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There Is No Economy but Only the Debt to the Center: Money, Capital and the Tributary

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Abstract

We hypothesize swapping the anthropological vocabulary derivative of central banking (with concepts like "self-interested individuals" and "market forces") with a new minimal vocabulary derivative of the center. We are indebted to Eric Gans' Originary Hypothesis and its discovery of the center: the paradoxical locus of attention that constitutes every social scene. Thinking through the center, and the transactions humans have with the center, reveals the "economy" as nothing more than an ideological representation of our more primary debt relationship with the center. This new vocabulary enables us to trace this originary indebtedness to the center through its various manifestations in money, banking, derivatives, succession, and sovereignty.

Keywords: Ritual, Money, Sovereignty, Debt, Originary Hypothesis, Center

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> "What is new is that the commercial transaction is no longer an extension of the originary scene but a minimal model of it." (Eric Gans, "On Firstness," in *The Originary Hypothesis: a Minimal Proposal for Humanistic Inquiry*, 45)

In this essay, we are going to argue that the commercial transaction is, indeed, an extension of the originary scene. In his chapter in *The Originary Hypothesis*, Gans gives due weight to the asymmetries implicit in the formally equal market exchange, in particular the asymmetries between producer and consumer, and between those who go "first" (innovate) and those who must respond to or resist the innovation. He does not, that is, like classical liberal economists, use the formal equality of partners in exchange to obscure the actual inequalities constituting it. This is a momentary symmetry created out of the wider sphere of inequalities and sustained by the faith that one might oneself find a way of entering the system "firstly" in some regard. While, as opposed to the Maussian scene of gift exchange which extends itself temporally and indefinitely, and hence remains an extension of the originary scene, the commercial transaction takes place through each side "gifting" the other simultaneously, whereby the transaction can be closed (like, presumably, the originary

scene itself, upon the consumption of the shared meal). But there is an asymmetry built into even this exchange, insofar as

> [o]ne of the “things” exchanged is normally a more or less nonconsumable *medium of exchange* that confers value on the other. We recall that in the system of the gift/counter-gift the recipient’s gift exists only in the form of a sign that recognizes a debt not to the other but to the sacred center. Money is the concrete realization of this sign of recognition; it bears a “meaning” but as opposed to the ordinary sign, it is a credit drawn on the sacred that cannot be freely reproduced. The scene of a transaction dissolves instantly because money allows the “gift’s” recipient to pay his debt at once. (45)

For this simultaneity of debt cancellation to imply that the modern exchange system represents a rupture with the originary scene the kind of transaction described here would have to be the normal or definitive form of exchange in a market society. But this simultaneity of gifting only exists on the most “everyday” level of exchange, like, say, buying a cup of coffee in a diner (although the increasingly universal use of credit cards delays even this debt repayment somewhat). At least as normal are exchanges where there is in fact some delay, whether in the loans (student, car, home) many if not most citizens in a modern market society take out at some point in their lives, the payment of wages which generally takes place after one has completed the agreed upon service, pensions, inheritance, the lines of credit businesses generally rely upon, insurance and, perhaps, above all, the lending central banks stand ready to do when as a last resort the continuance of the exchange system depends (or at least is perceived to depend) on them doing so. Gans speaks much more about exchange than about money, but it would be hard to improve upon the definition he provides here of money as the “concrete realization” of the “sign of recognition” to the sacred center, a “credit drawn upon the sacred that cannot be freely reproduced.” Whence this sacred upon which credit is drawn, if the umbilical cord to the originary scene and, presumably, the ritual order, has been cut? In this brief and remarkable essay, in which the entire array of concerns Gans has occupied himself with in the intervening years, such as White Guilt, antisemitism, victimary resentment, the attack on firstness, and the crisis of the Western order all these phenomena portend, he also, we think, provides us with a glimpse of what must be elided in order to conclude that the market order has been set adrift from the ritual.

As Gans points out in this essay and elsewhere, the gift economy is not directly replaced by the market economy dominated by exchanges mediated by money; rather, the gift economy is supplanted by the usurpation of the ritual center by the Big Man whose control over resources is such as to make any attempt to compete with him on the field of gift-giving futile. There is way-station, though, from the gift economy to the market economy, and that is the retrieval of the originary moral model by Judaism and then Christianity:

> The unique divinity who occupies the center in relation to the entire human periphery, who names himself in Exodus 3 with a declarative sentence (*ehyeh asher ehyeh*, “I am that I am”) rather than by an appellation to be called on, guarantees that even the most powerful king cannot claim to incarnate the sacred. But to deprive all men of incarnate divinity is tantamount to saying that the sacred resides in their “soul,” which we can define without theology as the faculty of using signs. (44)

It is “the certainty that each inherits from his culture and bears within him as a template the moral as well as the semiotic configuration of the originary scene [that] makes possible the birth” (45) of the modern exchange system. But what is elided here is the relation between the Big Man’s usurpation of the ritual center and the discovery/invention of monotheism. Judaism and Christianity cannot be seen as discoveries in their own right, independent of the social and scenic setting in which they emerged. And that setting is clearly imperial, which suggests that Judaism and Christianity must be seen as part of the imperial crisis characterizing the Axial Age. How, indeed, could it have been possible to imagine a God as king and judge of all humanity other than in response to human empires making increasingly ambitious claims to global rule? After all, why would it be necessary to insist that even the most powerful king cannot claim to incarnate the sacred? It is well established in Biblical scholarship—indeed, it is obvious on the face of it—that the covenant between God and Israel that forms the narrative crux of the Hebrew Bible is modeled on (while dramatically revising) vassalage treaties between, first of all the Assyrian empire and the vassal states of Israel and Judah[1]. It is, that is, the successors of the Big Man, the ancient divine emperors, who introduced money, and in the creation of money we see the intertwined origins of writing, money, debt and judicial systems (with the emperor as final judge).

