egypt and Asia Minor and the mines in Rome.¹⁴ But mass projects of this type could never be *rationally mechanised*; they remained isolated phenomena within a community that organised its production on a different ('natural') basis and which therefore lived a different life. The slaves subjected to this exploitation, therefore, stood outside what was thought of as 'human' society and even the greatest and noblest thinkers of the time were unable to consider their fate as that of human beings.

As the commodity becomes universally dominant, this situa-

tion changes radically and qualitatively. The fate of the worker becomes the fate of society as a whole; indeed, this fate must become universal as otherwise industrialisation could not develop in this direction. For it depends on the emergence of the 'free' worker who is freely able to take his labour-power to market and offer it for sale as a commodity 'belonging' to him, a thing that he 'possesses'.

While this process is still incomplete the methods used to extract surplus labour are, it is true, more obviously brutal than in the later, more highly developed phase, but the process of reification of work and hence also of the consciousness of the worker is much less advanced. Reification requires that a society should learn to satisfy all its needs in terms of commodity exchange. The separation of the producer from his means of production, the dissolution and destruction of all 'natural' production units, etc., and all the social and economic conditions necessary for the emergence of modern capitalism tend to replace 'natural' relations which exhibit human relations more plainly by rationally reified relations. "The social relations more plainly individuals in the performance of their labour," Marx observes with reference to pre-capitalist societies, "appear at all events as their own personal relations, and are not disguised under the shape of social relations between the products of labour."¹⁵

But this implies that the principle of rational mechanisation and calculability must embrace every aspect of life. Consumer articles no longer appear as the products of an organic process within a community (as for example in a village community). They now appear, on the one hand, as abstract members of a species identical by definition with its other members and, on the other hand, as isolated objects the possession or non-possession of which depends on rational calculations. Only when the whole life of society is thus fragmented into the isolated acts of commodity exchange can the 'free' worker come into being; at the same time his fate becomes the typical fate of the whole society.

Of course, this isolation and fragmentation is only apparent. The movement of commodities on the market, the birth of their value, in a word, the real framework of every rational calculation is not merely subject to strict laws but also presupposes the strict ordering of all that happens. The atomisation of the individual is, then, only the reflex in consciousness of the fact that the 'natural

laws' of capitalist production have been extended to cover every manifestation of life in society; that—for the first time in history—the whole of society is subjected, or tends to be subjected, to a unified economic process, and that the fate of every member of society is determined by unified laws. (By contrast, the organic unities of pre-capitalist societies organised their metabolism largely in independence of each other).

However, if this atomisation is only an illusion it is a necessary one. That is to say, the immediate, practical as well as intellectual confrontation of the individual with society, the immediate production and reproduction of life—in which for the individual the commodity structure of all 'things' and their obedience to 'natural laws' is found to exist already in a finished form, as something immutably given—could only take place in the form of rational and isolated acts of exchange between isolated commodity owners. As emphasised above, the worker, too, must present himself as the 'owner' of his labour-power, as if it were a commodity. His specific situation is defined by the fact that his labour-power is his only possession. His fate is typical of society as a whole in that this self-objectification, this transformation of a human function into a commodity reveals in all its starkness the dehumanised and dehumanising function of the commodity relation.

2

This rational objectification conceals above all the immediate—qualitative and material—character of things as things. When use-values appear universally as commodities they acquire a new objectivity, a new substantiality which they did not possess in an age of episodic exchange and which destroys their original and authentic substantiality. As Marx observes: "Private property *alienates* not only the individuality of men, but also of things. The ground and the earth have nothing to do with ground-rent, machines have nothing to do with profit. For the landowner ground and earth mean nothing but ground-rent; he lets his land to tenants and receives the rent—a quality which the ground can lose without losing any of its inherent qualities such as its fertility; it is a quality whose magnitude and indeed existence depends on social relations that are created and abolished without any intervention by the landowner. Likewise with the machine."¹⁶

Thus even the individual object which man confronts directly, either as producer or consumer, is distorted in its objectivity by its commodity character. If that can happen then it is evident that this process will be intensified in proportion as the relations which man establishes with objects as objects of the life process are mediated in the course of his social activity. It is obviously not possible here to give an analysis of the whole economic structure of capitalism. It must suffice to point out that modern capitalism does not content itself with transforming the relations of production in accordance with its own needs. It also integrates into its own system those forms of primitive capitalism that led an isolated existence in pre-capitalist times, divorced from production; it converts them into members of the henceforth unified process of radical capitalism. (Cf. merchant capital, the role of money as a hoard or as finance capital, etc.)

These forms of capital are objectively subordinated, it is true, to the real life-process of capitalism, the extraction of surplus value in the course of production. They are, therefore, only to be explained in terms of the nature of industrial capitalism itself. But in the minds of people in bourgeois society they constitute the pure, authentic, unadulterated forms of capital. In them the relations between men that lie hidden in the immediate commodity relation, as well as the relations between men and the objects that should really gratify their needs, have faded to the point where they can be neither recognised nor even perceived.

For that very reason the reified mind has come to regard them as the true representatives of his societal existence. The commodity character of the commodity, the abstract, quantitative mode of calculability shows itself here in its purest form: the reified mind necessarily sees it as the form in which its own authentic immediacy becomes manifest and—as reified consciousness—does not even attempt to transcend it. On the contrary, it is concerned to make it permanent by 'scientifically deepening' the laws at work. Just as the capitalist system continuously produces and reproduces itself economically on higher and higher levels, the structure of reification progressively sinks more deeply, more fatefully and more definitively into the consciousness of man. Marx often describes this potentiation of reification in incisive fashion. One example must suffice here: "In interest-bearing capital, therefore, this automatic fetish, self-expanding value, money generating money, is brought out in its pure

state and in this form it no longer bears the birth-marks of its origin. The social relation is consummated in the relation of a thing of money, to itself. Instead of the actual transformation of money into capital, we see here only form without content. . . . It becomes a property of money to generate value and yield interest, much as it is an attribute of pear trees to bear pears. And the money-lender sells his money as just such an interest-bearing thing. But that is not all. The actually functioning capital, as we have seen, presents itself in such a light that it seems to yield interest not as functioning capital, but as capital in itself, as money-capital. This, too, becomes distorted. While interest is only a portion of the profit, i.e. of the surplus value, which, the functioning capitalist squeezes out of the labourer, it appears now, on the contrary, as though interest were the typical product of capital, the primary matter, and profit, in the shape of profit of enterprise, were a mere accessory and by-product of the process of reproduction. Thus we get a fetish form of capital, and the conception of fetish capital. In 'M-M' we have the meaningless form of capital, the perversion and objectification of production relations in their highest degree, the interest-bearing form, the simple form of capital, in which it antecedes its own process of reproduction. It is the capacity of money, or of a commodity, to expand its own value independently of reproduction—which is a mystification of capital in its most flagrant form. For vulgar political economy, which seeks to represent capital as an independent source of value, of value creation, this form is naturally a veritable find, a form in which the source of profit is no longer discernible, and in which the result of the capitalist process of production—divorced from the process—acquires an independent existence."¹⁷

Just as the economic theory of capitalism remains stuck fast in its self-created immediacy, the same thing happens to bourgeois attempts to comprehend the ideological phenomenon of reification. Even thinkers who have no desire to deny or obscure its existence and who are more or less clear in their own minds about its humanly destructive consequences remain on the surface and make no attempt to advance beyond its objectively most derivative forms, the forms furthest from the real life-process of capitalism, i.e. the most external and vacuous forms, to the basic phenomenon of reification itself.

Indeed, they divorce these empty manifestations from their

real capitalist foundation and make them independent and pertinent by regarding them as the timeless model of human relations in general. (This can be seen most clearly in Simmel's book, *The Philosophy of Money*, a very interesting and perceptive work in matters of detail.) They offer no more than a description of this "enchanted, perverted, topsy-turvy world, in which Monsieur Le Capital and Madame La Terre do their ghost-walking as social characters and at the same time as mere things."¹⁸ But they do not go further than a description and their 'deepening' of the problem runs in circles around the eternal manifestations of reification.

The divorce of the phenomena of reification from their economic bases and from the vantage point from which alone they can be understood, is facilitated by the fact that the [capitalist] process of transformation must embrace every manifestation of the life of society if the preconditions for the complete self-realisation of capitalist production are to be fulfilled.

Thus capitalism has created a form for the state and a system of law corresponding to its needs and harmonising with its own structure. The structural similarity is so great that no truly perceptive historian of modern capitalism could fail to notice it. Max Weber, for instance, gives this description of the basic lines of this development: "Both are, rather, quite similar in their fundamental nature. Viewed sociologically, a 'business-concern' is the modern state; the same holds good for a factory: and this, precisely, is what is specific to it historically. And, likewise, the power relations in a business are also of the same kind. The relative independence of the artisan (or cottage craftsman), of the landowning peasant, the owner of a benefice, the knight and vassal was based on the fact that he himself owned the tools, supplies, financial resources or weapons with the aid of which he fulfilled his economic, political or military function and from which he lived while this duty was being discharged. Similarly, the heroic dependence of the worker, the clerk, the technical assistant, the assistant in an academic institute and the civil servant and soldier has a comparable basis: namely that the tools, supplies and financial resources essential both for the business-concern and for economic survival are in the hands, in the one case, of the entrepreneur and, in the other case, of the political master."¹⁹

He rounds off this account—very pertinently—with an analysis of the cause and the social implications of this phenomenon:

"The modern capitalist concern is based inwardly above all on *calculation*. It requires for its survival a system of justice and an administration whose workings can be *rationally calculated*, at least in principle, according to fixed general laws; just as the probable performance of a *machine* can be calculated. It is as little able to tolerate the dispensing of justice according to the judge's sense of fair play *in individual cases* or any other irrational means or principles of administering the law . . . as it is able to endure a patriarchal administration that obeys the dictates of its own caprice, or sense of mercy and, for the rest, proceeds in accordance with an inviolable and sacrosanct, but irrational tradition. . . . What is specific to modern capitalism as distinct from the age-old capitalist forms of acquisition is that the strictly rational *organisation of work* on the basis of *rational technology* did not come into being *anywhere* within such irrationally constituted political systems nor could it have done so. For these modern businesses with their fixed capital and their exact calculations are much too sensitive to legal and administrative irrationalities. They could only come into being in the bureaucratic state with its rational laws where . . . the judge is more or less an automatic statute-dispensing machine in which you insert the files together with the necessary costs and dues at the top, whereupon he will eject the judgment together with the more or less cogent reasons for it at the bottom: that is to say, where the judge's behaviour is on the whole *predictable*."

The process we see here is closely related both in its motivation and in its effects to the economic process outlined above. Here, too, there is a breach with the empirical and irrational methods of administration and dispensing justice based on traditions tailored, subjectively, to the requirements of men in action, and, objectively, to those of the concrete matter in hand. There arises a rational systematisation of all statutes regulating life, which represents, or at least tends towards a closed system applicable to all possible and imaginable cases. Whether this system is arrived at in a purely logical manner, as an exercise in pure legal dogma or interpretation of the law, or whether the judge is given the task of filling the 'gaps' left in the laws, is immaterial for our attempt to understand the *structure* of modern legal reality. In either case the legal system is formally capable of being generalised so as to relate to every possible situation in life and it is susceptible to prediction and calculation. Even Roman Law, which comes

closest to these developments while remaining, in modern terms, within the framework of pre-capitalist legal patterns, does not in this respect go beyond the empirical, the concrete and the traditional. The purely systematic categories which were necessary before a judicial system could become universally applicable arose only in modern times.²⁰

It requires no further explanation to realise that the need to systematise and to abandon empiricism, tradition and material dependence was the need for exact calculation.²¹ However, this same need requires that the legal system should confront the individual events of social existence as something permanently established and exactly defined, i.e. as a rigid system. Of course, this produces an uninterrupted series of conflicts between the unceasingly revolutionary forces of the capitalist economy and the rigid legal system. But this only results in new codifications; and despite these the new system is forced to preserve the fixed, change-resistant structure of the old system.

