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RESEARCH ARTICLE

The meta-crisis of secular capitalism

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Abstract The current global economic crisis concerns the way in which contemporary capitalism has turned to financialisation as a double cure for both a falling rate of profit and a deficiency of demand. Although this turning is by no means unprecedented, policies of financialisation have depressed demand (in part as a result of the long-term stagnation of average wages) while at the same time not proving adequate to restore profits and growth. This paper argues that the current crisis is less the 'normal' one that has to do with a constitutive need to balance growth of abstract wealth with demand for concrete commodities. Rather, it marks a meta-crisis of capitalism that is to do with the difficulties of sustaining abstract growth as such. This meta-crisis is the tendency at once to abstract from the real economy of productive activities and to reduce everything to its bare materiality. By contrast with a market economy that binds material value to symbolic meaning, a capitalist economy tends to separate matter from symbol and reduce materiality to calculable numbers representing 'wealth'. Such a conception of wealth rests on the aggregation of abstract numbers that cuts out all the relational goods and the 'commons' on which shared prosperity depends.

Keywords Meta-crisis · Abstraction · Materialisation · Financialisation · Polanyi

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1 Introduction

The current crisis concerns the way in which contemporary capitalism has turned to financialisation as a double cure for both a falling rate of profit and a deficiency of demand (Brenner 2006; Kindleberger 2005). Although this turning is by no means unprecedented, previous capitalist cycles have tended to oscillate between more pressing needs to meet one or the other of these twin requisites. Thus, after the Great Depression of 1929–1932 came a sustained attempt to resolve a crisis of over-accumulation of capital with nowhere to go by systematic stimulation of demand in terms of a state-driven programme of higher wages, centralised welfare, public works, investment in industry and ultimately a war economy. Inversely, from the 1970s onwards, the falling rates of profit, which ensued to a degree everywhere (and not just in the Anglo-Saxon world, where this instance was exaggerated by comparison), were deemed to require a severe reversal of tactics that took the shape of supply-side reforms: in addition to spending cuts (except for defence), governments privatised state enterprise, curtailed trade union rights and lifted restrictions on banking, finance and retail.

Today, however, it has become apparent that, while these measures have once again and inevitably depressed demand (shown notably in long-term stagnation of average wages), they have at the same time not proved adequate to restore profits and growth. There are three closely connected reasons for this. First of all, public expenditure remains very considerable, especially in terms of the administrative state and its layers of managerial bureaucracy that absorb significant resources for largely unproductive activities (Burnham 1941; Polanyi 2001 [1944]; Supiot 2013). Second, in a globalised and post-colonial era there is a growing scarcity for new sources of 'primary accumulation'. The latter can be defined as a permanent process on which capitalism depends for economic expansion and which requires no-cost economic resources that mitigate the consequences of the need for incessant internal growth in the pursuit of increased abstract 'wealth' (Perelman 2000). The third reason is that capital resources are squandered through the exigencies of unnecessary duplication of production and provision for non-economically competitive reasons that ensue from rivalry between nations and power blocks (Brenner 1977; Arrighi 1994).

Whatever the specific reasons for the current crisis, today the twin poles of the typical cycle coincide: gears crash and the system threatens to grind to a halt. Most employees and workers earn too little to help stimulate the economy through consumption, yet many businesses still do not make enough profit to render them secure in the medium to long term. So the current crisis is less the 'normal' one that has to do with a constitutive need to balance growth of abstract wealth with demand for concrete commodities. Rather, it is a kind of meta-crisis that seems more to do with the difficulties of sustaining abstract growth as such—a type of growth for which any sum, even one extracted from material destruction, counts as 'gain'. Thus, the capitalist meta-crisis is the tendency at once to abstract from the real economy of productive activities and to reduce everything to its bare materiality. Unlike a market economy that binds material value to symbolic meaning (Polanyi

2001 [1944]; Braudel 1985), a capitalist economy tends to separate matter from symbol and reduce materiality to calculable numbers representing 'wealth'. Such a conception of wealth rests on the aggregation of abstract numbers that cuts out all the relational goods and the 'commons' on which shared prosperity depends (e.g. Ostrom 1990; Gui 2005).

This tendency is by no means new, but it does seem now to have surfaced to an unprecedented degree. Arguably it has not so much to do with the 'internal' contradiction of capitalism, i.e. its need at once to extract profit from the worker–consumer, and yet ensure that she can go on consuming. Instead, it has to do with the contradictions that inevitably ensue upon the setting of capitalist practice within an extra-capitalist margin that both precedes it and continues to accompany it. This margin is complex and multifaceted: it includes un-capitalised economies, besides the social, cultural, political and international relations spheres, insofar as these remain external to a purely capitalist market logic (Fraser 2013, 2014). Given all this, financialisation is a logical response to the meta-crisis of capitalism, for deeper reasons than are usually seen, besides the more superficial but nonetheless true ones (Lapavitsas 2013). From any perspective it is clear that it addresses both poles of the usual oscillation of crisis between consumer demand and rate of return at once—as if the economic cycle had now become a static vicious circle.

