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Thinking the Global Crisis

The ongoing global economic crisis poses a serious challenge to our understanding of large-scale social and economic processes and, hence, of our own historical circumstances. As global capitalist society appears to be entering a new phase, it seems imperative to begin interrogating the relation of social, economic, and cultural inquiry to changes in the large-scale configurations of society, economy, culture, and polity. The essays published in this special issue of the *South Atlantic Quarterly* were presented at a conference organized by the Chicago Center for Contemporary Theory (3CT) at the University of Chicago in December 2010, the first of a series that aims to respond to challenges posed by the current world economic crisis to dominant paradigms in the contemporary human sciences.

Viewed retrospectively, there appears to be a relation between the nature and success of determinate paradigms in the human sciences and their historical contexts. For example, Keynesian economics and the positivist development-oriented social sciences appeared most successful between the 1930s and the 1970s, that is, during the epoch that began with the crisis of laissez-faire capitalism and ended with the crisis of state-centered economic configurations. Welfare-

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state "developmentalist" paradigms were displaced during the 1970s by an updated neoclassical economics that went hand in hand with an emerging configuration characterized by deregulation, globalization, and the primacy of financialization. Concomitantly, the human sciences witnessed a turn away from the study of large processes and structures toward "postmodern antifoundationalism," in some cases, and the "microfoundations" of social life, in others.

Dominant for the last three decades, these approaches now seem to have reached their limits, unable to grasp adequately our current moment of transformation. The shift away from the study of large-scale historical processes and structures has been, arguably, partially responsible for the difficulties the human sciences have had to delineate the contours of what has become a systemic global crisis. At issue, however, is not only how one adequately conceptualizes the ongoing transformations of capitalist modernity. The retrospective recognition of the historical embeddedness of the human sciences in the past century also suggests that paradigms of inquiry themselves should be understood historically, as modes of inquiry that are not independent of time and place. This, in turn, implies that the adequacy of such paradigms also depends on their capacity to historically locate themselves as well as their objects of inquiry. It is this historically reflexive moment that distinguishes critical inquiry from most general paradigms in the human sciences, whether structural or antifoundational.

In seeking to come to terms with the current global crisis, the essays here argue that it is not an anomaly, a temporary disturbance in what is normally a smoothly operating system tending toward equilibrium. Rather, they understand the crisis as endemic to capitalism and its dynamic. That is, they are fundamentally historical, trying to make sense of the path of capitalism's historical development and the nature of its recent configurations. Hence, rather than regarding the current global crisis as contingent or with reference to recent neoliberal policies alone, these essays regard it as the culmination of global developments since the 1970s, when a significant break occurred with the social, political, economic, and cultural configuration that characterized the decades following World War II. Basic changes included the weakening and transformation of welfare states in the West, the collapse or fundamental metamorphosis of bureaucratic party states in the Communist East, and the undermining of developmental states in what has been called the Third World. The weakening of national, state-centered economic sovereignty and the emergence and consolidation of a neoliberal global order have been accompanied by growing disparities in wealth and power globally.

These developments have also had implications for the nature of political-economic hegemony. Several essays here regard the current crisis as marking the end of the United States' hegemonic role in world capitalism. None of them, however, posits an identity between the United States and capitalism—a posited identity that has been used ideologically by a wide variety of nationalist and fundamentalist movements seeking to legitimate themselves on the world stage by wrapping their opposition to the United States in the mantle of anticapitalism.

By seeking to understand the current global crisis with reference to the overarching structural changes of recent decades, this issue goes beyond accounts that attribute such changes to the influence of neoclassical economic thought or focus almost exclusively on the deregulation of finance. The recent domination of neoclassical economics (like that of Keynesianism in the postwar years) should be understood historically, with reference to the problems generated by changing configurations of global capitalism, and not as the contingent victory of a school of thought. Similarly, the more general emergence of finance and the growth of opaque "financial instruments" cannot adequately be dealt with solely in contingent and agentive terms.

These considerations highlight weaknesses in recent approaches in the human sciences that focus affirmatively on contingency and agency. This emphasis has frequently been regarded as critical, inasmuch as it suggests that the existing order of things is not necessary and could be otherwise. The global character of the fundamental historical transformations of capitalism and its changing configurations—such as the rise of the postwar Keynesian/Fordist order and its supersession by a global neoliberal regime that, in turn, may have reached its limits with the current crisis—indicates, however, that this emphasis has been one-sided; it lacks the capacity to adequately elucidate such overarching and structural historical developments. The systemic dimension of such developments implies a system of constraints and imperatives, the analysis of which is a necessary moment of any attempt at meaningful change. The current crisis, then, has revealed the recent affirmative emphasis on agency and contingency to be one-sided, the opposite and antinomic complement to a one-sided structuralism. Such a putatively critical emphasis, moreover, can lead in questionable directions: to seek to explain the crisis primarily in contingent and agentive terms can result in a personalization of historical developments, which, in turn, can shade off into various conspiracy theories, including that deeply fetishized form of "anticapitalism," modern anti-Semitism.

The transformations problematized variously by the essays here, then, can be related to paradigm shifts in the human sciences; they are also associated with more general political and cultural changes. The transformations of global capitalism since 1973 ushered in a period of instability and crisis, in which organized labor was greatly weakened and the level of real wages in most of the advanced industrial world remained generally flat. Yet these crisis phenomena did not lead to a resurgence of working-class movements. On the contrary, recent decades have seen the decline of labor movements and the rise of a wide range of new social movements, often characterized by the politics of identity, including movements of sexual politics, nationalist movements, and various forms of religious fundamentalism. Moreover, social, political, and cultural life have become increasingly global; yet, at the same time, they have become increasingly decentered and fragmented.