This is the source of the—apparently—paradoxical situation whereby the 'law' of primitive societies, which has scarcely altered in hundreds or sometimes even thousands of years, can be flexible and irrational in character, renewing itself with every new legal decision, while modern law, caught up in the continuous turmoil of change, should appear rigid, static and fixed. But the paradox dissolves when we realise that it arises only because the same situation has been regarded from two different points of view: on the one hand, from that of the historian (who stands 'outside' the actual process) and, on the other, from that of someone who experiences the effects of the social order in question upon his consciousness.

With the aid of this insight we can see clearly how the antagonism between the traditional and empirical craftsmanship and the scientific and rational factory is repeated in another sphere of activity. At every single stage of its development, the ceaselessly revolutionary techniques of modern production turn a rigid and immobile face towards the individual producer. Whereas the objectively relatively stable, traditional craft production preserves in the minds of its individual practitioners the appearance of something flexible, something constantly renewing itself, something produced by the producers.

In the process we witness, illuminatingly, how here, too, the *contemplative* nature of man under capitalism makes its appearance.

For the essence of rational calculation is based ultimately upon the recognition and the inclusion in one's calculations of the inevitable chain of cause and effect in certain events—independently of individual 'caprice'. In consequence, man's activity does not go beyond the correct calculation of the possible outcome of the sequence of events (the 'laws' of which he finds 'ready-made'), and beyond the adroit evasion of disruptive 'accidents' by means of protective devices and preventive measures (which are based in their turn on the recognition and application of similar laws). Very often it will confine itself to working out the probable effects of such 'laws' without making the attempt to intervene in the process by bringing other 'laws' to bear. (As in insurance schemes, etc.)

The more closely we scrutinise this situation and the better we are able to close our minds to the bourgeois legends of the 'creativity' of the exponents of the capitalist age, the more obvious it becomes that we are witnessing in all behaviour of this sort the structural analogue to the behaviour of the worker *vis-à-vis* the machine he serves and observes, and whose functions he controls while he contemplates it. The 'creative' element can be seen to depend at best on whether these 'laws' are applied in a—relatively—independent way or in a wholly subservient one. That is to say, it depends on the degree to which the contemplative stance is repudiated. The distinction between a worker faced with a particular machine, the entrepreneur faced with a given type of mechanical development, the technologist faced with the state of science and the profitability of its application to technology, is purely quantitative; it does not directly entail any qualitative difference in the structure of consciousness.

Only in this context can the problem of modern bureaucracy be properly understood. Bureaucracy implies the adjustment of one's way of life, mode of work and hence of consciousness, to the general socio-economic premises of the capitalist economy, similar to that which we have observed in the case of the worker in particular business concerns. The formal standardisation of justice, the state, the civil service, etc., signifies objectively and factually a comparable reduction of all social functions to their elements, a comparable search for the rational formal laws of these carefully segregated partial systems. Subjectively, the divorce between work and the individual capacities and needs of the worker produces comparable effects upon consciousness. This results

in an inhuman, standardised division of labour analogous to that which we have found in industry on the technological and mechanical plane.²²

It is not only a question of the completely mechanical, 'mindless' work of the lower echelons of the bureaucracy which bears such an extraordinarily close resemblance to operating a machine and which indeed often surpasses it in sterility and uniformity. It is also a question, on the one hand, of the way in which objectively all issues are subjected to an increasingly formal and standardised treatment and in which there is an ever-increasing remoteness from the qualitative and material essence of the 'things' to which bureaucratic activity pertains. On the other hand, there is an even more monstrous intensification of the one-sided specialisation which represents such a violation of man's humanity. Marx's comment on factory work that "the individual, himself divided, is transformed into the automatic mechanism of a partial labour" and is thus "crippled to the point of abnormality" is relevant here too. And it becomes all the more clear, the more elevated, advanced and 'intellectual' is the attainment exacted by the division of labour.

The split between the worker's labour-power and his personality, its metamorphosis into a thing, an object that he sells on the market is repeated here too. But with the difference that not every mental faculty is suppressed by mechanisation; only one personality and placed in opposition to it, becoming a thing, a commodity. But the basic phenomenon remains the same even though both the means by which society instills such abilities and their material and 'moral' exchange value are fundamentally different from labour-power (not forgetting, of course, the many connecting links and nuances).

The specific type of bureaucratic 'conscientiousness' and impartiality, the individual bureaucrat's inevitable total submission to a system of relations between the things to which he is exposed, the idea that it is precisely his 'honour' and his 'sense of responsibility' that exact this total submission,²³ all this points to the fact that the division of labour which in the case of Taylorism invaded the psyche, here invades the realm of ethics. Far from weakening the reified structure of consciousness, this actually strengthens it. For as long as the fate of the worker still appears to be an individual fate (as in the case of the slave in antiquity),

the life of the ruling classes is still free to assume quite different forms. Not until the rise of capitalism was a unified economic structure, and hence a—formally—unified structure of consciousness that embraced the whole society, brought into being. This unity expressed itself in the fact that the problems of consciousness arising from wage-labour were repeated in the ruling class in a refined and spiritualised, but, for that very reason, more intensified form. The specialised 'virtuoso', the vendor of his objectified and refined faculties does not just become the [passive] observer of society; he also lapses into a contemplative attitude *vis-à-vis* the workings of his own objectified and refined faculties. (It is not possible here even to outline the way in which modern administration and law assume the characteristics of the factory as we noted above rather than those of the handicrafts.) This phenomenon can be seen at its most grotesque in journalism. Here it is precisely subjectivity itself, knowledge, temperament and powers of expression that are reduced to an abstract mechanism functioning autonomously and divorced both from the personality of their 'owner' and from the material and concrete nature of the subject matter in hand. The journalist's 'lack of convictions', the prostitution of his experiences and beliefs is comprehensible only as the apogee of capitalist reification.²⁴

The transformation of the commodity relation into a thing of 'ghostly objectivity' cannot therefore content itself with the reduction of all objects for the gratification of human needs to commodities. It stamps its imprint upon the whole consciousness of man; his qualities and abilities are no longer an organic part of his personality, they are things which he can 'own' or 'dispose of' like the various objects of the external world. And there is no natural form in which human relations can be cast, no way in which man can bring his physical and psychic 'qualities' into play without their being subjected increasingly to this reifying process. We need only think of marriage, and without troubling to point to the developments of the nineteenth century we can remind ourselves of the way in which Kant, for example, described the situation with the naively cynical frankness peculiar to great thinkers.

"Sexual community", he says, "is the reciprocal use made by one person of the sexual organs and faculties of another . . . marriage . . . is the union of two people of different sexes with a view to the mutual possession of each other's sexual attributes for the duration of their lives."²⁵

This rationalisation of the world appears to be complete, it seems to penetrate the very depths of man's physical and psychic nature. It is limited, however, by its own formalism. That is to say, the rationalisation of isolated aspects of life results in the creation of—formal—laws. All these things do join together into what seems to the superficial observer to constitute a unified system of general 'laws'. But the disregard of the concrete aspects of the subject matter of these laws, upon which disregard their authority as laws is based, makes itself felt in the incoherence of the system in fact. This incoherence becomes particularly egregious in periods of crisis. At such times we can see how the immediate continuity between two partial systems is disrupted and their independence from and adventitious connection with each other is suddenly forced into the consciousness of everyone. It is for this reason that Engels is able to define the 'natural laws' of capitalist society as the laws of chance.²⁶

On closer examination the structure of a crisis is seen to be no more than a heightening of the degree and intensity of the daily life of bourgeois society. In its unthinking, mundane reality *that* life seems firmly held together by 'natural laws'; yet it can experience a sudden dislocation because the bonds uniting its various elements and partial systems are a chance affair even at their most normal. So that the pretence that society is regulated by 'eternal, iron' laws which branch off into the different special laws applying to particular areas is finally revealed for what it is: a pretence. The true structure of society appears rather in the independent, rationalised and formal partial laws whose links with each other are of necessity purely formal (i.e. their formal interdependence can be formally systematised), while as far as concrete realities are concerned they can only establish fortuitous connections.

On closer inspection this kind of connection can be discovered even in purely economic phenomena. Thus Marx points out—and the cases referred to here are intended only as an indication of the methodological factors involved, not as a substantive treatment of the problems themselves—that "the conditions of direct exploitation [of the labourer], and those of realising surplus-value, are not identical. They diverge not only in place and time, but also logically."²⁷ Thus there exists "an accidental rather than a necessary connection between the total amount of social labour applied to a social article" and "the volume whereby society seeks to satisfy the want gratified by the article in question."²⁸

These are no more than random instances. It is evident that the whole structure of capitalist production rests on the interaction between a necessity subject to strict laws in all isolated phenomena and the relative irrationality of the total process. "Division of labour within the workshop implies the undisputed authority of the capitalist over men, who are but parts of a mechanism that belongs to him. The division of labour within society brings into contact independent commodity-producers who acknowledge no other authority than that of competition, of the coercion exerted by the pressure of their mutual interests."²⁹

The capitalist process of rationalisation based on private economic calculation requires that every manifestation of life shall exhibit this very interaction between details which are subject to laws and a totality ruled by chance. It presupposes a society so structured. It produces and reproduces this structure in so far as it takes possession of society. This has its foundation already in the nature of speculative calculation, i.e. the economic practice of commodity owners at the stage where the exchange of commodities has become universal. Competition between the different owners of commodities would not be feasible if there were an exact, rational, systematic mode of functioning for the whole of society to correspond to the rationality of isolated phenomena. If a rational calculation is to be possible the commodity owner must be in possession of the laws regulating every detail of his production. The chances of exploitation, the laws of the 'market' must likewise be rational in the sense that they must be calculable according to the laws of probability. But they must not be governed by a law in the sense in which 'laws' govern individual phenomena; they must not under any circumstances be rationally organised through and through. This does not mean, of course, that there can be no 'law' governing the whole. But such a 'law' would have to be the 'unconscious' product of the activity of the different commodity owners acting independently of one another, i.e. a law of mutually interacting 'coincidences' rather than one of truly rational organisation. Furthermore, such a law must not merely impose itself despite the wishes of individuals, it may *not even be fully and adequately knowable*. For the complete knowledge of the whole would vouchsafe the knower a monopoly that would amount to the virtual abolition of the capitalist economy.

This irrationality, this—highly problematic—'systematisation' of the whole which diverges *qualitatively and in principle* from the

laws regulating the parts, is more than just a postulate, a presupposition essential to the workings of a capitalist economy. It is at the same time the product of the capitalist division of labour. It has already been pointed out that the division of labour disrupts every organically unified process of work and life and breaks it down into its components. This enables the artificially isolated partial functions to be performed in the most rational manner by 'specialists' who are specially adapted mentally and physically for the purpose. This has the effect of making these partial functions autonomous and so they tend to develop through their own momentum and in accordance with their own special laws independently of the other partial functions of society (or that part of the society to which they belong).

