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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 more minimalist vocabulary derivative of the center. We use textbooks to find "core" concepts of central banking, and we use the Bible to find a minimalist vocabulary derivative of the center. We use Jesus's Parable of Talents to "thinking through the center," and we find the Parable's numbers hard-wired into the central banking vocabulary. We use Jesus's Parable of Talents to "thinking through the center"

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.

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