



**Peter Sloterdijk**

## **The Grasping Hand**

*The modern democratic state pillages its productive citizens.*

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**T**o assess the unprecedented scale that the modern democratic state has attained in Europe, it is useful to recall the historical kinship between two movements that emerged at its birth: classical liberalism and anarchism. Both were motivated by the mistaken hypothesis that the world was heading toward an era of the weakening of the state. While liberalism wanted a minimal state that would guide citizens almost imperceptibly, leaving them to go about their business in peace, anarchism called for the total death of the state. Behind these two movements was a hope typical of the European nineteenth century: that man's plunder of man would soon come to an end. In the first case, this would result from the elimination of exploitation by unproductive classes, that is, the nobility and the clergy. In the second case, the key was to reorganize traditional social classes into little groups that would consume what they produced. But the political history of the twentieth century, and not just in its totalitarian extremes, proved unkind to both classical liberalism and anarchism. The modern democratic state gradually transformed into the debtor state, within the space of a century metastasizing into a colossal monster—one that breathes and spits out money.

This metamorphosis has resulted, above all, from a prodigious enlargement of the tax base—most notably, with the introduction of the progressive income tax. This tax is the functional equivalent of socialist expropriation. It offers the remarkable advantage of being annually renewable—at least, in the case of those it has not bled dry the previous year. (To appreciate the current tolerance of well-off citizens, recall that when the very first income tax was levied in England, at the rate of 5 percent, Queen Victoria worried that it might have exceeded acceptable limits. Since that day, we have become accustomed to the fact that a handful of productive citizens provide more than half of national income-tax revenues.)

When this levy is combined with a long list of other fees and taxes, which target consumers most of all, this is the surprising result: each year, modern states claim half the economic proceeds of their productive classes and pass them on to tax collectors, and yet these productive classes do not attempt to remedy their situation with the most obvious reaction: an antitax civil rebellion. This submissiveness is a political tour de force that would have made a king's finance minister swoon.

With these considerations in mind, we can see that the question that many European observers are asking during the current economic crisis—"Does capitalism have a future?"—is the wrong one. In fact, we do not live in a capitalist system but under a form of semi-socialism that Europeans tactfully refer to as a "social market economy." The grasping hand of government releases its takings mainly for the ostensible public interest, funding Sisyphean tasks in the name of "social justice."

Thus, the direct and selfish exploitation of a feudal era has been transformed in the modern age into a juridically constrained and almost disinterested state kleptocracy. Today, a finance minister is a Robin Hood who has sworn a constitutional oath. The capacity that characterizes the Treasury, to seize with a perfectly clear conscience, is justified in theory as well as in practice by the state's undeniable utility in maintaining social peace—not to mention all the other benefits it hands out. (In all this, corruption remains a limited

factor. To test this statement, it suffices to think of the situation in post-Communist Russia, where an ordinary party man like Vladimir Putin has been able, in just a few years as head of state, to amass a personal fortune of more than \$20 billion.) Free-market observers of this kleptocratic monster do well to call attention to its dangers: overregulation, which impedes entrepreneurial energy; overtaxation, which punishes success; and excessive debt, the result of budgetary rigor giving way to speculative frivolity.

Free-market authors have also shown how the current situation turns the traditional meaning of exploitation upside down. In an earlier day, the rich lived at the expense of the poor, directly and unequivocally; in a modern economy, unproductive citizens increasingly live at the expense of productive ones—though in an equivocal way, since they are told, and believe, that they are disadvantaged and deserve more still. Today, in fact, a good half of the population of every modern nation is made up of people with little or no income, who are exempt from taxes and live, to a large extent, off the other half of the population, which pays taxes. If such a situation were to be radicalized, it could give rise to massive social conflict. The eminently plausible free-market thesis of exploitation by the unproductive would then have prevailed over the much less promising socialist thesis of the exploitation of labor by capital. This reversal would imply the coming of a post-democratic age.

At present, the main danger to the future of the system involves the growing indebtedness of states intoxicated by Keynesianism. Discreetly and ineluctably, we are heading toward a situation in which debtors will once again dispossess their creditors—as has so often happened in the history of taxation, from the era of the pharaohs to the monetary reforms of the twentieth century. What is new is the gargantuan scale of public debt. Mortgaging, insolvency, monetary reform, or inflation—no matter, the next great expropriations are under way. Today, the state's grasping hand even reaches into the pockets of generations unborn. We have already written the title of the next chapter of our history: "The pillage of the future by the present."

*Peter Sloterdijk is a German philosopher; his article was translated by Alexis Cornel.*