As the division of labour becomes more pronounced and more rational, this tendency naturally increases in proportion. For the more highly developed it is, the more powerful become the claims to status and the professional interests of the 'specialists' who are the living embodiments of such tendencies. And this centrifugal movement is not confined to aspects of a particular sector. It is even more in evidence when we consider the great spheres of activity created by the division of labour. Engels describes this process with regard to the relation between economics and laws: "Similarly with law, As soon as the new division of labour which creates *professional lawyers* becomes necessary; another new and independent sphere is opened up which, for all its essential dependence on production and trade, still has also a special capacity for reacting upon these spheres. In a modern state, law must not only correspond to the general economic condition and be its expression, but must also be an *internally coherent expression* which does not, owing to inner contradictions, reduce itself to nought. And in order to achieve this, the faithful reflection of economic conditions suffers increasingly. . . ." ³⁰ It is hardly necessary to supplement this with examples of the inbreeding and the interdepartmental conflicts of the civil service (consider the independence of the military apparatus from the civil administration), or of the academic faculties, etc.

The specialisation of skills leads to the destruction of every image of the whole. And as, despite this, the need to grasp the

whole—at least cognitively—cannot die out, we find that science, which is likewise based on specialisation and thus caught up in the same immediacy, is criticised for having torn the real world into shreds and having lost its vision of the whole. In reply to allegations that “the various factors are not treated as a whole” Marx retorts that this criticism is levelled “as though it were the text-books that impress this separation upon life and not life upon the text-books”.³¹ Even though this criticism deserves refutation in its naive form it becomes comprehensible when we look for a moment from the outside, i.e. from a vantage point other than that of a reified consciousness, at the activity of modern science which is both sociologically and methodologically necessary and for that reason ‘comprehensible’. Such a look will reveal (without constituting a ‘criticism’) that the more intricate a modern science becomes and the better it understands itself methodologically, the more resolutely it will turn its back on the ontological problems of its own sphere of influence and eliminate them from the realm where it has achieved some insight. The more highly developed it becomes and the more scientific, the more it will become a formally closed system of partial laws. It will then find that the world lying beyond its confines, and in particular the material base which it is its task to understand, *its own concrete underlying reality* lies, methodologically and in principle, *beyond its grasp*.

Marx acutely summed up this situation with reference to economics when he declared that “use-value as such lies outside the sphere of investigation of political economy”.³² It would be a mistake to suppose that certain analytical devices—such as we find in the ‘Theory of Marginal Utility’—might show the way out of this impasse. It is possible to set aside objective laws governing the production and movement of commodities which regulate the market and ‘subjective’ modes of behaviour on it and to make the attempt to start from ‘subjective’ behaviour on the market. But this simply shifts the question from the main issue to more and more derivative and reified stages without negating the formalism of the method and the elimination from the outset of the concrete material underlying it. The formal act of exchange which constitutes the basic fact for the theory of marginal utility likewise suppresses use-value as use-value and establishes a relation of concrete equality between concretely unequal and indeed incomparable objects. It is this that creates the impasse.

Thus the subject of the exchange is just as abstract, formal and reified as its object. The limits of this abstract and formal method are revealed in the fact that its chosen goal is an abstract system of ‘laws’ that focuses on the theory of marginal utility just as much as classical economics had done. But the formal abstraction of these ‘laws’ transforms economics into a closed partial system. And this in turn is unable to penetrate its own material substratum, nor can it advance from there to an understanding of society in its entirety and so it is compelled to view that substratum as an immutable, eternal ‘datum’. Science is thereby debarred from comprehending the development and the demise, the social character of its own material base, no less than the range of possible attitudes towards it and the nature of its own formal system.

Here, once again, we can clearly observe the close interaction between a class and the scientific method that arises from the attempt to conceptualise the social character of that class together with its laws and needs. It has often been pointed out—in these pages and elsewhere—that the problem that forms the ultimate barrier to the economic thought of the bourgeois is the crisis. If we now—in the full awareness of our own one-sidedness—consider this question from a purely methodological point of view, we see that it is the very success with which the economy is totally rationalised and transformed into an abstract and mathematically orientated system of formal ‘laws’ that creates the methodological barrier to understanding the phenomenon of crisis. In moments of crisis the qualitative existence of the ‘things’ that lead their lives beyond the purview of economics as misunderstood and neglected things-in-themselves, as use-values, suddenly becomes the decisive factor. (Suddenly, that is, for reified, rational thought.) Or rather: these ‘laws’ fail to function and the reified mind is unable to perceive a pattern in this ‘chaos’.

This failure is characteristic not merely of classical economics (which regarded crises as ‘passing’, ‘accidental’ disturbances), but of bourgeois economics *in toto*. The incomprehensibility and irrationality of crises is indeed a consequence of the class situation and interests of the bourgeoisie but it follows equally from their approach to economics. (There is no need to spell out the fact that for us these are both merely aspects of the same dialectical unity). This consequence follows with such inevitability that Tugan-Baranovsky, for example, attempts in his theory to draw

the necessary conclusions from a century of crises by excluding consumption from economics entirely and founding a 'pure' economics based only on production. The source of crises (whose existence cannot be denied) is then found to lie in incongruities between the various elements of production, i.e. in purely quantitative factors. Hilferding puts his finger on the fallacy underlying all such explanations: "They operate only with economic concepts such as capital, profit, accumulation, etc., and believe that they possess the solution to the problem when they have discovered the quantitative relations on the basis of which either simple and expanded reproduction is possible, or else there are disturbances. They overlook the fact that there are qualitative conditions attached to these quantitative relations, that it is not merely a question of units of value which can easily be compared with each other but also use-values of a definite kind which must fulfil a definite function in production and consumption. Further, they are oblivious of the fact that in the analysis of the process of reproduction more is involved than just aspects of capital in general, so that it is not enough to say that an excess or a deficit of industrial capital can be 'balanced' by an appropriate amount of money-capital. Nor is it a matter of fixed or circulating capital, but rather of machines, raw materials, labour-power of a quite definite (technically defined) sort, if disruptions are to be avoided."³³

Marx has often demonstrated convincingly how inadequate the 'laws' of bourgeois economics are to the task of explaining the true movement of economic activity *in toto*. He has made it clear that this limitation lies in the—methodologically inevitable—failure to comprehend use-value and real consumption. "Within certain limits, the process of reproduction may take place on the same or on an increased scale even when the commodities expelled from it have not really entered individual or productive consumption. The consumption of commodities is not included in the cycle of the capital from which they originated. For instance, as soon as the yarn is sold the cycle of the capital-value represented by the yarn may begin anew, regardless of what may next become of the sold yarn. So long as the product is sold, everything is taking its regular course from the standpoint of the capitalist producer. The cycle of the capital-value he is identified with is not interrupted. And if this process is expanded—which includes increased productive consumption of the means of production—this repro-

duction of capital may be accompanied by increased individual consumption (hence demand) on the part of the labourers, since this process is initiated and effected by productive consumption. Thus the production of surplus-value, and with it the individual consumption of the capitalist, may increase, the entire process of reproduction may be in a flourishing condition, and yet a large part of the commodities may have entered into consumption only in appearance, while in reality they may still remain unsold in the hands of dealers, may in fact still be lying in the market."³⁴

It must be emphasised that this inability to penetrate to the real material substratum of science is not the fault of individuals. It is rather something that becomes all the more apparent the more science has advanced and the more consistently it functions—from the point of view of its own premises. It is therefore no accident, as Rosa Luxemburg has convincingly shown,³⁵ that the great, if also often primitive, faulty and inexact synoptic view of economic life to be found in Quesnay's "Tableau Economique", disappears progressively as the—formal—process of conceptualisation becomes increasingly exact in the course of its development from Adam Smith to Ricardo. For Ricardo the process of the total reproduction of capital (where this problem cannot be avoided) is no longer a central issue.

In jurisprudence this situation emerges with even greater clarity and simplicity—because there is a more conscious reification at work. If only because the question of whether the qualitative content can be understood by means of a rational, calculating approach is no longer seen in terms of a rivalry between two principles within the same sphere (as was the case with use-value and exchange value in economics), but rather, right from the start, as a question of form versus content. The conflict revolving around natural law, and the whole revolutionary period of the bourgeoisie was based on the assumption that the formal equality and universality of the law (and hence its rationality) was able at the same time to determine its content. This was expressed in the assault on the varied and picturesque medley of privileges dating back to the Middle Ages and also in the attack on the Divine Right of Kings. The revolutionary bourgeois class refused to admit that a legal relationship had a *vahd* foundation merely because it existed *in fact*. "Burn your laws and make new ones!" Voltaire counselled; "Whence can new laws be obtained? From Reason!"³⁶

The war waged against the revolutionary bourgeoisie, say, at the time of the French Revolution, was dominated to such an extent by this idea that it was inevitable that the natural law of the bourgeoisie could only be opposed by yet another natural law (see Burke and also Stahl). Only after the bourgeoisie had gained at least a partial victory did a 'critical' and a 'historical' view begin to emerge in both camps. Its essence can be summarised as the belief that the content of law is something purely factual and hence not to be comprehended by the formal categories of jurisprudence. Of the tenets of natural law the only one to survive was the idea of the unbroken continuity of the formal system of law; significantly, Bergbohm uses an image borrowed from physics, that of a 'juridical vacuum', to describe everything not regulated by law.³⁷

Nevertheless, the cohesion of these laws is purely formal: *what* they express, "the content of legal institutions is never of a legal character, but always political and economic".³⁸ With this the primitive, cynically sceptical campaign against natural law that was launched by the 'Kantian' Hugo at the end of the eighteenth century, acquired 'scientific' status. Hugo established the juridical basis of slavery, among other things, by arguing that it "had been the law of the land for thousands of years and was acknowledged by millions of cultivated people".³⁹ In this naïvely cynical frankness the pattern which is to become increasingly characteristic of law in bourgeois society stands clearly revealed. When Jellinek describes the contents of law as metajuristic, when 'critical' jurists locate the study of the contents of law in history, sociology and politics what they are doing is, in the last analysis, just what Hugo had demanded: they are systematically abandoning the attempt to ground law in reason and to give it a rational content; law is henceforth to be regarded as a formal calculus with the aid of which the legal consequences of particular actions (*verus sit stantibus*) can be determined as exactly as possible.

However, this view transforms the process by which law comes into being and passes away into something as incomprehensible to the jurist as crises had been to the political economist. With regard to the origins of law the perceptive 'critical' jurist Kelsen observes: "It is the great *mystery* of law and of the state that is consummated with the enactment of laws and for this reason it may be permissible to employ inadequate images in elucidating its nature."⁴⁰ Or in other words: "It is symptomatic of the nature

of law that a norm may be legitimate even if its origins are iniquitous. That is another way of saying that the legitimate origin of a law cannot be written into the concept of law as one of its conditions."⁴¹ This epistemological clarification could also be a factual one and could thereby lead to an advance in knowledge. To achieve this, however, the other disciplines into which the problem of the origins of law had been diverted would really have to propose a genuine solution to it. But also it would be essential really to penetrate the nature of a legal system which serves purely as a means of calculating the effects of actions and of rationally imposing modes of action relevant to a particular class. In that event the real, material substratum of the law would at one stroke become visible and comprehensible. But neither condition can be fulfilled. The law maintains its close relationship with the 'eternal values'. This gives birth, in the shape of a philosophy of law to an impoverished and formalistic re-edition of natural law (Stammer). Meanwhile, the real basis for the development of law, a change in the power relations between the classes, becomes hazy and vanishes into the sciences that study it, sciences which—in conformity with the modes of thought current in bourgeois society—generate the same problems of transcending their material substratum as we have seen in jurisprudence and economics.

