Cultures of Circulation: The Imaginations of Modernity

Benjamin Lee and Edward LiPuma

The speed, intensity, and extent of contemporary global transformations challenge many of the assumptions that have guided the analysis of culture over the last several decades. Whereas an earlier generation of scholarship saw meaning and interpretation as the key problems for social and cultural analysis, the category of *culture* now seems to be playing catch-up to the economic processes that go beyond it. Economics owes its present appeal partly to the sense that it, as a discipline, has grasped that it is dynamics of circulation that are driving globalization—and thereby challenging traditional notions of language, culture, and nation.

There is a certain historical irony to the contemporary discovery of the centrality of circulation to the analysis of the globalization of capitalism. The anthropologist Claude Lévi-Strauss (1969) inaugurated what would later be called the "linguistic turn" by applying Prague School linguistics to the analysis of circulation and exchange in precapitalist societies; by focusing on the structural analysis of the "total social fact" of exchange, he sought to overcome the dichotomy of economy and culture that is characteristic of modern thought. In hindsight, it can be seen that his use of phonology as the model for structural analysis raised fundamental issues about structure, event, and agency that con-

We would like to thank Arjun Appadurai, Dilip Gaonkar, Moishe Postone, Michael Silverstein, Charles Taylor, Michael Warner, and Robert Gooding-Williams for their help in formulating this essay.

Public Culture 14(1): 191–213

tinue to inform poststructuralist discussions of performative identity. One result is that performativity has been considered a quintessentially cultural phenomenon that is tied to the creation of meaning, whereas circulation and exchange have been seen as processes that *transmit* meanings, rather than as constitutive acts in themselves. Overcoming this bifurcation will involve rethinking circulation as a cultural phenomenon, as what we call *cultures of circulation*. An expanded notion of performativity would then become crucial for developing a cultural account of economic processes.

If circulation is to serve as a useful analytic construct for cultural analysis, it must be conceived as more than simply the movement of people, ideas, and commodities from one culture to another. Instead, recent work indicates that circulation is a cultural process with its own forms of abstraction, evaluation, and constraint, which are created by the interactions between specific types of circulating forms and the interpretive communities built around them. It is in these structured circulations that we identify cultures of circulation. Our idea draws from a variety of contemporary sources, including Benedict Anderson's (1991) account of nation, narration, and imagination; Jürgen Habermas's (1989) work on public opinion and the public sphere; Arjun Appadurai's (1996) conceptualizations of cultural flows and "-scapes"; and Charles Taylor's essay, in this issue, on the self-reflexive creation of modern social imaginaries. But our project also harks back to classic anthropological work on gifts and exchange such as studies by Marcel Mauss (1967) and Bronislaw Malinowski (1966), and their updatings by Pierre Bourdieu (1977), Annette Weiner (1992), and Jacques Derrida (1992), as well as Marxist analyses of money and capital (Postone 1993; Harvey 1982). The broad range of this legacy suggests that developing a critical perspective on circulation will require moving beyond disciplinary boundaries and placing it in a conceptual space that encompasses some of the most difficult and troubling issues in contemporary cultural and philosophical analysis: self-reflexivity, performativity, indexicality, metalanguage, objectification, and foundationalism, to name just a few.

Cultures of circulation are created and animated by the cultural forms that circulate through them, including—critically—the abstract nature of the forms that underwrite and propel the process of circulation itself. The circulation of such forms—whether the novels and newspapers of the imagined community or the equity-based derivatives and currency swaps of the modern market—always presupposes the existence of their respective interpretive communities, with their own forms of interpretation and evaluation. These interpretive communities determine lines of interpretation, found institutions, and set boundaries based principally on their own internal dynamics.

The three social imaginaries that Taylor (in this issue) suggests are crucial to Western modernity—the public sphere, the citizen-state, and the market—all presuppose a self-reflexive structure of circulation built around some reciprocal social action, whether that action be reading, as in the case of the public sphere and nationalism, or buying and selling, as in the case of the market. The ideological prototype for such creative social self-reflexivity is that of the social contract, in which individuals engaging in the reciprocal performative acts of promising and agreeing create a quasi-objective social totality that then governs their actions. The effectiveness of the social contract as a foundational ideology for Western modernity stems from the fact that its performative construction of collective agency is a crucial aspect not only of modern social imaginaries, but also of capital itself.

The concept of performativity has been very prominent in contemporary discussions of personal and sexual identity. But it is another line of inquiry, comprising anthropological studies of ritual and magic (Tambiah 1985; Silverstein 2000) and exchange (Lévi-Strauss 1969; Bourdieu 1977; Mauss 1967; Sahlins 1972; LiPuma 2000), that suggests that something like performativity is crucial for understanding any system of circulation and exchange. The analytical problem is how to extend what has been a speech act–based notion of performativity to other discursively mediated practices, including ritual, economic practices, and even reading. What is interesting about performatives is that they go beyond reference and description—indeed, they seem to create the very speech act they refer to. More important for our purposes in this essay, they allow for language to "objectify" its own praxis. Produced by their self-reflexive objectification, performative acts can thus be seen to be a presupposition for the very cultures of circulation of which they are a constitutive part.