Monotheism, then, is like money bound up with the imperial center, which is likely why language pertaining to debt and slavery is so pervasive in the foundational Jewish and Christian scripture, which promise “redemption” from a “slavery” that is not necessarily only metaphorically applied to the spirit or soul[2]. This is not to minimize the moral revolution effected by the Judaic and Christian revelations, or to deny or even significantly revise the Girardian and then Gansian anthropological interpretations of them, but to insist on their origins in the resentment and revising of the role of emperor as God, king, and judge: to the emperor one can at most donate one’s first born, but the “innovation” of the singular God is that such a gift would be repugnant because nothing less than complete donation of one’s being is acceptable. This can productively be seen as a retrieval of the moral model, but with the implicit concession of the inevitability of worldly empires as the revised model of transcendence. Money can bear the power of the imperial center or it can subvert it, but it cannot be indifferent to it—nor can devotion to the singular God. The horizontal never displaces the vertical.

In examining money, we are going to work with the account offered recently by Ethan

Buchman, which synthesizes lucidly more originary work on money, studying its origins in the sacred and the imperial, in opposition to the classical and neoclassical traditions dominant in the Anglo-American world, which presuppose the transformation of barter into exchange mediated by money. Buchman starts with the assumption that the purpose of money is to discharge debts, and then he frames the familiar tripartite division of the "properties" of money as follows:

> The Unit of Account is for Denominating Debts
> The Medium of Exchange is for Discharging Debt, here and now
> The Store of Value is for Discharging Debt, later and elsewhere ("Properties and Tensions")

In other words, a "credit drawn on the sacred," which is to say a continuation of the originary debt we owe the center. Let's follow Buchman a bit further. He distinguishes between two origins of money, the "anthropological" one and the "political" one.

> In anthropological money, the accounting follows the logic of kinship and religion, of the circulation of reproductive power (women) and justice (divine grace). Units of Account are taken from nature in the form of stable quantities of valuable material private possessions that represent wealth—heads of cattle (or people), units of shell or gems, bracelets or ingots of silver. These are prized and accumulated for their essentially religious value. But they do not necessarily become generalized media of exchange, used to lubricate markets. Rather, they are used to denominate payment in a certain circuit of social obligations by virtue of their prestige—their ability to store value. ("Origins: Reproducing Families and States")

Here, we are squarely within the gift economy but also, although Buchman only alludes to this with terms like "religion" and "divine grace," the ritual order and ritual center. We must assume that "anthropological money" would include the contribution each family, clan, or tribe must make to the communal sacrifice. This is the debt one owes to the center, but, also, if someone else "advances" to one the good one must bring to the sacrifice, to the wealthier within the community. We would already suggest at this point that money becomes more "generalized" as a medium of exchange as the sacred center is further verticalized and covers greater distances, meaning that pilgrims coming to the center to sacrifice are too far away to bring their goods with them and need money to buy them on the spot.

> In political money, accounting follows the logic of redistributive states, of the accumulation and distribution primarily of grain. Writing appears to have emerged in service of this accounting, and to have developed as an extension of earlier token-based accounting techniques that go back to the early Neolithic. Ever since we've had agricultural surplus, we've had technology to account for it. (ibid.)

While “political” money could co-exist with “anthropological” money for long periods, I would suggest that political money will eventually displace the anthropological kind. Political money presupposes the imperial order, and a standardized form of money the sovereign would have an interest in defending. As Buchman puts it, these two origins of money “are fused in the temple palaces some 5,000 years ago into a kind of money that uses a standard weight of silver as the Unit of Account—the shekel.”

> This latter form of accounting is a process of creating new, persistent computational spaces outside our brains to represent—and thereby manage—reproduction on a much grander scale. It constitutes a new medium for denominating and discharging obligations—ultimately, a new medium of money. But with this, it implies a new kind of obligation, a new way to exert power over an individual’s future, a new kind of bondage. We will have to return later to the deep association between slavery, violence, accounting, and money. (ibid.)

If money is a way of discharging debt, a sovereign powerful enough is now able to impose debt on its subjects, making money a less directly violent way of extending subordination and slavery. At the same time, large-scale institutions, like the temple and monarchy, can now account for the issuance and collection of debts across distance and time. Buchman points to specific tensions intrinsic to the boundary between the respective properties of money:

> Between the Unit of Account and the Medium of Exchange there is the tension between elasticity and discipline, which is to say, the problem of *liquidity*. Between the Medium of Exchange and the Store of Value there is the tension between “bad” and “good” money, which is to say the problem of *legitimacy.* Between the Store of Value and the Unit of Account there is the tension between deflation and inflation, which is to say the problem of *solvency*. (“Properties and Tensions”)

A debt, measured in money as the unit of account, needs to be discharged within a set time frame: do you have the money when it is due? The money held by sovereigns, banks or individuals might be certified by whatever agency certifies it or it might be counterfeit, or issued by some agent which is not or no longer permitted to issue money in a given territory. Is there an authority capable of distinguishing between good and bad money? Whatever monetary denomination debts are represented in can be increased or decreased in value by adulterating or “purifying” whatever material it is represented by—to use the term quoted from Gans above, this is a question of how “freely reproduced” the money is. There are the exchanges that Gans places at the center of the exchange system where the debt is discharged instantly—such exchanges might be very common, perhaps even the vast majority of exchanges that take place under conditions of generalized exchange—still, the possibility of such exchanges depends upon how freely reproduced and distributed the medium of exchange is. Making the money more freely reproduced increases liquidity which

increases the buffer space for considering an exchange to be instantaneous, but also makes money, past a certain point, more bad than good, freezing up liquidity and threatening legitimacy. We could put it this way: money is the means through which the imperial center extends the indebtedness of its subjects by spreading this indebtedness differentially and asymmetrically among its subjects, creating a credit chain maintained through a variable combination of faith in the system and capacity for enforcement. Here we have not a minimal but an extended model of the originary scene, aimed at reproducing the instantaneity with which all pay their debt to center upon the ritual scene, itself an attempt to fix the not quite instantaneity with which the sign was extended on the originary scene itself.