The rise of the politics of identity and the decline of the politics of class can be understood with reference to the changing configuration of global capitalism since the early 1970s. In many respects, the emergence of identity politics on a mass scale highlighted the limitations of class politics, for the range of demands raised, issues articulated, and imaginaries expressed seemed to exceed the bounds of oppositional politics focused on class. Moreover, the focus by the politics of identity on qualitative specificity rather than on abstract universality and its tacit opposition to the sorts of bureaucratic, rationalized regimes that characterized the postwar Fordist/Keynesian synthesis could also be understood as an implicit critique of class politics. Nevertheless just as the structural crisis of global capitalism has revealed the one-sidedness of the emphasis on contingency and agency in the human sciences, it has also made manifest the basic one-sidedness of the focus on identity and specificity that has marked much critical discourse in recent decades. The huge increase in economic inequality in recent decades, especially in the United States—the country in which labor unions were most weakened and in which critical discourse turned sharply away from issues of social and economic structures—has remained largely beyond the horizon of much recent academic critical discourse. Consideration of the changing configurations of capitalism, then, suggests that such critical discourse does not point beyond the opposition between abstract universality and concrete particularity that characterizes capitalist modernity, but remains trapped within the confines of that opposition.

Trying to come to terms with the large-scale transformations of the past three decades, then, entails addressing not only the overarching economic changes since the early 1970s, along with significant associated changes in the character of social, cultural, and political life, but also, reflexively, the nature of critical paradigms in the human sciences.

In his article, "The Political Economy of Postcrisis Global Capitalism," Duncan Foley analyzes capitalism as necessarily crisis-prone. On the basis of his reading of Marx, Foley seeks to illuminate the political-economic trajectory of the past two centuries. He argues that capitalism is subject to two different kinds of crisis tendencies: one resulting from the tendency of the rate of profit to fall (driven, for example, by the upward pressure of wages), the other from a rising rate of exploitation, tied to wage level stagnation. Both have occurred several times in the past two hundred years. Foley treats the depression of the 1890s and the stagflation of the 1970s as crises rooted in the falling rate of profit, and relates the Great Depression of the 1930s, as well as the current global crisis, to a rising rate of exploitation. Capitalism's nonlinear history, according to Foley, indicates that its crises are intrinsic. This calls into question the basic assumption, shared by laissez-faire and interventionist economists, that economic development is characterized by a "long-run growth path" around which the economy fluctuates as a result of shocks extrinsic to the system.

Focusing on the transformations of recent decades, Foley argues that the current crisis must be understood as a consequence of capitalism's responses to the crisis of the 1970s. Those responses were successful in the short run. That very success, however, generated a new set of problems, the resolution of which is by no means evident. The crisis of the 1970s, according to Foley, was structural. He rejects the idea that the subsequent establishment of a neoliberal order can be understood on the level of ideas alone, that the change occurred because a purportedly flawed theory (Keynesianism) was superseded by a presumed better one, a neoclassical theory that focused on agency, on the so-called microfoundations of the economy and, relatedly, on the notion that empowering markets through deregulation would result in a more reliable growth path. Rather, Foley argues, both the changes in capitalism and in economic theory were responses to a structural crisis. The postwar synthesis and the Keynesian theory associated with it reached their limits in the 1970s, as made manifest by increased inflation and the stagnation of investment. These resulted primarily from a fall in the rate of profit, which, in turn, was due mainly to the upward pressure of wages. Responses to the crisis attempted to reverse the fall in the profit rate. This involved structural changes in world capitalism, which became focused on cost reduction rather than growth, entailing attempts to weaken labor organizations and relocate production to lower-wage areas of the world.

The responses to the 1970s, then, entailed counteracting the falling rate of profit by slashing labor costs and globalizing capital flows, thereby increasing the rate of exploitation. These responses, according to Foley, were successful in generating large increases in surplus value. However, precisely the nature of the resolution of the crisis of the 1970s has given rise to a new set of problems and limits. In particular, the strategy of depressing wages has generated a severe problem of global aggregate demand, which is becoming ever more acute and problematic.

Discussing the current crisis with reference to this problem, Foley expresses doubt about whether the current global system of financialized capitalism provides a viable framework for world capital accumulation, inasmuch as this would require large increases in global aggregate demand. He also questions whether the United States will be able to regain the political and economic hegemony it enjoyed in the six decades following World War II. In addressing these issues, Foley outlines a number of double binds. The global relocation and dispersal of production cannot simply be reversed; yet, the solution is unlikely to come from the "emerging markets." Foley notes that while it is the case that countries like China and Brazil have been able to insulate themselves from the crisis, they have done so largely by maintaining low exchange rates for their currency. This, however, constrains any significant rise in workers' income, which would be necessary to address the problem of aggregate demand globally.

Foley also describes a double bind with regard to the United States' global hegemonic role. In 1944, the United States rejected John Maynard Keynes's suggestion for a truly independent global bank and instead took on the role of the world's banker. This allowed it to run up a current accounts deficit impossible for other countries, but has also led to a situation in which the country has essentially lost control of its currency. The ability of the United States to recover from the crisis has been undermined by the currency policies of other countries.

The decline of American hegemony is not simply an economic issue for Foley, but one of the global political order. He reminds us that one of the important functions of that hegemony after 1945 was to prevent the sort of enormously destructive wars among European countries that marked the first half of the twentieth century. In the absence of the creation of a World Bank proposed by Keynes (which Foley admits is extremely unlikely), the problem of insufficient aggregate demand in a situation in which there is no clear hegemon could help generate potentially dangerous rivalries, according to Foley.