The manner in which this transcendence is conceived shows how vain was the hope that a comprehensive discipline, like philosophy, might yet achieve that overall knowledge which the particular sciences have so conspicuously renounced by turning away from the material substratum of their conceptual apparatus. Such a synthesis would only be possible if philosophy were able to change its approach radically and concentrate on the concrete material totality of what can and should be known. Only then would it be able to break through the barriers erected by a formalism that has degenerated into a state of complete fragmentation. But this would presuppose an awareness of the causes, the genesis and the necessity of this formalism; moreover, it would not be enough to unite the special sciences mechanically: they would have to be transformed inwardly by an inwardly synthesising philosophical method. It is evident that the philosophy of bourgeois society is incapable of this. Not that the desire for synthesis is absent; nor can it be maintained that the best people have well-come with open arms a mechanical existence hostile to life and a scientific formalism alien to it. *But a radical change in outlook is not*

feasible on the soil of bourgeois society. Philosophy can attempt to assemble the whole of knowledge encyclopaedically (see Wundt). Or it may radically question the value of formal knowledge for a 'living life' (see irrationalist philosophies from Hamann to Bergson). But these episodic trends lie to one side of the main philosophical tradition. The latter acknowledges as given and necessary the results and achievements of the special sciences and assigns to philosophy the task of exhibiting and justifying the grounds for regarding as valid the concepts so constructed.

Thus philosophy stands in the same relation to the special sciences as they do with respect to empirical reality. The formalistic conceptualisation of the special sciences become for philosophy an immutably given substratum and this signals the final and despairing renunciation of every attempt to cast light on the reification that lies at the root of this formalism. The reified world appears henceforth quite definitively—and in philosophy, under the spotlight of 'criticism' it is potentiated still further—as the only possible world, the only conceptually accessible, comprehensible world vouchsafed to us humans. Whether this gives rise to ecstasy, resignation or despair, whether we search for a path leading to 'life' via irrational mystical experience, this will do absolutely nothing to modify the situation as it is in fact.

By confining itself to the study of the 'possible conditions' of the validity of the forms in which its underlying existence is manifested, modern bourgeois thought bars its own way to a clear view of the problems bearing on the birth and death of these forms, and on their real essence and substratum. Its perspicacity finds itself increasingly in the situation of that legendary 'critic' in India who was confronted with the ancient story according to which the world rests upon an elephant. He unleashed the 'critical' question: upon what does the elephant rest? On receiving the answer that the elephant stands on a tortoise 'criticism' declared itself satisfied. It is obvious that even if he had continued to press apparently 'critical' questions, he could only have elicited a third, miraculous animal. He would not have been able to discover the solution to the real question.

II

The Antinomies of Bourgeois Thought

Modern critical philosophy springs from the reified structure

of consciousness. The specific problems of this philosophy are distinguishable from the problematics of previous philosophies by the fact that they are rooted in this structure. Greek philosophy constitutes something of an exception to this. This is not merely accidental, for reification did play a part in Greek society in its maturity. But as the problems and solutions of the philosophy of the Ancients were embedded in a wholly different society it is only natural that they should be qualitatively different from those of modern philosophy. Hence, from the standpoint of any adequate interpretation it is as idle to imagine that we can find in Plato a precursor of Kant (as does Natop), as it is to undertake the task of erecting a philosophy on Aristotle (as does Thomas Aquinas). If these two ventures have proved feasible—even though arbitrary and inadequate—this can be accounted for in part by the use to which later ages are wont to put the philosophical heritage, bending it to their own purposes. But also further explanation lies in the fact that Greek philosophy was no stranger to certain aspects of reification, without having experienced them, however, as universal forms of existence; it had one foot in the world of reification while the other remained in a 'natural' society. Hence its problems can be applied to the two later traditions, although only with the aid of energetic re-interpretations.

I

Where, then, does the fundamental distinction lie? Kant has formulated the matter succinctly in the Preface to the *Critique of Pure Reason*, a revolution which must be carried out in the realm of the problem of knowledge: "Hitherto, it has been assumed that all our knowledge must conform to the objects. . . . Therefore let us for once attempt to see whether we cannot reach a solution to the tasks of metaphysics by assuming that the objects must conform to our knowledge. . . ." In other words, modern philosophy sets itself the following problem: it refuses to accept the world as something that has arisen (or e.g. has been created by God) independently of the knowing subject, and pretends to conceive of it instead as its own product.

This revolution which consists in viewing rational knowledge as the product of mind does not originate with Kant. He only

NEW BRANDED WORLD

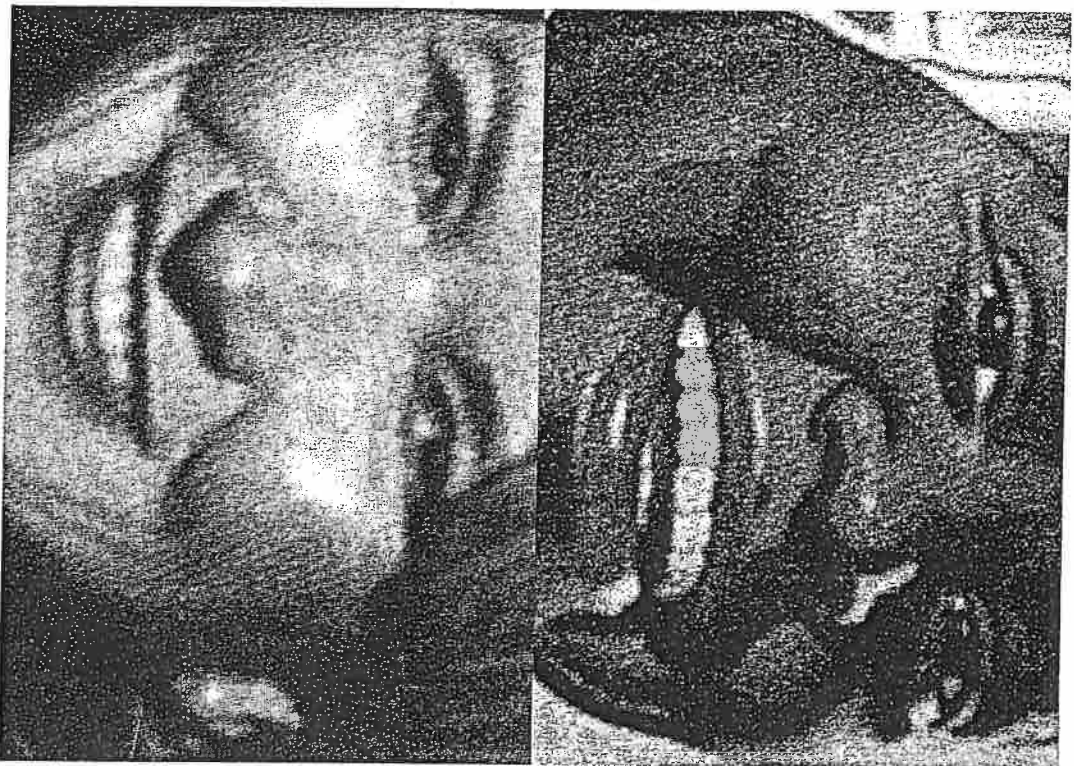
As a private person, I have a passion for landscape, and I have never seen one improved by a billboard. Where every prospect pleases, man is at his vilest when he erects a billboard. When I retire from Madison Avenue, I am going to start a secret society of masked vigilantes who will travel around the world on silent motor bicycles, chopping down posters at the dark of the moon. How many juries will convict us when we are caught in these acts of beneficent citizenship?

—David Ogilvy, founder of the Ogilvy & Mather advertising agency,
in *Confessions of an Advertising Man*, 1963

The astronomical growth in the wealth and cultural influence of multinational corporations over the last fifteen years can arguably be traced back to a single, seemingly innocuous idea developed by management theorists in the mid-1980s: that successful corporations must primarily produce brands, as opposed to products.

Until that time, although it was understood in the corporate world that bolstering one's brand name was important, the primary concern of every solid manufacturer was the production of goods. This idea was the very gospel of the machine age. An editorial that appeared in *Fortune* magazine in 1938, for instance, argued that the reason the American economy had yet to recover from the Depression was that America had lost sight of the importance of making things:

This is the proposition that the basic and irreversible function of an industrial economy is *the making of things*; that the more things it makes the



Two faces of branded comfort. Top: Aunt Jemima from Quaker Oats' early packaging, humanizes production for a population fearful of industrialization. Bottom: Martha Stewart, one of the new breed of branded humans.

bigger will be the income, whether dollar or real; and hence that the key to those lost recuperative powers lies... in the factory where the lathes and the drills and the files and the hammers are. It is in the factory and on the land and under the land that purchasing power originates [*italics theirs*].¹

And for the longest time, the making of things remained, at least in principle, the heart of all industrialized economies. But by the eighties, pushed along by that decade's recession, some of the most powerful manufacturers in the world had begun to falter. A consensus emerged that corporations were bloated, oversized; they owned too much, employed too many people, and were weighed down with too many things. The very process of producing — running one's own factories, being responsible for tens of thousands of full-time, permanent employees — began to look less like the route to success and more like a clunky liability.

At around this same time a new kind of corporation began to rival the traditional all-American manufacturers for market share; these were the Nikes and Microsofts, and later, the Tommy Hilfigers and Intels. These pioneers made the bold claim that producing goods was only an incidental part of their operations, and that thanks to recent victories in trade liberalization and labor-law reform, they were able to have their products made for them by contractors, many of them overseas. What these companies produced primarily were not things, they said, but images of their brands. Their real work lay not in manufacturing but in marketing. This formula, needless to say, has proved enormously profitable, and its success has companies competing in a race toward weightlessness: whoever owns the least, has the fewest employees on the payroll and produces the most powerful images, as opposed to products, wins the race.

And so the wave of mergers in the corporate world over the last few years is a deceptive phenomenon: it only looks as if the giants, by joining forces, are getting bigger and bigger. The true key to understanding these shifts is to realize that in several crucial ways — not their profits, of course — these merged companies are actually shrinking. Their apparent bigness is simply the most effective route toward their real goal: divestment of the world of things.

Since many of today's best-known manufacturers no longer produce products and advertise them, but rather buy products and "brand" them, these companies are forever on the prowl for creative new ways to build and strengthen their brand images. Manufacturing products may require drills, furnaces, hammers and the like, but creating a brand calls for a completely different set of tools and materials. It requires an endless parade of brand extensions, continuously renewed imagery for marketing and, most of all, fresh new spaces to disseminate the brand's idea of itself. In this section of the book, I'll look at how, in ways both insidious and overt, this corporate obsession with brand identity is waging a war on public and individual space: on public institutions such as schools, on youthful identities, on the concept of nationality and on the possibilities for unmarketed space.

The Beginning of the Brand

It's helpful to go back briefly and look at where the idea of branding first began. Though the words are often used interchangeably, branding and advertising are not the same process. Advertising any given product is only one part of branding's grand plan, as are sponsorship and logo licensing. Think of the brand as the core meaning of the modern corporation, and of the advertisement as one vehicle used to convey that meaning to the world.

The first mass-marketing campaigns, starting in the second half of the nineteenth century, had more to do with advertising than with branding as we understand it today. Faced with a range of recently invented products — the radio, phonograph, car, light bulb and so on — advertisers had more pressing tasks than creating a brand identity for any given corporation; first, they had to change the way people lived their lives. Ads had to inform consumers about the existence of some new invention, then convince them that their lives would be better if they used, for example, cars instead of wagons, telephones instead of mail and electric light instead of oil lamps. Many of these new products bore brand names — some of which are still around today — but these were almost incidental. These products were themselves news; that was almost advertisement enough.

