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Reframing finance: From cultures of fictitious capital to de-regulating financial markets

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review of

Haiven, M. (2014) Cultures of financialization: Fictitious capital in popular culture and everyday life. London and New York: Palgrave Macmillan. (HC, pp.225, £60.00/$95.00, ISBN: 978-1-137-35596-6)

Financialization – the leverage and promotion of anything to be turned into a tradable product – and its cultures are what Haiven addresses in his book *Cultures of Financialization: Fictitious Capital in Popular Culture and Everyday Life*. Like many authors before him, he indicates that financialization is not only reduced to the transformation of currencies, goods, loans, etc. into tradable financial products such as swaps and futures, but that culture itself is under transformation and is being turned into an object of financial capitalism. The book's opening sentence states the aim of the book very clearly: He wants to re-theorize financialization. In Haiven's words financialization refers to 'the increased power of the financial sector in the economy, in politics, in social life and in culture writ large' (1).

The book makes an important contribution to the literature on financialization and points not only to the increased power of capital markets but also to the transformation of capital markets and how culture plays a crucial role at the very centre of capitalist accumulation. It is a crucial contribution for two reasons. First, it introduces the importance of culture to the increasing literature on financialization that mainly focuses on a shift from industrial to finance capitalism (e.g. van der Zwan, 2014). Culture is here defined as how we live our lives and reproduce our social surroundings – connected to the ways societies and individuals reproduce themselves. Second, it sets out to investigate how financialization has come to act as a category by which we have come to understand ourselves, that is, 'a process whereby a set of narrative, metaphoric and procedural resources imported from the financial world come to help explain and reproduce everyday life ... [t]o the extend we see ourselves as miniature financiers, investing in and renting out our human capital' (14). Haiven believes that the relationship between culture and finance is problematic. However, he starts with a radical statement saying that re-regulation is not a solution to their problematic relationship. Instead, he calls for the abolition of capital altogether. Despite the radicality of such a vision, which puts Haiven in company with contemporary thinkers like Virno, Negri, Marazzi, Berardi and Lazzarato, it contributes and invites a problematization and re-evaluation of the conditions upon which we have built our society and how it is unavoidably intertwined with capitalist processes of accumulation and price formation.

Not only do the first two chapters of the book give us a nice overview of the different accounts of financialization (from cognitive capitalism to performativity), but it also serves to contest and contrast those different accounts. This part of the book investigates what Marx has called 'fictitious capital', which refers to capital that has lost the reference to any underlying value. This is capital defined as 'freely circulating claims to future surplus value that *act* as money' (30, original italics). Haiven here adds a fresh perspective to current discussions within the financializations literature by using Derrida instead of Austin to account for the symbolic meaning of financial capital. Whereas MacKenzie, Callon and others have developed their theory of finance from Austin's notion of 'speech act' to argue for the performativity of financial models (MacKenzie, 2006; MacKenzie, Muniesa and Siu, 2007), the aim of this book is to broaden this argument and deal with how financialization in itself transforms our culture. Haiven argues that financial assets have a metaphorical value and that this metaphorical value depends on its relation to other metaphors. He writes: 'While all financial assets may claim to be a real representation of underlying "real-world" values, they are, in fact, inter-referential within their own economy of meaning' (22). That is, rather than referring to material objects or some kind of underlying economic value, financial assets are self-referential. Instead of dealing with the culture of high-finance he connects the financialized imagination at work in Wall Street arbitrage trading rooms with the everyday labor of financial subjects, which opens up some interesting connections between previously unconnected fields.

Chapter 3 gives us some insight into the financial practices of Walmart to demonstrate the logic of securitization. Haiven compares Walmart's operation to those of financial machines. He mentions Walmart's practice of hiring employees as free 'associate' agents, their replacement of pension schemes for optional participation in a fund and the use of consumer data. Data on the behavior of consumers, employee schedules, shifting local demand, etc. are used and stored in massive secretive data centres in Bentonville Arkansas. The corporation is able (via its control over data) to not only identify threats but to acutely predict and leverage them. A practice that to Haiven resembles what he sees as 'the incredibly powerful algorithmic trading machines owned by major financial firms that process and respond to incredible quantities of rapid changing economic data' (89). Chapter 4 takes up the practice of children's culture and, in particular, the phenomenon of Pokémon playing cards. Children collect cards, the aim of which is to create attachment to particular figures, with which they identify. Haiven sees Pokémon cards as a refined articulation of the commodity, one that is almost currency-like, as the cards have no real use-value outside their own enclosed economy of meaning. He highlights this as a part of an addictive consumer gaming culture. The cards are less a personal possession (occupying children's creativity and imagination) as much as a social medium. The cards, he suggests offer themselves as a tool by which children's creativity and imagination can be expressed. These cases serve as nice illustrations of a theoretical point – namely that financialization happens everywhere and is not exclusively attached to the centre of finance of Wall Street investment banks – it concerns everyday life and points to something broader than these cases themselves, namely the logic by which financial capitalism progresses.

