

CAMPBELL JONES AND BAZ MACDONALD

## OUTSIDE THE BUNKER: A CONVERSATION ABOUT CAPITALISM, CRISIS AND CRUELTY

This interview between documentary film maker Baz Macdonald and ESRA Researcher Campbell Jones discusses capitalism, crisis, and the prospects for change.

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Baz Macdonald's documentary film *Hunt for the Bunker People* reported on billionaires who have allegedly been building bunkers designed to withstand apocalyptic social and economic conditions in Aotearoa New Zealand. As part of his research, he interviewed ESRA Researcher Campbell Jones. The following is a transcript of their scintillating and disturbing conversation in January 2019 about capitalism, crisis and cruelty, and beyond these, the prospects for political organisation and social change.

*Hunt for the Bunker People* was released on Vice on 4 May 2019 and can be viewed on [youtube.com/watch?v=Dh1JZVjKUAo](https://www.youtube.com/watch?v=Dh1JZVjKUAo)

**Baz Macdonald:** I was wanting to talk to you because I am writing a companion piece to a documentary we made at the end of last year. I talked with ESRA Researcher Anna-Maria Murtola about this after she released her fantastic article on how the global tech elite imagine the future.<sup>1</sup>

As a companion to that documentary I am looking to do three pieces. One of these is tracking the research we did, and some of the scepticism we have towards these supposed bunkers which this company is installing. One of the claims that this bunker manufacturer made is that wealthy and influential people like Peter Thiel – he didn't mention him by name, but it was inferred – are installing bunkers in New Zealand. The primary reason that they give for this preparation is an economic shift which would lead to civil unrest and societal decline.

Greece is the example that a few academics have given as a comparison. But then, when I delved into it a bit deeper, it seems that if you played out the Greek scenario on a world scale it would be far worse, without any relief, and things might not be able to stabilise. I was hoping to discuss what some of those economic shifts might look like. Have you had any thoughts about this?

**Campbell Jones:** It's very hard to predict future scenarios, but we can use what we do know about the past, and about the trajectory of the economic and social relations that accompany the development of capitalism, to get a bit of an idea about how these things might unfold.

One thing that is very clear is that capitalist economies involve, or are maybe even driven by, a crisis tendency, a tendency for radical transformation. If you look at the number of national economic crises, you will see these have accelerated since the 1970s. This trend, over the long run, indicates to some people the clarity with which we can predict future economic crises.

Part of the reason for this is that you have on the one hand an inherent crisis tendency in capitalism and at the same time a set of countervailing factors. These countervailing factors are generally manifested through some form of state regulation or a set of societal expectations that manage and control those crisis tendencies.

Around the middle of the twentieth century, something of a common sense prevailed among economists and social observers, that effectively you had to have a way of managing the crisis tendency of capitalism, and if you didn't then capitalism would abolish itself. That was the idea, amongst economists like Joseph Schumpeter for example, that inevitably things will lead towards some form of social democracy or socialism.<sup>2</sup>

Now, from the 1970s on, that social democratic compromise established in the post-war period was dismantled, strategically and definitively,

by economic elites and a set of institutions that helped them to do that. Those institutions were think tanks, ideological apparatuses, universities and the state.

The reason I mention all of this is because the things that might have stopped the crisis tendencies of capitalism and were set up to countervail those tendencies were systematically demolished from the 1970s on. Some people call that deregulation or neoliberalisation. There are various names for it. The point is that now the crisis tendencies are unbound, as it were.

Following the financial crisis of 2008 very little was done to regulate or control the financial markets, at least in the capitalist West or what is known as the Global North. The drivers of particular forms of economic crisis that existed before 2008 are still there, if not even stronger today. To take the simplest sign of how this might work, which points to where financial crisis is most likely to break out today, one of those key sites is in the housing market

There, what you have is a massively inflated housing market, which you are probably aware of, and there are a number of reasons why this has happened, in particular to do with the financialisation of housing. But with speculation on housing, massively inflated housing values and very low interest rates the economy is unstable. If those interest rates were to rise or if something else was to destabilise the global economy, then we are looking at a scenario like 2008 again, but with much more to be lost because of the higher house values and the extent of lending. This is one of the major drivers of financial crisis today: the financialisation of housing.<sup>3</sup>