The first brand-based products appeared at around the same time as the invention-based ads, largely because of another relatively recent innovation:

the factory. When goods began to be produced in factories, not only were entirely new products being introduced but old products — even basic staples — were appearing in strikingly new forms. What made early branding efforts different from more straightforward salesmanship was that the market was now being flooded with uniform mass-produced products that were virtually indistinguishable from one another. Competitive branding became a necessity of the machine age — within a context of manufactured sameness, image-based difference had to be manufactured along with the product.

So the role of advertising changed from delivering product news bulletins to building an image around a particular brand-name version of a product. The first task of branding was to bestow proper names on generic goods such as sugar, flour, soap and cereal, which had previously been scooped out of barrels by local shopkeepers. In the 1880s, corporate logos were introduced to mass-produced products like Campbell's Soup, H.J. Heinz pickles and Quaker Oats cereal. As design historians and theorists Ellen Lupton and J. Abbott Miller note, logos were tailored to evoke familiarity and folksiness (see Aunt Jemima, page 2), in an effort to counteract the new and unsettling anonymity of packaged goods. "Familiar personalities such as Dr. Brown, Uncle Ben, Aunt Jemima, and Old Grand-Dad came to replace the shopkeeper, who was traditionally responsible for measuring bulk foods for customers and acting as an advocate for products... a nationwide vocabulary of brand names replaced the small local shopkeeper as the interface between consumer and product."² After the product names and characters had been established, advertising gave them a venue to speak directly to would-be consumers. The corporate "personality," uniquely named, packaged and advertised, had arrived.

For the most part, the ad campaigns at the end of the nineteenth century and the start of the twentieth used a set of rigid, pseudoscientific formulas: rivals were never mentioned, ad copy used declarative statements only and headlines had to be large, with lots of white space — according to one turn-of-the-century adman, "an advertisement should be big enough to make an impression but not any bigger than the thing advertised."

But there were those in the industry who understood that advertising wasn't just scientific; it was also spiritual. Brands could conjure a feeling —

think of Aunt Jemima's comforting presence — but not only that, entire corporations could themselves embody a meaning of their own. In the early twenties, legendary adman Bruce Barton turned General Motors into a metaphor for the American family: "something personal, warm and human," while GE was not so much the name of the faceless General Electric Company as, in Barton's words, "the initials of a friend." In 1923 Barton said that the role of advertising was to help corporations find their soul. The son of a preacher, he drew on his religious upbringing for uplifting messages: "I like to think of advertising as something big, something splendid, something which goes deep down into an institution and gets hold of the soul of it... Institutions have souls, just as men and nations have souls," he told GM president Pierre du Pont.³ General Motors ads began to tell stories about the people who drove its cars — the preacher, the pharmacist or the country doctor who, thanks to his trusty GM, arrived "at the bedside of a dying child" just in time "to bring it back to life."

By the end of the 1940s, there was a burgeoning awareness that a brand wasn't just a mascot or a catchphrase or a picture printed on the label of a company's product; the company as a whole could have a brand identity or a "corporate consciousness," as this ephemeral quality was termed at the time. As this idea evolved, the adman ceased to see himself as a pitchman and instead saw himself as "the philosopher-king of commercial culture,"⁴ in the words of ad critic Randall Rothberg. The search for the true meaning of brands — or the "brand essence," as it is often called — gradually took the agencies away from individual products and their attributes and toward a psychological/anthropological examination of what brands mean to the culture and to people's lives. This was seen to be of crucial importance, since corporations may manufacture products, but what consumers buy are brands.

It took several decades for the manufacturing world to adjust to this shift. It clung to the idea that its core business was still production and that branding was an important add-on. Then came the brand equity mania of the eighties, the defining moment of which arrived in 1988 when Philip Morris purchased Kraft for \$12.6 billion — six times what the company was worth on paper. The price difference, apparently, was the cost of the word

"Kraft." Of course Wall Street was aware that decades of marketing and brand bolstering added value to a company over and above its assets and total annual sales. But with the Kraft purchase, a huge dollar value had been assigned to something that had previously been abstract and unquantifiable — a brand name. This was spectacular news for the ad world, which was now able to make the claim that advertising spending was more than just a sales strategy: it was an investment in cold hard equity. The more you spend, the more your company is worth. Not surprisingly, this led to a considerable increase in spending on advertising. More important, it sparked a renewed interest in puffing up brand identities, a project that involved far more than a few billboards and TV spots. It was about pushing the envelope in sponsorship deals, dreaming up new areas in which to "extend" the brand, as well as perpetually probing the zeitgeist to ensure that the "essence" selected for one's brand would resonate karmically with its target market. For reasons that will be explored in the rest of this chapter, this radical shift in corporate philosophy has sent manufacturers on a cultural feeding frenzy as they seize upon every corner of unmarketed landscape in search of the oxygen needed to inflate their brands. In the process, virtually nothing has been left unbranded. That's quite an impressive feat, considering that as recently as 1993 Wall Street had pronounced the brand dead, or as good as dead.

The Brand's Death (Rumors of Which Had Been Greatly Exaggerated)

The evolution of the brand had one scary episode when it seemed to face extinction. To understand this brush with death, we must first come to terms with advertising's own special law of gravity, which holds that if you aren't rocketing upward you will soon come crashing down.

The marketing world is always reaching a new zenith, breaking through last year's world record and planning to do it again next year with increasing numbers of ads and aggressive new formulae for reaching consumers. The advertising industry's astronomical rate of growth is neatly reflected in year-to-year figures measuring total ad spending in the U.S. (see Table 1.1 on page 11), which have gone up so steadily that by 1998 the figure was set to reach \$196.5 billion, while global ad spending is estimated at \$435 billion.⁵ According to the 1998 United Nations Human Development Report,

the growth in global ad spending "now outpaces the growth of the world economy by one-third."

This pattern is a by-product of the firmly held belief that brands need continuous and constantly increasing advertising in order to stay in the same place. According to this law of diminishing returns, the more advertising there is out there (and there always is more, because of this law), the more aggressively brands must market to stand out. And of course, no one is more keenly aware of advertising's ubiquity than the advertisers themselves, who view commercial inundation as a clear and persuasive call for more — and more intrusive — advertising. With so much competition, the agencies argue, clients must spend more than ever to make sure their pitch screeches so loud it can be heard over all the others. David Lubars, a senior ad executive in the Omnicom Group, explains the industry's guiding principle with more candor than most. Consumers, he says, "are like roaches — you spray them and spray them and they get immune after a while."⁶

So, if consumers are like roaches, then marketers must forever be dreaming up new concoctions for industrial-strength Raid. And nineties marketers, being on a more advanced rung of the sponsorship spiral, have dutifully come up with clever and intrusive new selling techniques to do just that. Recent highlights include these innovations: Gordon's gin experimented with filling British movie theaters with the scent of juniper berries; Calvin Klein stuck "CK Be" perfume strips on the backs of Ticketmaster concert envelopes; and in some Scandinavian countries you can get "free" long-distance calls with ads cutting into your telephone conversations. And there's plenty more, stretching across ever more expansive surfaces and cramming into the smallest of crevices: sticker ads on pieces of fruit promoting ABC sitcoms, Levi's ads in public washrooms, corporate logos on boxes of Girl Guide cookies, ads for pop albums on takeout food containers, and ads for Balman movies projected on sidewalks or into the night sky. There are already ads on benches in national parks as well as on library cards in public libraries, and in December 1998 NASA announced plans to solicit ads on its space stations. Pepsi's ongoing threat to project its logo onto the moon's surface hasn't yet materialized, but Mattel did paint an entire street in Salford, England, "a shriekingly bright bubblegum hue" of pink — houses, porches, trees, road, sidewalk, dogs

*intensive
cost of
Riding ahead.*

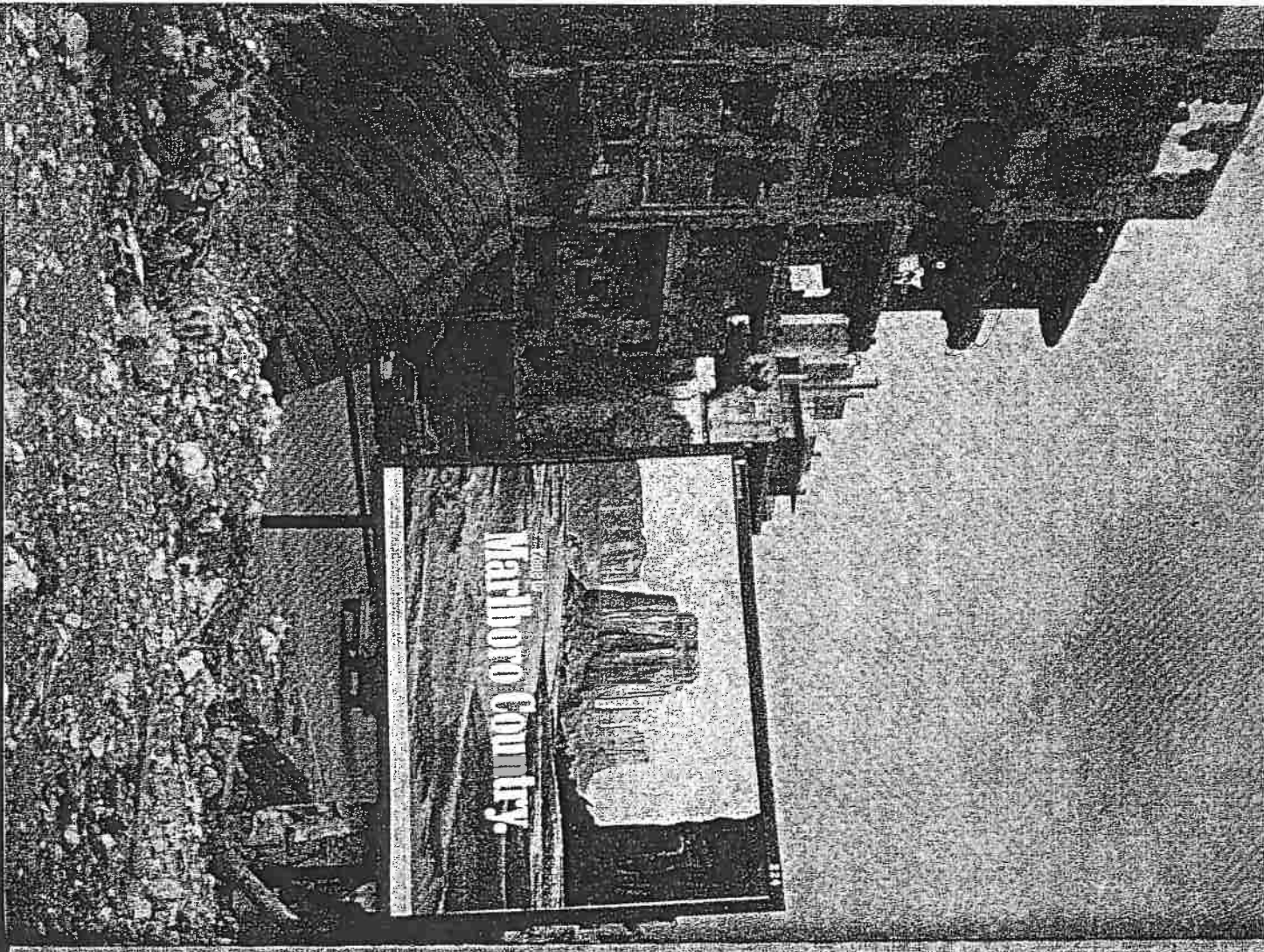
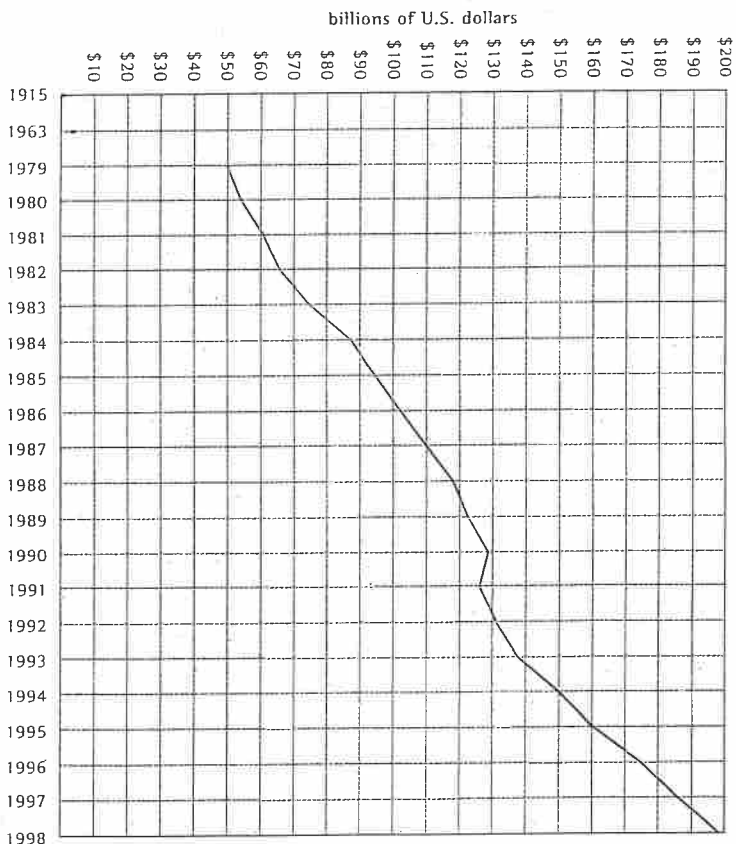