Our analytical focus in this essay is the performative constitution of collective agency and the implications of this performativity for the imagination of social totality. Alongside the notion of social imaginaries, as discussed elsewhere in this issue, we will examine the performative construction of capital as a self-reflexive temporal agency that, in concert with mutually created/creating sociocultural phenomena, motivates the circulation of social forms characteristic of the modern. Capital appears in two objectified forms—historically as abstract labor time and surplus value, nowadays as risk and finance capital—and gives rise to a fundamental and decisive conception of social totality whose underlying performativity appears in different domains in the form of social imaginaries. That is, capital's performativity surfaces in fetishized figurations, such as the collective agencies of the market, the public sphere, and agentive peoplehood ("We the people"), which in turn are necessary components in the drive to totalization characteristic of capitalism. Moreover, modern social imaginaries depend on an objectified conception of totality itself that is at once an essential and a fetishized moment of the totalizing impulse of capital.

In the work of Anderson, Habermas, and Taylor, the critical context and dialectical partner of cultures of circulation is the modern capitalist nation-state. These thinkers inaugurated an inquiry into what kinds of culturally circulated forms were necessary under conditions of modernity for the development of a production-based capitalism within a procedurally democratic nation-state. Their insights provide a crucial dimension to our understanding of circulation because the export and installation of these cultural forms—through the absorption of new territories by Western nation-states and the construction of relations of dependency—are a necessary cultural component of the encompassment of others (Appadurai 2000), the ensuing construction of alternative modernities (Gaonkar 1999), and the continuation of the encompassment of others on new terms in the era of globalization. Institutional forms such as markets and administrative bureaucracies instigate and feed off a dialectic between a continuing project of objectification and the production of the forms of subjectivity necessary to produce culturally/historically specific types of collective identity. They contrast sharply with the forms circulated in noncapitalist, non-nation-state "societies"; under capitalism, cultures of circulation take a special turn in that the forms appear as self-reflexively created social agents that move in objective secular time, independently of the character of a specific culture or the actions of individual subjects.

Imagining Circulation

For the Euro-American world and increasingly for the world as a whole, the public sphere, the modern citizen-state, and the market are the basic components of the social imaginary of modernity. For reasons both social and historical, they are the counterparts, in cultural circulation, of capital in its emergence as the driving, self-reflexive subject of social life. In this capacity, they shape new forms of subjectivity and identity that are grounded in the everyday, in the habitus, through their inscription in specific social practices such as rational calculation, reading, and democratic voting—all of which require the development of requisite supporting institutions, whether they be coffeehouses and publishing firms or clearinghouses and banks.

It is usual for the citizens of a democratic nation-state to think of the three modern social imaginaries—the public sphere (public opinion), the citizen-state ("We the people"), and the market—as collective agents, created by the actions of the participants and moving in secular time. The performative dimension to each imaginary is located in a new form of collective agency through the coordination of specific social actions. These social actions can be approached as examples of what Charles Sanders Peirce (1960: 111) called "indexical icons," each of which contains a representation of the totality it is a part of. In Peirce's illustration, someone draws in the sand a map of the beach on which he or she is located, including the very map itself, and in the map there would be a map of the map, ad infinitum, in a telescoping of self-reflexivity. A full-blown performative is this figuration taken one step further: to draw the map is to create the beach. Stanley Tambiah (1985) extended Peirce's notion to describe ritual and magical actions. In Tambiah's analysis, the sequence of acts that constitute a ritual—especially one that engages the whole society, such as a coronation or a high-status marriage—often produces a microcosm of the very social totality it is supposed to invoke and bring into contact with the mundane world. In other words, the ritual process creates an instantiation of the very macrocosm it represents.

A performative would thus be a special, creative type of indexical icon: a self-reflexive use of reference that, in creating a representation of an ongoing act, also enacts it. From the standpoint of linguistics, performatives involve a delicate calibration between indexical and nonindexical structures of language, or between what might be termed "subjective" (first-person) versus "objective" (third-person) perspectives on discourse. These distinctions can be made not only in the case of discrete speech acts, but also at the level of genre. As Emile Benveniste (1971) has pointed out, "objective" genres, such as scientific and historiographical forms, tend to minimize the use of indexicals; on the other hand, as Mikhail Bakhtin (1984) emphasized in his work on "metalinguistics," indexicality and meta-indexicality lie at the heart of narration and the novelistic representation of subjectivity.

The extension of performativity beyond the level of the speech act to those of ritual, the interplay of genres, and even the process of reading provides a crucial insight to how self-reflexivity and circulation interact. The objectification of certain types of discursively mediated actions can provide the performative basis for complex cultures of circulation. For example, in the case of the public sphere and nationalism, critical aspects of the construction of these social imaginaries can be identified in what might be called a performative ideology of reading and discussion. In Anderson's (1991) account, readers of narratives disseminated translocally through print identify with both the audience addressed by the narrator and the narrated-about characters, and become aware of the existence of like-minded readers who share similar identifications. The "We" of nationalism is the tropic embodiment of these two identifications. Each act of reading is thus an indexical icon of the community that it performatively instantiates and re-creates (Silverstein 2000). From a Marxian perspective, the fetish is none other than the act of shared imagination in which agents apprehend, cognitively and precognitively, that the mutuality and performativity of their actions across a variety of domains is what produces society.