Thus, it has proved easier for both the administrative state and the global market to offer the mass of people easy credit than to reskill them, or induct them into vocational commitment more likely to result in productive hard work and innovation (Lazzarato 2012). Equally, it is easier to do this than to offer higher wages with an expectation of increase that would encourage family solidarity, time spent by parents with children and a greater sustainability of familial relationships. For to do so would both eat into the easy extraction of surplus value through depressed wages and popular consumption of shoddy goods (Roscoe 2014), and threaten the equality gulf upon which today a new oligarchy rest their sense of prestige and self-recognition (Rothkopf 2008; Mount 2012; Freeland 2013). It would also tend to undermine the foundations of the reigning ideology of 'meritocratic extremism' (Piketty 2013), which confuses merit with monetary return and even skill in monetary manipulation with the luck of the draw.

Precisely allied to this ideology is the practice of 'debt-Keynesianism', which parodies what John Maynard Keynes actually proposed (Clarke 2009; Davidson 2009; Skidelsky 2009). Debt-Keynesianism marks the shift of debt and risk from the public and the private sector to individuals and households (Hacker 2008; Crouch 2009). It was adopted as a novel way to address that fall in demand, which has inevitably ensued upon decades of neo-liberalism. Genuine Keynesianism (however inadequate this may be as a long-term solution) cannot be entertained by those politicians and economists who have embraced austerity (Blyth 2013). That is because increased wages—plus public works and investment and nationalisation of certain key industries and banks—would threaten the new oligarchic hegemony that is political and cultural as well as economic. But at the same time, financialisation is also a riposte to the failure of neo-liberal measures fully to address the falling rates of profit, which prompted them in the first place (Brenner 2006).

There remain nevertheless inherent anthropological and theological (if not also economic) limits to financialisation, as we will explore in this paper. And it has in any case engendered a crisis of demand that inhibits any further extraction of surplus value, while the wealthy few have become culturally reluctant to promote real demand that benefits the many. For these reasons, capital has been diverted from productive investment towards financial speculation. Money is still to be made from money by some, and that counts as 'growth' in capitalist terms. But this increase is now so further abstracted that nominal growth becomes perfectly compatible with actual material decline in living standards for most people. Of course the debt financing of demand and the debt financing of profit are not simply two separate processes. To the contrary, it is often the expansion of the former that allows the expansion of the latter. In the case of the housing bubbles, unrestricted growth of the mortgage market through the offering of loans to those unlikely to be able to pay them back allows increased private speculation on these debts. It also leads to increased investment in insurance against debt, which in turn fuels increased private speculation upon this financial vehicle (Lanchester 2010). Thus, the extreme bubble cycle of boom and bust that has supplanted the more regular business cycle of expansion and contraction during the *trente glorieuses* encapsulates the repeated attempt to tackle the meta-crisis of capitalism (Kindleberger 2005; Brenner 2006). The nature of that meta-crisis is best understood in terms of the dialectical oscillation between abstraction through speculation and materialisation through nominalisation, as we will suggest in Sect. 2.

2 The nature of the capitalist meta-crisis

The wave of globalisation since the 1970s has so intensified the economic cycles of expansion and contraction as to engender a qualitatively different form of capitalism. The contemporary capitalist system is subject to a meta-crisis, which exceeds the double deficiency of both demand and profit rates in the direction of a chronic difficulty in sustaining economic growth as such. That is to say, capitalism appears increasingly unable to sustain the growth of productive capital and the generation of either genuine value that serves human needs or capitalist abstract value itself. Arguably, this instantiates the phenomenon of *simultaneous* over-production and under-provision, as Sismondi noted before Marx (de France 2003: 179–190); for example, rotting stocks of food and yet a starving populace in many developing economies or, less dramatically but more immediately, farmers and supermarkets in the UK throwing away large amounts of food on the one hand, yet ever-greater reliance on food banks by people in work on the other. Or a growing stock of unoccupied houses owned by the super-rich and an increasing number of families priced out of the real estate market due to a lack of supply.

Today such a meta-critical circumstance in effect exists on a world scale. The process of financialisation has crucially contributed to this new mutation insofar as it tends to remedy both a crisis of over-accumulation of capital, and one of deficient demand, in a simultaneous and similar manner, by permanent recourse to credit (Roubini and Mihm 2011; Buttiglione et al. 2014). The debts and loans of the many worker–consumers then become increasingly linked to the speculative debts and loans of the wealthy few. Thereby both are locked into one new system of debt circulation, which further connects a deficiency of solid wage- and asset-based demand to an uncontrolled growth of sterile, speculative capital.