An especially radical and critical observation, one that Buchman borrows from Colin Drumm, is that “money is not just a metaphor, a means of assessing quantitative equivalence; money is metonymy, a means to sequence debt denomination and discharge.” This means that money does not measure and represent some quality outside of it, like “value” (and thus we eliminate vast expanses of economic debate of the last 500 years or so), because there is never a static relation between money and any other abstract or concrete entity. Money exists in time, and this time is the time of fluctuations in legitimacy and sovereignty. Money measures the relation someone with some amount of it at a given moment has with debt enforcing and money issuing institutions. We’d like to come back to that notion of instantaneous discharge of debt, because it is never quite instantaneous, even when you pick up a common object at the store—first you give the money, then the object is yours. Even if this is only a second later, the fact of an interval means that the interval can be extended, in either direction: you can pay in advance and receive goods later or receive the goods first and pay afterwards. Instantaneity or simultaneity is a fiction, or virtual, and the interval within which an exchange can be considered instantaneous depends upon the extent to which the relation between the indebted subject and the debt imposing and money issuing institutions remains the same over time. But once debt imposition and money issuing are distributed across a range of nominally autonomous institutions, whether this relation remains the same depends upon the actions taken by those institutions, which are situated diversely in terms of wealth and power. The provision of liquidity, legitimacy and solvency are what the actions taken by those institutions aim at.

The separation of “economic” from “political” institutions, like the separation of “religious” from “political” institutions, is a modern phenomenon. In fact, these separations define the modern, and can only be effected through desacralization of the center. The destruction of any sacral aura around the occupant of the center is certainly a logical, if not necessary, conclusion of the insistence that no king can claim to incarnate the divine. From the standpoint of anthropological inquiry, even if we can see no way to or interest in attempting to resacralize the center, little insight can be gained by to joining in the modern celebration of this accomplishment. Rather, we should pose it as a problem, one which is very much unsolved, and upon the solution of which the legitimacy and continuation of our current

order depends. We can, in fact, identify the ground zero of these modern separations: late 17th century England. Christine Desan, in her *Making Money: Coin, Currency and the Coming of Capitalism* traces the history of English money from its early medieval status as an instrument of the Crown to the creation of the Bank of England in 1694, at which point the source of money was no longer the government but a separate, quasi-private entity. Desan sets the stage as follows:

> Money is created when a stakeholder uses its singular location at the hub of a community to mark the disparate contributions of individuals in a common way. The moment occurs when the stakeholder takes contributions from people before they are due and gives out uniform receipts in return, each token intended to document the early contribution. That token, turned in later at a time of reckoning, operates to convert goods and services that were not previously interchangeable or fungible—the variety of contributions due to the center—into matters counted in a single unit. The initiative requires only one more twist to make money fully operational: if the stakeholder recognizes the receipt and takes it from anyone's hand as an item that exonerates the person holding it from making a contribution otherwise due, the receipt can travel from hand-to-hand and maintain its worth as an item that pays off the center. The result is a token that fixes or entails value in a way that both the stakeholder and individual can use, a novel accomplishment in a world without an agreed-upon way to measure and transfer resources. (135 epub)

Money records, by the center, a debt paid to the center, and that record can in turn become a way of paying debts to the center. The kind of debt called in early by the center is likely to be, as Desan goes on to point out, some matter of urgency, like resources and men for a war. Once there are "receipts" that can be used to pay debts to the center, they can be used for more general circulation. But this general commerce and commensuration is always created through reference, however indirect, to the center, upon which all "instantaneous" debt pay-offs depend. This entire mode of money creation and use was overturned with the establishment of the central bank, which consolidated the new dominance of the merchant class in England while providing for the sovereign a much freer flow of money, with no need to petition the aristocracy for funds.

> In fact, money was reinvented under much the same conditions as it was invented. A public imperative in a time of exigency catalyzed an arrangement to produce and to spend in units of value that governing authorities soon recognized in satisfaction of (an expanding) tax liability and endorsed as a medium in interim exchange between individuals. In the modern moment, the units were created by borrowing long-term from a bank in the form of its short-term liabilities—its promises to pay or bank notes. The government paid up front for its "borrowing" in note form: interest went to the investors for their provision of the specie security. (812)

Since modern money doesn't emerge out of the sphere of direct exchange but out of money produced through the bank's lending and the government's borrowing (which borrowing legitimates the bank and gives it more power to lend on favorable terms) it exists ultimately as a system of promises backed by sovereignty. And a couple of things were happening to British sovereignty at this point: as a result of the first anti-monarchical revolution (and arguably the model for subsequent ones) political power was pluralized in the form of competing parties; and, having just displaced the Dutch as imperial competitors, the British Empire was beginning to take off. Both political developments are critical: habitual rotation in power of governing officials enables financial powers to establish permanent constraints on political distribution, while imperial expansion allows for the state to make new markets to help ensure liquidity on the home one. Moreover, this delegation of power to the bank and the consequent transformation of all agencies, including state agencies, into actors dependent upon an external provision of liquidity, is an especially effective means of imperial rule. It was in this context that John Locke (a partisan in the political struggles over the establishment of the Bank of England) created the myth of money as originating in the intrinsic commodity value of precious metals converted into money by social convention in order to obscure the inherently political nature of money. Money's value now comes to rely upon promises of future productivity, promises which in turn depend upon that very value. In the end, not only a new politics (in which the state exists to advance and in turn depends upon private wealth), and a new discipline (economics), but a new anthropology results, one which grounds the social order in individual, private interests:

> Ultimately, the insistence institutionalized in the early 19th century that money be understood as private was the strange and selective answer to the constitutional quandary posed when the government decided to make a collective medium—money—according to a method that prioritized individual interests. According to the architects of the Gold Standard, public authority to make money was legitimate only insofar as it furthered the end of that medium, now understood as commercial. That approach prioritized the agency of entrepreneurs and the business community. If the public purposes of money seemed to disappear, the could be brought back into view by understanding the polity as, itself, a stage for the aggregate of private activity that made the economy. An argument developed as an escape from politics thus returned to colonize the politics at its core.
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> Within that paradigm, economics came of age as a discipline. In its world, money appeared to be made by the economic exchange of individuals, acting each for their own interest. Their choices claimed sanctity and their activity, rather than the requirements of the political community, indicated the appropriate amount of money in society. "The market" that set the standard was, after all, the market outside the boundaries of the political community—the international trade in bullion. Money was infinitely divisible in any case—it could be modeled as an abstraction. That treatment rendered irrelevant the constitutional design that constructed money. (85-6)

The specific details of the history of money matter less here than keeping our eye on the initial thread—money as a product of the center, issued so as to enable debts to the center to be paid, in continuation of the originary ritual distribution. We can raise the question at this point as to how literally we mean to take the term "ritual" here and answer, for starters, that the "economy" is treated like a deity, or to draw on Marshall Sahlins' late work, a "metaperson" in the modern world, one to which we are expected to sacrifice, and one whose intentions we are desperate to grasp, appointing priestly figures to discern them. The modern individual is expected to worship at the shrine of the economy (or the "market"). But we make this description more concrete by keeping in mind our previous discussion of money as an extension of the faith that the ultimate payment of a debt will be as if instantaneous, regardless of the interval between provision of the gift and the repayment. The faith in this instantaneity, and the entire system of practices taking subjects along life courses (education, employment, consumption habits, borrowing, saving, investing, retiring, etc.) aimed at conjuring this instantaneity is as ritual as any order. The first ritual following the originary scene itself would have aimed at eliminating the unevenness necessary to that scene (the staggered procession in which the sign would have been issued) by having everyone enact the originary event in sync. Ritual ensures that we are the same community after the ritual as we were before, by following the same divine command. If the market is presented as a decentralized aggregate of individual activities in which knowledge that no individual could possess by himself is nevertheless held and acted on socially, this is only the case insofar as each of us donates our intelligence to the central intelligence of the market. And in the end this central intelligence is embodied by the central bank, which must step in and "correct" for "market failures." Such corrections further approximate the desired instantaneity of exchange. In our private, individual activities we conform to conditions under which continued faith that the interval of instantaneity can include all the exchanges made within the monetary order is maintained. Individually, we each of us try to take out those debts we feel most likely to be able to pay off, the bigger the better, while perhaps also imposing some of these debts on others, and this situates us within the system of indebtedness, but the broader problem of donating ourselves to the donating center which, since the Axial Age revelations, will be satisfied with nothing less than the donation of the entire self will still confront each of us at some point, calling for some gesture of sacralization or desacralization larger than ourselves. While there is certainly a critical edge to the description we are offering, what we are examining here is what must have been a necessary, vast extension of the instrumentalization of our originary debt to the center; what is not necessary, though, is the obfuscation of this condition by representing it as if grounded in individual exchanges. Such an ideological representation makes it far more difficult than it needs be to imagine other possible ways of formalizing and discharging this debt.

If ritual aims at ensuring that the community practicing it remains the same, then once the center has been usurped by a human figure, the most fundamental rituals are succession rituals. Succession is the most basic political problem: how is the power at the center, held

presently by one occupant, to be transferred to another occupant, while the social order remains the same? Rituals of succession will articulate the sacralization and the desacralization of the central figure in some way: the spectrum goes from attempts to ensure personal continuity and minimal differentiation to virtual scapegoating of the figure to be removed and re-enactments of the potential civil war implicit in all transfers of power. A governing system predicated upon regular rotation in power of figures identified with different positions within that implicit civil war allows for greater movement across that spectrum. As we suggested above, the institution of such a system of rotation is necessary for the degree of desacralization required for the state to share power with the central bank. This power sharing arrangement raises all kinds of problems. State power is increasingly centralized, as the expansion of governing power in the Western, capitalist world, has made evident, while at the same time those staffing the government at the highest levels are replaced (and disempowered) with greater ease. The simplest way to understand this is to see the state, under capitalism, as ultimately a debt enforcement institution—therefore, while the general function of the state remains carefully constrained and disciplined, dependent as it is upon sovereign debt, rotation in power makes it possible to prioritize debt enforcement imposed more rigorously upon one or another section of the population. And indefinite grants of power to intelligence and other agencies of the permanent state are also required to maintain succession due to the possibility of power rotation exceeding the constraints imposed by the needs of debt enforcement. The rituals enforcing the rule of money are rituals of desecration, while never quite cutting the cord to the sacrality conferred upon kingship—a kind of Messianism is never relinquished, and everyone can hope all their debts will be imposed on the other party.