The outlook, as expressed in this essay, is at best, unclear. The crises of capitalism and of American hegemony do not reveal a pathway to another future, however necessary it might be. The question of a possible other future is not one of probability or likelihood alone—whether, for example, social and political forces are present that could struggle for such a future. Rather, the issue has become more fundamental, even on a conceptual level. For much of the past one hundred and fifty years, the basic foundational outline of socialism, of a postcapitalist society, seemed clear to many critics of capitalism. It involved the abolition of what seemed to be at the heart of capitalism, the market and private ownership of the means of production, and their supersession by a system based on planning and public ownership.

The situation today is much less clear conceptually. The older understanding of socialism (and of capitalism) has been called into question in various ways, including by the character and failures of "actually existing socialism" as well as by newer modes of critical thought, such as poststructuralism, whose critiques of traditional conceptions of emancipation were telling, even if those newer critical approaches themselves proved to be inadequate to the contemporary world.

Yet, although the crisis, once again, has placed the critique of capitalism in the center of critical discourse, a more adequate vision of socialism as the negation of capitalism has not emerged. Many contemporary critiques of capitalism have been able to demonstrate powerfully the intrinsic nature of its crisis-ridden character in ways that illuminate the limits of the existing order. This is a significant accomplishment, an important first step toward a critique of our world that not only illuminates the crises and limits of the existing order but does so in a way that gestures toward a possible future. Within the Marxian tradition, the key categories for grasping the present order also point beyond it. This is the significance of the notion of contradiction, which neither can be grasped adequately in terms of social antagonism, nor simply as the basis for an explanation of capitalism's crises. Rather, it represents an attempt to grasp the dynamic character of capitalist modernity in a way that points toward the possibility of a different form of life. The history of the past four decades suggests that imagining a different form of life would require rethinking the fundamental nature of capitalism.

At issue, then, is not simply whether one can inject some optimism into the critical analysis, but whether it still is possible to formulate a critique of capitalism that points to the possibility of a different organization of social life. This general issue is implicitly raised by all the essays here.

The issue of the absent future is approached from a different perspective in "Neoliberalism Resurgent? Market Rule after the Great Recession," by Jamie Peck, Nik Theodore, and Neil Brenner. Their essay focuses on what appears to be a historical paradox: although, in the immediate wake of the crisis and near collapse of 2008, it seemed that neoliberalism had been fundamentally discredited, the period since then has been characterized, surprisingly, by a further entrenchment of the neoliberal conceptual framework and its associated policies. If anything, the neoliberal measures of recent decades have been intensified; the costs of restructuring since 2008 have been imposed on the majority of the population, rendering the lives of increasing numbers of people insecure and vulnerable.

One could approach this surprising development in various ways. The most common, and ultimately unsatisfactory, would be to personalize it: neoliberal policies are simply the contingent result of decisions made by determinate people who are able to wield power and influence successfully. Another possibility would be to interpret the course of the past three years as suggesting that, contrary to the hopes of some observers, the conditions for a renewed Keynesian/Fordist synthesis no longer exist. (This argument would, of course, require an analysis of the historical conditions of the postwar synthesis and its demise in the crisis of the 1970s.) At the same time, the idea of socialism—certainly as traditionally understood—seems to have little purchase in the world today. Lacking a vision of the future, much progressive politics has become increasingly defensive and, in a sense, conservative; it tends to defend the achievements of the postwar epoch rather than promote a new conceptualization of social life. Consequently, neoliberal capitalism can present itself as the only dynamic force in the world today, as well as the only realistic possibility.

Another, related, line of inquiry would consider the extensiveness of neoliberal austerity programs since 2008 as a manifestation of the degree to which modern states have become dependent on capital. Such a line of inquiry would, at least partially, contravene a great deal of theorizing about the state as possessing an autonomous logic, theorizing that was nourished by the apparently linear growth of state-centric forms during the first seven decades of the twentieth century. The dependence of modern states on capital has been obscured by approaches that reify the complex of institutions generally referred to as "the state" and project it transhistorically. Like all institutions of capitalist modernity, the modern state had its historical antecedents, of course. As was the case with many other aspects of social life, however, it was fundamentally recast and restructured by the overarching structuring mediation of capital.

Peck, Theodore, and Brenner contribute to the discussion on the staying power of neoliberal policies and measures by focusing on another dimension of the problem. They seek to provide a critique immanent to neoliberalism itself by arguing that a more differentiated analysis of neoliberal policies and forms, one that grasps them as uneven, hybrid, and unstable, rather than monolithic, would help illuminate their paradoxical continued existence after 2008. Like Foley, they trace the institutional origins of neoliberal regulatory restrictions to the world economic crisis of the 1970s. Although their essay does not address political-economic issues, it does presuppose the importance of such an analysis and can be seen as complementing it.

In tracing the course of neoliberalism since the 1970s, Peck, Theodore, and Brenner argue that it developed as variegated, path dependent, and contradictory—that is, as a "syndrome" rather than as a "singularity." This account seeks to explain why the expectations by some—that 2008 would mark the collapse of neoliberalism, just as 1989 marked the end of Communism—went unfulfilled. Because neoliberalism did not exist as a totality, they claim, it did not fail totally. This general claim, however, does not fully do justice to the argument of their essay. After all, it could be argued that most regimes and orders have been variegated—ranging from nineteenth-century liberalism through twentieth-century Communism and Keynesianism/Fordism. Nevertheless, some of them did collapse. The authors' argument about the surprising staying power of neoliberal attempts and conceptions is based far more on their analysis of the specificity of those variegated attempts against the background of their historical context.

