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Capital and Language: From the New Economy to the War Economy by Christian Marazzi. Translated by Gregory Conti. Los Angeles: Semiotext(e), 2008. Pp. 180. $14.95 paper.

As an economic crisis of epic proportions continues to tear through global economies, Christian Marazzi's cogent postmortem on the dot-com crash of 2001 provides a number of salient critical tools for a cultural approach to finance and crisis.[1] Marazzi's autonomist Marxist[2] analysis—lucidly translated from the Italian by Gregory Conti—draws its conceit from outside the established parameters of economic inquiry: language. While his thought-provoking and broad-minded book makes an original and important contribution to how we think about finance, it is regrettable that its English translation has been so long in coming and that we may have to wait just as long again for his insights on the current economic crisis.

Posing the capitalism of the erstwhile "New Economy" as in some way linguistic goes beyond a rhetorical gesture aimed at upsetting the hubristic hegemony of economics and its claims to scientific realism. Rather, for Marazzi, in an age of globalization, capital and language are intimately bound up on three interrelated levels (9). In the first place, the global web of financial transactions, the "real economy" (to which those financial transactions ostensibly refer) and everything in-between are increasingly held together by the fabric of language. From the linguistically saturated service sector to management of global supply chains to the vital role of the media and entertainment

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industries, language is economic like never before, underwriting the coordination of global flows (50).

Second, Marazzi suggests that financial *conventions*—the norms and codes by which something as sublimely complex as the international derivatives or futures markets can exist, flourish, and dominate the global economy—are networks of performative speech-acts that unify economic actors in a self-referential lingua-financial community (28–29, 33–36). Not only does this community rely heavily on communicative themes like trust, credit (credibility), and information, but financial instruments obtain value largely through performative acts where certain actors and institutions exercise the ability to shape perceptions and actions through the production of financial *representation*. For instance, a bond-rating firm's[3] pronouncement of a bundle of dubious subprime mortgages as "triple-A" in effect makes it so. Or, in different ways, the performative utterances (even the bodily comportment) of a central-bank chief can have a massive impact on national and international markets that "read" him.

These two relations between language and capital are underscored by a third, more profound and deeply ontological connection: in the post-Fordist New Economy, capital is no longer interested merely in extracting surplus value from workers in factories, as per the classical Marxist formulation. Rather, it has invested itself in all aspects of life as a global form of social control[4] marked by the cyborgian conflation of living (human) and dead (technological) labor across the social body. Consider, for instance, the case of the phone-sex worker who is paid by the hotline per call he or she receives at home—living and dead labor here cannot be easily separated. Less salaciously, the massive economic productivity of health, education, culture, and human-development sectors speaks to the way capital's circuit of value has decidedly escaped the factory and is increasingly invested in human bodies. In this phase of the *real subsumption* of labor under capital language—that syntax of human cooperation, that living fabric from which the social web is continuously spun—becomes the key terrain of struggle. Within this broader framework, finance's ability to redouble and coordinate money's power as a claim on future labor is haunted by fresh contradictions in whose face previous "fixes"[5] to capitalist contradictions are no longer reliable.

The project of Marazzi's book is to demonstrate how these three *linguistic* aspects of the New Economy can weave something like a global financial market—the scope, speed, and power of which are as unprecedented[6] as they are unfathomable. To do so, Marazzi seeks to complicate our understanding of the tension between the New Economy on the one hand

and post-Fordism on the other, suggesting that new patterns of finance cannot be separated from new modalities of work. The crucial link between the two is communication and information technology that enables the increasing flexibilization or "autonomization" of global workforces (49). The trends toward temporary and contract work, casual employment, self-employment, and ubiquitous precarity are, by now, well known. But Marazzi suggests that the confluence of finance and technology expands the sphere of work beyond the "factory" and represents the capacity of capital to increasingly reach deep into people's lives, rendering nearly all time valuable (not just that time spent "on the job"). From the way that social relations are increasingly commodified to the way consumption of media has become productive of financial value to the way savings and pensions have become embroiled in the speculative financial economy, capital seeks to "put to work the entire lives of workers [and their] linguistic community" (50).

Finance is crucial to this recomposition of labor and life for a few reasons: it coordinates the restructuring of firms toward "lean production," outsourcing, and deskilling; it sponsors the rampant overproduction of technology and immaterial sectors; and it has massive disciplinary powers to shape state, firm, and individual behaviors through its grip on debt, bonds, and investments.