For earlier (ninetieth- and twentieth-century) capitalism, lack of demand came eventually to be in a negative relation to growth of capital returns. Even though excessive profits are initially made at the necessary expense of workers and consumers, sooner or later profits must dip if there are too few people to buy commodities. Similarly, the decline in the rate of return came eventually to be in a negative relation to workers' standard of living. Even though these first go up if higher wages are extracted by collective pressure, they are eventually threatened if profit rates decline and so does investment. Today, by contrast, lack of real demand and deficiency of truly productive investment in the material economy are *positively* related through the demonic compact of debt.

Thus, in the older and more 'normal' business cycle, need for ever-greater return worked in antithesis to demand, alternatively against and for it, and likewise, inversely, the level of normal citizens' income in relation to profit extraction. Today, on the contrary, a shared interest in endless credit expansion apparently binds ordinary citizens' interests together with those of the super-rich. This is the case *even though* the interest of ordinary citizens is increasingly in bare survival, while the interest of the super-rich is in ever-further monopolisation of wealth and power. But this new positive bond of (erstwhile dialectically opposed though also positively connected) requisites for demand and profit does not betoken any shared positive *content* of the bond. On the contrary, since the bond is debt (with this fact itself contradicting at a meta-level the usual apposition of debt of some to the assets of others), its content is negative: a new devil's compact to cement together by a mutually repellent glue a lack of solidly wage- and asset-based demand with an equal lack of real, concrete investment.

Thus, capitalism's founding amorality is a Faustian gesture (Skidelsky and Skidelsky 2012), aiming magically to distil public virtue out of private vice, as Bernard de Mandeville first suggested (de Mandeville 1728 [1714]). If that is the case, then the sampling of this new elixir represents a desertion of even its own amoral god of the extraction of abstract wealth by appropriation and division of the real material body of the earth. For this new elixir is proffered by a subdemon who whispers in the ears of financial magi that abstraction might perpetually be made merely from the already abstract—making yet more money out of money. Then, the whole new order between the market and society is legally and politically underwritten by the third corner of this viciously negative, virtual triangle (Polanyi 2001 [1944]). That third corner is the state, whose own increased indebtedness (in the face of a falling tax revenue from threatened rates of profit and an increased welfare bill to shore up a threatened populace) confirms and legitimates that of the other two. Meanwhile, greater state debt also further exacerbates inequality, since government debt is upheld by wealthy bond purchasers and benefits only them (Piketty 2013: 206–210). And only this virtual triangle allows a vicious circle to be constantly re-inscribed around it.

This new triple-debt logic of late capitalism has intensified capitalist commodification to the point where all value that is produced and exchanged serves but as an abstract, not material, security for ever-more abstract financial instruments, which spread systemic risk across the whole economy. Yet it is not after all the case that finance capital merely abstracts from the real economy and operates in its own virtual sphere, where it newly abstracts even from abstraction. Rather, even negative wealth can only finally be measured in terms of affordable risk if somewhere it reconnects with a measurable material reality, for example securitising derivatives in terms of the market price of real estate.

Here one needs to understand that 'materialisation' is always the necessary reverse face of abstraction. In the case of a less abstracted, traditional symbolic economy, ultimately embedded in gift exchange, the embodied and the meaningful are never wrenched apart, so that ultimate economic and social guarantees are never provided by mere 'raw material' (Mauss 2000). The oak you build your house from is still a sacred oak whose natural virtue is sustained in the beams of construction. Inversely an over-abstracted economy, whose financial values are not also objective, shared, moral ones, can only—by a seeming paradox—ground itself in the *merely* material, by the raw earth which is all that is left over when one has leached away from the earth all symbolic significance.

Crucially, this material surface is not simply given by nature, but rather only produced by the capitalist cultural process that leaves behind this residue, once all sacral and meaningful reality has been removed from physical bodies through the conversion of the symbolic sign into manipulable and calculable numbers representing 'wealth'. In other words, capitalism operates a process of simultaneous spatialisation of the earth and arithmetisation of the sign whereby reality is seen in primarily flat, spatial rather than complex, temporal terms, and beings are viewed as discrete things that can be counted one by one. Connected with this is the idea that immaterial signs are nothing but individual indicators of material value. Thus, the arithmetisation of the sign automatically involves the Cartesian geometrisation of the earth, which is now a fully manipulable, arbitrarily divisible and compoundable flat surface (Lachtermann 1989). The sacrality of the tree as world totem has been siphoned off as commodity price on the world market, leaving its leafless trunk and branches behind as mere lumber. This is incidentally the aspect of capitalist logic that most secular, materialist analysis fails to capture—though the Mauss-influenced Polanyi was much nearer to grasping it than was Marx (Mauss 2000; Polanyi 1968, 1977, 2001 [1944]).