What characterizes neoliberal processes of recent decades, according to Peck, Theodore, and Brenner, is that they are ongoing and restless, ceaselessly churning out policies and programs, never finding a stable equilibrium. They frequently fail. Each failure (such as privatization and deregulation in the 1980s), however, leads to the reconstitution of the failed reform strategies. This, the authors suggest, indicates the unattainability of neoliberalism's goals. Their description of the Sisyphean aspect of neoliberal projects suggests the importance of the political-economic dimension of the historical context, which plays an implicit role in this essay. Unless one were to rely on Karl Polanyi's questionable ontological and transhistorical assumptions about social life, which suggest that domination by the market is unnatural, the inability of neoliberalism to attain its goals could be taken as implying the existence of an ongoing crisis that has remained unresolved for the past four decades. This suggests that, although neoliberalism presents itself as the only possibility in the world today, given the absence of any plausible alternative—whether reformist social-democratic or transformational socialist—the crisis of capitalism cannot be resolved in any stable manner by neoliberal means.

The analysis of neoliberal projects by Peck, Theodore, and Brenner extends beyond consideration of their serial failures, however. They begin to elaborate a contradictory dialectic driving neoliberalism, which they describe as having distinguishable "roll back" and "roll out" aspects. The former refers to neoliberalism's program of deregulation, including attacks on labor unions, planning agencies, and public bureaucracies. These programs have run into social and economic limits, which, in turn, have generated the latter, which the authors describe as a kind of reregulation, including the selective empowerment of NGOs and community organizations. In other words, one aspect of neoliberalism has been the devolution of what had been the purview of the state onto civil society, within a framework very different from that envisioned by theorists and proponents of civil society in the 1980s. It is, in part, this process of devolution of state functions, outsourcing, and the messiness of the results, coupled with the associated new epistemology of policy knowledge that, within the framework of a globalized neoliberalism, generates the ongoing churning up of "silver-bullet" responses and "solutions"—such as microcredit financing programs—many of which then become viral. Within this new epistemology of policy knowledge, projects become portable, a curious hybrid of technology and civil society. They are transnational and, in that sense, operate within a globalized universe. Nevertheless, they are not global.

This approach to neoliberalism allows Peck, Theodore, and Brenner to argue that even if the neoliberal project has been discredited on the level of its "commanding heights," the ongoing generation of projects and initiatives continues on the level of globalizing policy practices. This, in turn, raises the question of whether some of the regulatory experiments generated by the constant churning of practices and epistemes that have come to characterize the neoliberal epoch could be appropriated by an alternative vision of social-economic organization. The response to this question requires an overarching interpretative framework that, as the authors note, remains essential to any critical analysis that seeks to point beyond the present. This suggests that the significance of the multiplicity of attempts that have been generated in the recent past cannot be understood outside of their larger context. A rigorous analysis of that larger capitalist context is necessary in order to distinguish the ways in which they simply reinforce a neoliberal world and the ways in which they, potentially, point beyond it.

These considerations highlight the incompleteness of posing the issues facing us in terms of the opposition of state and civil society. The mobilizations of civil society outlined by Peck, Theodore, and Brenner should be understood both as expressions of neoliberalism as well as harbingers of possible alternatives. They should neither be affirmed nor rejected as such. Rather, their possible emancipatory dimension must be conceptually distinguished from their neoliberal form. Such a conceptual distinction is inseparable from a critical theory of capitalism that could address the issue of the organization of civil society in a postcapitalist world.

In "A Social Approach to the Financial Derivatives Markets," Edward LiPuma and Benjamin Lee also deal with the nature and surprising staying power of the neoliberal regime that emerged out of the crisis of the 1970s. Their focus is on the form of financialization that, arguably, has been at the heart of the regime and central to its present crisis. In particular, they focus on the forms of misrecognition as well as the speculative ethic that constitute the ideological underpinnings of the new financial markets.

Lee and LiPuma, like others, maintain that the dominant position of finance, especially of the circulation of speculative capital, began after 1973. This involved a considerable shift in the structure of the economy as well as in general attitudes toward finance. Whereas in the 1960s and early 1970s, members of Congress and federal regulators rejected attempts to establish a financial futures and options market, since then, attitudes toward financial speculation have become reversed. Speculative wagers have not only become acceptable but are even morally valorized. It is not surprising, then, that many critical accounts of the crisis focus on new financial "instruments" developed in recent decades, such as collateralized debt obligations and credit default swaps. According to LiPuma and Lee, however, the significance of this shift extends beyond the circumstances that bankers were afforded new opportunities for speculation. More fundamentally, this shift expressed a transformation in the deep character of capitalism. Yet the historical and social grounds for this transformation were invisible;

they were bracketed discursively. They have become visible again as a result of the crisis.

The increasing importance of financialization in recent decades can be understood in dynamic contradistinction to governmental regulation. The growth of financialization should be seen against the background of the crisis of the postwar Fordist/Keynesian synthesis in the 1970s. One reaction to that crisis was to lower barriers to international flows of capital. This weakened social-democratic regimes of accumulation that presupposed national economies tied to one another internationally on a variety of levels, and generated new patterns of supranational capital flows and the reconfiguration of production on a global scale. The deregulation of capital flows was part of a larger move toward deregulation, which aimed to roll back social-democratic regulation of finance, production, and labor.