Marazzi advances his conceptualization of the financial sphere *per se* as a linguistic community whose ability to produce value (or at least to produce instruments that create social wealth with real social power) is based on shared linguistic norms or conventions established between economic actors by performative speech-acts. The creation of a derivative product, the securitization of a bundle of loans, and the more general ascription of a value to a collection of economic conjectures are all acts of *representation* that actors submit to the financial community like a joke at a party. Sometimes people fail to pick up on the joke and it falls flat, but, more often, it is greeted with an infectious laughter and everyone has a good time (except, of course, those not invited or the invisible serving staff). And, as we all know, this rarely has anything to do with how "objectively" funny or topical the joke is; the spread of laughter (and let's say this is a particularly neurotic party made up of people who believe themselves to be in existential competition) is stimulated by the momentum generated by a combination of feelings of personal mirth, the desire to be in on the joke, and the authority or social status of the joke teller. Similarly, performative financial offerings succeed based on a combination of individual interest-seeking, a "herd mentality," and the institutional and financial gravitas of the utterer.[7] Financial crises, in Marazzi's paradigm, are crises of the linguistic conventions that hold the community together or of the structure of authority within that community. These are crises of the "overproduction of self-referentiality" in which a financial instrument's ability to reflect underlying economic "realities" become suspect and there is turbulence in the conventional suspension of disbelief (33–36). This crisis expands exponentially based on the same "mimetic rationality" that provides the essential "herd" momentum. Somehow, after a few too many jokes fall flat, nothing seems funny anymore and everyone reaches for their drinks.

Marazzi's single most important intervention is to move us beyond both neoclassical and reductive Marxist approaches to finance capital that either take its claims to produce value as pure fact (in the case of the former) or pure fiction (in the case of the latter) (59). Marazzi insists we contextualize and historicize finance as part of broader transformations of a globalizing capitalism and see them not as the worst excesses of an old pattern but as an intimate and demonstrative part of the way the *general intellect* has come to be centrally at stake in the global capitalist (dis) order. Marazzi's conceptualization of the general intellect draws heavily on the work of Paolo Virno,[8] who is among the scholars to rescue the term from Marxist obscurity and nurse it back to health as a description of the socially ambient baseline of social and technological skills and competencies (and, we could add, the "cultural commons") that make human cooperation possible in historically specific ways. For Virno and Marazzi, post-Fordism sees this general intellect *put to work* in the interests of capital because it is now merged directly with information technology and the body (41–45). The labor of social cooperation no longer takes place in the shadow of the machine (as Marx spoke of when he discussed the tensions between living and dead labor in the industrial age) but *through* the machine, through the "humanization of fixed capital" (10).[9] The result is an economy of what Marazzi calls "increasing returns," a phrase that recalls and seeks to upgrade Marx's "law of the falling rate of profit" for an information age. Where once intercapitalist competition saw an overall drop in value production because of the increasing investment in machines (constant capital) relative to human labor (whose exploitation as "variable capital" was the source of all true value),[10] today, because the proliferation of machines has become the very means of living labor, the problem is not that there is not *enough* value being produced, but that there may be *too much* (60–61). This tendency is only intensified by the ease with which "intangible" assets like ideas, computers, and culture are digitally replicated. These factors contribute to a confusion of market signals and previously reliable signs of crisis, reflected in the preposterous hyperspeculation in dot-com stocks on the eve of the bursting of the 2001 technology bubble (92–93).[11]

Here Marazzi introduces one of his least compelling concepts: the idea that the New Economy of increasing returns generates an excess of "information" (or, more broadly, intangible commodities) for which there is not enough "attention" due to workers having an increasing proportion of their time of living taken up by new forms of work, leaving little time to consume (65–68). Marazzi is trying to renovate a theory of overproduction and crisis for a digital economy, but the concepts get fuzzy as to whether information and attention are new modalities of capital or simply metaphors for underlying economic "realities." It is also unclear how new forms of work that produce "information" and the consumptive labor of "attention" are mutually exclusive: telemarketers Facebook at work, fast-food workers listen to commercial radio on the job, and academics frantically network during their social lives. Further, it is hard to see how Marazzi's information/attention accounting can move us toward more provocative spaces of resistance: one isn't sure whether one ought to frantically multitask or fall into an elective coma.