Both the citizen-state and public sphere can thus be seen as self-reflexive collective agencies created by an interplay between language and language about language—that is, metalanguage. The social imaginary of the market, on the other hand, combines buying and selling with formalized models of contract and exchange. According to Marx, the commodification of labor by objectified forms of financial calculation and time reckoning produces a dialectic of temporality and metatemporality, between concrete labor time and abstract labor time, that has an intrinsic dynamic of self-valorization and self-expansion. This dynamic expresses itself through a drive for totalization, for incorporating and transforming other societies in its own image—even as, in its creation of new versions of social totality, it creatively destroys itself. Marx's key insight, following Hegel, is that modern capitalism has two *performative subjects*: a self-reflexive subject constituted by value (abstract labor time) that is the "deep structure" of capital; and a fetishized locus of self-reflexive collective agency in the social imaginary of the market, ideologically connected to the public sphere and citizen-state through such notions as the social contract.

The Imaginary of the Market

Both the imaginaries of the public sphere and the citizen-state have first- and third-person, performative and constative components, as the terms *We* (first person, performative) and *the people* (third person, constative) suggest. The market is, however, different, in ways that are significant for understanding the relation between capital and the modern image of how the economy functions in society. Members of capitalist economies almost invariably think of "the market" as a third-person collective agent, to which first-person agents, such as "We the investors," respond but do not necessarily identify with. The covert asymmetries of agentive verbal ascriptions reflect this relationship. Thus, "the market" can *act*, *indicate*, *warn*, *hesitate*, *climb*, and *fall*, but is usually not able to take second-order verbs such as *reflect*, *assume guilt*, or *take responsibility* in the ways that a national people might.

In addition, investors think of the market as so fraught with risk and uncertainty that they deem it prudent and wise both to try to predict the action of the market and to deploy various investing strategies designed to reduce risk and uncertainty. Paradoxically, because the market by its nature leaves them uncoordinated, the interactions among these strategies can result not only in increasing the risks the strategies were meant to minimize but actually in creating new ones. As George Soros (1995: 311), the dean of hedge fund managers and thus an important player in the world of financial capital, puts it: "The generally accepted theory is that financial markets tend toward equilibrium and, on the whole, discount the future correctly. I operate using a different theory according to which financial markets cannot possibly discount the future correctly because they do not merely discount the future, they help to shape it."

The bifurcation of first-person and third-person agentive perspectives on the market is, of course, attributable to the mathematical and statistical nature of market transactions. In the citizen-state, the statistical enumeration of the population and the controlling of risk are subsumed within the first-person collective national identity. In the liberal state, the "We the people" of democratic institutions manage risks such as environmental hazards, nuclear warfare, or disease and illness via collective decision making. In the case of the market, the different and decentralized acts of buying and selling produce risk; market-focused institutions, such as clearinghouses, oversight committees, and mandated insurance, control a certain kind of risk by eliminating the possibility of default by a legal individual, but there is a clear line between the strategies of individual investors and the purported collective agency of the market. Financial indices, such as those operated by Standard and Poor's, Nasdaq, and Dow Jones, and the extraordinary emphasis that the media and the investing public place on them, reinforce the image of the collective agency of the market—this in marked contrast to early stock markets that had no averages, only listings for individual companies. That the public, from professionals to observers, uses these averages to determine the health of the economy, the strength of stocks generally, and the performance of the participants further reinforces the notion of animated and self-defining collective agency.

When we talk about "the market" today (at sites ranging from ordinary conversations to newspaper headlines), we usually mean the stock market and its counterparts. But this was not always the case. For most of mercantile history, "the market" designated institutions for exchanging valuables, commodities, and services. The stock market and its parallel institutions, such as commodity, options, and currency markets, are all part of what Marx would have characterized as nonproductive wealth; they produce wealth in the form of money but do not implicate productive labor. They therefore are not part of the mechanism for producing surplus value, but rather enable its distribution. Stocks and derivatives, in Marx's account, have no "value" per se.

At the same time, society is increasingly described in economic terms. Louis Dumont (1977) argues that while Adam Smith and other Enlightenment economists began to describe the economy as an autonomous, self-regulating system, it was Marx's labor theory of value that first explained society in terms of economic practices. In effect, Marx unifies two models of collective agency, one derived from economic discourses such as those of the Physiocrats, Smith and David Ricardo, the other from the social contract–based models proposed by Thomas Hobbes and John Locke. The French philosopher Jean Hyppolite sees the Hegelian dialectic as having its origins in Adam Smith and locates the crucial link in Hegel's transformation of Smith's "invisible hand" into the cunning of reason, a dialectic that opposes the aims that the individual sets up and the ends achieved. Hyppolite (1969: 76–77) writes: "It was in the course of tracing this concrete dialectic through the whole of human life and then translating it onto a logical plane that Hegel struggled to reconstruct the very notion of dialectic. . . . the course of the world is the outcome of the interaction between individuals which constitutes a universal individuality."

The contract exchange model represents the point of overlap between Smith and the social contract theorists. In Marx's hands, this will become the "objectified" surface model of human relations in capitalism, a particular moment within a larger, dialectical conception of social totality. Using Hegel's account of self-reflexivity, Marx creates a model of collective agency in which objectification and fetishism embed a third-person perspective on exchange relations within a first-person dialectical model of social totality. In his account of the fetish, Marx describes how capitalist societies treat relations between persons as if they were relations between things. Commodities are the product of the social mediation of labor, but this is disguised by the market; the money form objectifies all commodities by giving each a market price that appears to be a quasi-objective property of the commodity—independent of its origins in productive labor (value as abstract labor time). Price is thus the (third-person) objectification of value; yet it is precisely value, as abstract labor time, that is the self-valorizing subject of capitalism; the identical subject-object that, in positing itself, self-reflexively creates itself.