These considerations help us to understand how the dizzying virtual spiral of the new triple-debt economy requires, in default of an ever present threat of collapse of general confidence, occasional ultimate anchoring, or securitisation against real, physical assets. This is especially well exemplified not just by the recent process of derivative trading in subprime mortgages, but also in commodity trading where profit is the outcome of speculating on marginal price fluctuations—without any regard for the concrete human needs that commodities such as corn or energy serve. However, this ultimate anchorage on the desolate shore of mere materiality is but the desperate resort of the captains of finance on their virtual vessels. Routine business on board rather involves a steerage by the polestar of imaginary abstraction, which tends to sever any real corporeal bonds between people. This is true especially insofar as these are fused with significance to give a specifically social reality that is at once symbolic and real. Hence, financial innovations such as derivatives and computer trading have severed the ties between entrepreneurial effort, monetary rewards and the social value of the contribution that financial services make to society (Lewis 2014). Coupled with the new operations of the now deficit-driven bureaucratic state, it has by such measures created a system that privatises profits, nationalises losses and socialises risks (Pabst 2011). In turn, this system fuels the vicious cycles of rapid booms and busts that have the parabolic shape of bubbles rather than the more regular shape of expansion and contraction.

In all this one can detect the fundamental ambivalence of the capitalist economy in an intensified form. Since its inception capitalism may have lifted millions out of primordial subsistence (subject to extreme vagaries, if not necessarily to poverty) and created an ever-expanding affluent middle class. But it is equally linked to new modes of poverty that are peculiarly bereft of traditional resources and recourses to nature and native skill, besides social dislocation and inequality, ecological devastation, a decline in participatory democracy and local autonomy, plus an ever-increasing dominance of science and technology over holistic human needs (Polanyi 1968, 1977, 2001 [1944]; Pope Francis 2015). This besetting ambiguity is linked to the essential capitalist logic—the commodification of labour, land, life and all other real goods under bureaucratic sway and in the name of progress. By turning everything and everyone into a tradable commodity, capitalism has vastly, and to a degree beneficially, expanded the range of the market and created new freedoms and opportunities, emancipating people from natural, patriarchal and prejudiced shackles. But by the same token, it ends up dissolving more and more goods into the ether of sheer financial nominalisation, while reality is divorced from both situated, specific meaning and symbolic, more universally transferable significance (Mauss 2000; Godbout and Caillé 1992; Caillé 2007; Godbout 2007).

Instead of a counter-historical patient extension and interaction of thick bonds of exchanged meaningful goods (such as had been promoted under the aegis of the post-axial universal religions), the post-religious capitalist expansion has bought its speed and scope at the too extreme price of rendering reality both meaningless and tenuous. Thus, goods, services, producers and consumers are increasingly viewed as abstract—qualitatively and locationally vague, if arithmetically all too virtually specifiable and interchangeable. In this manner, global capitalism fuses ever-greater individual consumer choice with an increasing homogenisation of customs and mores.

But for all the prevailing daily business of further abstraction from the abstract, the more this goes on, the more it remains the case that this process must—in lieu of general default—be offset by a direct linkage of the entirely abstract to the denudedly material. Of course this linkage will tend further to waste and devastate the material surface of the earth. That is because numerical extraction of wealth and algebraic abstraction of sign corresponds to an equally algebraic geometrisation of physical reality, permitting it to be ever-more carved up, owned and patented even down to its seminal and genetic levels. So for dialectical reasons it is *especially* the more remote and rarefied financial speculation that needs in the end to be anchored in some physical asset—as exemplified by global commodity bubbles or derivative trading in subprime mortgages secured against property, as we have already indicated.

And so there exists no relatively stable alternating business cycle of expansion and contraction (Kindleberger 2005). On the contrary, it turns out, as the latest economic phase more clearly reveals that capitalism rests on an upward spiral of infinite abstraction that both collides with and yet requires a material reality. By its very nature, material reality is indeed given and fundamental in a physical sense. Yet its abject 'bareness' is but the reflex of the gesture of abstraction, if we consider the contemporary new place given to the material world in a cultural sense. Thus, the primacy of the economic, far from being a natural given, is itself a strictly economic (i.e. distributory) effect of one particular and historically contingent mode of economy (Polanyi 2001 [1944]). This contingency is rather underplayed by all those who posit laws of capitalism linked to perennial economic laws in general—whether those writing in the neoclassical tradition or the Marxist tradition.