Within this context, the issue of risk became central, since one aim of governmental regulation had been to promote and support a stable, predictable context, that is, to regulate risk politically. In that sense, derivatives, as attempts to quantify risk and make it manageable, serve as forms of insurance in the absence of governmental regulations that afforded a modicum of stability and predictability. They help support the idea that such regulations were, at best, unnecessary. This was reinforced by the efficient market hypothesis that markets are intrinsically self-correcting. Once risk became quantified and reified in financial "products," however, it too became an object of "investment," that is, of speculation. Ironically, then, the aspect of financialization that was developed to manage risk as a market-based substitute for government-promoted stability became the basis for a high-tech, global form of gambling, which heightened risk.

In their essay, LiPuma and Lee focus on the ways in which such social and historical dimensions of recent developments are rendered invisible by the appearance of markets as self-enclosed entities. In analyzing this ideology or, in their terms, *illusio*, they critically examine some of the basic assumptions undergirding it. They point to the mathematization of economics and the influence of game theory on the development of portfolio theory, as well as to basic assumptions such as the idea, at the heart of the efficient market hypothesis, that prices of assets are independent of all "external" (i.e., social, economic, and political) factors. This hypothesis assumes that all pertinent information is available to all participants at the same time and that prices respond immediately to available information. Consequently, markets are deemed efficient, closed, and complete. This allows for the *illusio* that social, political, economic, and historical considerations are irrelevant to understanding markets and, more generally, the economy—which helps render the social invisible.

Another dimension of the ideology of financial markets, according to LiPuma and Lee, is the notion that participants in the market, objectified as an essentially quantitative totality separate from society, are actors whose primary subjective orientation is that of utility-maximizing, monadic individuals. This fundamentally asocial, quantifiable, objective conception is further reinforced by an ideology of communication which maintains that market prices always reflect all available useful information and that, essentially, information and knowledge are the same. (It goes without saying that the possibility of critical thought is completely negated by such an understanding.)

The ideology of financial markets, then, according to LiPuma and Lee, combines the notion of the market as a closed, complete, and self-regulating space with the idea of the abstract actor as a transhistorical and transcultural rational agent and the notion of communication as transparent. The power of this *illusio* is such that it is difficult for the people involved to think the world in other terms. Even the crisis remains external to their worldview. This naturalized reification of markets helps explain why so many actors in the financial field, bankers as well as professors, continue to hold onto the efficient market hypothesis.

This ideology, according to LiPuma and Lee, strongly informs the action orientations of actors in the financial sector, who misrecognize both their own sociality and that of the market. Markets, for LiPuma and Lee, are real social fictions that agents unknowingly produce through collective belief; as such, they have a performative aspect and are dialectically related to the dispositions and understandings of the actors. In the case of financial markets, those dispositions include a speculative ethic, which is a central component of a peculiar regime of work. Work in the financial sector, as described by LiPuma and Lee, appears to provide more fulfillment than family, friends, and community and is a principal source of identity. Much of what they describe in the financial sector can be understood as a concentrated form of more general characteristics of capitalism. In this case financial work combines an intensification of a more general capitalist work ethic with newer elements, such as gaming, within a frame defined as a zero-sum game.

By linking the analysis of financial markets with the dispositions of the actors through an examination of the ideology of those markets, LiPuma and Lee seek to help explain the apparent imperviousness to empirical historical processes of a worldview that informs that sector. Their essay, like that of Peck, Theodore, and Brenner, contributes to our understanding of the surprising staying power of the neoliberal regime and its ideology, even in the face of a global crisis that, for many, exposed the fundamental inadequacies and weaknesses of that regime. At the same time, this focus, while illuminating, implicitly also suggests that it has become difficult to address the question of the historical possibility of change, of an alternative form of social life.

The question of change, of the new, informs Gary Herrigel's comment, "Sociability and Market Making: A Response to LiPuma and Lee." While agreeing with central aspects of their analysis, Herrigel claims that their emphasis on performativity focuses primarily on the stability and reproduction of the system and does not adequately grasp a salient feature of the contemporary financial sector—the ongoing dynamics of innovation and market making. The different emphases of the essay and Herrigel's comment, however, do not delineate an irreducible opposition. Together, they help illuminate an important characteristic of the larger capitalist context within which financialization has taken place. Implicit in the treatment of the financial sector by LiPuma and Lee is that it presents, in concentrated form, features of the sort of social mediation that characterizes capitalism as a whole. They deal with that sector in terms of peculiar, historically specific social ties that are quasi-objective, anonymous, impersonal, and quantifiable. These peculiar forms of mediation are constitutive of capitalism, in Marx's analysis. They do not ground a steady-state equilibrium but, rather, give rise to an ongoing historical dynamic. That dynamic is not a transhistorical feature of social life but is *the* defining characteristic of capitalism, generated by its historically specific social forms of mediation. What characterizes the peculiar dynamic of capital is that it entails both ongoing processes of change and the ongoing reconstitution of the underlying social forms that drive it. In that sense it could be understood as generating and being generated by the sorts of performative actions discussed by LiPuma and Lee that tend to reproduce their own conditions of possibility, as well as the innovative, creative forms of action Herrigel emphasizes.

According to this understanding, approaches that regard systems as static and organized around their reproduction, as opposed to innovation and creativity as principles of change, remain bound to the surface oppositions generated by capital. They do not grasp its inner dynamic, constituted by a peculiar, determinate dialectic of reproduction and transformation. Grasping capital adequately, as was implied in the essay by Peck, Theodore, and Brenner, entails differentiating between changes that remain within the bounds of capital's dynamic and those that point beyond it. Within this framework, although the action orientations Herrigel describes could be characterized as constructivist and reflective, they still remain within the bounds of the system as a whole. They do not critically reflect on, or point beyond, that system. Although creative and innovative, such action orientations also serve ultimately to reproduce a system of abstract constraints and imperatives that is dynamic.