As is clear in numerous references in the *Grundrisse* and the opening volume of *Capital*, the model for such an identical subject-object is taken from Hegel's

Logic. In volume I of *Capital*, Marx shows that circulation can animate a drive toward social totality under specific historical circumstances: when labor itself becomes a commodity on the market. The totality is constituted by value, realized as abstract labor time, and is characterized by an internal dynamic that, in its "unfolding" or "self-positing," self-reflexively constitutes itself. Marx derived these properties of self-reflexivity and self-positing from Hegel's account of spirit (*Geist*) and concept (*Begriff*), both of which the latter had developed from a philosophical analysis of the first-person pronoun; indeed, Hegel's reasoning here had carried him so far as to argue that the free and concrete realization of the concept was none other than "I," or pure self-consciousness. Marx famously inverted the Hegelian position in order to relocate the dialectic in social reality. Thus, for Marx, the integration of first-person and third-person perspectives does not result in a transcendent point that anchors social totality, but instead produces a sociohistorically specific performative subject that produces the *notion of totality*.

Dumont observes that although Smith gave the first account of the internal consistency of the economy by linking individual and general interests, it was Marx who conceived of capitalist society as a self-organizing totality. Marx grasps that capitalism completely redefines the categories of value, social relations, and the commodity in its striving toward totality. Yet in so doing, he deploys the full Hegelian armature of self-reflexivity and self-reference to construct a historically specific identical subject-object. This identical subject-object emerges in a social formation that already has a commodity as its money form—that is, in a society in which money is the medium of exchange and the measure of value and in which labor power has become a commodity in the form of wage labor. The latter condition presupposes both a market for labor and a contract model of exchange.

> Labour-power can appear upon the market as a commodity only if, and in so far as, its possessor, the individual whose labour-power it is, offers it for sale, or sells it as a commodity. In order that its possessor may sell it as a commodity, he must have it at his disposal, he must be the free proprietor of his own labour-capacity, hence of his person. He and the owner of money meet in the market, and enter into relations with each other on a footing of equality as owners of commodities, with the sole difference that one is a buyer, the other a seller; both are therefore equal in the eyes of the law. (Marx 1976: 271)

In capitalism, according to Marx, labor is a self-reflexive, self-constituting subject. It is the only commodity whose use value possesses the property of producing value. The value of a commodity is the socially necessary abstract labor time needed to produce it. When labor is a commodity, a certain amount of labor time is necessary to produce it (i.e., the worker); the goal of capitalism is to produce a surplus between the value necessary to produce the labor power and the value produced by it.

Non-Capitalist Circulation and the Social Imaginary

The Western imaginaries of the public sphere, citizen-state, and the market all have explicit connections with social contract models of society. Against the backdrop of a "state of nature," individuals exchange promises and create a transcendent power to govern the social totality they create. This act of promising embodies the performative creation of society. The contract objectifies the result of first-person agreements as a "we" that then becomes the object of future identifications. In Marx, the commodification of labor via the contractual conditions of the market is what produces value as the performative subject of capitalism. Marshall Sahlins draws out the implications of this interplay between first- and third-person perspectives and the creation of social totality in his comparison of Marcel Mauss's work on gift exchange and the Hobbesian social contract model of the creation of the state. In both cases, exchange creates peace and constitutes a particular form of society; as Sahlins (1972: 168) puts it, "In place of Hobbes's war of every man against every man, Mauss substitutes the exchange of everything between everybody." But Sahlins notes a critical difference. In Mauss's case, the reciprocity between exchanging parties does not "dissolve the parties in a higher unity, but correlating their opposition, perpetuates it" (70). In Hobbes's case, the exchange of promises creates a transcendent authority, the sovereign or sovereign state, which subsumes the individuals within it. The sovereign is a third-person authority that transcends the "I-You" exchanges of promises that constitute it; the sovereign is not one of the parties of the contract that creates him as sovereign.

By contrast, in gift-based societies, there is no transcendent surplus. Surpluses are given away in agonistic ceremonial displays or ritualized gift-giving, or are the subject of constant redistribution. Moreover, because gifts encode culturally and historically specific modes of sociality in which gifts are aspects of agents in their relations to others, their trajectory is to transform one social relation into another. Relations of kinship and community are simultaneously canonically presupposed and indexically recalibrated in the performance of giving gifts. In economic and social terms, gifts neither presuppose a totality nor are necessarily instrumental in creating one. In a word, the existence of the *social* does not necessitate *society*. There is no necessity to reify the social as society except—crucially—under capitalism (LiPuma and Postone n.d.).

It is not surprising then that in the work of Mauss, Malinowski, and later commentators, the circulation and exchange of gifts and valuables presuppose and create the exchanging groups, but there is no transcendent "view from nowhere" that allows its participants to name, much less agentify, the totality of exchanges. Despite his repeated attempts, Malinowski could not elicit from his Trobriand informants any kind of objectification of the cycle of gift exchanges known as the "Kula ring," even as they described the different paths through which *kula* might circulate. Positing a typical Trobriand Islander, Malinowski (1996: 83) writes: "If you were to ask him what the Kula is, he would answer by giving a few details, most likely by giving his personal experiences and subjective views on the Kula . . . for the integral picture does not exist in his mind; he is in it, and cannot see the whole from the outside." There is no transcendent view from nowhere, and thus the imagination of totality plays no role in the meaning of an exchange or in the intentionality of the participants.