To advance a way of addressing this ramshackle aggregation of power and money in succession rituals at the modern center, we are going to turn first to Colin Drumm's theorization of money, markets and succession in his dissertation, *The Difference that Money Makes: Sovereignty, Indecision, and the Politics of Liquidity* and, then, to Jonathan Nitzan and Shimshon Bichler's *Capital as Power*. Drumm, in the portion of his dissertation we'd like to discuss first, focuses precisely on the time demands of a particular exchange:

> Both the capitalist and the proletarian theorized by Marx are examples of what Jack Treynor, in "Economics of the Dealer Function" calls "time-motivated investors." Both, that is, have inflexible needs to transact in a particular direction and at a particular time. The worker needs to sell their labor and also needs to acquire consumption goods and cannot wait to do either. The capitalist, on the other hand, not only needs to purchase circulating capital and to sell consumption goods, but also requires the ability to sell fixed capital itself (at least potentially). (77)

These actors are in the condition of those for whom the debt is paid at once, due to their "survival constraints," which also makes them flexible about price. Now,

> [i]n the system of market exchange . . . these “time investors” are complemented by another actor who accommodates their demand to transact: one who is flexible about both time and direction of transaction but who is, by contrast, inflexible about price. The dealer is willing to be either buyer or seller, and at any time, depending on the price that their counterparty is willing to pay. The dealer . . . in fact makes itself inflexible by quoting a price, thereby constituting what is called the “inside spread.” (78)

Drumm goes on to point out that the ability to engage in such an exchange presupposes the existence of a market, a place where one can go and find someone who will give you money for your good or goods for your money—and, since markets need to be created and sustained, the possibility of a market ceasing to exist is a risk priced into the price: “[t]he market’s anxiety about its own continued existence is therefore constitutive of the phenomenon of market exchange as such by virtue of the fact that the market can only exist insofar as there exists a spread” (102):

> as soon as I enter the market with my apple I have only two choices: I can either quote an ask and wait for someone to accept it, or I can accept an already existing bid and thereby cross the spread. If there is no spread there is no reason for anyone to make the market, and there only exists a spread insofar as there is anxiety about whether or not the market will continue to exist. This produces the somewhat paradoxical but unavoidable conclusion that, if everyone were absolutely certain that the market would continue to exist, then it would be unable to do so. The market is constituted by its anxiety about its own future existence. (101-2)

If there’s no spread there is no reason for anyone to make the market because the market is not made by the individual with an apple and the individual with cash encountering each other, but by the dealer who supplies either party with the money they need to make their deal under inflexible conditions. But now Drumm introduces another actor, between whom and the “time investors” the dealer is intermediate: the “value investor”

> who is defined by being in possession of a very large balance sheet capacity or the ability to take and hold asset positions over a long time horizon . . . the value investor never needs to demand liquidity as a demand upon their survival and therefore always has time to wait for a better price. (104)

The value investors represent the “outside spread,” and become critical to the market when the dealer finds himself unable to cover the inside spread, that is, provide liquidity to one of the “time investors.” In that case,

> The dealer has gone from selling liquidity to the time investor to demanding it from the value investor, who is, in virtue of their strong negotiating position, able to charge a substantially higher premium than that which the dealer could command themselves.

> This second, larger price of liquidity, which lies hidden in the darkness beyond what appears in the light of the market itself, is called the "outside spread." (107)

Liquidity is maintained by the dealer's constant bet or faith that the outside spread will be able to cover him in time to meet the inside spread. We won't pursue Drumm's complex argument further here, but it's already possible to see that something like a "lender of last resort" is constitutive of any market. And even those providing the outside spread might find themselves illiquid, as they also depend upon collateralized assets that might not be sellable at the price needed to cover debts being called in on the other side of the ledger. Drumm doesn't say this but being a value investor must be nothing more than the dealer magnified, with a larger portfolio of assets distributed in such a manner as to hedge more substantially all other investments. In a long enough run, enough hedges will come up short, and this will directly raise the question of sovereignty—a point on which Drumm is also very helpful. We will present this part of his discussion more briefly.

In addition to the "outside spread," Drumm discusses the "outside option," which applies a speculative logic or vocabulary to the problem of sovereignty and succession. Drumm has an extended discussion of the monetary policy of medieval English kings which we can't enter into here, but part of this discussion involves noting that monetary policy has always involved balancing the power to undermine the king's sovereignty by the nobles, merchants, and peasants, respectively, and that the problem of succession provides for "options" for any of these groups (or subgroups within groups) to replace the king. Since the rules, conventions and traditions governing succession are always at least somewhat questionable and arguments in favor of one successor or another somewhat sophistic, the king's (extended, if necessary) family represents a selection of more or less likely options upon which one faction or another might lay their bets. So, the possibility of a kind of rotation in the occupation of the center was "always already" present and closely tied to the provision of an "outside spread," especially since the king's legitimacy depended on including a certain amount of precious metal in the currency so as to enable the king's subjects to melt down the currency and convert it into currency that could be used elsewhere or brought back into the kingdom to replace the money coined by the king as a kind of check on the king's power to debase. We would say that the invention of capitalism in late 17th century England involved bringing the outside political option 'inside" by making the selection of one option or another dependent upon the institutionalization of the outside spread. This makes Drumm's argument very consistent with Bichler and Nitzan's "capital as power" account, and we will turn to that now.