The issue of capital's structural logic is central to Kaushik Sunder Rajan's "Pharmaceutical Crises and Questions of Value: Terrains and Logics of Global Therapeutic Politics." He investigates the recent transformation of, and crisis in, the global pharmaceutical industry in ways that elucidate important aspects of the commodification of health. Proceeding on the basis of Marx's analysis of the commodity as the cell form of capital, Sunder Rajan's treatment of commodification goes beyond a criticism of the growing commercialization of more and more aspects of life, including health. Rather, it is concerned with the ways health becomes molded by the logic of value and capital.

Although capitalist modernity frequently has been characterized in terms of the growing differentiation of various spheres of life, Sunder Rajan suggests that this is a surface manifestation of a deep structure that constitutes and informs the whole. The significance of any institutional development can only be grasped adequately with reference to that whole. In this regard, Sunder Rajan approvingly cites Marx's critique in the *Grundrisse* of socialists who attributed the crisis of 1855 to the banks. Marx argued that the banks and their actions should not be understood as aberrant, as having somehow overstepped the boundaries of capitalism's normal functioning. Rather, they should be understood ultimately with reference to the logic of value and capital, that is, as intrinsic to capitalism, understood in structural terms. For Sunder Rajan, as was the case with LiPuma and Lee, such an analysis also requires elucidating how institutional actors become motivated by those value logics, so that what is in the interest of capital appears to them to be both sensible and natural. Because the logic of value and capital is ultimately self-undermining, however, it is generative of crises.

Sunder Rajan discusses global developments in the pharmaceutical industry within this general theoretical framework, that is, with reference to the structural logic of global capital (and biocapital). His approach to commodification in these terms, that is, in terms of the categories of value and capital, allows him to argue that the form of the general economic crisis and that of the pharmaceutical crisis are intrinsically related. Sunder Rajan traces the development in recent decades of the multinational (European/American) pharmaceutical industry—massive research-and-development-driven businesses focused on the development of so-called blockbuster drugs that can yield huge annual revenues. This development was paralleled by the growth of a regulatory structure in which clinical trials of new drugs became more extensive and complex. Such trials tended to move into the private sector domestically and, then, increasingly, to the rest of the world.

Another central feature of the contemporary pharmaceutical industry is that most major research-and-development pharmaceutical companies are publicly traded. Hence, they have to conform to the expectations of the financial sector regarding their potential for growth. Yet precisely this has become increasingly difficult to achieve, which renders the industry prone to crises. Because there is a high rate of failure of new drugs to make it through clinical trials, it has become increasingly difficult for companies to develop enough successful new drugs to meet the growth expectation of the financial sector. This, in turn, has reinforced their tendency to concentrate on a small number of "blockbuster" drugs that can make billions of dollars annually. The condition for the generation of such large revenues is that the drugs are protected by patents. The prospect of the expiration of patent monopolies on profitable drugs, coupled with the dearth of enough new drugs to compensate for that looming loss of revenue, means that the pharmaceutical industry is faced with a crisis. This has resulted more recently in a growing focus on mergers and acquisitions (rather than production) and heightened emphasis on intellectual property (patent protection), motivated by what Sunder Rajan terms an epistemology of risk. Such an epistemology characterizes many sectors of the neoliberal regime of accumulation and, ultimately, is structurally rooted.

A central critical focus of Sunder Rajan's essay is the fundamental transformation of the meaning of health and of the significance of patients that results from the changes in, and crisis of, the capitalist pharmaceutical industry. He argues that, for that industry to continue operating as a source of potential profit, patients necessarily become viewed as potential future consumers of drugs. The category of health becomes transformed by the logic of capital; it becomes an abstract category, a source of future revenues and, hence, a category of risk reduction. Similarly, disease becomes redefined from an episodic abnormal state to a constitutive element of a future-oriented dynamic. Just as the worker in capitalism is important primarily as a source of value, the patient becomes important as a source for the realization of value. In both cases life, though socially constituted, becomes a means toward another end, that of the valorization of value.

The imperatives of the capitalist pharmaceutical industry do not operate uniformly. Rather, they impinge differentially on people in various parts of the world. Sunder Rajan focuses on the important case of India. In order to control costs, clinical trials have become globalized, and vast numbers are conducted in India. At the same time, the pressure to globalize intellectual property regimes threatens the Indian generic pharmaceutical industry and, consequently, the many NGOs that rely on generic drugs to provide medical services in much of the world. The effects on the Indian population reflect and contribute to the growing social-economic polarization that is characteristic of neoliberalism globally. Many in the population become included in the emerging global pharmaceutical regime as objects, that is, as "subjects" of clinical trials, even as they are excluded from the global market as consumers. Many of these people have been deproletarianized as a result of mill closings and other features of neoliberal global capitalism. At the same time, the growing stratum of more affluent consumers in India is potentially becoming integrated into the global therapeutic market.

This example of globalized social-economic differentiation and polarization, analyzed by Sunder Rajan, has significant implications that extend beyond this important case. It indicates the need for a differentiated analysis that renders terms such as "Third World" or "global South" more complex by, for example, reintroducing categories of structural social differentiation such as class. More generally, it suggests the importance of developing categories that, sensitive to changing historical configurations, de-reify purportedly critical terms that have become socially and temporally hypostatized.