It is also a well-known phenomenon that in many noncapitalist forms of sociality, first-person plural identities are easily ascribed to clans, moieties, or group segments that can also be given a proper name or totemic designation; however, there will be no third-person auto-designation, such as a proper name, for the group as a whole (Urban 1996). Such auto-designations for the group are, in reality, characteristically produced in the context of encompassment, when local agents begin to interact and exchange with others whose habitus is the social epistemology of capitalism—for example, colonial officials, missionaries, expatriate entrepreneurs, and anthropologists (LiPuma 2000).

From these observations, we can begin to draw some interesting contrasts. In social systems dominated by gift exchange, there is no transcendent view of the social totality constituted by exchange. The capitalist notion of value that makes a striving toward totality possible is absent as a condition of the production of gift-based sociality. From an external perspective, the kind of totality constituted by gift exchange consists of homogeneous units differentiated by the exchange process, but from the point of view of the exchanging groups, other units appear different and heterogeneous. Within the contract model of exchange, by contrast, the social totality appears as a homogeneous agency that subsumes individuals who are in principle unique; at the same time, these transcendent homogeneous agencies are seen as mutually differentiating. Examples of this opposition are the modern citizen-state that is transcendent with respect to individual citizens but differentiated from other nation-states, or capital conceived as abstract labor time with respect to the particularities of use values, but differentiated from other, "competing," capitals.

The three social imaginaries of the public sphere, the citizen-state, and the market (capital) all require a third-person objectification of a transcendent "surplus" and a subsequent first-person "we" identification with it in order to generate their particular forms of self-reflexively constituted collective agency. A classic example is the Rousseauian notion of "the people," in which persons give up their freedom as individuals to create a greater, collective freedom. In the case of Marx, the "substance" whose mediation provides the very basis for value is time; abstract labor time is created in and through exchange, but becomes realized in practice only in a society in which labor is a commodity and commodity production has become so generalized as to subsume and preempt relations based on kinship and community.

By contrast, Pierre Bourdieu (1977) argues that "time itself" is the pivotal factor that "splits" the vision of social totality in social systems defined by the exchange of gifts. Here, the prestation and its reply/return must be separated by an interval of time. To reply immediately to a gift with a countergift is to insult the giver, to nullify the gift by treating it as though it were a commodity exchange between strangers; such an exchange is thus situated on the frontiers or margins of sociality. The interval between gift and return provides the basis for strategy, for the exercise of timing and the calculation of symbolic, as differentiated from economic, capital. The preconceptual structures of the habitus provide the phenomenological base for what from an objective perspective is a "misrecognition" that is constitutive of the social totality of exchange. The systems of reckoning time are also preconceptual; not the infinitely divisible, empty, homogeneous time of modernity in which all events take place, but the varying periodicities of seasonal and diurnal temporalities that intersect with indexically calibrated spatial patterns. Yet, even more important, if such circulations and exchanges are actually constitutive of the exchanging groups, then the temporal delay is also what creates the groups themselves and the social totality of exchange. In the final analysis, particular and particularistic modes of sociality—ways of constructing social units and imagining their integration—are intrinsically linked to a mode of temporality that is heterogeneous, contextual, and immune to any uniform standard of measurement.

Bourdieu's insights allow us to see more clearly what is revolutionary about Hobbes's social contract theory. By insisting that all the participants have to promise mutually and reciprocally to give up their right to everything, Hobbes annuls the temporal separation of giving, receiving, and exchanging that is at the heart of Bourdieu's analysis. At the same time, this simultaneous and reciprocal act also creates a surplus of authority that is the foundation for the authority of the sovereign. What is unconsciously separated in gift exchange is consciously aggregated in the contract.

Labor, Time, and the Derivative

In contrast with the case of precapitalist societies, it is exactly the contract model of exchange and the infinitely divisible and measurable time of modernity that Marx presupposes in his account of capital. The infinitely divisible continuum of price (money as a measure of value) mediates exchange (money as the medium of exchange) and becomes analogically projected onto productive labor itself, thus allowing labor time to be measured and given a price, that is, allowing the calculation of the value of labor power. Unlike concrete labor time, abstract labor time is infinitely divisible and denumerable and presupposes the existence of formal modes of calculation and measurement. When labor power becomes a commodity—that is, when wage labor becomes a necessary part of the production of commodities—the conditions have been set for the creation of surplus value, or capital. Capital creates a social totality that is in constant motion, that constantly destroys itself in creating and expanding itself, a dialectical dynamic that Moishe Postone (1993) describes as a "treadmill effect" particular to capitalism.

According to this reading of Marx, increased productivity increases the amount of value produced per unit of time until this productivity becomes generalized across the economy; at that point, the magnitude of value derived in that time period, because of its abstract and general temporal determination, will fall back to its previous level. The cycle of increases in productivity, followed by a return to the preexisting level of value formation, compels even those producers who had resisted adopting these new methods to do so (Postone 1993: 290). If the amount of labor time expended in production in a given society is held roughly constant, this treadmill effect of competitive productivity produces an increasing disparity between value—in the form of abstract labor time—and material and monetary wealth, a contradiction that intensifies as capital expands.