3 Abstraction and materialisation

One key aspect of the 'meta-crisis' is a long-term tendency of capitalist abstraction to divorce itself ever further from symbolically denuded matter that it leaves behind as a residue: thus, for example, ancestral land once charged with meaning, taboos and responsibilities is debased into a mere portion of Cartesian space. This happens once this land is regarded in terms of its representation by abstract monetary value. And such materialisation or 'spatialisation' is exacerbated the more land as capital becomes less economically important than the sheerly instrumental fixed capital of landed plant, and the sheer abstraction of liquid capital as profit or return on financial loans.

This tendency, unlike the tendency of return on capital to outrun growth demonstrated by Piketty (2013), does indeed transcend the sieving of wealth by commodification. This is because of the conjoined process of symbolic abstraction—concrete spatialisation is itself *the condition of possibility* for commodification as the reduction of everything to measurable accumulation and exchangeability. This reduction occurs both on the arithmetic scale of numerical money, and on the geometric scale of material wealth reduced to exploitable material quanta. The impersonal bent of capitalism as a process is then sustained and further compounded by the cultural-economic interests of a capitalist 'old elite' and 'new class' (Lasch 1995; Piccone 2008). They are increasingly devoted to pure financial abstraction, which yields newly astronomical returns of profit and salary, less and less reined in by the needs of material realisation.

However, this process of abstract-material divergence, of the destruction of the bond between the symbolic and the real, goes clean against the instincts and ritual orderings of most human cultures (Mauss 2000; Godbout and Caillé 1992; Hénaff 2002; Caillé 2007; Godbout 2007). And although it is the condition of possibility for commodification, it cannot itself escape the contradictory logic of the commodifying process, which it allows and unleashes. In some ways, the drift to abstraction is constitutively linear rather than cyclical, and the more it is augmented the more it seeks to ignore cyclical constraints (as it does to a new degree today). However, in the end it cannot ignore the need for abstraction to be materially realised and measured, and so for the rate of return to answer after all to the rate of demand. Arithmetic numbers which pile up to infinity cannot be assessed or fixed as to ownership and liability, except by some ultimate tie to geometrically leached, yet still actual and concrete, material space.

Herein, as we have already hinted, lies the hidden logic of the subprime crisis. It was not simply that finance capital found a bizarre new way to exploit even indigency by the bundling together, selling on and speculative hedging of mortgage debts. It was also that in extreme crisis finance capital *needed* to do this sort of thing. Unrealisable, unplaceable and immeasurable abstraction must in the end anchor itself in matter. And logically it does so in the most barely leached material sphere, which is the most measurably geometric as least contaminated by either symbolic resonance or abstract sign. This category certainly includes supposedly 'naked' natural assets, regarded purely from the perspective of appropriation, but so far un-appropriated. But it *also* includes the bare property of the poor or relatively poor, which is their minimal living space that they rarely ever own outright.

This claim may seem strange, because in the end housing was dragged into the world of extreme abstract speculation, compounding its lack of ascertainable measure, and thereby pulling the real material misery of millions in its wake. Yet the converse remained also initially true: a new ultimate launch pad for unlimited leverage became possible because the ultimate equity was so completely concrete. Just because it was really concrete, its abstract substitutes could be treated by all *as if* they were concrete: financiers were seduced by their own cathecting dream illusions (Lanchester 2010). Yet paradoxically, a newly uncontrolled fantasy of the ultimate anchoring of the abstract in the concrete was possible because there really *was* an anchor in the end. This is true *even though* its mooring had been slipped by speculation, leaving the anchor itself without function, reduced to bare occupancy of space, prone to capture by whomsoever a human subject. Or since the anchor was really a house, it is now prone to repossession for whatever material purpose.

It follows that capitalism tends by a linear drift to let abstraction and spatialisation pull away from each other in such a way that the two complicitous processes nonetheless cannot any longer be readily correlated. This circumstance translates into an increased difficulty of alternating, as already discussed, between a boost of the rate of return on the one hand, and a boost of consumer demand on the other, in cyclical succession. In consequence one gets, as today, a simultaneous crisis of both the level of demand and the rate of capital return. Yet because correlation remains inescapable, and the transcendental straight vector of abstraction spatialisation must still take a constant detour through the cycle of contradiction, correlation now takes an extreme form. Now, the most remote degree of abstraction must somehow be linked and referred to the barest instance of materiality. The high must meet the low, the richest the poorest, in a kind of perverse economic coincidence of opposites. This necessity is perfectly illustrated by the subprime scandal but it is more generally exemplified by the remote anchoring and yet unmooring of abstract capital in seed patents, the ecosystem, third-world debt, child exploitation and welfare dependency for an increasing number.

