

Intoxicated with Raison d'état

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Advocates of mercantilism, economic doctrine that dominated Western Europe from 16th to late 18th century, argued that positive balance of trade is of quintessential importance for any successful economic policy. Prime responsibility of every state was thus taking care of imports never exceeding exports. From such a perspective trade was not something beneficial (as proponents of laissez-faire economy, namely Adam Smith, would later on argue) but rather a zero-sum game. Instead of cooperation, states had to compete with one another. Because there wasn't any common denominator that could prove to be of mutual interest, the natural state of affairs between the states, was necessary one of hostility.

Mercantilism became an economic variety of Hobbesian "bellum omnium contra omnes" and its understanding of war as a continuation of political economy by other means already precipitated that of von Clausewitz. It actually seems as if for a certain period of time political economy proudly and shamelessly declared its true purpose. Already liberated from the traditional and religious sentiments and codes of conduct, but still far away from liberal notions of free trade, universal equality etc. mercantilism appears to be a doctrine where appearance and essence of social form collided in the most straightforward way[1].

Perhaps one of its most distinguished (economic) battle cries was the notion of *raison d'état* or national interest. This concept (nowadays still the core notion of realist school of international relations) served as the justification for pursuing wealth and power and ensuring states survival and security by any means necessary. Having that in mind it comes as quite a surprise that *raison d'état* gained substantial prominence and importance in the public discourse of the former socialist republic of Slovenia. How that came about will be the focus of this paper.

We Want Nothing that Belongs to Others, and Won't Give Anything that Belongs to Us!^[2]

Addressing the appearance of *raison d'état* on the background of Slovenian transition from socialism to market economy, demands at least some general remarks about the transition itself. SRS- Socialist Republic of Slovenia was the most developed republic of the former Yugoslavia. According to a research done in mid eighties, in Ljubljana, Slovenian capital, GDP per capita was 260 percent of the Yugoslavian average. While in Priština, capital of Kosovo- the least developed Yugoslavian region, it was as low as 70 percent of the Yugoslavian average[3].

What is perhaps even more important is the fact that Yugoslavia was not only economically divided but had corresponding political differences as well. Perhaps we can illustrate this with Italy, that has similar differences on its North-South axis, though all citizens still speak the same language and practice a common religion. Yugoslavia on the other hand had three official languages (Serbo-Croatian, Slovenian and Macedonian) and three main religions (Roman Catholic, Muslim and Orthodox). Travelling from one part to another one could experience the diversity that was homogenized under the slogan "Brotherhood and Unity" and later on, with the disintegration of Yugoslavia, experienced its catastrophic turn in the Balkan wars.

On the brink of gaining its independence Slovenia therefore already had a solid and plural civil society that developed throughout the eighties. Various punk bands (Lublanski psi, Niet, Pankrti, Racija, Buldogi, to mention just

a few[4]) had gained a faithful audience and became prominent for provocative song writing. Laibach, a well known and acclaimed band began their career in this period as well. There were numerous political initiatives addressing issues of ecology, LGBT, pacifism etc. All of this was supported and covered by progressive media such as Radio Študent (oldest student radio in Europe: <http://www.radiostudent.si/>) student newspaper Tribuna (it started publishing in 1951: <http://www.tribuna.si/>) and many others. Intense theoretical reflection and philosophical engagement with burning social issues was very much present as well (Slavoj Žižek was part of this movement among others). Suffice it to say that it was a real social, artistic and intellectual outburst, that yet awaits a proper theoretical reflection.

Although pluralization of political arena, freedom of speech and human rights were of central importance, its even more noteworthy that self-understanding of the great majority of civil society at the time, was one of posing a left critique to (at least) declaratively leftist regime. This meant that Slovenian Communist Party (SCP) had to deal with these oppositional forces in a specific manner. It couldn't simply discharge them, because in theory both nomenklatura of SCP and the civil society held similar political goals. One of the main critiques of party establishment being that it was not progressive, not even socialist enough! In a sense young progressive intellectuals, artists, activists were much more serious about the communism as the communists themselves were[5]! Therefore simply discharging such an immanent critique would mean that SCP, as well as federal authorities were not true to themselves. That being the case a common party strategy was one of presenting these conflicts as expressions of inner party democracy, while trying to "absorb" among their ranks the most radical elements of the civil society. However there was only so much that party could actually absorb...