Table 1.1
Total Overall Ad Expenditures in the United States, 1915, 1963, 1979-98



Source: Figures extracted from various articles: *The Economist*, November 14, 1981; *PR Newswire*, May 23, 1983; *Business Week*, August 15, 1983; *Advertising Age*, July 23, 1984; *Ad Age*, May 6, 1985; *Ad Age*, December 16, 1985; *The Record*, January 25, 1986; *Ad Age*, May 12, 1986; *Ad Age*, June 30, 1986; *Ad Age*, August 17, 1987; *Ad Age*, December 14, 1987; *Ad Age*, May 15, 1989; *Marketing*, June 30, 1997; *Ad Age*, December 15, 1997; figures for 1979, 1981 and 1982 are estimates; 1998 figure is a projection based on *Ad Age*, December 15, 1997; all amounts include total of measured and unmeasured ad expenditures in the U.S.

and cars were all accessories in the televised celebrations of Barbie Pink Month.⁷ Barbie is but one small part of the ballooning \$30 billion "experiential communication" industry, the phrase now used to encompass the staging of such branded pieces of corporate performance art and other "happenings."⁸

That we live a sponsored life is now a truism and it's a pretty safe bet that as spending on advertising continues to rise, we roaches will be treated to even more of these ingenious gimmicks, making it ever more difficult and more seemingly pointless to muster even an ounce of outrage.

But as mentioned earlier, there was a time when the new frontiers facing the advertising industry weren't looking quite so promising. On April 2, 1993, advertising itself was called into question by the very brands the industry had been building, in some cases, for over two centuries. That day is known in marketing circles as "Marlboro Friday," and it refers to a sudden announcement from Philip Morris that it would slash the price of Marlboro cigarettes by 20 percent in an attempt to compete with bargain brands that were eating into its market. The pundits went nuts, announcing in frenzied unison that not only was Marlboro dead, all brand names were dead. The reasoning was that if a "prestige" brand like Marlboro, whose image had been carefully groomed, preened and enhanced with more than a billion advertising dollars, was desperate enough to compete with no-names, then clearly the whole concept of branding had lost its currency. The public had seen the advertising, and the public didn't care. The Marlboro Man, after all, was not any old campaign; launched in 1954, it was the longest-running ad campaign in history. It was a legend. If the Marlboro Man had crashed, well, then, brand equity had crashed as well. The implication that Americans were suddenly thinking for themselves en masse reverberated through Wall Street. The same day Philip Morris announced its price cut, stock prices nose-dived for all the household brands: Heinz, Quaker Oats, Coca-Cola, PepsiCo, Procter and Gamble and RJR Nabisco. Philip Morris's own stock took the worst beating.

Bob Stanojev, national director of consumer products marketing for Ernst and Young, explained the logic behind Wall Street's panic: "If one or two powerhouse consumer products companies start to cut prices for good, there's going to be an avalanche. Welcome to the value generation."⁹

Yes, it was one of those moments of overstated instant consensus, but it was not entirely without cause. Marlboro had always sold itself on the strength of its iconic image marketing, not on anything so prosaic as its price. As we now know, the Marlboro Man survived the price wars without sustaining too much damage. At the time, however, Wall Street saw Philip Morris's decision as symbolic of a sea change. The price cut was an admission that Marlboro's name was no longer sufficient to sustain the flagship position, which in a context where image is equity meant that Marlboro had blinked. And when Marlboro — one of the quintessential global brands — blinks, it raises questions about branding that reach beyond Wall Street, and way beyond Philip Morris.

The panic of Marlboro Friday was not a reaction to a single incident. Rather, it was the culmination of years of escalating anxiety in the face of some rather dramatic shifts in consumer habits that were seen to be eroding the market share of household-name brands, from Tide to Kraft. Bargain-conscious shoppers, hit hard by the recession, were starting to pay more attention to price than to the prestige bestowed on their products by the yuppie ad campaigns of the 1980s. The public was suffering from a bad case of what is known in the industry as "brand blindness."¹⁰

Study after study showed that baby boomers, blind to the alluring images of advertising and deaf to the empty promises of celebrity spokespersons, were breaking their lifelong brand loyalties and choosing to feed their families with private-label brands from the supermarket — claiming, heretically, that they couldn't tell the difference. From the beginning of the recession to 1993, Loblaw's President's Choice line, Wal-Mart's Great Value and Marks and Spencer's St. Michael prepared foods had nearly doubled their market share in North America and Europe.¹¹ The computer market, meanwhile, was flooded by inexpensive clones, causing IBM to slash its prices and otherwise impale itself. It appeared to be a return to the proverbial shopkeeper dishing out generic goods from the barrel in a prebranded era.

The bargain craze of the early nineties shook the name brands to their core. Suddenly it seemed smarter to put resources into price reductions and other incentives than into fabulously expensive ad campaigns. This ambivalence

began to be reflected in the amounts companies were willing to pay for so-called brand-enhancing advertising. Then, in 1991, it happened: overall advertising spending actually went down by 5.5 percent for the top 100 brands. It was the first interruption in the steady increase of U.S. ad expenditures since a tiny dip of 0.6 percent in 1970, and the largest drop in four decades.¹²

It's not that top corporations weren't flogging their products, it's just that to attract those suddenly fickle customers, many decided to put their money into promotions such as giveaways, contests, in-store displays and (like Marlboro) price reductions. In 1983, American brands spent 70 percent of their total marketing budgets on advertising, and 30 percent on these other forms of promotion. By 1993, the ratio had flipped: only 25 percent went to ads, with the remaining 75 percent going to promotions.

Predictably, the ad agencies panicked when they saw their prestige clients abandoning them for the bargain bins and they did what they could to convince big spenders like Procter and Gamble and Philip Morris that the proper route out of the brand crisis wasn't less brand marketing but more. At the annual meeting of the U.S. Association of National Advertisers in 1988, Graham H. Phillips, the U.S. chairman of Ogilvy & Mather, berated the assembled executives for stooping to participate in "a commodity marketplace" rather than an image-based one. "I doubt that many of you would welcome a commodity marketplace in which one competed solely on price, promotion and trade deals, all of which can easily be duplicated by competition, leading to ever-decreasing profits, decay and eventual bankruptcy." Others spoke of the importance of maintaining "conceptual value-added," which in effect means adding nothing but marketing. Stooping to compete on the basis of real value, the agencies ominously warned, would spell not just the death of the brand, but corporate death as well.

Around the same time as Marlboro Friday, the ad industry felt so under siege that market researcher Jack Myers published *Adbashing: Surviving the Attacks on Advertising*, a book-length call to arms against everyone from supermarket cashiers handing out coupons for canned peas to legislators contemplating a new tax on ads. "We, as an industry, must recognize that adbashing is a threat to capitalism, to a free press, to our basic forms of entertainment, and to the future of our children," he wrote.¹³

Despite these fighting words, most market watchers remained convinced that the heyday of the value-added brand had come and gone. The eighties had gone in for brands and hoity-toity designer labels, reasoned David Scotland, European director of Hiram Walker. The nineties would clearly be all about value. "A few years ago," he observed, "it might have been considered smart to wear a shirt with a designer's logo embroidered on the pocket; frankly, it now seems a bit naïf."¹⁴

And from the other side of the Atlantic, Cincinnati journalist Shelly Reese came to the same conclusion about our no-name future, writing that "Americans with Calvin Klein splashed across their hip pocket aren't pushing grocery carts full of Pernier down the aisles anymore. Instead they're sporting togs with labels like Kmart's Jaelyn Smith and maneuvering carts full of Kroger Co.'s Big K soda. Welcome to the private label decade."¹⁵

Scotland and Reese, if they remember their bold pronouncements, are probably feeling just a little bit silly right now. Their embroidered "pocket" logos sound positively subdued by today's logomaniacal standards, and sales of name-brand bottled water have been increasing at an annual rate of 9 percent, turning it into a \$3.4 billion industry by 1997. From today's logo-quilted perch, it's almost unfathomable that a mere six years ago, death sentences for the brand seemed not only plausible but self-evident.

So just how did we get from obituaries for Tide to today's battalions of volunteer billboards for Tommy Hilfiger, Nike and Calvin Klein? Who slipped the steroids into the brand's comeback?

The Brands Bounce Back

There were some brands that were watching from the sidelines as Wall Street declared the death of the brand. Funny, they must have thought, we don't feel dead.

Just as the admen had predicted at the beginning of the recession, the companies that exited the downturn running were the ones who opted for marketing over value every time: Nike, Apple, the Body Shop, Calvin Klein, Disney, Levi's and Starbucks. Not only were these brands doing just fine, thank you very much, but the act of branding was becoming a larger and larger focus of their businesses. For these companies, the ostensible product

cycles of
freshly

was mere filler for the real production: the brand. They integrated the idea of branding into the very fabric of their companies. Their corporate cultures were so tight and cloistered that to outsiders they appeared to be a cross between fraternity house, religious cult and sanitarium. Everything was an ad for the brand: bizarre lexicons for describing employees (partners, banistas, team players, crew members), company chants, superstar CEOs, fanatical attention to design consistency, a propensity for monument-building, and New Age mission statements. Unlike classic household brand names, such as Tide and Marlboro, these logos weren't losing their currency; they were in the midst of breaking every barrier in the marketing world — becoming cultural accessories and lifestyle philosophers. These companies didn't wear their image like a cheap shirt — their image was so integrated with their business that other people wore it as *their* shirt. And when the brands crashed, these companies didn't even notice — they were branded to the bone.