We could say that for Biichler and Nitzan capitalism, or capitalization, exists in the intersection between the outside spread and the outside option. Any good, service, asset of any kind, individual ability, and so on is capitalized insofar as it is given a present value predicated on the expected future earnings to derive from ownership of it:

> The modern corporate owner does not view capital as comprising tangible and intangible artefacts such as machines, structures, raw materials, knowledge and goodwill. Instead, he or she is habituated to think of capital as equivalent to the corporation's equity and debt. The universal creed of capitalism defines the magnitude of this equity and debt as *capitalization*: it is equal to the corporation's expected future profit and interest payments, adjusted for risk and discounted to their present value. (8)

This is, intentionally, we think, an extremely open-ended definition: expected future profits and interest payments at what point? For as long as the "value investor" can wait, which is a matter of both faith and power: conceivably, the system might last forever, or it might crash tomorrow, but capitalism is a mode of power because the capitalist doesn't leave this to chance:

> the elements of corporate capitalization—namely the firm's expected earnings and their associated risk perceptions—represent neither the productivity of the owned artefacts nor the abstract labour socially necessary to produce them, but the *power of a corporation's owners*. In the capitalist order, it is power that makes the owned artefacts valuable to begin with. Moreover, the power to generate earnings and limit risk goes far beyond the narrow spheres of 'production' and 'markets' to include the *entire state structure of corporations and governments*. (8, italics in original)

What constitutes the power of the corporation's owners is precisely their access to the outside option, which is to say control over a political order which is organized as an immense debt enforcement agency with increasingly centralized power, but which has a high degree of flexibility with regard to who holds the levers of nominal, juridically legitimated power. The outside spread is leverage over the outside option. It's not just a question of the quasi-bribery involved in funding political campaigns and candidates but of the ownership of media that can elevate or sink candidates or movements, the foundation of philanthropic institutions that engage in long-term planning regarding managing paths to political leadership and the establishment of think tanks with close connections to the media and universities that shape public opinion and the broader legal environment.

Bichler and Nitzan argue that a precondition of capitalism is the "spread of bourgeois accounting and the development of probability and statistics" that enabled the process of capitalism to "assum[e] the forward looking form of discounted *future* income" (158):

> The first steps in this direction were taken by the eighteenth-century mathematician Daniel Bernoulli (1738). According to Bernoulli, all human beings have a certain 'productive capacity'. They can work for a living—and if that proves impossible, there is always the option of begging. People's ability to produce future income constitutes their 'wealth', or what economists today call 'human capital'. And how much is this

> ‘human capital’ worth? Easy: just ask the person how much money he or she would demand now for *giving up* the potential to earn this income in the future. (159)

Once this “equation” is in place, any institution can be, and due to the sheer power of measuring and discounting risk, eventually will be brought under its sway. Increasingly all institutions, including public ones, are assessed in terms of the way present investments can be measured in terms of expected future earnings to result from them. So, for example,

> the organization of learning, once the prerogative of state, church and community, is now increasingly capitalized—even when the teaching itself is still publicly administered. The process is discounted directly by its private suppliers—particularly the publishers of journals, textbooks and databases, whose profits margins can reach 100 per cent (Bergstrom 2001: 186–87). Education is also discounted indirectly insofar as it shapes preferences and mutes criticism, and in so doing helps boost profit and reduce risk (recall John D. Rockefeller’s pronouncement that his investment in the University of Chicago was the best he had ever made). (162)

A few observations seem worth making here. First, this is a mode of power that would be transferred to any functional non-capitalist political order: once we have probability, statistics and, lets add, massive databases for them to operate on, any future authority will be “futuristic,” that is, determining current spending and investment based upon increasingly predictable likely results. This is simply the form the center takes in a desacralized order. So Bichler’s and Nitzan’s analysis, while certainly “anti-capitalist,” doesn’t have the same moral charge as Marx’s concept of “exploitation.” Indeed, they are working more in a Veblenian tradition, thinking in terms of financialization (which they equate with capitalization) as sabotaging potentially beneficial technological development. Still, technological development has taken place rather spectacularly, at least measured against previous eras, under capitalism (driven, in large part, by those very mathematical innovations Bichler and Nitzan see at the origin of capitalism), and Bichler and Nitzan’s model can account for that as well, as what they call “external breadth,” or “green field investment,” in which a “firm can achieve differential accumulation by building new capacity and hiring new employees faster than the average” (329-30), which seems to correlate with more conventional understandings of capitalist based growth. However, such external breadth is then sabotaged by “internal breadth,” or verticalization, “internal depth,” or cost-cutting, and “external depth,” or stagnation, all of which involve getting hold of the assets created by green field investment and guaranteeing higher future earnings than other firms by restricting access to those assets and using legal and political maneuvering to prevent those other firms from creating competitive sources of income. The history of capitalism suggests that some green field investment will eventually break through, so that at least some economic progress can be expected under capitalism, making it possible to defend or acquiesce in it on “the devil you know” grounds. Second, though, the reliance of capitalization upon the outside option, that is, control into the forseeable future

of the political order and its legal structures that will ensure that expected future earnings are indeed justly expected, which is to say, that the sale of those assets at that future point will be as if instantaneous with the present pricing of that asset, does place at least a conceptual time limit of that “expected future.” Capitalists, and those staffing their states, by definition cannot see beyond or outside of the continued operation of the machinery of power in those ways most pertinent to ensuring or enforcing the virtual instantaneity of that exchange.

It is very hard for any of us to see ourselves outside of that machinery of power because it is that machinery that produces and situates us as debt-ridden subjects, assessing our own existence against the expected future earnings this or that addition to our capacities is likely to yield. We must be concerned with our inside spreads, or at most take on the role of dealers and “make markets” by providing liquidity—the outside spread is, ultimately, beyond all but a few of us, and maybe even all of us. Control over the future is a very impressive mode of power, and if we think about technological developments as (in ways that would require a separate essay) serving as part of that machinery of futuristic control (through surveillance, data gathering and predictive algorithms), it becomes even more imposing. At the same time, the development of what has come to be called “neo-liberalism” has made the capitalist order explicit enough that it may be possible to at least think outside of it. We could think of neo-liberalism as the shift from thinking about markets as already existing naturally in the world of human exchanges to thinking about markets as an abstract model to be applied to all human relationships, assetizing the previously unassetizable and subjecting all human activities to the discipline of risk-minimization so as to maximize future earnings. This takes us into the world of derivatives and arbitrage—a world that was already implicit in the monetary relation itself insofar as once money is generalized, the only way that you know that you really own something and that it has value is if you can use it as collateral to borrow against.

