



The promise and paradise of austerity

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review of

Konings, M. (2015) *The emotional logic of capitalism*. Stanford: Stanford University Press. (PB, pp. 184, £15.99, ISBN 9780804794473)

Certain questions dog progressive thought: why, in view of the manifest failures of financial capitalism, is its hold on our society stronger than ever? Why, despite the empirical evidence of foreclosures, vacant building lots and food banks are people unable to see the catastrophic consequences of current economic arrangements? How has neoliberalism emerged from calamity ever stronger (Mirowski, 2013)? Why, as Crouch (2011) puts it, will neoliberalism simply not die? With this slim book Martijn Konings, a scholar of political economy at the University of Sydney, sketches out an answer: that progressive understandings of capitalism have neglected its emotional logics – its therapeutic, traumatic-redemptive, even theological qualities – and failed to recognise our emotional investment in money, our belief in the social role of credit as an ordering, regulatory mechanism, and our need for the redemptive promise of austere, well-disciplined economy. Our commitment to these things, so central especially to the American polity, is such that with every disappointment and failure, capitalism becomes stronger than ever. The book sets out to rescue critical thinking about money and capitalism from the cul-de-sac of well-worn Polanyian narratives that emphasise the disembedding and destructive aspects of the market by presenting a double movement of Konings' own, showing how the 'distinctive qualities of human association' – morality, faith, power and emotion – have been subsumed into the logic of the economy.

Konings begins with money itself, exploring its semiotic, iconic powers. He considers, and dismisses, the existing – opposing – positions in thinking about money: on the one hand the Polanyian (2001 [1944]) tradition where capitalist money dissolves social ties and sets up cold, calculative abstractions in their place; on the other Zelizer's (1994, 2005) convincing demonstration that money is always embedded in specific patterns of social relationship. (In the latter case, he notes that certain characteristics of 'moneyness' must transcend these local settings and allow money to do what it does). He also dismisses the Marxist notion of money as an idol – 'a fiction that is autonomous itself and become reified into a material fact' (19) – for money resists this critique. As we go about our daily business we don't seem bothered by money being two things at once, an objective standard and a collection of symbolic attachments; for Konings, to view money as 'merely constructed' is to lose sight of its extraordinary facticity and semiotic power.

Konings proposes instead that we view money as an icon, capable of instantly communicating meaning and significance through the medium of itself. He theorises this iconic power as performative, where 'performative sociality is characterised by *both* complex relationality and the proliferation of multiple meanings *and* a high degree of stable social order held together by powerful public signifiers' (23). His argument follows Butler's (2010) discussion of the citational and self-referential capabilities of linguistic performance, proposing a fluid, reflexive and interactive performativity, one that establishes normative force only when it is subjectively meaningful and pragmatically useful (25). Hence we can begin to understand the paradox involved in the money icon, where its authority is dependent upon the relational networks in which it is set, yet its influence is 'organically embedded in the basic structure of our personality and character' (25). Performativity leads Konings to theories of power. He sees capitalism's authority as rooted in our subjectivity, and power operating through difference, its relationships characterised by volatility and unpredictability. In making this move, Konings invokes Agamben and Braidotti, Saussure and Deleuze; power modulates through plastic networks of effects that are imminent, generative and eventually causal (34). The real question, he concludes, is why 'moderns have generated more powerful sources of sovereign power despite having cut off so many regal heads' – it is *critique* of traditional forms of sovereignty that has allowed modernity to establish new and more potent forms of power (39).

The icon is central to the book's argument, and Konings offers an interesting, albeit compressed account of, the historical role of icons in ordering society. He argues that the icon was a metaphorical device capable of mediating between Earth and the divine. As such it served as the pivot of the economy – the orderly

conduct of the material things of God's earth. The icon becomes the central point in the symbolic infrastructure through which God's authority diffuses into the world. The early church, as Konings notes, distinguished between the necessary husbandry of the economy and 'chrematistics', the making of money for money's sake. While the Protestant revolution rejected such moneymaking as idolatrous, Adam Smith's secularised theology saw economic action as a generative force and recognized the possibilities for government embodied in the 'regulatory power and semiotic fertility' of money, all of which is manifested in the iconography of the invisible hand. In a final step Smithian capitalism fuses with the Weberian work ethic of Protestantism. Icons, for Konings, roll through history accruing semiotic density, symbolic and practical authority. The harder we kick against them, the more powerful they become:

Iconoclasm never annihilates the economy and its signs but rather forces transformation of our relationship to them...In this way they become ever more deeply embedded in the practices of everyday life accruing associations and gathering semiotic density...The fact that icons never deliver transcendence that they hint at does not lead us to question their efficacy but on the contrary means that they become all the more engrossing, captivating, and performative. (50)

Thus money came to represent the earthly life given by God, to be approached in a spirit of frugal austerity yet enhanced and enlarged wherever possible.

Having elaborated a theoretical basis for his arguments, Konings moves his analysis to America, and to the peculiar allure of austerity in the wake of crisis. Austerity, Konings argues, is a route to self-actualisation through the working out of God's economy on earth, and credit becomes democratised as part of a new, redemptive Republican regime, providing for the needs of the yeoman farmer, steward of this divine economy. So, for Konings, the Weberian critique of disconnectedness under modern capitalism is misplaced because novel subjectivities and capacities of this self are *constructed* through new forms of relationship and sociality; in fact, the Pragmatists and other early progressive thinkers were much impressed by the plasticity of capitalist society and its ability to set up and new forms of reflexivity and meaning. New forms of finance, consumer credit and everyday lending became regulatory devices and moral artefacts crucial to the state's organisation of human society. Credit is an icon too, an offspring of money that serves to produce practices, standards and modes of connectedness that performatively constitute the authority and symbolic density of money. Through these semiotic and regulatory mechanisms – and this is Konings' central, and most important, point – crises become points at which public anger inevitably calls for purification and deepening of the market order.