Much of Marazzi's book is taken up by a historicization of the 2001 dot-com crash, an ambitious project for a short book. In general, Marazzi offers a corrective to the idea—still prevalent today—that financial crashes are anomalous panicked stampedes of ill-informed investors out for a quick buck (or, better, the fault of racialized inner-city American families who somehow pulled the wool over the eyes of the financial community to finance the purchase of homes they had been living in for thirty years). Instead, he argues that the herd mentality and panic itself are endemic to the sphere of financial speculation (23–24). He traces the ways in which, since the monetarist turn in American fiscal policy in the 1970s, there has been a seismic shift from public savings (government bonds, central-bank regulation of financial markets, collective savings) to private securitization as mutual funds, national debt, and the new wealth of global elites rushed toward the promise of high returns from investment in speculative capital (37–40, 74). This "socialization of finance" (16), which saw economic growth without significant inflation ("disinflation" in Marazzi's terminology), was borne on the backs of workers around the globe whose flexibilization and increasing precarity at the hands of new technology exacerbated trends in personal debt and government deficit spending (89–90). Such a process was part and parcel of a broader shift in the logic of center-peripheral global relations from imperialism to "Empire" (78–87).

Where states themselves become subject to the policing of international finance,[12] we are witnessing the emergence of a global sovereignty beyond the nation-state, a "concentration without centralization" of capitalist power.

This thesis was most comprehensively laid out in Michael Hardt and Antonio Negri's *Empire*, which suggests that shifts in the tenor of global capitalist power cannot be separated from new forms of work and new information, communication, and financial technologies. Marazzi's contribution to this corpus is a more rigorously political-economic approach. Unlike *Empire, Capital and Language* was first published in 2002, and its final chapter appears as something of an afterword in light of the September 11th attacks and the subsequent War on Terror. Marazzi suggests that the latter is, in effect, "the continuation of the New Economy by other means" (151–52), and that it came at a crucial moment, giving the overproduction of immaterial and technological innovation (which had caused the 2001 dot-com crash) a new outlet in the burgeoning military and surveillance technology markets. Further, in the wake of the "crisis of representation" that the dot-com crash represented (echoed by growing social movement unrest and global solidarity), the War on Terror offered a new representational paradigm to justify and frame the reigning global disorder and explain its multifold contradictions and compulsory global asymmetries. (Both "fixes" only worked for so long, if our current economic crisis is any indication).

Marazzi's understanding of financial crises as crises of representation is an extremely fruitful offering for cultural critics seeking to make sense of this crisis and the forms of cultural expression and response it is generating. Particularly evocative is his treatment of the question of *panic*,[13] a word he traces back to the classical goat god of nature Pan, a liminal figure through whom ancient Greeks mediated natural instinct and rational action, individual reason and groupthink. Similarly, *Panic* is the normal liminal condition of the capitalist confusion of self-interested individualism and the "herd behavior" of market speculation (127–31). Panic attacks or crises are not moments of irrationality in an otherwise orderly economy but a moment where the underlying linguistic solidifications of endemic panic break down—they are crises, first and foremost, of *representation.* The crisis is "the disarticulation of language," a general incredulity to the order of signs that, formerly, seemed such reliable indicators of the underlying realities of social and economic value, or the ability of capital to command future labor. To be in a panic is to be rendered speechless, incapable of producing representations; it is the proliferation of in-credible (not-creditworthy) speech-acts and the failure of linguistic authority. Credit dries up, and *liquidity*, the ability to transform speculation into other forms of capital, calcifies. In short, the crisis, in Marazzi's paradigm, is squarely ontological in the sense that the performative and discursive web that makes up social reality, that series of representational acts stacked precariously skyward atop one another, falls like the proverbial house of cards and its foundations on the shifting sands of linguistic play (to mix our metaphors) are laid bare. Thanks to the "socialization of finance" that increasingly embroils the world's populations in personal, consumer, and government debt and credit, the crisis is not limited to the financial world. Such an analysis is important for cultural critics because it indicates that representation is a fundamental terrain of economic struggle, compelling us to revisit tenacious theoretical errors that would relegate the two spheres to opposite sides of the playground. Further, Marazzi insists that panic is the order of the behavior of the global multitude when it is artificially unified under the sovereignty of finance capitalism into a politico-ontological community, and that, if anything, crises set the stage for the multitudinous autogestion and self-valorization using the abundant technologies of the general intellect (127, 140–44). In other words, crises offer moments where the reigning paradigms of representation fail to hold the world together, highlighting the immanent urgency of cultural politics.[14]

One wonders why Marazzi opts for "language" when it would seem "culture" or even "communications" would do a similar work with broader implications. Indeed, given that Marazzi's use of the term *language* is not about the play of signs and meanings but rather about the power of linguistic communities, there aren't a lot of places in *Capital and Language* where *language* could not more productively (or at least evocatively) be replaced by the term *culture*. Perhaps it is because those associated with the Italian Autonomia movement of the 1970s understand culture and cultural struggle in a different way. Or perhaps it is because there is a rich scientistic tradition in the study of semiotics in which radical political-economy can find a kindred spirit.[15] From the parallel progressive abstractions of language (from phoneme to sign to metaphor) and capital (from labor power to money to finance) to the striking resemblance between the problems of textual translation and the famous "transformation" problem of value and price, there does seem to be a lot of theoretical insight latent in the dialogue between studies of language and capital,[16] but Marazzi stops short of this sort of work. It seems to me that the focus on language, as opposed to culture, risks missing some of the important lessons of cultural criticism that could inform a renewed inquiry into the vicissitudes of finance capital.