**Baz Macdonald:** Is there an event or a decision that would lead to a decline big enough to spur survivalist billionaires to jump in their jets and hunker down in their bunkers? Speaking to some academics, they have said that the US leaving the UN might lead a crisis on that scale. When I explored civil unrest and societal decline with Dr Negar Partow, some of the instigating factors that she looked at are things like when the banks stop giving loans and when governments stop lending to each other, when the East cuts off financial ties to the West and imports stop, and when the price of goods and services skyrocket. What kind of event would need to happen for those things to occur?

**Campbell Jones:** First of all, things that look like stark ‘events’ are often in retrospect quite understandable and predictable. Take the 2008 crisis for example. A lot of ink has been spilled on explaining exactly why that happened, and on the ignorance or stupidity of economists in their inability to see it coming. There is the famous situation in which the Queen of England hauled in a set of economists shortly after the crisis and demanded to know why they couldn’t have predicted it, and these economists were rather befuddled by the question.

Subsequently, the factors that led up to that crisis became quite clear, these included the financialisation of housing, speculation on housing, the bundling and trading of Collateralised Debt Obligations and the deregulation of the financial markets trading on these. And then the trigger event, if you want to look at one event, was the raising of interest rates in the US by the Federal Reserve. That took place because of central bank policy set on keeping inflation low, which was done for

a number of reasons: to satisfy the ideology of monetarism, but also to satisfy investors, to keep the economy buoyant, and to prevent established wealth from deflating due to inflationary pressures.

All of those factors are behind a simple thing like an increase in interest rates. That is why, if you want to look at one thing that would knock the housing market over then it is interest rates, whereby repayments would increase dramatically, a lot of people would be unable to pay their mortgages, and banks would foreclose on those mortgages. That is the cycle of the crisis tendency that has played out over the last twenty years, with regard to housing.

The other things that you are talking about now are geopolitical events, which play out in a different way and have a different logic. These are very important. The situation with China, the fact that the United States is being led by a President who is bordering on totalitarian, the rise of fascism and the Far Right as what are perceived to be legitimate political powers in the European Union, along with totalitarian governments in Russia, Turkey and other places. That geopolitical scenario of rising fascism, totalitarianism and authoritarianism bring with them another set of crisis tendencies. One of the key crisis tendencies associated with those forms of nationalist authoritarianism is of course war.

**Baz Macdonald:** As you say, there is a lot that happens in the lead up to an economic crisis. Usually there is a day when the stock market crashes and then suddenly everyone is talking about it. Even if there is a lot that leads up to that day, what would be the thing that triggers the event on that particular day? Is it the housing market crashing in the West? Is it war being declared between two states? Is it the US leaving the UN?

**Campbell Jones:** I don't want to be speculative, as a social scientist and as an intellectual. I don't want to speculate on these things. I try to keep myself to things I can quite confidently maintain, demonstrate and prove. So I don't want to speculate on this, but from the things that we have been talking about, in the economic situation – we have talked about housing – and in the geopolitical situation, there are considerable and very real crisis tendencies. To go back to what I said before, crisis tendencies are exacerbated by the absence of countervailing pressure. That's what we know.

**Baz Macdonald:** And the rich are the ones trying to take away those countervailing pressures?

**Campbell Jones:** The global rich and super-rich elites and their representatives both in the parliamentary and extra-parliamentary sphere – which includes economics departments in universities, but also, think tanks – constantly argue against the things that would stop elites from increasing their wealth. These countervailing measures include social pressures, such as demands for minimum rights for all human beings. That is why the kind of people we are talking about tend to have a delirious belief in a very abstract idea of freedom, which cannot account for the very real unfreedom produced by the economic and social models that they advocate for.