But does Marx's equation of abstract labor time, self-reflexivity, and collective agency still hold in an age of post-Fordist finance capital? The answer depends on the degree to which his "ethnography of value" in capitalism still holds true. There has been a major transformation over the last twenty years in the relations between finance capital and labor. From 1983 to 1998, daily trading in currency markets grew from $200 million to $1.5 trillion, with 98 percent of the 1998 figure intended for speculation; the growth was due in great part to the use of complicated currency derivatives. Trading in derivatives grew 215 percent per year from 1987 to 1997, and by the time of the Asian market crash in 1997, the annual value of traded derivatives was more than ten times the value of global production.

Derivatives are financial instruments that derive their monetary value from other assets, such as stocks, bonds, commodities, or currencies. The peculiarity of all derivatives is that they give individuals the right to buy or sell certain assets by a specified date. For example, one might purchase a call option for $500 to buy one hundred shares of IBM at some future date for $100 a share—the strike price. If at that future date IBM shares were valued at $120, the buyer would realize a profit of $1,500 ($2,000 minus the $500 option) on the initial investment of $500, for a 300 percent profit. A direct purchase of one hundred shares of IBM at $100 per share and sold at $120 would yield a profit of $2,000, but the rate of return would be only 20 percent of the initial investment of $10,000. Thus, for the price of an option, investors can partake in the profit (or loss) that might be realized in the value of the underlying assets without the cash layout required by direct purchase; the difference between the price of the underlying security and the strike price, and the price of the option is a measure of the leverage that derivatives provide. In addition, with an option, an investor's risk is limited to the price of the option, no matter what happens to the underlying security.

Originally used exclusively to hedge risk, derivatives have now become speculative instruments that circulate in their own universe. At the same time, derivatives represent a *metalevel* with respect to their underlying assets, a metalevel created by the fixed temporal interval in which they are exercisable, a fact captured in the famous Black-Scholes equations for pricing options (Black and Scholes 1973; these equations are examined in some detail further on). Besides leverage, options allow investors to create profitable positions that rely only on the volatility of the underlying security; for example, by using options strategies such as straddles or strangles, one can make money whether the stock goes up, down, or nowhere in price.

The advent of this new financial order might reasonably be dated at 1973. That year marked the end of the Bretton Woods agreement and of the gold standard, which cut currencies loose to float; the Middle East oil crisis, which signaled the declining influence of Fordist production on the U.S. economy; the creation of the Chicago options exchange, the first institutional market in the United States specializing in options trading; and the discovery, or invention, of the Black-Scholes equations governing price options and other derivatives. If we look at this nexus more closely, we can see a transformation from Marx's production-based dynamic of self-reflexivity, time, and labor to a metatemporally based dynamic of circulation. The demise of the gold standard and Fordist production, and the concomitant rise of economic globalization, represent a significant shift from Marx's account of capital.

In one sense, the three volumes of *Capital* could be said to have presented the "deep structure" of capital, unfolding it as a dynamic, self-reflexive subject that creates a specific type of social totality. On the other hand, *Capital* is also a socio-historically specific account of nineteenth-century English capitalism. Although the totalizing dynamic may be characteristic of any society in which there is a money equivalent, commodity production and exchange have been generalized, and labor is a commodity, Marx abstracted his formulation of capital from specifically English economic data and institutions—as, for example, with the specific forms of land rent and finance analyzed in volume 3. If we situate England within a global system of production, circulation, and consumption (Arrighi 1994; Frank 1998), globalization can be seen as the process of the integration and differentiation of multiple, alternative, and competing capitalisms, each subject to specific local, regional, and historical contingencies.

The globalization of capitalism builds upon and transforms preexisting global circulations and, with the decline of colonial regimes and empires, increasingly expresses itself as a competition between national capitalist economies whose strength is represented by their currencies. The end of Bretton Woods effectively decoupled national identifications (e.g., the U.S. dollar) from a fixed, universal equivalent in gold. Pegged exchange rates became increasingly difficult to maintain in a period of capital mobility inaugurated by the huge productivity gains and trading surpluses of countries such as Germany and Japan.

Of course, floating currencies introduced a new level of risk into the system, and it was within this newly volatile environment that currency derivatives began to play an increasingly important role as hedges, as the explosion in their use indicates. However, Marx's analysis affords no place for these new financial instruments. Derivatives would be valueless in his scheme, since they "derive" their monetary worth from assets that Marx had already located in the sphere of the distribution of surplus value rather than in production. But the fact is that the value of derivatives is created by their expiration at a fixed date—they could be said to "punctuate" the temporality implicit in their underlying assets—and as such they correspond to a metatemporal level. Within the speculative uses of derivatives, there develops an internal dynamic of competition, but the temporal measure appears to be the inverse of Marx's formulation of abstract labor time, which holds that more time expended produces more value. Instead, the invention of increasingly complex derivatives, the secrecy surrounding them, and the development of speculative strategies specifically designed to take advantage of arbitrage opportunities that quickly close as they become known (see Lowenstein 2000 for an account of strategies pursued by the firm Long-Term Capital Management) generate an internal dynamic that exhibits many of the characteristics of the treadmill effect of abstract labor time—but now in the sphere of "value-free" circulation.

In their hedged uses, currency derivatives can reduce risk by locking in a fixed exchange rate over a specific time period, thereby stabilizing costs for raw materials and other commodities. Though such currency fluctuations may be rather small in absolute terms, the enormous leverage provided by options such as these allows these fluctuations to be multiplied many times over and thus worth speculating on (in the case of Long-Term Capital Management, the leverage ratios exceeded 100 to 1). Currency hedging reduces individual risk by sharing and redistributing that risk, thereby increasing the convertibility and global mobility of capital. In fact, what is increasingly "objectified" in both hedged and speculative uses of derivatives is nothing other than risk itself.