There are several other drawbacks to *Capital and Language.* For one, its layout is less than linear, so it is often difficult to follow the causal relationships between factors, something that is perhaps unavoidable when dealing thoroughly with something as complex as global finance. Although Marazzi's analysis of the linguistic nature of the financial community is compelling, it is not clear where the borders of this community are: is it just the key high-flying institutional traders who dominate the market, everyone whose money is invested in a pension fund, or everyone on the planet whose fates are bound up in Empire? Those suspicious of or fatigued by Hardt and Negri's enthusiasm for immaterial, affective, and informational labor or the nebulous promise of the multitude will not find respite in Marazzi's application of these themes. And despite his autonomist roots, Marazzi's approach is one of a political economy that takes as its starting point and object of analysis shifts in the nature of capital, rather than resistance,[17] and, hence, largely fails to articulate struggle except at the level of high abstraction. In terms of Marazzi's economic argument, broader contextual and statistical evidence about the rise of immaterial work (or even the qualitative shift toward capital's reliance on the general intellect) would make for a more broadly compelling argument, and several crucial factors in the development of global finance receive only passing mention (for example, international currency markets, the role of organizations like the World Trade Organization, and a more systematic analysis of the politics of international debt).

Many of these absences and vagaries have been addressed elsewhere in Marazzi's corpus but are not available in English translation.[18] All that being said, however, Marazzi's book is an extremely important contribution, especially for those developing cultural theories of finance capital, as well as those sympathetic to autonomist approaches seeking to understand the current crisis. Of course, times have changed since the 2002 release of Marazzi's book. Our current economic crisis makes the 2001 dot-com crash seem like an ill-heeded warning tremor. Near the end of his book, Marazzi argues that "Clinton and Bush represent two different conjugations of the same problem: the global regulation of the New Economy" (153). One could add to this list Obama, whose financial cabinet and agenda appear to represent no fundamental change from the orientation of his predecessors and who seems to be satisfied in mobilizing the financial authority of the state like an earnest pawnbroker, holding the precious treasures of the American economy (banks, insurance houses, car companies) in trust until capital can get back on its feet and reclaim them. It is to be hoped that Marazzi's current work will be translated with all haste, as he, perhaps more than others of his camp, is likely to provide insights that can move us beyond the tepid and confused neo-Keynesianist anachronism that today stumbles across the political spectrum from right to left.

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NOTES

1. See, for example, David Harvey, *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change* (Cambridge, MA: Blackwell, 1990); David Harvey, "The Art of Rent: Globalization and the Commodification of Culture," in *Spaces of Capital: Towards a Critical Geography* (New York: Routledge, 2001), 394–411; Edward LiPuma and Benjamin Lee, *Financial Derivatives and the Globalization of Risk* (Durham, NC: Duke University Press, 2004); Randy Martin, *Financialization of Daily Life* (Philadelphia: Temple University Press, 2002); and Randy Martin, *An Empire of Indifference: American War and the Financial Logic of Risk Management* (Durham, NC: Duke University Press, 2007).
2. Marazzi was and continues to be an intellectual figure of this movement, collaborating closely with Antonio Negri and Sergio Bologna and editing, along with Sylère Lotringer, one of the seminal collections of autonomist texts in English translation, *Autonomedia: Post-Political Politics*, now in its second edition (New York: Semiotext[e], 2007).
3. See Timothy J. Sinclair, *The New Masters of Capital: American Bond Rating Agencies and the Politics of Creditworthiness* (Ithaca, NY: Cornell University Press, 2008).
4. This thesis will be familiar to readers of Michael Hardt and Antonio Negri's *Empire* (Cambridge, MA: Harvard University Press, 2000) and *Multitude* (New York: Penguin, 2004), as well as those more broadly sympathetic to the autonomist approach, which understands capitalism as invested in the "social factory" and what has lately been termed "biopolitical production."
5. Although Marazzi does not use the term *fixes*, he does speak to the previous ways the contradictions of capital have been overcome by strategies as diverse as imperialism, war, and the development of middle-class workers. For a comprehensive overview of Marx's approach to these problems that reconstructs his scattered speculations on finance and speculation, see David Harvey, *Limits to Capital*, 2nd ed. (London: Verso, 2006).
6. Marazzi argues that, while so-called "evolutionist" narratives of global trade, such as Paul Hirst and Graham Thompson's *Globalization in Question: The International Economy and the Possibilities of Governance*, 2nd ed. (Cambridge: Polity, 1999), correctly point out that prior moments of capitalist accumulation have seen greater degrees of international economic integration, they typically fail to take into account the broader shifts in the "mode of production" and the "transformation in the nature of work" that the confluence of the New Economy and post-Fordism represent today on a global scale (88).
7. One is reminded of Patrice Leconte's depiction, in his 1996 film *Ridicule*, of the volatile economy of wit at Versailles on the eve of revolution where the careers of courtiers (and the fate of the country) was decided by a circuit of value based on the complex linguistic games of insulated aristocrats.
8. See, for instance, Paolo Virno, *A Grammar of the Multitude: For an*