Because of that, these people are seeking to remove those countervailing factors. That is ultimately why we are in a situation of crisis today. So, if you could point to one thing, it is the absence of countervailing forces against these super-rich elites that could be the cause of the next crisis. By that absence I am also pointing, in the simplest terms, to the absence

of a parliamentary and extra-parliamentary Left internationally and in this country. This is the oldest and simplest way to introduce pressures that would institute and formalise certain sets of standards and rights that protect everyone.

**Baz Macdonald:** That disturbs me so much to hear. One of the big conclusions we came to with our documentary is Peter Thiel's obsession with the book *The Sovereign Individual*.<sup>4</sup> What you are describing is that not only are these people preparing for an economic collapse, but they are constructing it, because there is a good chance that the corporations are going to come out of a crisis like this stronger. It could very well, especially if they guide it that way, lead to the realisation of the dream of the sovereign individual. So, not only are we talking about them preparing for a shift, but they might be constructing it to achieve their end goal of a world of the sovereign individual in which corporations are more powerful than governments.

**Campbell Jones:** If you study the ideologies that are advocated by these people, and by the university departments and think tanks that advocate these things, then that is the kind of conclusion to which you might be led. When you say that the crisis itself will not necessarily make things better for people, and that the crisis may be hoped for by some, there is a lot of evidence for that.

In a paper published in 2012, we looked at responses to the crisis of 2008 and in particular the call for more innovation and entrepreneurship post-crisis, even in spite of the fact that innovations in the financial markets, such as trading on Collateralised Debt Obligations, were key precedents for the 2008

crisis.<sup>5</sup> In that paper we made a bit of a deal out of a book called *The Upside of the Downturn*, which is an example from a genre of business literature that shows investors how you can benefit from a crisis and from economic downturn.<sup>6</sup> The argument of that kind of literature is to say ‘If there is a crisis, don’t worry. You can benefit on a bear market just as much as on a bull market. You can benefit from trading short as much as you can from trading long. You can make money if the market goes down, just as much as if the market goes up’.

That is what we saw after 2008. A lot of people got very rich after 2008, and the way that they got rich was by trading on the suffering of other people. In the same way, the former Prime Minister of this country, John Key, got very rich working for Merrill Lynch, effectively trading against the currency of his country. So, a downturn does not by any measure involve suffering and pain for the super-rich elites.

**Baz Macdonald:** No, and talking with Dr Partow, she has built a picture, looking at crises in different countries around the world, over the past few decades, in which the rich carry on as usual, quite happy to pay extra for goods and services. And then the students rise up, government services stop in urban centres, while the rich flee to ‘safer ground’...

Do you think there will be a bit of a divide between the East and the West in the collapse that we are talking about? One hundred years ago a collapse of the economic system in the United States would mean that the world collapsed, whereas now, the West could collapse and the East would suffer in a lot of ways but would maintain integrity in a way that the West couldn’t.

**Campbell Jones:** There is a joke that was often told in China shortly after the 2008 crisis, in which the so-called Global Financial Crisis was dubbed the Western Financial Crisis. If you look at inequality globally, inequality *between* countries is at least as important as inequality *within* countries, and these international disparities are maintained by national borders, immigration controls, and the militarised policing of borders. The international disparities between countries are massive, and are very important geopolitically.

The logic of bunkering, of separating oneself off from other people through the building of walls, needs to be understood in a broader sense than just the building of physical steel or concrete devices. In a number of publications, such as my ‘World of Finance’ paper, I have argued that the logic of capital is to build walls.<sup>7</sup> Capital builds divisions and separations between people. And this is because capital – here I am referring to that group of people who benefit from being paid, in the form of rent, interest and profit, *for already having wealth* – wants to divide itself from all the others.<sup>8</sup> Capital does this legally, through property rights and trade agreements. Capitalists do this by building their houses separately from other people. They do it by building walls around their houses. In the extreme they build gated communities. Just one further step on from that is having totally isolated islands, or the kind of bunkers that you talk about around Queenstown.

**Baz Macdonald:** Indeed. Queenstown as a bunker!

**Campbell Jones:** Quite.

**Baz Macdonald:** New Zealand as a bunker!

**Campbell Jones:** This bunkering process is a part of the logic of capital and the capital-relation, insofar as the capital-relation is a relation between capital and all the others on which capital is parasitic. Capital needs those other people, to work for them, to produce profits, to pay rent, to pay interest. It *requires* all those other people, but disavows the fact that it requires them.