The last part of the book (chapter 5 and 6) engages with the concept of creativity. Here, Haiven treats the notion of financialized imagination in further detail by re-introducing Marx and he argues that re-regulation is no answer to the problem of financialization. The underlying normative tone that runs through the book cannot be mistaken. The question one needs to ask in such a normative account is: Is everyday life and culture reduced to nothing but finance? What comes first: finance or our cultural reproduction of it? His argument builds upon an underlying assumption that finance cannot be reduced to its singular form defined as a discrete object but must be conceived of as a processual development that might impact other fields than its own. But still what is being occupied by these processes of financialization? Are we in an era of financialization of everything? Where is the outside to such an account of the all-encompassing powers of capital? Ironically, Haiven seems to place himself on the outside and calls for the abolition of capitalism altogether as the only way to solve the problem of financialization. This ambivalence is a consequence of the fact that Haiven unlike his fellow thinkers re-reads *Capital* and not *Grundrisse*, which has been the current trend among critical (neo-marxist) thinkers such as Lazzarato, Negri, Virno, Lash and Thrift. This is both the strength and weakness of the book. It opens up the possibility of also talking about financialization in terms of a transmission in capitalist accumulation by addressing the changing ways in which profit is made, from earning a profit on production and trade to be made by financial channels.

The tone of the book is at times close to that of a political manifest: claiming to take seriously the structural and ethical problems of financialization, not by regulating the financial sector to make speculative economy better aligned with its 'real value' but by pointing to the abolition of capital altogether. Haiven even goes as far as to claim that recent scholars of financialization are caught in a neo-Keynesian regime. In fact, the book explicitly attempts to 'steal financialization's fire, to reclaim metaphor, narrative, ideology and imagination from financialization and turn them towards its undoing' improper citation. How this goes along with a claim to not study the phenomenon of financialization as a normative program imposed on us from above, but rather to study its rhizomatic manifestations is not totally clear to me. In my view, the fact that cultural production has become an integral part of the operation of capitalism does neither show that liberalism is wrong nor right. Finance has always been about fiction, imaginary futures and desire in various forms – think of early loan taking as shown by Martha Poon (2007). Opposite the political orientation indicated in the book Haiven might be read as an extreme radicalization of liberalism. Thus, he reproduces some of the dangers that Hayek foresaw in his writings on the corporation (Hayek, 1975 [1960]). Hayek is in some ways even more normative than Marx and argues for a total divide between society and the accumulation of profit. The bureaucratic state-controlled organization is no match for the temporality of capitalism (the regulators are always a step behind the practices that they attempt to regulate). Haiven and Hayek end up in the same place – they attack the Keynesian view with reference to the hypermobility of capital. As Haiven writes, securitization – the fact that jobs, social programs, currencies and economies are dependent upon capital flows – is caused by 'the massive growth of hyper-speculation in financial markets, now accelerated by computer networks and telecommunications technology that integrate the world's markets into a 24/7 global casino' (77). Perhaps we need new distinctions to address these issues. Haiven takes us some of the way but ends up calling for revolution and (perhaps unwillingly) places himself on one side of the debate, which prevents him from taking into account the ways in which such technological transformation also change the nature of the kind of financialization that he describes.

Haiven acknowledges that we cannot address financialization without accounting for its technological development. Yet he emphasizes that Marx described a stock or a bond as a 'claim on the future surplus value yet to be extracted from labour' (28). Financial trading and its technological development (such as high-frequency trading) is mentioned as an extended version of the abstraction of value that Haiven rightly addresses with reference to Marx. However, such developments have other implications than those pointed out in the book. Studies of new forms of capitalism and the increased use of algorithms have shown that financial actors (the algorithms) might in fact have agential capabilities or emergent properties, which implies a kind of self-organizing logic of interacting agents. This development radically transforms the way in which we should discuss the intersection of culture and finance. Haiven's book made me speculate if there could be a way to engage with Marx at all on issues of softwaretization and financialization as they become tied together. Maybe we need to speak of software and digitalization as a processual form and not only a subcategory of current capitalist practices. The labor put into programming and producing algorithms and their interaction is itself one of the most important and expanding fields within practices of finance today. The comparison between free-floating capital and its abstraction from its 'real' underlying value to the case of Walmart and Pokémon is an interesting one. To me it stays, however, on a rather metaphorical level and Haiven runs the risk of reducing everything to a matter of the same logic and of ignoring the technological transformations that also shape practices of financialization and which might operate according to multiple and different logics than the ones he outlines in the book.

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