Slovenia gained its independence on 25th of June in 1991 when an overwhelming majority of the population voted for the independence (out of 88,5 percent of voters that have attended the referendum, 95 percent voted for the independence). It seems as if the aspirations of the civil society were buried and forgotten overnight. Instead of creative and revolutionary outburst of political energy, nation building (Nationenbildung) became the prime object[6]. Slovenia already being the most ethnically homogeneous of all the former Yugoslavian republics (with the ethnical structure of more than 83 percent of Slovenians) proved itself as increasingly hostile towards the foreigners. Without doubt the most disgraceful and political horrific was the case of the so called Erased. A group of several thousand Slovenian citizens that were born in other ex- Yugoslavian republics. At a certain point these people were disposed of all their documents and effectively became non existent citizens. This shameful event is the dark core of the spontaneous nation building and even to this day the rights of these citizens were still not reestablished[7]. Instead of progressive ideas of political inclusion and expanding the rights of citizens that were prevalent in eighties, a substantial part of population was simply erased. More than ever in Slovenian history foreign became something to be extremely suspicious and wary of. Something that endangered the Slovenians throughout their history and permanently posed a threat towards realizing a thousand years old dream of a sovereign and independent nation state. Even nowadays Slovenia still has a very small percentage of foreigners and gaining an asylum is a daunting if not an impossible task[8].

Although market reforms and capitalism as such were not on the agenda of the civil society in eighties they inevitably came about (some people nowadays even complain that at the time of the referendum nobody actually asked them if they want to live in capitalism and that of course they would not vote for that) . Former state owned enterprises were bound to be privatized and Jeffery Sachs a neoliberal economic guru that preached so called "shock doctrine" had toured around the former Eastern block, stopping in Slovenia as well. However he did not gain a substantial audience for his turbo market reforms, as Slovenian politicians as well as economists were much more fond of the gradualist approach to the whole transition from socialism to capitalism. In contrast to many Eastern European countries the amount of foreign direct investment and foreign capital in general was relatively small. Instead of selling out all the national companies at bargain prices a great majority of them remained in state ownership. Through a certificate system citizens were able to obtain a certain amount of stocks in these former state owned companies, while state still obtained a controlling share through state agencies.

A combination of gradualist approach, a historically suspicious attitude towards everything foreign and a relatively small market of only 2 million potential consumers meant that in contrast to the common scenario in other Eastern European countries a great majority of the Slovenian economy remained in the domestic ownership. Therefore it was as late as 2001 that a really important episode concerning the involvement of foreign capital, came about. Although the scenario was very much specific, the industry concerned was the industry of beverages, more precisely beer and as any Slovenian can confirm dealing with beer is no small deal...

Bottoms up!

In Slovenia there exist two main producers of beverages Union and Laško. Both are actually the names of beer brands, though they are not specialized only in beer. An average Slovenian has a special affinity towards either one of these two brands. Although with younger generation things are not as strict as they used to be, identifying oneself with either of the two brands was of substantial importance. There are certain areas in Slovenia where it is common to drink Laško and drinking Union would be perceived unmanly and other regions where its just he opposite. A common joke of a Union drinker would be: "I drink Union and piss Laško!" while the Laško drinker would claim just the opposite. It goes without saying that both of these brands were packed with tradition (Union being established in 1864 and Laško in 1825) and emotions that accompanied them.