The space of the derivative is the true capitalist church. We would attempt to describe the derivative (a notoriously difficult affair) as follows. There is to be some exchange that will take place in the future. It will be an exchange where the debt is discharged at once: money for an asset. It is possible to be on both sides of this exchange, but in two separate markets. One can buy the asset on one market and sell it for more on another and gain an arbitrage profit. The construction of the derivative extends the instant of that future dual exchange to the present purchase of the derivative. In other words, that future exchange is itself an asset that can be bought and sold: the derivative is the bet on that future exchange. The construction of the derivative leverages all of the power the entity constructing it has at its disposal: computing power that makes it possible to calculate the likely future price of the asset in question in the midst of millions of other assets, many of which will be purchased as hedges against that future exchange failing to come off as planned; financial power (the outside spread) that makes it possible to buy and hold these assets at a scale and at prices one’s competitors could not match; social and political power over regulators and rating

agencies that ensure freedom of action and the kinds of legal certification required to provide one with an advantage. Ideally, the space or interval of the arbitrage profit would be infinitesimal and vanishing, so that whoever locates it has an almost infinite advantage over those even slightly behind.

There is a great deal of knowledge, skill, and other qualities like initiative and even courage that is involved in the derivative hunt, but this is the case for many rituals. In the end, the derivative constitutes a ritual because part of the knowledge and skill (and so on) involved is directed towards predicting the behavior of others while shaping that behavior. There is very much a scene of the derivative, and this ritual scene is the subject of *Derivatives and the Wealth of Societies*, edited by Benjamin Lee and Randy Martin; we will focus, though, on *The Social Life of Financial Derivatives: Markets, Risk and Time*, by Edward LiPuma, one of the contributors to Lee and Martin's volume. LiPuma, along with the other contributors, critiques the narrowly economic analysis of financial derivatives along the lines of the Black-Scholes equation for calculating risk that helped transform finance in the 70s and 80s and situates it within a much broader social and anthropological framework which enables us to see it as ritualistic behavior—in the terms we've laid out here, this means activity aimed at ensuring the community remains the same over time. Here is the way LiPuma puts it:

> Now it also turns out that religion is an unexpectedly apt metaphor: for the modern American circulation of faith is an unregulated market where all commitments are over the counter bets on salvation. Critically, it declares what anthropologists steeped in gift-based exchange have known since the pioneering work of their ancestors (esp. Marcel Mauss and Claude Levi-Strauss): that totalities, including the market, are social fictions made real by collective belief and sustained through the name that we have canonized for the power and persistence of belief—namely, faith. A financial market is a social imaginary; a deeply institutionalized imaginary to be sure endowed with a name, ratified participants, bodies of received knowledge, registered firms, a codified history, and so on; but it is an imaginary nonetheless. A market objectifies itself institutionally much in the manner that a nation institutionalizes itself through the creation of a state (such as the institutionalization of US nationness in the Treasury Department or Federal Reserve Bank). From our standpoint, it is neither an accident nor some opportune metaphor that a crisis-torn market began to speak in prayers, its commentators drawn to formulations that suture the health of the market to inscriptions of faith and belief normally attributed to religion. Even more, in calling for the restoration of faith and belief, these commentators are, without intending to, invoking a performativity which attends religion's celebrated accompanist: ritual. Indeed, I take the financial community's self-assessment seriously. I see its references to religion not as a mistake but as a crisis induced moment of self-reflexivity. And thus a sign of where to look analytically. I will not suggest the argument that religions in a capitalist society fetishize ritual to conceal its economic dimension (though this is so, there being a real economy to ritual performance), rather, that the structuring and

> reproduction of derivative markets turns on their rituality. Our reading and theorization of the evidence leads to the argument that rituality underwrites the collective vision that founds the creation of socially imagined totalities. This is anything but straightforward; for a market when viewed (and conceptualized) from the standpoint of the agents appears as an aggregation of individuals (maximizing self-interested competitors); whereas these same agents, when viewed from the standpoint of the totality which allows that market to exist as such, appear as a network of dividuals. Moreover, it is the connectivity between the partible dimensions of the agents involved, that is, their dividuality or elements of their personhood used to create the totality, that, presupposed in the act of trading, grounds the possibility of their self-interested maximizing competition as individuals. The appearance of the person/trader as a singular individual—that is culturally, as a "thinking object" endowed with the capacity to self-commoditize its own labor—is the necessary appearance of a market that is necessarily constituted on other terms. (206-7)

While LiPuma (and his colleagues) are highly critical of the transformations wrought by the new form of financialization initiated in the 1970s this invoking of ritual and religion is not merely critical, not merely an indictment of the derivative as "irrational." This analysis forces us to ask what, in the end, can be, outside of faith, some projection of a future state where we will share an "at once-ness" with our present state, that will articulate in some potentially imaginable way our current desires and fears, redeem our sins (debts) and validate our hopes (debt forgiveness); a future state, moreover, that we realize and bring, tenuously, into being by our present actions, which are themselves prescribed by some founding ethos?

