
BOOK REVIEW

Martijn Konings

Capital and Time: for a New Critique of Neoliberal Reason

Stanford University Press, Stanford, 2018, 184pp., pb. \$40.95

Reviewed by Brett Nielson

Finally, a book that refuses to confine finance to the domain of fictitious capital. In *Capital and Time*, Martijn Konings (2018) casts his argument against Polanyian visions that approach financial speculation as unbridled economic activity that eventually must face the foundational realm of value, work and production. Instead, he argues that logics of speculation permeate social and economic life. Not only have such logics transformed experiences of work and subjectivity, Konings contends, but they have also made politics and governance increasingly susceptible to economic rationales. Far from excoriating neoliberal visions of market rule as excessive, *Capital and Time* follows Foucault in seeking to comprehend speculative logics as strategies of governance through risk. Extending this insight through engaging with thinkers such as Friedrich Hayek and Hyman Minsky, Konings advances the critique of neoliberalism in ways accounting for its reinvigoration in the wake of the 2007/8 economic crisis.

The strength of *Capital and Time* lies in its vision of finance as an auto-poetic system that functions not merely through the calculation of risk, but through practices of leveraging to capitalize on uncertainty. Empirically, this approach entails a focus on banking, particularly central banking, as a set of operations seeking to make the unknowability of the future manageable. Theoretically, it implies a turn to the systems theory of Niklas Luhmann, which provides a powerful means of understanding finance as a self-referential series of operations with no external foundation.

Konings deployment of Luhmann is particularly effective in probing the limits of “new materialist” approaches to finance. By emphasizing Luhmann’s view of contingency as a dynamic factor that drives systems to “seek out alliances and integrate themselves into higher systems”

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(Konings 2018, 48), the book convincingly demonstrates how finance operates through patterns of association that are specular and interactive. This understanding of finance as a system in which “constituent elements come to perceive their own prospects of security as best served by performing certain functions in a wider pattern” (44) contrasts the tendency of thinkers such as Bruno Latour to think of association in “overly egalitarian or politically neutral terms” (52). Konings shares the “new materialist” emphasis on the nonrepresentational nature of associations but seeks to “account for the particular patterns of clustering they exhibit” (43). In this way, he highlights dynamics of synchronization, specularity and temporalization that open up “a much wider range of concerns about the role of risk and non-knowing in the constitution of social life” (50).

Capital and Time, however, also probes the limits of Luhmannian theory. Konings argues that “Luhmann’s systems theory offers little insight into one of the most significant systemic developments of our time, namely the expansion and growing reach of financial processes and the ways they penetrate into structures that in earlier times were characterized by a degree of independence” (57). At stake is the question of how Luhmann deals with hierarchization between systems. Konings maintains that a failure to appreciate the erosion of boundaries between economy and other social spheres blinds critics of neoliberalism to the extent to which self-organizing dynamics of financial speculation have made politics and governance “increasingly endogenous to the logic of economy” (80). The challenge thus becomes to move beyond neoclassical understandings of economic self-organization as a dynamic of equilibrium while also questioning heterodox economic perspectives that treat speculation as “a disordering impulse that undermines coherent governance” (59). On this basis, Konings calls for attention to “the way systems temporalize their experience of the world” (89), by which he means that social theory must attend to how self-organization engages contingency and transgresses limits in order to move itself on.

Having developed this perspective, *Capital and Time* launches a series of readings of key thinkers and events associated with neoliberalism and its critique. These include an engagement with Minsky’s account of double-entry bookkeeping as pivotal to the temporalization of capitalism and, in particular, the inseparability of temporal logics of liquidity and payment from the dynamics of speculation and generation of financial value. Another line of enquiry concerns Hayek’s project of normalizing the

properties of risk and speculation. Konings contrasts arguments for the exceptionality of neoliberalism – claiming that economic elites must seize the state to bypass democratic processes of legitimation – with an account emphasizing Hayek’s commitment to recalibrating “the connection between speculation and austerity as the axis of capitalist value” (104). This allows him to offer powerful interpretations of key moments in the making and perpetuation of neoliberalism, including Paul Volcker’s adjustments to the US fiscal system and the bank bailouts that followed the 2007/8 crash. What emerges is a strongly articulated reconsideration of the workings of neoliberal power – emphasizing how speculation has entered the logics of government, but also the recruitment of popular energies and affect into the dynamics of speculation and austerity.