Thus, the single financial solution to the now coinciding polar problems of diminished demand and falling rate of return tend to ensure that the clashing gears and sterile spatiality of the vicious circle (or 'simultaneous cycle') is locked further into place and perpetuated. To reiterate: popular and elite borrowings and lendings reinforce each other in an ever-expanding credit bubble, even though the one is based in degrees of dire need and the other in exponentially increasing greed. And a like mutual reinforcement pertains between corporate debt and state debt: the political being yet another site of concretion, insofar as it represents the actual lives of millions of people. Thus, there ensued the near-deadly embrace of banks and sovereign governments that both caused the 2008–2009 crisis and was reinforced by it. Here one can note that national constraints upon economic operation can to a degree be neutralised by ensuring that states are permanently in hook to banks—encouraged by the financiers' playing upon government fears of a discontented populace, as in the case of recent handling of mortgages both in the UK and in the USA.

On the other hand, it remains possible in theory for states to call banks' bluff, since government bonds are the ultimate securities and their honouring depends upon the sway of political power, which unlike economic power is immediately as well as formally backed up by a monopoly of legal violence. Yet in recent reality, when the big banks have all miscalculated on their public and state securities, together with their own securities with each other, states have bailed them out without demanding systemic reform, for fear it would seem (one way or another) of rocking the system. Thus, more money has not been put into the pockets of worker–consumers; instead quantitative easing has granted more money to banks to print, lend and speculate upon. In this way the remedy to the recent crisis brought on by financialisation has only been to reinforce the tacit assumption that financialisation is the only correct solution to the capitalist meta-crisis. Of course this is now risking further financial emergency.

And to those who claim that the basic problem here is excessive state expenditure and borrowing, one must reply that the state is, as has been already argued, but one angle of a mutually constituted triangle that supports the vicious circle drawn round it. The other two angles are an indebted populace and an over-speculative banking system. None of these angles are a supporting original base of crisis, because government and private debt have ensued upon the economic and social problems (for example, inequality dictates increased government welfare expenditure) caused by neo-liberal practice in general. Meanwhile, excessive financial speculation depends upon popular compliance and government backing in terms of an increasingly economic definition of its own political task.

4 Capitalist contradictions of the economic

Capitalism does not represent the logic of the economic as such but rather one particular economic system, which acts out certain theoretical assumptions that are peculiar to liberalism (Michéa 2007), in particular the division of cultural symbolic reality into pure abstraction and pure materiality. Although financialisation drives the capitalist system to a new pitch of intensity, this occurs precisely through an exacerbation of this principle—a purer adherence to its implicit logic. This premise now demands further interrogation, but with specific respect to the way in which it tends to contradict, *not* dialectically (as for Marx), its own capitalist premise, but rather perversely the imperatives of human economy and exchange as such. Hence, the tensions of the present exacerbated crisis, as of any capitalist crisis are indeed tensions within capitalism, but more fundamentally they manifest contradictory tensions between capitalism and the common economic good. It is for this reason that the crisis is most ultimately a cultural and ethical one.

First of all, the dominance of abstraction is rooted in the tearing of culturally material things apart into a sign aspect, on the one hand, and an object aspect, on the other. This is unnatural, because the house I live in, for example, affords me at once material shelter, symbolic significance and emotional meaning. We naturally see everything in this integrated way. Yet our inherited capitalism depends for its very operation upon the separation of thing from sign. Thus, material things without meaning can be treated always as objects to be manipulated. When the land itself is treated like this, the surface of the earth threatens to become as naturally desolate as it is culturally desecrated.

Equally, when human beings are reduced to bodies without souls, they can be regarded as simply sources of labour supply. Even money itself, as Karl Polanyi realised, is treated over-abstractly (Polanyi 1968, 1977, 2001 [1944]). Instead of being regarded as an instrument of exchange that measures economic comparative value in accord with moral value, money is usuriously seen as something one should try to accumulate in its own right, and as something that can be validly bought and sold and used to constrain people's natural freedom of choice. In this way, genuine meaning floats off into the ether of sheer quantification, while material reality is cruelly wrenched away from all affective attachments.

However, the world goes round and round: if globalisation encourages this nomadic abstraction, it also increases the way in which abstraction must in the end relate back to the real material economy. For if you live on one globe, there is eventually nowhere to hide and even offshore tax havens afford no real refuge. Since we are embodied creatures, disembodied capital must in the end be securitised against material resources. Otherwise we have no way finally to guarantee its value, without which it loses its purpose.

Yet this scenario cannot be read in over-optimistic terms of an inevitable collapse of the virtual into the 'real' material world, or as the revenge after all of modern foundations over postmodern delusion. This might be the temptation of a certain simplistic Marxist materialism. Rather it is the case that bare materiality is merely the reflex of the enterprise of pure abstraction: once sacred symbolic value has been transmuted into exchange value, things stand naked to offer themselves only as the crudest, most detached sort of use values. Quite simply they become mere resources to be exploited for the extraction of further abstract value by whomsoever. Thus, abstraction takes the lead and this concomitant mode of 'materialisation' is indeed but a reverse consequence of its process, yet it is a consequence that always takes immediate effect and is clearly the negative aspect of abstraction's very possibility.