When Laško published the intention for the ownership takeover of Union in 2001 and bought more than 20% of Unions stocks, effectively becoming biggest stockholder, the outburst of the so called "brewery war" came about. In Union they perceived this as the hostile takeover and started searching for a foreign strategic partner with whom they would challenge the intentions of Laško. They found one in the Belgian giant brewery Interbrew. Therefore the only question became whether Union is going to be taken over by Laško or Interbrew. However this wasn't a matter of simple financial transaction as Union and Interbrew argued that if Laško would obtain the controlling amount of stocks this would cause a monopoly and illegal concentration of capital. In such a scenario together with Union, Laško would control more than 95 percent of Slovenian market of beverages[9]. Because of that Interbrew addressed the Slovenian Competition Protection Office to make a judgement about the problematic concentration of capital. This office became one of the most crucial players in the whole "brewery war" that lasted for more than four years. Having said that the attitude towards the products of both breweries was highly emotional it comes as no surprise that this takeover became a prime media story as well as one of the most prominent political issues. Brewery war thus immediately gained legal, political, media and emotional dimensions and it was never just a simple economic takeover.

Perhaps single most important moment was the introduction of *raison d'état* or national interest. It became widely accepted that its in Slovenian national interest that Union remains in Slovenian hands, i.e. is taken over by Laško. I believe the interview that was conducted with Tit Turnšek, at the time the chairman of the board of Laško, quite accurately represents the sentiment that was wide spread at the time. First of all Turnšek sincerely admits that the project of takeover had a political backing from the very beginning: "Before the takeover, we have talked with people from Slovenian government. We got the green light, they have agreed that we should establish a Slovenian holding of beverage industries[10]". But the political involvement goes further than that. Laško could count on the support of the left wing, liberal democratic government of, at the time prime minister, Janez Drnovšek[11]. On the other hand the chairman of the board of Union and other members of the board were in much closer relationship with right wing politicians that were in the parliamentary opposition at the time. Perhaps a bit paradoxical (but I guess politics is no sphere to talk about paradoxes) the left wing government became a vigorous supporter of national ownership and national interests, patriotically defending these "values". While the right wing opposition argued for foreign ownership and for respecting the logic of free trade[12].

The image of hostile foreign capital eventually prevailed and once again the slogan of We want nothing that belongs to others, and won't give anything that belongs to us! could be seen imprinted on everything concerning this brewery war. Chairman Turnšek said: "In Europe and in the World Interbrew unfortunately doesn't have the best image. They came after Guardian, the most prominent British newspaper and tried to seize it. But in the rough capitalism things are done this way. I don't judge Interbrew for doing this, they live in rough capitalism, while we still maintain some social dimension. The fact that people from Union went to Belgium and asked them for a takeover is something similar to a scenario where the best Slovenian farmer, who has a big, well established farm and good knowledge would go to Austrian farmer with a little bigger farm and ask him if he would buy him[13]".

Turnšek also commented on those that believed foreign ownership is better: "Perhaps there are some who believe that the alternative is that somebody will buy us all. That a foreigner will buy us. But if you ask me this is not the right way. When foreigner buys us he doesn't do any good for us. He would buy us only because we are good and because we have the knowledge, profits and a good reputation. He would buy us and than take the profits. Is this the imperative of our politics? If it is, then it is rather sad". While Interbrew argued that if Laško is to takeover Union there will be illegal concentration of capital, the argument of Laško was quite original indeed. They have argued that because Slovenia is already effectively part of the global market and will be even more so when it enters EU (it became

member in 2007) one cannot talk about any problematic concentration of ownership. While the representative of global capital (Interbrew) argued for the judgement inside the national borders, the representative of national capital (Laško) argued for the judgement that would encompass the global interconnectedness of capitalism. Eventually Competition Protection Office declared that there is no threat of illegal concentration of capital (monopoly) and Laško became the owner of Union, and I for one believe they both still taste the same as before the war...

Global VS National Capital

Perhaps a reasonable conclusion (at least from capital point of view) would be that Slovenian economy simply wasn't liberated enough, that pro market reforms were not yet sufficiently implemented and therefore "foreign direct investment" simply wasn't possible. Such a perspective would argue that Slovenian capitalism wasn't capitalistic enough. The usual vulgata of liberalization, regulation, privatization and other slogans we are used to hear, whenever capital finds itself in crisis, would therefore apply. One could of course argue that the whole notion of national interest with its historical origins in the period of mercantilism is something that has been superseded and is itself a historical anachronism. But superseded by what?