Analysis of Contemporary Forms of Life, trans. Isabella Bertoletti, James Cascaito, and Andrea Casson (New York: Semiotext[e], 2003). For one of the best excursus on the general intellect in English, see Nick Dyer-Witheford, *Cyber-Marx: Cycles and Circuits of Struggle in High-Technology Capitalism* (Urbana: University of Illinois Press, 1999).

9. The incessant drive to make children computer savvy—from computer classes in schools to the commercialization of children's play in video games to the breathless neoliberal fantasia of "one laptop per child"—gives some indication of the spectrum of forces at work to ensure everyone is plugged into the global linguistic circuit of capital-managed cooperation. The "one laptop per child" "movement" rests upon the faith that poverty, corruption, and lack of (Western) democracy in the underdeveloped world is the result of insufficient market exposure or inefficient or distorted markets due to poor information infrastructure (see, for instance, www.laptop.org).

10. A process most lucidly explained by Harvey (*Limits to Capital*). Indeed, as Harvey makes clear, finance itself is a "fix" or abstractive displacement of these contradictions.

11. Scholars of culture will find the history of bubbles fascinating. The 1720 "South Sea Bubble" (the first recorded wide application of the term) saw literary luminaries, including Jonathan Swift, Daniel Defoe, Alexander Pope, and Samuel Johnson, caustically abuse the "stock-jobbers" whose barbaric speculation on colonial venture laid waste to the emerging bourgeois economy of the day. These texts have been collected, along with contemporary analysis, in a three-volume set edited by Ross B. Emmett, *Great Bubbles: Reactions to the South Sea Bubble, the Mississippi Scheme and the Tulip Mania Affair* (London: Pickering and Chatto, 2000).

12. This theme is dealt with more comprehensively by LiPuma and Lee (*Financial Derivatives*). Although Marxists have long argued that imperialism is characterized by the rule of finance, Marazzi believes that the present moment is qualitatively different because of the importance of new technology and the general intellect.

13. This section was previously published under a different translation as Christian Marazzi, "Who Killed God Pan?" trans. Taina Rajanti, *Ephemera* 4 no. 3 (2004): 181–86.

14. Marazzi's optimism should be tempered (and likely is, elsewhere) with the very real threat that crises can be the breeding pools of fascism whose proponents have the advantage of being unfettered by concerns over the democracy, equality, and multiplicity of their movements or futures. For a meditation on this theme, see, for instance, Crystal Bartolovich, "Organizing the (Un)Common," *McMaster Institute on Globalization and the Human Condition Working Paper Series* 8, no. 6 (2008), http://globalization.mcmaster.ca/wps.htm.

15. This has been variously attempted. See, for instance, Jean Baudrillard, *For a Critique of the Political Economy of the Sign*, trans. Charles Levin (St. Louis: Telos, 1981); and Gayatri Chakravorty Spivak, "Scattered Speculations on the Question of Value," *Diacritics* 15, no. 4 (1985): 73–93.

16. For a recent overview of this problematic, see Anitra Nelson, *Marx's Concept of Money: The God of Commodities* (London: Routledge, 1999).

17. See Harry Cleaver, *Reading Capital Politically* (1979; repr., Edinburgh: AK, 2000).

18. Some of Marazzi's work in translation, as well as that of many fascinating scholars of a similar mind, can be found at the excellent website www.generation-online.org/.