

Arjun Appadurai: *Banking on Words: The Failure of Language in the Age of Derivative Finance*

Chicago, IL, 2016: University of Chicago Press, 189 pp.

'It's all about bucks, kid. The rest is conversation', Gordon Gekko instructed his young friend in the movie *Wall Street* from 1987. It sounds like a common-sense explanation. But in this book, the American anthropologist Arjun Appadurai corrects the mistake made by the movie archetype of a villain banker. In post-modern banking, conversation and language elements may be more important than money. Appadurai conceives of the market collapse in 2007–2008 predominantly as a failure of language marked by the dissolution of the 'promise' as a performative speech act. He associates this dissolution with a new language of financial derivatives. In doing so, Appadurai takes readers on a journey back through the history of social thinking to Max Weber and Emile Durkheim, and he brings in concepts such as the 'dividual' logics of the construction of personhood in economic sociology.

In his journey to understand the significant role of language in contemporary finance, Appadurai makes four important contributions. The first is to describe derivatives—contracts that derive their value from the future performance of underlying assets—as a core technical innovation with their own language. The second is to show derivatives as promises about an uncertain future. However, as Appadurai notes, all contracts have a promissory element, so contractors usually know the future value. In contrast to the rest of contracts, the derivative form is based on an unknown future value. The derivative trade has created a systematic form of promise, in which new promises are derived from previous ones and any derivative has a capacity to monetise previous promises. In a third contribution, Appadurai reveals how de-

rivatives exploit the linguistic power of the contract through a special form of money as the most abstract form in which the value of a commodity can be expressed. The final step is to understand that the future of the derivatives market is primarily about systematic failed promises.

Appadurai follows the path that he outlined in his previous book, *The Future as Cultural Fact: Essays on the Global Condition* [2013]. In both books, he lays the foundations for an anthropology of the future. He argues that the discipline's traditional central concept of culture has neglected 'plans, hopes, goals, targets ... wants, needs, expectations, calculation' [ibid.: 180] for a long time. Orientations to the future have been left to economics and development studies. Appadurai argues that anthropology needs to create more productive relations with economics, especially relations between culture and development. He approaches the contours of the future through the concepts of aspiration, anticipation, and imagination: 'This change requires us to place futurity, rather than pastness, at the heart of thinking about culture.' [Appadurai 2013: 194]

In this book, Appadurai departs from Max Weber and Emile Durkheim to deepen his theoretical argument. He engages with two main directions in Weberian concerns. The first is associated with organisational techniques, and the other is more concerned with salvational ideologies and techniques of magical wealth creation. Connecting both perspectives creates a ground to study the ethics of calculative action. 'Ethics, in this usage, are not simply a matter of right and wrong, of deceit or transparency, of honesty or probity, thought they have implication for all of these. Ethics, in the Weberian usage, involves a set of linked understanding of means and ends in the pursuit of calculative action in a world of uncertainty, with a constantly changing set of cultural orientations that inform and shape these under-

standing.’ (p. 21) In terms of Durkheim’s thoughts, Appadurai found his main inspiration in the concept of ritual and its relation to uncertainty. In Durkheimian logics, the significance of periodic large-scale ritual celebrations is the reproduction of the social as entity. A fundamentally uncertain society is enacted and produced through ritual performance. Rituals co-stage the foundational uncertainty of social cosmologies, and they transform them, albeit temporally, into some form of certainty. In Appadurai’s world, society has been replaced by the market. ‘The joint deployment of some ideas of Weber and Durkheim on what we might call ritual practice “under conditions of uncertainty” can provide a bridge into how traders make the leap from the space of probability (quantifiable) to the space of uncertainty (unquantifiable).’ (p. 81)

Appadurai portrays trade in derivatives as a charismatic event that retrospectively increases the deeper legitimacy of the market as a whole by a continuous chain of retrospective validations. He tends to study such events from a performative point of view. Derivatives work through a certain form of retro-performativity, in which they produce their own conditions of possibility by acting as if they existed before the trade that produced them. Such retro-performativity is based on the underlying moral force of the modern contract, stemming from the promise-driven ethics of calculative action. However, the promissory idea of the modern contract has been shaken since the financial collapse of 2007–2008. The packing together of promises into bundles, such as credit default swaps, which can be revalued and resold, adds risk to the promissory chain and the logic of the system in general.