In contrast to such an approach I believe that national interest is not something extrinsic to highly developed capitalism. Although we are permanently experiencing a great variety of concrete expressions of capitalism, I believe it is crucial to maintain the perspective that all of these have a common denominator, i.e. that they are all the concrete expressions of the same abstract logic of capital. Karl Marx's analysis of capital includes such a dialectic of concrete and abstract on the most elementary level of capitalist production, i.e. on the micro level of commodity itself. Every commodity that is produced in capitalism already embodies a duality of abstract and concrete. On the one hand each commodity has a concrete dimensions- it demands concrete labour and concrete time and when finished has a certain use value. On the other hand all of these characteristics have their abstract dimension as well, each commodity embodies abstract labour and abstract time and as such have an exchange value that guarantees it the potentiality to be exchanged for any other commodity. This elementary dialectic of abstract and concrete that is already present on the most basic level of capitalist production is a necessary dimension of the logic of capital as such[14].

I believe this same logic can be seen on a much more general and broader level when tracking the dynamic between global and national capital. I would argue that global capital could be characterized by the embodiment of the abstract logic of capital, especially from the perspective of capital that is functioning primarily in the context of national borders. It goes without saying that each global capital necessarily works in the context of nation states, thus its logic is in the last instance always concrete. But what interests us is the dynamic between these two. Because, while Interbrew as the representative of global capital could firmly declare that national protectionism needs to be done away with and that everything that matters was the free flow of capital Laško on the other hand couldn't afford such an approach. In a sense what Laško did in its defense and legitimation of its strategy was just consistently developing the argument of Interbrew. If national borders, nations as such and in the last instance national interest really aren't important and the only thing that matters is the logic of capital itself- well what would be holding back Interbrew from just sucking out of Union as much profit as possible and not caring about anything else? Well of course, nothing!

Indeed this is actually the common scenario throughout the globe; powerful global corporations are ceaselessly buying smaller companies and instrumentalizing them for their benefit. In the world where many corporations are much stronger than nation states this is not really surprising. Of course, it has to be emphasized that no matter how much global and detached from any national soil the global capital and its logic may appear at the end of the day each global capital is traceable to a specific nation state. In that context the functioning of global capital suddenly becomes functioning of national capital and it is that very capital that specializes in tearing up all national ties, that becomes the loudest proponent of national interest. Charles Erwin Wilson, embodies this phenomena. First being the president of General Motors and later on obtaining the position of the Secretary of Defense, he had to (though reluctantly) sell for more than 2 million worth of stocks he had in GM. During the hearings before the senate Armed Services Committee, he was asked if as a Secretary of Defense, he would be ever able to make a decision that was harmful towards GM. He answered affirmatively, though he stated that he could not imagine such a situation because: "... for years I thought what was good for the country was good for General Motors and vice versa[15]".

National interest, i.e. mutual interests of the national economy and its corporations thus isn't something extrinsic to the functioning of capitalism, rather its at its very core. National interest as a political strategy that the most important sectors of economy should be in domestic hands in the last instance indicates national capitalism or state capitalism and I believe that is the correct description for none other than socialism. It comes as no surprise that the public discourse in the former socialist republics was often nationalistic as these political projects are best described as processes of building of national capital. In that sense proper free market capitalism and state controlled socialism are again just two concrete expressions of the same abstract logic of capital. Socialism never succeeded in actually subverting capitalism. The social form of conduct was the same as in capitalism and even the self-understanding of socialist leaders was one of catching up with capitalism. Of beating capitalism in its own game, while forgetting that perhaps more than for anything else it holds for capitalism that: "You don't change the devil, the devil changes you!"