Is there anything in the nature of derivatives that corresponds to value or abstract labor time and that might have a corresponding dynamic? A possible answer seems to lie in the aforementioned Black-Scholes equations, which are used to price derivatives. Formulated by the economists Fischer Black and Myron Scholes in 1973, these equations provide the standard method for pricing the relations between risk and temporality. Key factors in the formula are the asset price, the strike price, the risk-free interest rate, the time to expiration, and the volatility of the stock price. *Volatility* is a measure of the uncertainty of the returns provided by the stock: the greater the chances of the underlying stock or asset moving higher or lower over the time period of the option, the higher the price of the option. Volatility is thus a measure of risk, and derivatives can be used to control this risk through hedging or speculating on it using the leverage enabled by the fact of their expiration.

The fixed expirations of derivatives create a close-ended metatemporal level with respect to the more open-ended temporality of the underlying assets that also makes possible the leverage necessary for hedging and speculation. Currency hedging enhances the intertranslatability of currencies and capitals, while speculative practices increase both the quantity and velocity of the capital produced and a concomitant demand for its mobility. Increasing the mobility of capitals requires their interconvertibility, which in turn increases the need for hedging. In short, the structure of derivatives creates a break with the classic relationship between finance capital and value proposed by Marx; derivatives allow circulation to have a self-reflexive dynamic that parallels that of value but is distinct from it. Postone's image of the treadmill is applicable to this new dynamic that comes to characterize finance capital: a dynamic of constant expansion, in which labor's place is taken by risk.

Self-Reflexivity, Circulation, and Exchange

We can now begin to see how self-reflexivity, circulation, and exchange interact to create different types of collective agency. In social economies based on exchange and gifts, figurations of collective agency combining first-person (we) and third-person (discrete groups' proper names) designations may identify particular exchanging groups within the totality constituted by exchange, but there is no objectified "economic" surplus; nor is there an objectified limit to sociality, a boundary for the production of social totality. In classic social contract models, the existence of an objectified surplus within a self-limiting social entity provides the resources for collective identification. Yet almost all of these models are founded on concepts of communities of transacting individuals who alienate their property through the process of exchange—a distant cry from the types of societies that have dominated the anthropological literature.

The notion of exchange deployed in modern contract theory stands in relation to that of noncapitalist economies as the commodity form does to gifts. The creation of transcendent collective agencies built around homogeneous cores (essentialized notions of language and ethnicity) excludes other societies—even as international trade between them grows. If the first imaginings of the nation required the global circulation of printed material, the spread of print capitalism relied no less on a host of financial inventions: the joint stock company, double-entry bookkeeping, letters of credit, cost-benefit analysis, and corporate bonds, not to mention the modern transnational corporation (Poovey 1998; Arrighi 1994). By the end of the nineteenth century, the statistical enumeration of national populations (the first national U.S. census was held in 1790 for the purpose of determining the electorate and became a model for future statistical surveys) had come together with modern economic science to create the idea of competing national economies. If we trace the concept of modern collective agency from its origins in the American and the French Revolutions, through German idealism, Marx emerges as a crucial figure in linking mathematically measurable economic categories with the construction of a notion of social totality: in

Marx, capital as abstract labor time replaces Hegel's *Geist* as the subject of history (Postone 1993). Though now presupposed in academic and public discussion of social or economic policy, the statistical elaboration of social categories is a relatively new phenomenon; from a cultural and historical standpoint, the very separation of economics and culture (or the concomitant figuration of culture as rational choice writ large) can be seen to depend on the idea that social phenomena, such as class, race, and ethnicity, are statistical in nature — an idea that is itself the product of a long, historically contingent development (Hacking 1975; Stigler 1986).

Marx joined two hitherto separate lines of argument. The first was the idea of the economy as an autonomous, self-regulating system; the second was that of social contract theory and its arguments about social totality. In his inversion of Hegel, Marx posits a new relation among circulation, exchange, and self-reflexivity in which an objectified third-person structure of exchange — created by *price* — is embedded within a larger, self-reflexively constituted "subject," or *value*. This structure relies on a dynamic tension between price and value and occupies a sociohistorically specific conjunction among labor, exchange, and objectified forms of economic and mathematical calculation. Seen from a larger historical perspective, Marx's ethnography of capitalism uncovers a self-propelling treadmill structure to capital that manifests itself in different permutations in different societies; globalization is the process of the integration and differentiation of competing and alternative capitalisms by this dynamic. The contemporary decline of the nation-state as the relevant unit of analysis for global capitalism is reflected in two distinct circulatory movements: the increasingly transnational character of labor and the global mobility of finance capital.

With the acceleration of the mobility of capital by new communications technology (brought about, in no small part, by the mobilization of much capital to accelerate technology) and the invention of complex derivative structures (which represent, in no small part, capital's adjustment to new technology), the leading edge of capitalism is no longer the mediation of production by labor, but rather the expansion of finance capital. Capitalist social relations are no longer only mediated by labor, but also by risk. For these new financial instruments assume that particular forms of risk, no matter how incompatible or historically independent (e.g., that a software program will gain end-user acceptance *and* that corporate interest rates will remain steady during the introductory phase of its marketing), can be aggregated as an abstract form, determinable by mathematical calculation; combined within a single derivative; and then distributed to speculators, many of whom have collateralized their payment by making other wagers in the reverse direction (arbitrage). The circulation and redistribution of risk is also accentuated by the fact that corporate entities have a fiduciary responsibility not to assume their own risk with respect to capital and its monetized circulations.