Since the early 1970s, the working of financial capitalism has eroded the concept of the individual in favour of the rise of the ‘dividual’. The dividual was introduced to anthropology by McKim Marriott [1976],

but it was popularised by Marilyn Strathern’s *The Gender of the Gift* [1988]. The concept of the dividual emphasises the relativity and parochialism of the idea of self. Sabine Hess [2009] explains that dividuals have deep and inherent connections to a particular place and are ‘frequently constructed as the plural and composite site of the relationships that produce them’ [2006: 285]. ‘The form of dividualism produced by financial capital is ideal for the masking of inequality, for multiplication of opaque quantitative forms that are illegible to the average citizen and for the multiplication of profit-making tools and technique, which can escape audit, regulation, and social control.’ (p. 102)

The dividualised ritual logic underpins the social form of the derivative as a new form of mediation. Financialisation, including the derivative form, relies on a variety of forms of quantification of the person and the recombination of such quantifications. Rituals take effect through the retro-performative creation of wholes out of parts. In the case of derivatives, volatility, contingency, and unpredictability are wrapped into derivative instruments themselves and are a product of the slicing and dicing of different quantifications, such as mortgages or loans. In the end, ‘the risk is asymmetrically distributed between professional risk-takers (traders) at the expense of already-deviduated actors who bear the downside risk of the market’ (p. 117). Finance constitutes a specialised world whose technical premises are designed equally to anchor and manage everyday moments, problems. and dilemmas.

Appadurai aimed to develop an alternative view of financial capitalism that does not see the logic of the derivative as inherently evil. The larger portion of the current economy works by making profit on the monetarisation of risk, and risk is available to the financial markets through debt. ‘From this point of view, the major form of labor today is not labor for wages

but rather labor for the production of debt.' (p. 127) Subsequently, the key to transforming the current form of financial capitalism is to seize and appropriate the means of debt production. Debt itself is not bad because it allows future value to be brought into the present, but the challenge is to socialise and democratise the profit. Current forms of resistance through unions, class actions, debt refusal movements, or shareholders' protest are doomed to fail because their architecture poses the moral force of the individual against a process of dividualisation. Against this logic, Appadurai suggests harnessing the progressive potential of dividuals against predatory financial markets. 'The cure for this systemic weakness is not repair of the force of promises but the repair and reconstruction of the idea of the individual to enable new sort of solidarity between dividuals, agents whose very partiality may allow for new aggregation of aspiration, interest, and affiliation,' (p. 147)

Appadurai's conceptualisation of the current finance market through performative ritual practice sounds theoretically strong and inspirational, but his suggestions seem to be too vague to be converted into a reasonable political programme. Appadurai's ideas on the future resonate well with broader discussions in economic sociology, particularly Jens Beckert's *Imagined Futures: Fictional Expectations and Capitalist Dynamics* [2016]. In contrast to Appadurai, Beckert distinguishes two different dimensions of the future in current capitalism: fictional expectations and performativity. He argues that economic forecasts are important not because they produce the futures that anticipate but because they create expectations that generate economic activity. Appadurai's book seems to be strong in his emphasis on the performative aspects of financial capitalism at the expense of expectations. On the other hand, Beckert's account stresses predominantly the discursive characteristics of expecta-

tion at the expense of practical ones. However, these discursive expectations cannot be possible without retro-performativity of the market itself. Appadurai shows that through this ritual logic, the markets are produced and are possible. The more that these mechanisms are shaken, the deeper the crisis we face. Through these rituals, the basis for our economy is established, uncertainty can be managed and the finance system is thinkable.

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Graham Murdock and Jostein Gripsrud (eds): *Money Talks: Media, Markets, Crisis*

Bristol, UK, and Chicago, IL, 2015: Intellect, 232 pp.

The popular phrase 'money talks', echoed in the title of this book, refers to the idea that 'money is power'. The power of the world of finance is a continuous thread running through the book as it focuses on the rise and fall of financial markets and