Raison d'état therefore isn't just an anachronistic concept characteristic of mercantilist political economy but something very much integrated in the very inner logic of capital itself. I believe Kojin Karatani is quite right when speaking of nation-capital-state formations as a politico-economical trinity of our world. Therefore I believe that national interest will be anachronistic and superseded only when the nation state as such will be superseded

Endnotes

1. Frederick Engels develops this argument in *Outlines of Critique of Political Economy*, saying that Mercantile System caused: "... mutually hostile attitude of the nations in the eighteenth century" and that "loathsome envy and trade jealousy, were the logical consequences of trade as such. Public opinion had not yet become humanized". (source: Marxist Internet Archive. <http://www.marxists.org/>)
2. Velikonja, Mitja (2008). "Titostalgia- A Study of Nostalgia for Josip Broz" *Mediawatch Series*, Peace Institute, Ljubljana. p.111 (also available on: <http://www.doxtop.com>). This widespread socialist slogan (in Slovene "Tujega nočemo, svojega ne damo!") demonstrated Yugoslavian confidence as a nation, especially in the period immediately after the II. World War and in the context of Free Territory of Trieste (Svobodno tržaško ozemlje), a territory provisionally administered by United Nations, that both Yugoslavia and Italy had aspirations to seize, thus creating one of the very first crisis of the Cold War.
3. Bertić, I. & Radovinović R. (1984). *Atlas svijeta: Novi pogled na Zemlju* (3rd ed.). Zagreb, Sveučilišna naklada Liber.
4. All of these bands have their songs available on youtube.com
5. Common strategy (especially amid punk bands) actually included subverting the communist idea(s) through an absurd repetition and especially through severe and uncompromising insistence on the realization of these idea(s). One of the most popular songs by Pankrti was actually the (musical) adaptation of the famous socialist song *Bandiera Rossa* (Red Flag) which includes the following lines: "Bandiera rossa la trionferà,
Evviva il comunismo e la libertà!" From the psychoanalytical perspective we could argue that the desire can never be fulfilled and that one taking it seriously inevitably perishes while pursuing it.
6. It would be misleading if one would think that what happened was the usurpation of political power by people that didn't share the ideal of the civil society in 1980. Quite the contrary, it was these very same people that seized the power and effectively buried these ideals. They have done a huge structural leap from posing a critique to a ruling class to themselves becoming a ruling class...
7. Fair overview of the Erased is available on the: http://en.wikipedia.org/wiki/The_Erased
8. In recent years one of the (perhaps essential) transitional byproducts became the increased nationalism. It resulted in various "patriotic" organizations that have a different degree of hostility towards foreigners. While the most "civilized" ones are presenting themselves as deeply concerned with preservations of Slovenian culture and heritage, there exist outright skin-nazi organizations like "Blood&Honor" as well. It is rather sad that in the period of less than 20 years a tremendous shift in the structure of civil society came about. If the one in eighties was radical because it demanded more rights and liberties for everyone, nowadays such sectors of civil society are demanding quite the opposite...
9. Before the "brewery war" both companies had already taken over almost all of the other companies operating on the Slovenian market of beverages.
10. Turnšek, Tit. 2002. *Nismo barabe*. Mladina 31: Intervju.
11. At a certain point 57 members of parliament, from various different political parties, even signed an

initiative that argued strategically important companies, i.e. companies that are of national interest, should not be sold to foreigners.

12. How emotionally charged everything became is clearly illustrated by the title: "Domestic betrayers of the brewery war" - Why the SDS MP Miha Brejc acted as he was lobbying for the Belgians in the conflict between Brewery Laško and Brewery Interbrew. Trampuš, Jure. 2004. Domači izdajalci pivovarske vojne. Mladina 05. This article was about the right wing MP Miha Brejc and his involvement in lobbying for Interbrew and against Laško.

13. Turnšek, Tit. 2002. Nismo barabe. Mladina 31: Intervju.

14. All of this is systematically developed in the first chapter of the first book on Capital. However Marx

does pass his revolutionary discovery of abstract labor and abstract time rather quickly. For a systematic study of these two I highly recommend an excellent study by Moishe Postone: "Time, Labor and Social Domination".

15. It should be emphasized that this quote is more commonly known in the inverted form of: "What's good for General Motors is good for the country" but since Wilson finished his (original) quote with vice versa, I don't see much difference between the two.

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