So the real legacy of Marlboro Friday is that it simultaneously brought the two most significant developments in nineties marketing and consumerism into sharp focus: the deeply unhip, big-box bargain stores that provide the essentials of life and monopolize a disproportionate share of the market (Wal-Mart et al.) and the extra-premium "attitude" brands that provide the essentials of lifestyle and monopolize ever-expanding stretches of cultural space (Nike et al.). The way these two tiers of consumerism developed would have a profound impact on the economy in the years to come. When overall ad expenditures took a nosedive in 1991, Nike and Reebok were busy playing advertising chicken, with each company increasing its budget to outspend the other. (See Table 1.2 on page 19.) In 1991 alone, Reebok upped its ad spending by 71.9 percent, while Nike pumped an extra 24.6 percent into its already soaring ad budget, bringing the company's total spending on marketing to a staggering \$250 million annually. Far from worrying about competing on price, the sneaker pimps were designing ever more intricate and pseudoscientific air pockets, and driving up prices by signing star athletes to colossal sponsorship deals. The fetish strategy seemed to be working fine: in the six years prior to 1993, Nike had gone from a \$750 million company to a \$4 billion one and Phil Knight's Beaverton, Oregon, company emerged from the recession with profits 900 percent higher than when it began.

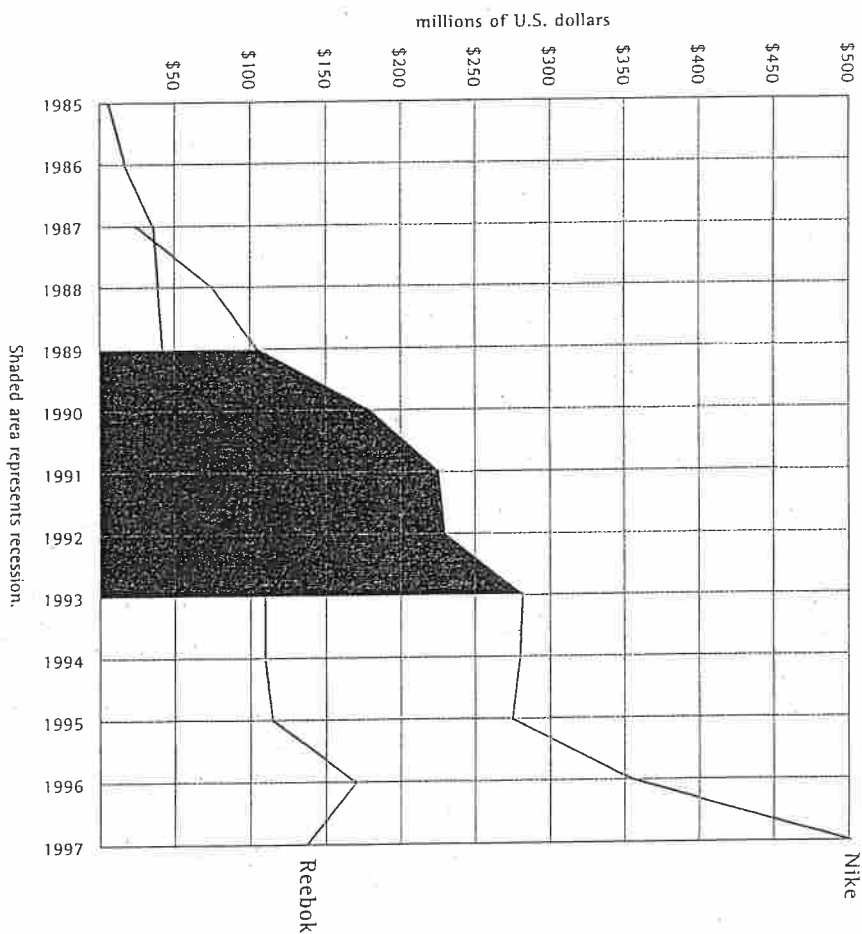
Benetton and Calvin Klein, meanwhile, were also upping their spending on lifestyle marketing, using ads to associate their lines with risqué art and progressive politics. Clothes barely appeared in these high-concept advertisements, let alone prices. Even more abstract was Absolut Vodka, which for some years now had been developing a marketing strategy in which its product disappeared and its brand was nothing but a blank bottle-shaped space that could be filled with whatever content a particular audience most wanted from its brands: intellectual in *Harper's*, futuristic in *Wired*, alternative in *Spin*, loud and proud in *Out* and "Absolut Centerfold" in *Playboy*. The brand reinvented itself as a cultural sponge, soaking up and morphing to its surroundings. (See Table 1.3, Appendix, page 471 and Absolut image, page 32.)

Saturn, too, came out of nowhere in October 1990 when GM launched a car built not out of steel and rubber but out of New Age spirituality and seventies feminism. After the car had been on the market a few years, the company held a "homecoming" weekend for Saturn owners, during which they could visit the auto plant and have a cookout with the people who made their cars. As the Saturn ads boasted at the time, "44,000 people spent their vacations with us, at a car plant." It was as if Aunt Jemima had come to life and invited you over to her house for dinner.

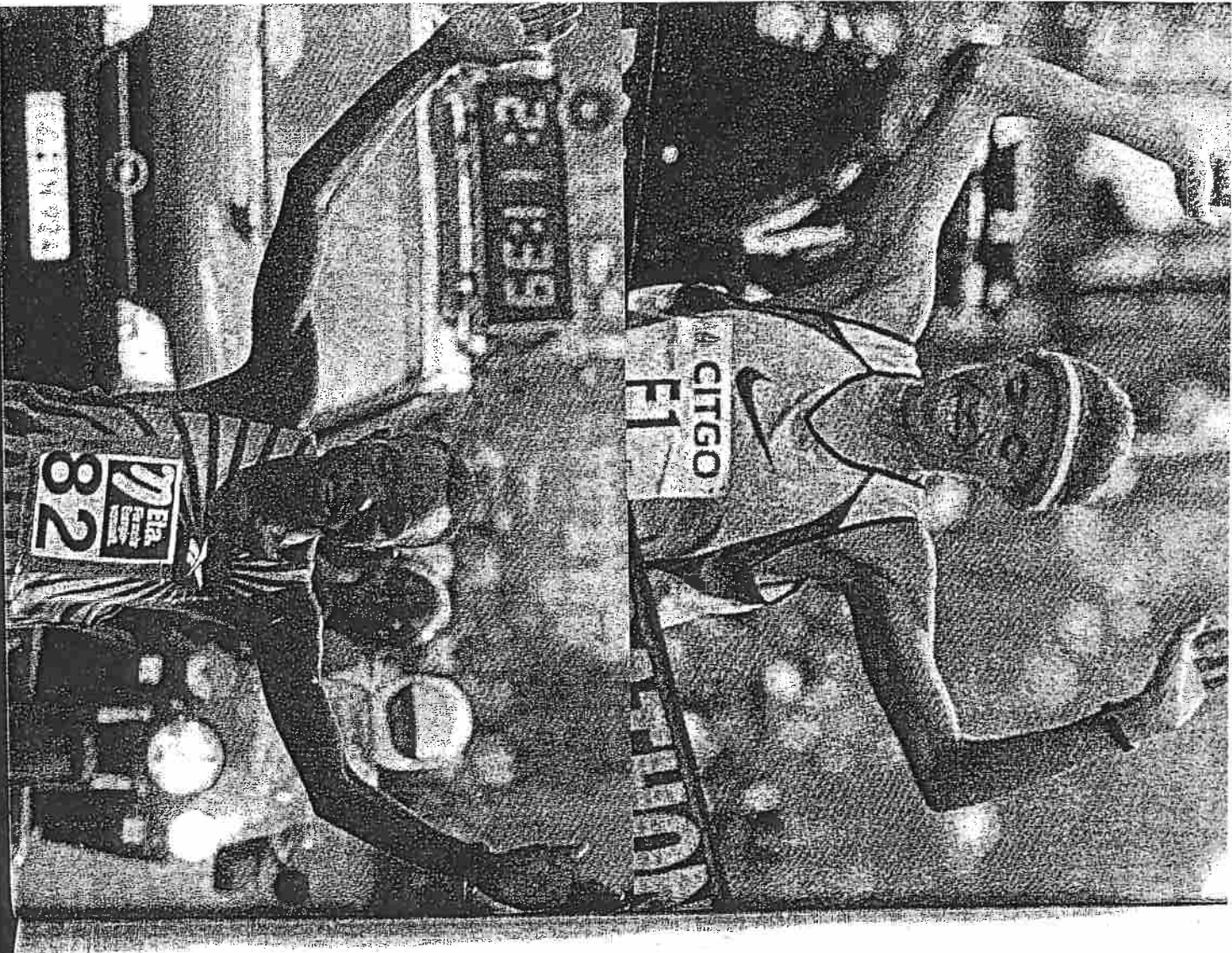
In 1993, the year the Marlboro Man was temporarily hobbled by "brand-blind" consumers, Microsoft made its striking debut on *Advertising Age's* list of the top 200 ad spenders — the very same year that Apple computer increased its marketing budget by 30 percent after already making branding history with its Orwellian takeoff ad launch during the 1984 Super Bowl (see image on page 86). Like Saturn, both companies were selling a hip new relationship to the machine that left Big Blue IBM looking as clunky and menacing as the now-dead Cold War.

And then there were the companies that had always understood that they were selling brands before product: Coke, Pepsi, McDonald's, Burger King and Disney weren't fazed by the brand crisis, opting instead to escalate the brand war, especially since they had their eyes firmly fixed on global expansion. (See Table 1.4, Appendix, page 471.) They were joined in this project by a wave of sophisticated producer/retailers who hit full stride in the late

Table 1.2
Nike and Reebok Ad Spending, 1985-97



Source: "100 Leading National Advertisers," *Advertising Age*, 1985-98; 1985-87 figures for Reebok are from Security Exchange Commission filings. Reebok's 1988 figure is an estimate from *Ad Age*, June 20, 1988, page 3. Nike 1987 figure from "Sneaker Attack," *Ad Age*, June 20, 1988.



eighties and early nineties. The Gap, Ikea and the Body Shop were spreading like wildfire during this period, masterfully transforming the generic into the brand-specific, largely through bold, carefully branded packaging and the promotion of an "experiential" shopping environment. The Body Shop had been a presence in Britain since the seventies, but it wasn't until 1988 that it began sprouting like a green weed on every street corner in the U.S. Even during the darkest years of the recession, the company opened between forty and fifty American stores a year. Most baffling of all to Wall Street, it pulled off the expansion without spending a dime on advertising. Who needed billboards and magazine ads when retail outlets were three-dimensional advertisements for an ethical and ecological approach to cosmetics? The Body Shop was all brand.

The Starbucks coffee chain, meanwhile, was also expanding during this period without laying out much in advertising; instead, it was spinning off its name into a wide range of branded projects: Starbucks airline coffee, office coffee, coffee ice cream, coffee beer. Starbucks seemed to understand brand names at a level even deeper than Madison Avenue, incorporating marketing into every fiber of its corporate concept — from the chain's strategic association with books, blues and jazz to its Euro-latte lingo. What the success of both the Body Shop and Starbucks showed was how far the branding project had come in moving beyond splashing one's logo on a billboard. Here were two companies that had fostered powerful identities by making their brand concept into a virus and sending it out into the culture via a variety of channels: cultural sponsorship, political controversy, the consumer experience and brand extensions. Direct advertising, in this context, was viewed as a rather clumsy intrusion into a much more organic approach to image building.