Capital and Time offers an important and timely intervention into the debate on neoliberalism. The book is notable for the way it highlights the centrality of speculation to neoliberalism’s birth, mutations and persistence, and for its insistence that the recognition of this centrality and the logics of governance it perpetuates must underlie all critical engagement with neoliberal reason. Only by recognizing the extent to which processes of financial self-organization underlie neoliberal rationalities, Konings suggests, can a realistic attempt to negotiate and move beyond the grip of economy on society and politics be pursued.

Readers can best engage with Konings’ arguments alongside other recent installations in debates on neoliberalism, especially those that emphasize elements that go understated in his account. I am thinking, for instance, of work seeking to account for the geographical variegation (Peck 2013) and “operational spaces” (Sassen 2018) of neoliberalism. Such studies complement Konings’ emphasis on time with an investigation of the spatial dynamics and differentiations of contemporary capitalism. They also contrast his almost exclusive focus on US capitalism with an awareness of global tensions and faultlines that are becoming increasingly important at a time when geopolitical fractures and trade wars prompt state transformation and new articulations of neoliberalism and nationalism.

Another important topic muted in *Capital and Time* concerns the infrastructural conduits of contemporary financialization, including the cables, data centres and algorithms that allow the functioning of financial trading systems. Particularly pronounced in accounts of high frequency trading (see, for instance, Toscano 2013), this attention to infrastructure highlights the material reliance of financial operations on systems of

logistical coordination. As such, work in this vein questions the seemingly exclusive purchase that arguments about finance have on debates about the logics of contemporary capitalism and neoliberalism, demonstrating how other forms of organization also have a role to play.

Konings implicitly recognizes these other modes of organization when he writes, “we can only understand the ability of a network to achieve functional coherence if we can theorize the orientation or dispositive that pervades the logistics of association” (Konings 2018, 43). In the context of the book’s Luhmannian reading of finance, this statement registers how the underlying logics that pervade financial systems are subject to logistical modes of organization. Without denying that logistical operations also depend and intertwine with financial logics, this emphasis on the logistics of association potentially opens *Capital and Time* to insights that derive from the work of thinkers (see, for instance, Cowen 2014, Easterling 2014) who underscore the importance of logistics to contemporary capitalism. The penetration of financial logics into previously separated spheres thus becomes only part of the story about economics, value and governance in neoliberal times.

Capital and Time is unashamedly a book about capital. Nevertheless, it serves to ask how its emphasis on financial speculation and leverage affects the world of labour. Konings certainly notes how “financial expansion is deeply imbricated with the restructuring of work and subjectivity” (Konings 2018, 20). He also emphasizes how the dialectic of speculation and austerity that he finds to characterize neoliberalism crosses patterns of “debt, precarity and human capital more generally” (123). His concern to steer away from the foundationalism inherent in the labour theory of value, however, means that his attention to speculation tends to obscure an analysis of the intensification and heterogenization of labour under neoliberalism. In this respect, it seems as if his Luhmannian emphasis on the self-referentiality of financial systems gets the better of his critical attention to modes of interaction between different systems.

It is possible to point to the extractive dynamics of finance without submitting to foundationalist arguments that insist that value generation occurs only outside of speculative activities. Indeed, if seen from the subjective viewpoint of labour, financial speculation tends to create forms of obligation and indebtedness that compel the subject to work. That Konings is less interested in this compulsion than in the speculative relation that the neoliberal subject holds toward itself need not indicate a

lack of solidarity with labor struggles and movements. If we are to understand the stakes of such struggles and movements in the contemporary world, we need an analysis that can squarely face the entrenchment, workings and even popular appeal of neoliberal logics. *Capital and Time* offers a precisely such an analysis, and thus it makes a crucial contribution to the ongoing debate about the role of finance and speculation in contemporary capitalism.

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