Sometimes in my work, and in the book that I am trying to finish writing at the moment titled *The Work of Others*, I describe this using psychoanalytic language as an ‘abject’ relation. This is a relationship to something that is loved and desired but nevertheless disavowed. The love and desire for the people needed by the rich to work for them, to clean their homes, to build them bunkers, and so forth, is symbolically disavowed. There is knowledge that those other people are crucially important, because they produce wealth for the elite. But at the same time there is a symbolic disavowal of that fact that the rich rely on all the others.

**Baz Macdonald:** Without speculating too much on the factors that would lead up to it, can we explore this scenario for a minute: from that day that the stock market crashes and the whole world realises that we are in the middle of a meltdown, and all the economists get pulled into rooms and asked why this happened and what is going to happen. What does that day look like if it’s the whole West that is seeing the crash?

**Campbell Jones:** Well, what we have seen in the last series of crises, the crises of 2008 through to now, is that part the problem is exactly in the question you ask. This is not to say that the question you asked is wrong but insofar as, when a financial crisis occurs, if you pull a bunch of

economists into a room and ask them what to do, the economists will say ‘Save the financial markets!’.

You are asking the wrong people, basically. You are asking people who are structurally and ideologically part of the problem. Their education, their training from day one involves, pretty much across the board, a refusal to understand history, a refusal to understand society, a refusal to understand politics. Instead, they have this vision of how an economy should work which doesn’t take into account the suffering produced by this economic system.

So, you get economists in, you ask them what to do, you are asking the wrong people.

**Baz Macdonald:** What would have to happen from that day – when everyone realises that things have turned, banks stop giving loans, governments stop lending to one another, for when imports stop to countries like New Zealand – for New Zealand to tap into its emergency budget?

**Campbell Jones:** If something other than what happened in 2008 were to happen there would have to be a countervailing power. This would have to be recognised symbolically. It would have to have legitimacy. And remember that a good part of the function of the media at present, the establishment that benefits the elite, is to pooh-pooh and belittle alternative visions of society. What you would need is a countervailing power that was taken as legitimate and that had some leverage on the state and other institutions. This would be needed to do something different as a solution to that crisis.

At the moment there are signs around the world that such a countervailing power is something people want, and there are important steps underway in building that countervailing power. Most obviously we see signs of the renewal of the Left in Italy, Spain, the United Kingdom, the United States, and small but important signs of a renewal of the serious Left – I don't mean the Labour Party – in this country.

**Baz Macdonald:** Going back to the sovereign individual, if the rich have all of this play out as they want it to, in order to achieve the end result that they want, they would want the government to collapse, right? And for the current financial system to somewhat collapse. They kind of want anarchy for a period, so that the corporations could establish a stronger foothold.

**Campbell Jones:** I think that it is important to recognise that within the super-rich there are very different positions.

**Baz Macdonald:** I am thinking of the super-rich who want the sovereign individual as the end result.

**Campbell Jones:** Indeed. It's just that there are others in the super-rich who know that the existence of the state is absolutely essential for the continuation of this economic system. They know this because they lobby government, they influence law-making, either directly or through their lobby groups. They know that both compliance with the state but also manipulation of the state, changing the things that the state does, is part of what they have to do in order to be economically successful.

But on the libertarian side of the super-rich, with those who really are willing to advocate a state of 'the war of all on all', some kind of Hobbesian vision of everyone fighting each other and the strongest being the survivors, you do have a pretty horrific view of the future.<sup>9</sup>

**Baz Macdonald:** With that view of the future, in a period of chaos, what steps would those corporations take? How would the corporations continue to function, to continue to profit, and to establish power, if trading food is more important than using money? How is it that a corporation doesn't fail in that scenario, when food and water is more important than money?