Neoliberalism, then, does not see credit as feckless or irresponsible. Quite the reverse: credit is an essential social technology. The mark of a good citizen is the ability to service credit reliably, responsibly and on an ongoing basis. In the 1970s and 1980s, as blue-collar America struggled to maintain its living standards in the face of the collapse of union power, redundancies and Reaganomics, the use of credit changed and 'revolving debt' became ever more common. Where the New Deal was predicated on the eventual cancellation, or least repayment, of debt, 'revolving debt institutionalised the possibility of acquiring a piece of the American dream, not by promising extinction of the principle but on the basis of indefinite penance' (109). The modalities of power spread through subjectivities as well as theological certainties: Konings argues that the growth of the financial self-help industry and associated media repeats and reinforces the affective content of the iconography of money. So the Oprah Winfrey show, that institution of American broadcasting, serves to underscore the legitimacy of wealth and the notion that possession of money is a reflection of spiritual worth. These capitalist logics provide means by which the hard-working individual living the anointed life of austerity may criticise and subjugate those perceived as lax or lazy; Konings finds in the Oprah Winfrey spin-off 'Dr Phil' a spectacle of judgement over moral (i.e. financial) traumas where the deserving and the undeserving can be separated.

Konings can't resist giving the poor, threadbare Polanyian critique a final kick, for it is 'unable to discern the distinctive spirit that lurks inside the neoliberal vision and the possibilities for social cohesion and political governance that this opens up' (114). Instead economy should be understood in the light of the traumatic/redemptive force of its iconic sign, as illustrated by the fallout from financial crisis. The discourse concerning the need for austerity that has arisen as a result of the crisis only serves to strengthen the hold of neoliberal governments over us. It was the bailout more than the crisis that angered 'ordinary taxpayers', and here's the rub: the sense of betrayal felt by those who ended up paying for the slackness and greed of the bankers only serves to reinforce the need for the restoration of order, intensifying our belief in the very structure that has just failed us. So we see the Tea Party fixated with austerity, aiming 'to restore an earlier, less decadent America founded on authentic Republican values, where the undeserving are not pampered with bailouts financed by taxes on hard-working citizens' (126). Certainly, Konings' thesis explains the messianic fervour of the GOP: economic austerity is redemptive, a source of moral strength and spiritual salvation. In the months since I completed this review, the rise of Trump and the crisis in the GOP has taken Konings' narrative in an unexpected direction.

As will by now be clear, Konings covers much ground in his 132 pages. I have not even mentioned the recurring psychoanalytic themes, which consider narcissism, albeit of an agreeable, defensive kind, to be the central condition of progressive thought, driven by perpetual insecurity as signs and institutions fail it again and again. I find these arguments less convincing, and not entirely necessary. The fascinating central claim – that neoliberal austerity is theologically inspired and written into the iconography of money – is sometimes obscured by the sheer breadth of Konings' argument. There are times, even, when readers might feel as if they have arrived at a fashionable party for the *criterati*. The celebrities are all here and nobody would be so impolite as to suggest that we have never met them before. Agamben, though an influential political theorist, may be a thinker less familiar to many who work in organisation studies or management (myself included). As Agamben's theological analysis of the modern constitution becomes increasingly implicated in Konings' account, I would have welcomed a little more content on his work. In a similar way, the theoretical arcs teeter on the brink of grand narrative: the icon moves from ancient religious artefact in the Eastern Church, through the Reformation, the birth of the New World, to the towers on Wall Street and beyond in the space of a few pages. This is not to doubt Konings' scholarship or ambition, simply to sound a note of caution at grand visions and causal narratives that span millennia. Synthetic histories are a tricky business.

There is, too, a flirtation with actor-network approaches. In the early stages of the book Konings depicts the economy as operating by translation and purification, enrolling actors and developing new relations, a process that involves the 'acquisition of skills, the ability to grasp a complex network of connections as a coherent entity, without having to retrace all the details of its historical emergence every time we encounter it' (3). I'm not convinced that Konings is a fully paid-up ANT, certainly not the way he tells his story of discourses, theologies and subjectivities, dealing with material processes at a relatively abstract level. Perhaps that's a good thing, for if Konings had embraced ANT seriously then his failure to mention – even cite – Michel Callon's (1998) account of the economy as performatively embedded in the networks and translations of economics, not to mention the flourishing field of market studies that has grown up after it, would be a serious omission.

As it stands, Konings follows a different route. His focus is on money, an icon that simultaneously occupies a place in our understanding as a powerful set of conventions and an everyday, objective fact. Critical approaches, he says, run the risk of doing money as 'merely constructed', and he does plenty to show us the richness and power of the semiotics behind that construction. It would be interesting, I think, to see these ideas linked to empirical studies of the social

construction of money and credit (e.g. Poon, 2007; Vargha, 2011), the role of affect in everyday economic arrangements (Deville, 2012; Moor and Lury, 2011; Roscoe, 2015) or of self-referential, linguistic performatives in the construction of markets (Cochoy, 2015). Nonetheless, it is clear that there are many opportunities for Konings' arguments to make a significant contribution to our empirical understanding of the performative construction of the economy. His book serves to remind those of us interested in the organization of markets and the economy of the extraordinary power of signs – of icons – and encourage us earthbound ANTs to look occasionally to the heavens.

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