Scott Bedbury, Starbucks' vice president of marketing, openly recognized that "consumers don't truly believe there's a huge difference between products," which is why brands must "establish emotional ties" with their customers through "the Starbucks Experience."¹⁶ The people who line up for Starbucks, writes CEO Howard Schultz, aren't just there for the coffee. "It's the romance of the coffee experience, the feeling of warmth and community people get in Starbucks stores."¹⁷

move from billboards to space
 not Starbucks
 not Starbucks
 not Starbucks

Interestingly, before moving to Starbucks, Bedbury was head of marketing at Nike, where he oversaw the launch of the "Just Do It!" slogan, among other watershed branding moments. In the following passage, he explains the common techniques used to infuse the two very different brands with meaning:

Nike, for example, is leveraging the deep emotional connection that people have with sports and fitness. With Starbucks, we see how coffee has woven itself into the fabric of people's lives, and that's our opportunity for emotional leverage.... A great brand raises the bar — it adds a greater sense of purpose to the experience, whether it's the challenge to do your best in sports and fitness or the affirmation that the cup of coffee you're drinking really matters."¹⁸

This was the secret, it seemed, of all the success stories of the late eighties and early nineties. The lesson of Marlboro Friday was that there never really was a brand crisis — only brands that had crises of confidence. The brands would be okay. Wall Street concluded, so long as they believed fervently in the principles of branding and never, ever blinked. Overnight, "Brands, not products!" became the rallying cry for a marketing renaissance led by a new breed of companies that saw themselves as "meaning brokers" instead of product producers. What was changing was the idea of what — in both advertising and branding — was being sold. The old paradigm had it that all marketing was selling a product. In the new model, however, the product always takes a back seat to the real product, the brand, and the selling of the brand acquired an extra component that can only be described as spiritual. Advertising is about hawking product. Branding, in its truest and most advanced incarnations, is about corporate transcendence.

It may sound flaky, but that's precisely the point. On Marlboro Friday, a line was drawn in the sand between the lowly price slashers and the high-concept brand builders. The brand builders conquered and a new consensus was born: the products that will flourish in the future will be the ones presented not as "commodities" but as concepts: the brand as experience, as lifestyle.

not felt of commodity
 felt of Starbucks

Ever since, a select group of corporations has been attempting to free itself from the corporeal world of commodities, manufacturing and products to exist on another plane. Anyone can manufacture a product, they reason (and as the success of private-label brands during the recession proved, anyone did). Such menial tasks, therefore, can and should be farmed out to contractors and subcontractors whose only concern is filling the order on time and under budget (ideally in the Third World, where labor is dirt cheap, laws are lax and tax breaks come by the bushel). Headquarters, meanwhile, is free to focus on the real business at hand — creating a corporate mythology powerful enough to infuse meaning into these raw objects just by signing its name.

The corporate world has always had a deep New Age streak, fed — it has become clear — by a profound need that could not be met simply by trading widgets for cash. But when branding captured the corporate imagination, New Age vision quests took center stage. As Nike CEO Phil Knight explains, “For years we thought of ourselves as a production-oriented company, meaning we put all our emphasis on designing and manufacturing the product. But now we understand that the most important thing we do is market the product. We’ve come around to saying that Nike is a marketing-oriented company, and the product is our most important marketing tool.”¹⁹ This project has since been taken to an even more advanced level with the emergence of on-line corporate giants such as Amazon.com. It is on-line that the purest brands are being built: liberated from the real-world burdens of stores and product manufacturing, these brands are free to soar, less as the disseminators of goods or services than as collective hallucinations.

Tom Peters, who has long coddled the inner flake in many a hard-nosed CEO, latched on to the branding craze as the secret to financial success, separating the transcendental logos and the earthbound products into two distinct categories of companies. “The top half — Coca-Cola, Microsoft, Disney, and so on — are pure ‘players’ in brainware. The bottom half [Ford and GM] are still lumpy-object purveyors, though automobiles are much ‘smarter’ than they used to be,” Peters writes in *The Circle of Innovation* (1997), an ode to the power of marketing over production.²⁰

When Levi’s began to lose market share in the late nineties, the trend was widely attributed to the company’s failure — despite lavish ad spending — to

transcend its products and become a free-standing meaning. “Maybe one of Levi’s problems is that it has no Cola,” speculated Jennifer Steinhauer in *The New York Times*. “It has no denim-toned house paint. Levi makes what is essentially a commodity: blue jeans. Its ads may evoke rugged outdoorsmanship, but Levi hasn’t promoted any particular life style to sell other products.”²¹

In this high-stakes new context, the cutting-edge ad agencies no longer sold companies on individual campaigns but on their ability to act as “brand stewards”: identifying, articulating and protecting the corporate soul. Not surprisingly, this spelled good news for the U.S. advertising industry, which in 1994 saw a spending increase of 8.6 percent over the previous year. In one year, the ad industry went from a near crisis to another “best year yet.”²² And that was only the beginning of triumphs to come. By 1997, corporate advertising, defined as “ads that position a corporation, its values, its personality and character” were up 18 percent from the year before.²³

With this wave of brand mania has come a new breed of businessman, one who will proudly inform you that Brand X is not a product but a way of life, an attitude, a set of values, a look, an idea. And it sounds really great — way better than that Brand X is a screwdriver, or a hamburger chain, or a pair of jeans, or even a very successful line of running shoes. Nike, Phil Knight announced in the late eighties, is “a sports company”; its mission is not to sell shoes but to “enhance people’s lives through sports and fitness” and to keep “the magic of sports alive.”²⁴ Company president-cum-sneaker-siaman Tom Clark explains that “the inspiration of sports allows us to rebirth ourselves constantly.”²⁵

Reports of such “brand vision” epiphanies began surfacing from all corners. “Polaroid’s problem,” diagnosed the chairman of its advertising agency, John Hegarty, “was that they kept thinking of themselves as a camera. But the [brand] vision process taught us something: Polaroid is not a camera — it’s a social lubricant.”²⁶ IBM isn’t selling computers, it’s selling business “solutions.” Swatch is not about watches, it is about the idea of time. At Diesel Jeans, owner Renzo Rosso told *Paper* magazine, “We don’t sell a product, we sell a style of life. I think we have created a movement.... The Diesel concept is everything. It’s the way to live, it’s the way to wear, it’s the

way to do something." And as Body Shop founder Anita Roddick explained to me, her stores aren't about what they sell, they are the conveyers of a grand idea — a political philosophy about women, the environment and ethical business. "I just use the company that I surprisingly created as a success — it shouldn't have been like this, it wasn't meant to be like this — to stand on the products to shout out on these issues," Roddick says.

The famous late graphic designer Tibor Kalman summed up the shifting role of the brand this way: "The original notion of the brand was quality, but now brand is a stylistic badge of courage."²⁷

The idea of selling the courageous message of a brand, as opposed to a product, intoxicated these CEOs, providing as it did an opportunity for seemingly limitless expansion. After all, if a brand was not a product, it could be anything! And nobody embraced branding theory with more evangelical zeal than Richard Branson, whose Virgin Group has branded joint ventures in everything from music to bridal gowns to airlines to cola to financial services. Branson refers derisively to the "stilted Anglo-Saxon view of consumers," which holds that a name should be associated with a product like sneakers or soft drinks, and opts instead for "the Asian 'trick' of the *keiretsus* (a Japanese term meaning a network of linked corporations). The idea, he explains, is to "build brands not around products but around reputation. The great Asian names imply quality, price and innovation rather than a specific item. I call these 'attribute' brands: They do not relate directly to one product — such as a Mars bar or a Coca-Cola — but instead to a set of values."²⁸

Tommy Hilfiger, meanwhile, is less in the business of manufacturing clothes than he is in the business of signing his name. The company is run entirely through licensing agreements, with Hilfiger commissioning all its products from a group of other companies: Jockey International makes Hilfiger underwear, Pepe Jeans London makes Hilfiger jeans, Oxford Industries make Tommy shirts, the Stride Rite Corporation makes its footwear. What does Tommy Hilfiger manufacture? Nothing at all.

So passé had products become in the age of lifestyle branding that by the late nineties, newer companies like Lush cosmetics and Old Navy clothing began playing with the idea of old-style commodities as a source of retro

marketing imagery. The Lush chain serves up its face masks and moisturizers out of refrigerated stainless-steel bowls, spooned into plastic containers with grocery-store labels. Old Navy showcases its shrink-wrapped T-shirts and sweatshirts in deli-style chrome refrigerators, as if they were meat or cheese. When you are a pure, concept-driven brand, the aesthetics of raw product can prove as "authentic" as loft living.

And lest the branding business be dismissed as the playground of trendy consumer items such as sneakers, jeans and New Age beverages, think again. Caterpillar, best known for building tractors and busting unions, has barreled into the branding business, launching the Cat accessories line: boots, backpacks, hats and anything else calling out for a postindustrial *je ne sais quoi*. Intel Corp., which makes computer parts no one sees and few understand, transformed its processors into a fetish brand with TV ads featuring line workers in funky metallic space suits dancing to "Shake Your Groove Thing." The Intel mascots proved so popular that the company has sold hundreds of thousands of bean-filled dolls modeled on the shimmery dancing technicians. Little wonder, then, that when asked about the company's decision to diversify its products, the senior vice president for sales and marketing, Paul S. Otellini, replied that Intel is "like Coke. One brand, many different products."²⁹

And if Caterpillar and Intel can brand, surely anyone can.

There is, in fact, a new strain in marketing theory that holds that even the lowliest natural resources, barely processed, can develop brand identities, thus giving way to hefty premium-price markups. In an essay appropriately titled "How to Brand Sand," advertising executives Sam I. Hill, Jack McGrath and Sandeep Dayal team up to tell the corporate world that with the right marketing plan, nobody has to stay stuck in the stuff business.

"Based on extensive research, we would argue that you can indeed brand not only sand, but also wheat, beef, brick, metals, concrete, chemicals, corn grits and an endless variety of commodities traditionally considered immune to the process."³⁰

Over the past six years, spooked by the near-death experience of Marlboro Friday, global corporations have leaped on the brand-wagon with what can only be described as a religious fervor. Never again would the corporate

world stoop to praying at the altar of the commodity market. From now on they would worship only graven media images. Or to quote Tom Peters, the brand man himself: "Brand! Brand!! Brand!!! That's the message... for the late '90s and beyond."²¹

CHAPTER TWO

THE BRAND EXPANDS

How the Logo Grabbed Center Stage

Since the crocodile is the symbol of Lacoste, we thought they might be interested in sponsoring our crocodiles.

—Silvino Gomes, commercial director of the Lisbon Zoo,
on the institution's creative corporate
sponsorship program, March 1998

I was in Grade 4 when skintight designer jeans were the be-all and end-all, and my friends and I spent a lot of time checking out each other's butt for logos. "Nothing comes between me and my Calvins," Brooke Shields assured us, and as we lay back on our beds Ophelia-style and yanked up the zippers on our Jordache jeans with wire hangers, we knew she was telling no word of a lie. At around the same time, Romi, our school's own pint-sized Farrah Fawcett, used to make her rounds up and down the rows of desks turning back the collars on our sweaters and polo shirts. It wasn't enough for her to see an alligator or a leaping horseman — it could have been a knockoff. She wanted to see the label behind the logo. We were only eight years old but the reign of logo terror had begun.

About nine years later, I had a job folding sweaters at an Esprit clothing store in Montreal. Mothers would come in with their six-year-old daughters and ask to see only the shirts that said "Esprit" in the company's trademark bold block lettering. "She won't wear anything without a name," the moms would confide apologetically as we chatted by the change rooms. It's no secret that branding has become far more ubiquitous and intrusive by now. Labels like Baby Gap and Gap Newborn imprint brand awareness on toddlers and turn babies into mini-billboards. My friend Monica tells me that her