This fact is starkly advertised in the moment of primary accumulation (Perelman 2000), or the original bringing of things and people within the orbit of commodification. It marks a moment which not only stands at the outset but must later on be again and again resorted to for the enabling of capitalist increase, and today often takes the form of outright criminal seizure—whether in the Arctic, the Amazon or Siberia. That is why a 'global commons' is even more economically and ethically imperative (Ostrom 1990).

Thus, current securitisation on bare material resources is well symbolised by the ever-further reduction in dwelling space, which is a fundamental human need, to the nakedness of 'property' and 'real estate'. Although it serves to anchor pure abstraction, it does not really escape it, but only makes further entries in its shadow ledger of materialisation. These entries further appear to dissolve solid entities of resource and production into the ink of abstraction. Yet they can never be entirely written off in their concretion, and the more they are written up the more they are released into sheer insignificant corporeality. Nevertheless, the very reflex condition of ecological dereliction serves, and can be made further to serve, the primary drift to abstract accumulation of nominal wealth.

Therefore, recourse to material securitisation betokens no imminent collapse of the current system, which will no doubt treat even exponentially increased ecological hazard as an opportunity for an unprecedented speculative bonanza. Equally, every return to matter in order to find a fixable measure for monetary conjecture can only be temporary, since this very recourse must simultaneously evaporate the ground on which it temporarily treads. And so to reiterate, it is only human beings and not fate that can dissolve this spiral, if they should eventually tire of economic insecurity, cultural alienation and homelessness amidst nature.

Here we can see once again the sheer inadequacy of Keynesian and neo-liberal responses to the meta-crisis of capitalism. During the post-war reign of Keynesianism, governments intervened with a range of central measures: work programmes to generate demand, devaluation of the currency, modification of interest rates, nationalisation or subsidisation of selected industries, or the operation of a prices and incomes policy. But all these measures were undertaken mainly in the interests of governmental and capital power. They were not undertaken in order to render market exchange intrinsically more just and thereby less prone to conflict of interests and then in turn to instability. Similarly, following the neo-liberal revolution, governments expanded the reach of the market into both the public sector and the private sphere, and state welfare came to compensate for market failure. These reforms were not primarily in the interest of the individual but rather served those of the strong administrative state and the global 'free market'—with destabilising consequences for many parts of society.

Either way, such a consequence of conflict in whatever form seems inevitable, since the endemic lack of balance between return on capital and consumer demand is ultimately traceable to a lack of sufficient shared interest and perceived mutual justice between shareholders, management, workers and consumers. This is itself consequent upon two 'movements': one is the ever-increased appropriation by capital interests of extra-market resources, property and productive labour. The other is the ever-extended subordination of all substantive economic purpose to the accumulation of abstract wealth which thereby ever-further directs all accumulated human resources towards this sterile future end (Fraser 2014). The resulting lack of concrete common purpose and disparity of shared interest in economic growth ensures that a slow-burning struggle must ensue between different interests and classes.

For if we deny that we have anything concrete in common, then the common good will reduce to an abstract idea of aggregate wealth (Zamagni 2009)—just a big pile of numbers, with most of us assigned very few of them. But these numbers command, not a generous spread of shared resources and production, but rather an all too real but narrow material power of despoliation and power enforcement. For the dialectical inverse face of abstraction without content is matter robbed of meaning and actions of consent, which always takes a symbolic form. Capitalism certainly tends to commodify, to suppress the intrinsic value of everything in favour of its exchangeable equivalence. But equally, as the philosopher Nancy Fraser has pointed out (Fraser 2013, 2014), this same gesture leaves behind a residue of 'raw' items and of 'bare lives' (to echo Agamben 1998). That is to say, things and people removed from social exchange and moral evaluation altogether. This constant process of materialisation leads to a situation where the new oligarchs repeat capitalism's founding gesture of appropriation, but now through a despoliation, mutation and patenting of the earth's fundamental resources of mineral, flora and fauna. This process equally involves both the commodification of nature and its 'de-culturalisation', as in the increasing creation of 'edgelands' in the UK. In turn, that is linked to the extraction of surplus value through their role as dumping grounds for waste and saleability as sites for eventual exploitation.