LiPuma associates this ritualistic behavior with a novel mode of subjectivity created by the era of the derivative grounded in what he calls the "speculative ethos":

> Crises clarify social reality, and this time around is no different. Decisive, deeply inscribed aspirations and senses of the world—what, following a rich tradition in the social sciences we can call an *ethos*—moved agents and institutions to pursue wealth, social status, an exciting life, and self-esteem by means of speculation. This speculative ethos came to define the cutting edge of finance. The ethos fed on, and was fed by, a beast of its own design: gargantuan pools of nomadic, opportunistic, mobile capital whose sole purpose was speculative. The ethos motivated, and capitalized on, the innovation of creative and increasingly complex instruments for agents' speculative wagers. The participants willingly, eagerly invested an extraordinary quantity of intelligence, training, their dearest streams of desire, and often the fullness of their beings in fabricating all manner of speculative deals. This speculative ethos has an invisibly social importance because the ethos is part of the essential clock- work of the crisis: traders' shared motivation for risk-driven transactions, the willingness of even the informed public to see speculative behavior as unremarkable, and the complicity of

> regulators in their celebrating speculation. Though the epicenter of speculation was finance, there is also something more broadly popular cultural, rooted in our history, about our appreciation for the art of the speculative. (261-2)

It takes a very specific kind of person to engage in the perpetual struggle to create and acquire derivatives, a kind of complete devotion to the flow of speculative life, to risk-taking, to the camaraderie even with one's opponents, to the mobilization of all of one's faculties in an endeavor that could end disastrously at any moment and a conviction that such activity sets one apart from the mediocre norm. Such subjects need to be produced, through communities, educational institutions, media and a company ethos. LiPuma goes onto to argue that this ethos does not remain confined to the financial industry but becomes a broader social ethos with the "derivative" vocabulary permeating discussions of subject formation across the board as we are encouraged to see our homes, careers, abilities, and attainments as assets to be maximized, put strategically at risk, and collateralized. This has some similarity to the kind of revival meeting where the participants, caught up in the ecstasy of the revelatory scene created by the preacher, start donating all of their worldly possessions to the congregation. And, again, this is not simply a critique. What is at stake here is the desire to work out a "believable" succession ritual for a desacralized world.

The "value" of the derivative is that it produces possible futures with a reach that can be continually extended with the increase in our calculative capacities, and any "faith" depends upon the projection of futures; the limit, as we suggested earlier, lies in the derivative's inability to project beyond or outside of the social and political machinery that is necessary to construct the derivative ritual. But the intensification and acceleration of trade involved in the derivatives market, in which any asset can serve as collateral and hence as at least a store and measure of value, suggests that virtually anything can function as currency. The way to hedge, politically, against the all eggs in one basket political economy of financialization (and dollarization), then, might be to return to the historical norm of plural currencies. There are many ways in which currencies are already being pluralized, as Lana Swartz points out in her *New Money: How Payment Became Social Media*, and there is perennial, if not yet particularly confident, talk of Chinese or BRIC challenges to dollar preeminence, but the most highly publicized and actualized alternative currencies are the cryptocurrencies, and first of all Bitcoin. Bitcoin promises the kind of monetary stability imagined once to have been provided by the gold standard, as the value of money is placed outside of political control. It seems to us that so far, Bitcoin serves as a store of value, but must rely upon the measure of value established by other currencies (ultimately the dollar) and only very minimally serves as a medium of exchange. Could Bitcoin or any other cryptocurrencies fuel investment, or serve as the "outside spread"? It may be that proximity to political connectedness, for example access to the defense industry (again, first of all in the US), might be necessary to ensure steady flows of investment, and strategic allotments of the easier money only state-sponsored currency can provide.

This would mean that genuinely alternative currencies could only be created by sizable institutions, not opposed to but also not subsumed within state institutions. A couple of models for such an institution would be a political party and a kind of research institute or scaled-up think tank: in the one case capable of mobilizing substantial demographics, in the latter case capable of making itself useful perhaps to the point of indispensability for its consulting and contracting services to governments and corporations. Such institutions could be large and powerful enough to create their own tokens which would serve as currency for participants in the institution (e.g., party members) or members of contractually associated institutions. A simple example is tokens that would be acceptable at aligned businesses. Such institutions would have to have their own investment strategies and would therefore have to enter the derivative world itself, but rather than shareholder value their investment strategies would focus on the purpose of the institution itself—some combination of political and "ritual" power, some mode of succession, that would target broader social dysfunctions and privilege some social practices over others. Such institutions would, we could say, bet the outside spread on the outside option, "shorting" weaker institutions so as to weaken them further and going long on more promising ones and thereby countering the corrosive political effects of financial firms and speculators like George Soros over the past few decades. Such currencies would be grounded not in precious metals or the inaccessibility of the blockchain but in sustainable social practices and rituals of succession: the best bet would be on those institutions that publicly and reliably have their current chief executive name his successor or, more precisely, a ranked and continually revised set of options on succession. The assumption here is that what we can call "singularized succession" is the only way of knowing who is actually running and therefore responsible for a given institution. Like the speculative ethos, singularized succession implies a generalizable ethos for anyone exercising any mode or degree of authority in any institution. For mimetic theorists, this ethos should be recognizable as the most intrinsically mimetic aptitude and desire: that of emulation—an economy run on the incentives offered by emulations constrained by institutions of deferral rather than "self-interest" would no longer be an economy, but what we might call a "tributary" order, in which our originary debt to the center is acknowledged and paid in a way that extends the interval of the present. We would be donating, we could say, our increasingly complex and variably valued data to the center which, through institutions that secure and analyze that data in ways needed to make sovereign decisions, generates rituals of succession. A difficult and perhaps unlikely project and recreation of sacrality, but unlikely and difficult compared to what?

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Notes

[1] See Quick for a discussion that includes and revises some of this scholarship.

[2] See Hudson, and, especially, Singh.