Finance under Capital: An Introduction

The global financial crisis of 2008 and its half-decade of fallout—waves of market panic, economic recession, state austerity, and resurgent social movements, all radiating outward from Wall Street as epicenter—forces a reappraisal of the most recent stage of capitalism, which, if not yet come to an end, has entered a period of profound mutation. And yet the current crisis is by no means unprecedented—according to Marxist critics from Immanuel Wallerstein to David Harvey to Fredric Jameson, we have been living through the decline of capitalism as a system since the ’70s and the global shift to floating currencies pegged to the U.S. dollar (and therefore U.S. monetary policy), an arrhythmic series of crises that has only accelerated since the fall of the Soviet Union. This was of course the very moment of “high” postmodernism, when American commentators in particular were declaiming the End of History and the eternal triumph of (neo)liberalism, Thatcher’s oft-repeated decree that “there is no alternative” moving rapidly from the radical right to the common-sense center of public discourse. Over the past few decades, it would seem from this perspective, dynamism of the base has corresponded with stultification in the ideological superstructure.

The reasons for this disconnect cannot be approached without understanding that both explanations for the crisis and responses to it are posed from within multiple and competing levels of abstraction. Since the proximate cause of the crisis was a housing market investment bubble, the problem, according to liberal commentators like Robert Reich, is the progressive deregulation of finance—and the solution is therefore re-regulation. “Realist” economist Jacques Sapir has likewise called for a “new Bretton Woods” system to move the global economy away from reliance on US Treasury bonds and the dictats of the Federal Reserve. Others, like ATTAC, have advocated a global “Tobin tax” on financial transactions to slow down the volume of global capital flows. But such neo- and post-Keynesian solutions not only rarely address the class politics of the past decades, but leave their structural conditions unexamined. Even proposals for a “new New Deal” by
Paul Krugman and Joseph Stiglitz (advocated by David Harvey as well, if only as a stopgap solution) arguably suffer from the same tendency to ignore the extent to which major economic policy is determined by “emergency” responses on behalf of elites to manage ongoing contradictions in the “real” economy. With the support of an unprecedentedly potent transnational security apparatus, such responses are also largely impervious to democratic intervention.

We can think here of the TARP bailouts and the trillions of dollars in federal loans to private banks in the aftermath of the 2008 crisis. More broadly, there is the insoluble postwar crisis of overproduction/underconsumption theorized by Robert Brenner, against which the U.S. (with Europe all but forced to follow suit) eventually sacrificed competition with East Asia in manufacturing and exports in favor of an integrated system of deterritorialized supply chains, third world manufacturing labor, and a first world service and consumer economy—a system underwritten, in place of traditional Keynesian deficit spending, by cheap, unregulated credit “managed” by Wall Street, the U.S. and European central banks, and international organizations like the IMF and World Bank, a global regime backed up by the threat of military violence. For Brenner, we have seen and are seeing “the extraordinary spectacle of a world economy in which the continuation of capital accumulation has come literally to depend upon historic waves of speculation.” Few if any of the decisions that created this architecture were subject to public review. Rather, they were largely the results of backroom deals, decisions by boards of appointees, or elite summits like the G8 or the Plaza Accord. Furthermore, the spread and multiplication of information so characteristic of our age of global finance often function to obscure rather than to enlighten our national situations as they relate to our global order. Indeed, it seems as though financial information has become so epistemologically remote from ordinary experience that it has become the exclusive province of “experts” who have only a tenuous relationship to democratic representation or accountability.

In his “Fragments of an Anarchist Anthropology,” David Graeber dismisses the very notion of “policy” as “the negation of politics; policy is by definition something concocted by some form of elite, which presumes it knows better than others how their affairs are to be conducted. By participating in policy debates the very best one can achieve is to limit the damage, since the very premise is inimical to the idea of people managing their own affairs.” While not explicitly anarchist, the new social movements of 2011 and after seem to have taken this idea to heart. From Tahrir Square to Occupy, to the student protests of Berkeley, Santiago, Paris and London, to the anti-austerity movements in Spain and Greece, these waves of resistance drew and continue to draw their energy from a refusal to engage in “normal” political processes, or those that presume the legitimacy of the state and their “experts.” At the same time, various compromises with the state are constantly being negotiated (for example SYRIZA in Greece, or the Justice Party in Egypt), and debate is constant. In any event, their very existence has thrown open the field of possibility, so that even as their power seems to be on the wane at the time of this writing, the future of the left will not (and cannot) be restricted by the ideological contours of the past.

In an interview, Wallerstein described the current moment as “the historicization
of the old Greek philosophical distinction between determinism and free will. When the system is relatively stable, it is relatively determined as a system in which we have relatively limited free play. But when it is unstable, when it is going into structural crisis, free will comes into the picture. That is to say, our actions really matter in a way that they did not for 500 years.”

This issue aims to participate in the discussion of what paths resistance might take. In these times of radical uncertainty, not only are there no obvious answers to the question of what is to be done, but no clear starting points from which to ask that question. Our approach is thus broad and experimental, the articles following multiple lines of investigation, from the epistemological (Martin) to the political-ontological (Signoracci), from tactical concerns (Cooper, O’Brien) to the aesthetic questions raised by finance capital (Jameson). We hope that the efforts of our authors and translators will serve in some small way to organize the chaos of our present moment.

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