The demise of the gold standard revealed the existence of multiple and competing capitalisms, as represented by the floating of national currencies against one another. The development of complex derivatives to hedge the risk of floating currencies has enhanced the intertranslatability of different finance capitals, increasing their mobility and expansion at the same time that their sale and speculative use create ever-expanding pools of finance capital. Just as the genesis of the modern social imaginaries of the nation, the public sphere, and the market was accompanied by the progressive creation of institutions such as national banks, which effectively extinguished local forms of money by establishing national currencies, and Security and Exchange Commissions, which in like fashion extinguished local forms of stock certification—so, too, the (post)modern transformation of social imaginaries is being accompanied by the emergence of intertranslatable transnational forms.

The metatemporal structure of derivatives marks a significant break with the temporalities of production that lie at the center of Marx's analysis of capital. It produces the leverage that makes the speculative uses of these instruments possible. Yet it is these very uses that increase the contradiction between value and wealth and have produced a situation in which it seems increasingly impossible to see how, even in the final instance, *value* could determine *price*. If productive labor once constituted the "reality" of the economy, in the age of finance and speculative capital it seems that instead of the economy driving the markets, the markets are driving the economy.

Circulating a Conclusion

The contemporary processes of globalization demonstrate that capitalism, in its cycles of creative destruction and resurrection, has again reinvented itself. It is in transition from a production-centric system to one whose primary dynamic is circulation. The process is occurring with unprecedented speed—an acceleration that is intrinsic to this reinvention. Marx's findings were developed in an age of industrial capitalism; simply to apply them to contemporary conditions is to leave an increasing inventory of events, phenomena, and socioeconomic relations unaccounted for. Derivatives, especially those having to do with currency exchanges, are one of a number of powerful examples that demonstrate the ascendance of these new structures of circulation. Production-based labor—the combining of materials, machines, and workers to produce commodities—is being displaced and dispersed. The labor that increasingly drives the system today is of a sort that has no value in a strictly production-based account.

Production-driven competition harnessed technological innovation as the integral mechanism for driving capital; a circulation-based capitalism harnesses technology for the extraction and manipulation of data that can then be converted into quantifiable measures of risk. The contemporary objectification, calculation, and distribution of risk rely on larger and more accurate data sets and increased computer power, all driven by competition among mathematically sophisticated quantitative experts. This is tightening the relation between technology and the "value-free" development of finance capital. These new information technologies demand a deep infrastructure of technology and talent, a development that is resulting in a global rush for technological training and education paralleling the expansion of global equity markets. On a broader canvas, global inequalities in access to information are also increasing asymmetries of knowledge and control over the economic forces directly affecting societies. There are considerable gaps in the distribution of expertise about these complicated new financial instruments; one of the contributing factors in the Asian currency crisis of 1997 was the lack of currency hedging in several Southeast Asian countries, which—when combined with the lack of restrictions on short-term capital flows—accentuated the severity, rapidity, and depth of the crisis. Since the fall of Bretton Woods, the vast majority of currency crises have occurred outside the G-10 (Group of Ten) countries; the catastrophic effects of the 1997 Asian crisis indicate that there are new forms of transnational violence that are now beyond the control of any single nation-state or government.

The advent of circulation-based capitalism, along with the social forms and technologies that complement it, signifies more than a shift in emphasis. It constitutes a new stage in the history of capitalism, in which the national capitalisms that were created from the seventeenth century through the concluding decades of the twentieth are being simultaneously dismantled and reconstructed on a global scale. The effect is to subordinate and eventually efface historically discrete cultures and capitalisms and to create a unified cosmopolitan culture of unimpeded circulation. The striving toward totality that has always characterized capitalism, and set it apart from pre- or noncapitalist exchange, has gone global in a way that is not imaginable from the perspectives of the imaginaries of the citizen-state and the national public sphere. There is here a process of the encompassment of others that is the successor of colonialism and other historical forms of domination—the simultaneous advent and intervention of something entirely new.

Semiotic analyses that fixate exclusively on cultural forms are inherently inadequate because the issue of capital cannot be ignored or bracketed. The same holds for traditional Marxist accounts that locate their social understanding in production-based capitalism and the surface form of the market. To hold fast to either model, ignoring the emergence of circulation, is to deny the leading role of finance capital in creating a transnational capitalism. Any contemporary account, to succeed, will have to theorize and thematize the historical transition we are undergoing: from production-centric capitalisms linked to modern social imaginaries privileging the nation-state, which seek to encompass rival capitalisms through the extension of production-based capitalism—to the emergent circulation-based capitalism and its concomitant, a transformed set of social imaginaries that privileges a global totality as it produces new forms of risk that may destroy it.

Benjamin Lee is co-director of the Center for Transcultural Studies and a professor of anthropology at Rice University. **Edward LiPuma** is a professor of anthropology and director of the Center for Social and Cultural Studies at the University of Miami and the author of *Encompassing Others: The Magic of Modernity in Melanesia* (2000). Currently they are working on a book manuscript titled "The Cultures of Circulation."

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