**Campbell Jones:** I don't think that it is likely that we would see a situation of a turn to direct barter on a broad scale. One thing to remember is that control over the money supply is a relatively recent phenomenon. It is really only for three hundred years in the West that the state has successfully claimed a complete monopoly on the control of currency. One of the reasons for the institution of the Bank of England in 1694 was to control all the competing currencies. You see competing currencies today, with obvious examples such as bitcoin, for example. So, there is no reason that corporations couldn't create their own currency, or that other forms of currency could exist that weren't run by the state.

One of the other things in the scenario you are talking about is that traditionally sociologists will define the state in a way that follows from Max Weber, whose classic definition of the state is that it is the group of people who have a monopoly on the use of socially legitimated physical force within a given territory.<sup>10</sup> In that sense, the state is the group who control,

through actual or potential violence, the behaviour of other people. Any putative collapse of the state would not mean the disappearance of the means of violence, but rather the transfer of the ‘legitimate’ means of violence to other bodies. Most obviously, in the kind of scenario you are investigating, to the corporations. Corporations already exercise the means of violence through security and other apparatuses. In this speculative scenario of the collapse of the state, you would see a transfer of the control of the means of violence.

**Baz Macdonald:** During that period in which violence and chaos ensues, as we work towards an equilibrium of population and resources, would the corporations try to function, or would they just try to bunker down and wait for things to settle down? Would governments essentially collapse, so that they could then be in a powerful position to establish whatever rules and regulations, whatever way of operating that they want?

**Campbell Jones:** We are entering into somewhat speculative terrain at the moment, so I’d be hesitant to advance too much of a claim. But what would perhaps be set in train here is that different corporations – and by corporations here I think we are talking about commanders of capital, or groups of capital – would try different strategies. Insofar as financial markets still existed, financial traders would speculate on the benefits of different forms of activity and would price things accordingly. The financial markets are driven by a massive accumulation of information and research.

It would hardly be surprising if the price of certain things became unattainable and you saw mass death. But these things are part

and parcel of the history of capitalism. The history of capitalism involves the pricing out of access to certain things, for certain groups of the population. That can be housing, as we see in New Zealand, where more than 40,000 people are priced out of the housing market, in the sense that they are so far priced out of the housing market that even massive government subsidies can’t get them back into it.<sup>11</sup>

Or consider a situation like the Irish potato famine of the 1840s, in which the Irish people were priced out of eating potatoes. This wasn’t simply due to the shortage of potatoes but was rather because corporations who had been given control over food markets were exporting potatoes and other vegetables to England and other places while the people of Ireland starved.

These are the means by which capital and the capital-relation exclude people. Saskia Sassen has a book called *Expulsions*, which is exactly about this process of separation and exclusion.<sup>12</sup> Like I said before, bunkering and excluding people from things is, to put it in the language of the vulgar economists, a ‘supply and demand’ operation. It just happens that people can’t pay for stuff. In the kind of crisis situation you are talking about, insofar as prices are determined by ‘the market’, people will be priced out of the means of existence. In short, they will die.

Again, dying because the market has priced some people out of access to certain essential things is not something that might happen in the future. It is the normal reality of the entire history of capitalism throughout the entirety of the world.

**Baz Macdonald:** And that is not far-fetched speculation?



**Campbell Jones:** No, it's quite definitive, and if we do the numbers, we can be quite clear. Death by capitalist pricing out of access on the market has caused at least as many deaths as the communist atrocities of the twentieth century and war – and remember that capitalism is deeply implicated in both causing and in supplying the means of death used in war.

**Baz Macdonald:** Wow. That is bleak.

**Campbell Jones:** If you look at things like life expectancy, we see clear patterns of the way that people die because they are not 'useful'. The way to stop that from happening is to institute a countervailing power, which is why I keep coming back to this. You need something that will press back against capital. Some earlier commentators like Karl Polanyi traced the ebb and flow of social pressures against what he called economic pressures, although I'd simply call these capitalist pressures.<sup>13</sup> His idea was that under an economic form of exploitation like capitalism, things would become worse and worse and then social pressure would push back to make things better for people. On his reading, countervailing pressure is almost inevitable. It's like things will get bad, then people look for things to get better, and to improve their rights, and then the system will change. I don't see any

evidence that will happen automatically. The pressure for those changes arises from *political organisation*.