It is for these three reasons that the struggle to bring about an ethicised market exchange, relating the abstract to the concrete, is equally and inherently a struggle to 're-civilise' the enforced and debasedly 'pure' material spheres of raw nature, raw power and bare material survival and reproduction (Pabst 2015). These spheres are (as Fraser has correctly contended) just as much (if not, as she alleges 'more basic') preconditions of capitalist operation as the extraction of surplus value within the sphere of production and exchange. Fraser rightly says that these factors render capitalism—like feudalism—an entire sociopolitical order. However, one might modify this by saying that primary stockpiling of natural resources, reduction of the political to the administrative and bio-political control—besides reduction of the household to minimal physical functions—are all simply *other* tokens of a general 'economisation' of the sociopolitical field. This is all the more true if one adds that the economic as originally 'household care' has itself been re-understood in modern times as something much more basely and apolitically functional.

But today this is no longer delivering the economic goods, even within the thoroughly debatable terms of a crude aggregation of public benefit based on private vice. For it turns out that the functioning of the capitalist market itself requires more cooperation and reciprocity than generally imagined. If you do not trust your colleagues even within your own firm or bank, then a kind of anarchy ensues. To contain that anarchy in private and public corporations—including hospitals, police forces and universities—we get increased top-down impersonal management of atomised individuals. But this auditing and homogenising process kills cooperation, tacit interactive process and creativity. In consequence, disgruntled members naturally try to exploit the bodies they work for and after all escape the reach of novel surveillance. All this is to the detriment of cooperation, innovation, productivity and shared valued.

What we are seeing here is increased de-professionalisation, or the abolition of any true reality of vocation. Working people have faced this for centuries: their guilds, self-regulating bodies and ownership of their own means of production, homes and workplaces, plus the right to organise their own time and labour were removed long ago (Black 1984). But now this long-term historical trend is hitting the middle classes also, as the emphasis on general transferable skills and the growing culture of technocratic managerialism across both the private and the public sector attests. But to reiterate: it is no longer clear that this de-professionalisation, removal of self-regulation and an ethical ethos governing work is a reliable means of wealth generation, even in capitalist terms of abstraction and aggregation—never mind any reasonable degree of wealth distribution. This is what the current meta-crisis of capitalism is really all about.

5 Conclusion: capitalism's meta-crisis

Since the 1970s Anglo-Saxon capitalism has been characterised by a concentration of wealth that is far more reminiscent of the late nineteenth century and the interwar period than at any point during the post-1945 period. The maximisation of profits by defeating workers' demands in the 1970s and 1980s did not prove effective for very long. Quite quickly, a lot of capital had nowhere to go and there was a need to boost demand again. The rate of oscillation of capitalist cycles seemed to be speeding up, tending to the coinciding coincidence of double deficiency of both return and demand which manifests as 'meta-crisis' the linear tendency of capitalism at once to abstract and to 'barely materialise', leaving a problem of correlation between money and the material substance of both land and labour power: a problem liable to ensue in the drastic correlation of exaggerated opposites (of heightened rarification of monetary sign and lowered reduction in material bodies) as exemplified by the subprime crisis.

More generally this drastic coincidence has been achieved through financialisation, or the complicity between the speculative loans and debts of the wealthy minority and the debts of the mass of the people (Crouch 2009). Apart from the economic exigencies which led to this new recourse, it has for capital the enormous advantage over increased wages that those in debt are socially disempowered and politically weakened. In this way the linear long-term tendency to abstraction, encouraged by the speeding up of cycles towards simultaneity is itself contingently encouraged by a novel cultural political interest in 'meritocratic extremism'.

Thus, financialisation involves (1) the long-term line of abstraction/materialisation; (2) the simultaneity of the economic vicious circle; (3) cultural reinforcement by the new monied 'aristocracy without honour'. The practical upshot of this triple phenomenon includes a dysfunctional banking system that hoards cash and restricts lending to big business and the rich, while the most indebted of the lower-income groups have had no choice but pay the usurious interest rates of payday loan companies. Their returns further anchor wealthy speculation only in order to allow it to become further unmoored from labour power, which is left abjectly confined to its own bare resources. In this manner, the triumph of artifice seems to return the mass of people to that 'state of pure nature' ('solitary, poor, nasty, brutish and short', in Hobbes' memorable words), which liberalism first fantasised as a false historical origin (Michéa 2007). Here one can suggest that this is a kind of economic version of his thesis that bio-politics tends to reduce people to 'bare humanity' (Agamben 1998).

However, financialisation is not 'the end of history'. Just as high wage demand tends to eat into profits, so, in the end debt-demand eats into the return upon capital in general. It is quite simple: someone has to pay up sometime, debts cannot be endlessly offloaded onto more and more fictional vehicles and so the doubled resort to debt by the few in terms of securitisation and hedging, in order to shore up capital returns in the face of too easy loans to the majority (as with zero-deposit mortgages, etc.) is not sustainable indefinitely or even for very long. Thus, one cannot really do without the final securitisation of the abstract on the concrete, on real profits and real wages derived from real production and consumption of things with use value, understood in however generous a sense. That is why there is the current impasse of capitalism.

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