This theme plays an important role in Claudio Lomnitz's essay, "Time and Dependency in Latin America Today." Lomnitz approaches the epochal changes of global capitalism in recent decades with reference to Latin America by interrogating the concept of dependency. Historicizing that concept, he reflects critically on the historically changing relation of Latin America to the rest of the world—which he terms its place in time—as well as on widespread understandings of that place in time.

The past few decades not only have been marked by a series of severe economic crises in Latin America but also, according to Lomnitz, by a crisis of historical self-understanding. The sorts of developmentalist narratives as well as emancipatory rhetoric that characterized the mid-twentieth century have lost credence. Instead, there has been a curious, seemingly anachronistic, revival of nineteenth-century political discourse. One symptom in Latin America of the crisis-ridden period of recent decades, then, is a sort of historical disorientation. People there, Lomnitz suggests, do not know *when* they are. The issue cannot be adequately addressed if Latin America is subsumed under the rubric of the "global South," since that notion presupposes a sort of bipolar uniformity that no longer can be taken for granted, given the rise of Brazil (and more generally, BRIC), for example, and the increased importance on the world stage of powers other than the United States. Lomnitz suggests that it would be more useful to revisit the concept of dependency and conceptualize the current situation in terms of new dependencies.

The concept of dependency, first formulated in Latin America during the Cold War, was rooted in the experience of the continent. Because countries there had long been independent, there was considerable skepticism regarding the implicit anticolonial equation of national sovereignty and progress. Even more fundamentally, dependency theory undermined the dominant developmentalist narrative of the period, arguing that underdevelopment and development were not related in a linear temporal manner: the former was not the precursor of the latter. Rather, they occupied the same time frame; underdevelopment and development were interrelated dimensions of the same process. Latin America, in other words, was not behind the metropoles but was contemporaneous with them.

Lomnitz outlines a complex relation between anticolonialism and dependency theory. The latter had a much more differentiated understanding of global capitalism. Nevertheless, it did not fully elaborate its own implications. It viewed capital in national terms and shared with development theory the notion of national autonomy as a goal. Moreover, and this is central to Lomnitz's essay, dependency theory misrecognized itself. The condition described by development theory was historically specific; it was an aspect of the long arc of state-centric organization from the late nineteenth century until the 1970s. Nevertheless, dependency theory's self-understanding was transhistorical, encompassing the relation of Latin America to the metropoles since the sixteenth century. This transhistorical misrecognition meant that dependency theory did not fully understand its own historical conditions of possibility. This, Lomnitz implies, has contributed to the lack of historical orientation that has characterized recent decades.

Lomnitz seeks to critically address this self-misrecognition by sketching the historical conditions of dependency in Latin America. That relation, he argues, presupposes the existence of a coherent social-political-economic entity (e.g., the nation) that is dominated. Until the late nineteenth century, however, the organization of social and economic life in the South American colonies and, then, early republics was primarily local. National markets and a national ruling class did not exist. This began changing in the late nineteenth century with the development of a national economy integrated into the world market. This, Lomnitz argues, was the condition for the transition to dependency and was generative of a peculiar split chronotype: on the one hand, Latin America was incorporated into world markets and world communication, and on the other, the various modernizing regimes regarded themselves as always "catching up."

Lomnitz suggests that this dual chronotype provided the historical/temporal frame for dependency theory. He treats that theory as the expression of a determinate historical configuration, most fully consolidated between the 1930s and the 1970s, that was characterized by an emphasis on self-sufficiency and industrial policy directed toward the internal market. During this period Latin American public opinion was also a factor of interest for the great powers.

The financial crises of the past two decades have undermined this configuration and, with it, the notion of dependency together with its dual chronotypes of contemporaneity and transition, and its teleology of emancipation. One consequence has been that narratives of progress have lost their plausibility, and nineteenth-century concerns with corruption (which somehow encompasses state welfare expenditures) and the rule of law have reappeared. Although social movements with a great deal of vitality have emerged, a disjunction exists between that vitality and the representation of such social movements in the public intellectual and political spheres.

One result, according to Lomnitz, has been a sort of "flexible populism," whose modalities are ideologically separable from coherent collective ideas. Hence, the same policies can be mobilized by neoliberal and socialist governments. In other words, although a great deal of social discontent exists, coherent narratives of emancipation are absent. The temporal disorientation Lomnitz outlines is, in this sense, a general hallmark of the neoliberal epoch. His essay indirectly highlights a historical irony. Much postmodern thought—which, along with neoclassical economics, was a dominant form of thought in academic and intellectual circles during the neoliberal epoch—assumed that so-called grand narratives were inimical to human freedom. The presumed task of critical theory was to fundamentally undermine such narratives. Yet the historical demise of those narratives has not been unequivocally positive. As Lomnitz points out, it has led to increased disorientation. This does not mean that the older narratives could or should have been retained. The crisis of the 1970s revealed that Keynesian, developmentalist, social-democratic, and communist analyses and programs had reached their historical limits. This could, however, have led to critiques of those determinate theories and narratives that expressed possible new critical approaches to capitalism, pointing toward the possibility of new forms of social life. Instead, forms of critical thought became influential that, remaining on the level of the surface appearances of capital's newest configuration, reinforced the forms of temporal disorientation highlighted by Lomnitz. Consequently, although the language of anticapitalism has since become widespread, what is meant by capitalism and, implicitly, postcapitalism has frequently remained unclear or undertheorized.

In "Falsify the Currency!" Michael Hardt implicitly addresses the lack of historical orientation Lomnitz described as characteristic of our epoch by raising the question of the possibility of new forms of social life. Taking as his point of departure the story of the Oracle of Delphi telling Diogenes of Sinope to falsify or change the currency, Hardt suggests that this can be understood as a project to create a new form of life and, hence, a new world.