This is one of the reasons why, for myself and a number of my colleagues, the question of political organisation is absolutely crucial. In Wellington last December we launched a book called *New Forms of Political Organisation*.<sup>14</sup> In that book we look at a range of new forms of political organisation here in Aotearoa, organising around different things such as the environment, around constitutional transformation, and organising in different ways, both at the level of the state, the parliamentary sphere, but also in the extra-parliamentary sphere.

This is why it is political organisation, rather than cruelty or suffering itself, that is key. Suffering by itself doesn't make people fight. The history of humanity is brutal and nasty. Human beings have been incredibly cruel to each other. But it is not just because people are suffering that they rise up. People are able to change things when, in the face of whatever situation they immediately encounter, they connect with other people, think with them, build relationships with them, and enter into the arduous task of political organisation.

# NOTES

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- 1 Anna-Maria Murtola, 'How the global tech elite imagine the future' *Economic and Social Research Aotearoa*, 11 (November 2018): 1-12.
  - 2 Joseph Schumpeter, *Capitalism, Socialism and Democracy*. Oxford: Routledge, 2010 (originally published 1943).
  - 3 On the financialisation of housing in Aotearoa New Zealand see Shane Malva, 'The immanent ruin of the Auckland housing crisis: Social resistance against the financialisation of housing' *New Zealand Sociology*, vol. 31 no. 6 (2016): 10-33.
  - 4 James Dale Davison and Lord William Rees-Mogg, *The Sovereign Individual: Mastering the Transition to the Information Age*. New York: Simon and Schuster, 2008 (originally published 1997).
  - 5 Campbell Jones and Anna-Maria Murtola, 'Entrepreneurship, crisis, critique' in Daniel Hjorth (ed.) *Handbook on Organizational Entrepreneurship*. Cheltenham: Edward Elgar, 2012.
  - 6 Geoff Colvin, *The Upside of the Downturn: Ten Management Strategies to Prevail in the Recession and Thrive in the Aftermath*. London: Nicholas Bradley, 2009.
  - 7 Campbell Jones, 'The world of finance' *diacritics*, Vol 44/3 (2016): 30-54.
  - 8 On the violence of rent, interest and profit, and for one recent call for their abolition, see Campbell Jones, 'Rent, interest, profit', *Counterfutures: Left Thought and Practice Aotearoa*, vol. 6 (2018): 69-98.
  - 9 On this vision of the future see Anna-Maria Murtola, 'How the global tech elite imagine the future' *Economic and Social Research Aotearoa*, 11 (November 2018): 1-12.
  - 10 Max Weber, *From Max Weber*, ed. H. H. Gerth and C. W. Wills. London: Routledge 1948, p. 78.
  - 11 Kate Amore, *Severe Housing Deprivation in Aotearoa/New Zealand, 2001-2013*. Wellington: He Kainga Oranga/Housing and Health Research Programme, University of Otago.
  - 12 Saskia Sassen, *Expulsions: Brutality and Complexity in the Global Economy*. Cambridge, MA: Bellknap, 2014.
  - 13 Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*. New York: Beacon, 2002 (originally published 1944).
  - 14 Campbell Jones and Shannon Walsh (eds.) *New Forms of Political Organisation*. Auckland: Economic and Social Research Aotearoa, 2018.
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**Baz Macdonald** is a journalist who has worked with Newsroom, VICE, The Spinoff and TVNZ. His coverage of beneficiary fraud was awarded the 2017 Bruce Jesson Emerging Journalist award and his investigation into the meth testing industry led to Baz being nominated at the 2018 Voyager Media awards. He is currently a video journalist for TVNZ platform Re: ([www.renews.co.nz](http://www.renews.co.nz)).

**Campbell Jones** is an ESRA Researcher conducting research into work, finance, economic policy and political organisation. He is convenor of the sociology programme at the University of Auckland and the University of Auckland Critical Theory Network. His most recent book, the collection *New Forms of Political Organisation* was co-edited with ESRA Researcher Shanon Walsh and published by ESRA in December 2018.