By "currency," Hardt seems to be referring primarily to the processes of quantification at the heart of capitalism. These processes, he claims, are becoming anachronistic, as a result of the increasing importance of what Hardt terms "biopolitical production." This term refers to the production of immaterial goods, to a form of production fundamentally different from that of industrial production with its mechanical instruments, wage relations, structure of the working day, and temporality. We are, according to Hardt, entering an age of biopolitical production in which the values of economic production are fundamentally immeasurable.

The increasingly anachronistic character of the forms of measurement at the heart of capitalism, according to Hardt, is paradoxically indicated by the growing importance of finance capital. Hardt claims that there is a disconcerting symmetry between the biopolitical realm and the technologies of finance. Value, in the realm of biopolitics, is plastic and immeasurable. Finance capital falsifies the currency not only by manipulating for profit what is mobile and plastic but by capitalizing on the plasticity of value in order to shift social wealth upward. More fundamentally, finance seeks to quantify fluid and immeasurable values in order to capture them for processes of capital accumulation. This is particularly clear in the case of derivatives that seek to quantify risk or those that bundle a variety of asset types, seeking to establish a common measure for all the different assets involved.

Hardt, then, is suggesting that the growing importance of finance capital is an indication that the basis of measurability at the heart of capitalism is becoming anachronistic. It is for this reason that he is critical of approaches that regard financial capital as "fictional," which they criticize from the standpoint of the "real" economy. The problem with such critiques, he claims, is that they maintain an industrial imaginary in the age of biopolitical production. That imaginary, however, has become anachronistic. There can be no return to an industrial economy as it flourished in the decades following World War II.

The task, according to Hardt, is to develop a technology, equal to finance's power, that could institute a noncapitalist, democratic, and equitable schema for the management and distribution of social wealth. This requires examination of existing alternative biopolitical practices. Hardt concludes by revisiting Michel Foucault's reading of the Iranian Revolution, reflecting on the range of movements that have erupted globally in 2011 (Tunisia, Egypt, Spain, Wall Street), and considering the ways in which they could be regarded as biopolitical struggles.

At the center of Hardt's essay is the question of the possibility of a qualitatively different future, which he relates to the increasingly anachronistic character of the forms of quantitative measurability at the heart of capitalism. This problematic can be framed as one of the increasingly anachronistic characters of value. Although Hardt, at points, seems to suggest that the question of measurability is a function of the nature of that which is measured—material or immaterial—the question of measurability is, basically, one of commensurability. That, however, is not an ontological attribute of the objects themselves. Rather, it is a function of the nature of the social context within which they exist. In the first volume of *Capital*, Marx notes that, for Aristotle, shoes and houses are incommensurable. Hence he could not locate the grounds for their mutual exchangeability. Those grounds, for Marx, are historically specific and social. What renders them commensurable is value, a historically specific form of wealth that has nothing to do with their properties, whether material or immaterial, but is the crystallized expression of a historically specific form of social mediation that, in Marx's analysis, is constituted by a historically specific form of labor. The trajectory of value is such that it becomes anachronistic and, yet, at the same time, is reconstituted as necessary to the system. The notion of value's increasingly anachronistic character is central to Hardt's argument (even if his use of the term "value" is not the same as that presented here) and to considerations of a possible alternative future.

Historicizing value also implies that movements against capitalism must also be considered historically. The question of the historical conditions of revolt and revolution is not only one of their genesis but also of the sort of social order that could subsequently emerge. This is a fundamental historical question that cannot simply be bracketed. A lack of critical distance from uprisings and the absence of an inquiry into the nature of the new order likely to emerge can also be understood as a symptom of a sort of temporal disorientation that, arguably, characterizes our historical situation.

Different sorts of responses to the current crisis vary according to the degree to which they accept the present order as necessary. A very common response in the public sphere has been to demand better regulation of financial futures and options markets in order to curb the worst excesses of casino capitalism. Other responses have been on a more structural level, especially with regard to the distribution of wealth and power. Socioeconomic development in the past three decades has once again demonstrated that, without countervailing governmental policies, capitalism generates increasing inequality and insecurity. This, in turn, has elicited many social-democratic responses to the current crisis that call for a return to the sort of Keynesian/Fordist synthesis that marked the postwar decades. Many of the essays here, however, have, at least implicitly, called into question such widespread social-democratic responses. They have indicated, in a variety of ways, that the consolidation of that social-democratic synthesis in the decades following World War II depended on historical conditions that are no longer present.

This raises the question of a possible future qualitatively different from the present order. This, as some have noted, would require a fundamental transformation not only of the mode of distribution but of the mode of production itself. Aspects of value theory could help illuminate this problematic. The notion, mentioned earlier, that value becomes historically anachronistic implies that value-creating labor also becomes anachronistic, even while remaining necessary for capitalism. More and more labor is being rendered superfluous, even as the organization of capitalist society remained predicated on its existence. One result is a growing maldistribution of labor time between an overworked segment of society and one that is essentially without work. This is no longer a conjunctural question as it, perhaps, had been during the Great Depression, but it has become a structural one.

These brief considerations suggest that a future beyond capitalism would require a fundamental transformation of the division of labor and that, without movement in that direction, increasing numbers of people will be rendered superfluous, susceptible to hunger, disease, and violence. They will increasingly become the objects of militarized control. On this level, the current crisis can also be understood as a crisis of labor interwoven in complex ways with a crisis of the natural environment. Against this historical background, the old slogan of "socialism or barbarism" acquires new urgency, even if our understanding of both terms has been fundamentally transformed.

Note

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