Capital and Time: For a New Critique of Neoliberal Reason.

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Among other things, the "Enlightenment" was characterized by a strenuous intellectual effort to secularize the foundations of knowledge, such that instead of relying on religious faith as the ultimate arbiter of truth claims, greater empirical verisimilitude backed by logically consistent techniques of inquiry would yield properly testable statements. The scientific leaps that this occasioned were accompanied by philosophical riddles and knowledge gaps that became ever more apparent as a result of empirical lacunae that were not supposed to be there. Modernity emphasized human agency and ingenuity, which unleashed the often contradictory and clashing forces of democratization and centralized planning. Myths were constructed to paper over these fissures, such as *homo economicus*, the corporation as private property or dictatorship of the proletariat, but there persisted the deep suspicion that the proclaimed certainties of the age rested upon foundations far less secure than people had been led to believe. These were exacerbated by the increasingly glaring shortcomings of the competing versions of modernity that had been built on the ashes of two world wars, colonialism and enslavement. The failure of state-led planning in either to first anticipate and then deal with the economic stagnation that culminated in the 1970s corroded much of the social fabric that had sustained the post-1945 reconstruction. Into the void emerged a radical new regime that cast itself as more fundamentally democratic and therefore liberating, especially with respect to cumbersome bureaucracy and rigid adherence to the plan. Social theory reflected this change in a shift from "grand narrative" to contingency, from structure to agency, from modern to postmodern.

Is neoliberalism the dominant mode of production of postmodernity? If postmodernity is characterized by a general nonfoundationalism, which denies that there can be "ontological or epistemological foundations for knowledge that serve to ground other claims" (Guarino 1996: 141), and that instead "we are embedded in and constituted by … 'discursive relations' which, in turn, structure our understanding of the world and establish the ways in which we reproduce it" (Maiguahka 2006: 241), following Laclau and Mouffe (1985), then the answer is affirmative. This has implications for political economy, not least that the materialist critique of speculation as "an irresponsible bet on the future, one unwarranted by fundamental values" (2), is invalid. So, too, is the often accompanying idealism of governance mechanisms "understood as standing in an external relation to finance, as standing above rather than being embroiled in the dynamics of economic life" (Konings 2018: 136).

These are the claims with which Martijn Konings begins his exploration of possible means by which the critique of neoliberalism might move beyond an essential moralism, based on an ultimately futile effort to "re-embed" markets in accordance with Karl Polanyi's conceptualization in *The Great Transformation* (Polanyi 1957). The rejection of Polanyi's cyclical teleology is a longstanding preoccupation (in particular, see Konings 2015, reviewed by Keaney 2018). It is emblematic of a more fundamental problem of what is explained in this book as heterodox critique's "inability to think self-referentiality properly" (33), despite its recognition elsewhere in the social sciences and our own everyday "intuitive certainty that money works as self-referential value" (32), notwithstanding our inability to "define money beyond its fictitious and promissory character" (31).

Speculation is not to be treated as an irrational or "dysfunctional deviation from fundamental values" but instead "as a normal aspect of economic life, as reflecting the absence of foundational certainties and the impossibility of eradicating risk" (Konings 2018: 136). Economic action is inherently speculative, given its forward-looking, anticipatory nature. It is also purposive and constitutive of the future, as opposed to being merely a "bet" on a right or wrong outcome. Of course there is this aspect to decision-making too, but it is hardly the whole story, given that the outcome is often a partial result of the decision, rather than independently generated.

The multiple predictions of neoliberalism's demise following the financial crisis of 2008 have not materialized (Crouch 2011). Nevertheless this has not stopped what Konings satirically refers to as "the bizarre emergence of an academic growth sector devoted to explaining the failure of social reality to conform itself to social scientists' fantasies of a re-embedding movement … a curious imitation of the financial sector's own ability to profit from failure" (127-128). This is all the more contradictory for Konings because "the critique of speculation is in fact premised on a notion of real value" (32). This is underpinned by a widespread, if often more implicit, rejection of self-referentiality as economic essentialism, due to its foundationalism, by the same heterodox critics. In other words, one foundationalism merely serves as the basis for the rejection of another, but the rejection itself is represented as nonfoundational in character.

Given the above, how are we to proceed with any critique of neoliberalism? Given his rejection of foundationalism and the associated idea of an external vantage point from which critics can analyze the phenomena from which they would professionally detach themselves, Konings proposes instead a "non-essentialist economism" (129) that would avoid the pitfalls of both much heterodox critique and orthodoxy's unreflexive reproduction of self-referentiality (32). Although he does not use the phrase, Konings appears to be advocating the development within political economy of a discourse of immanent critique. This is defined as "a normative position that is developed from existing society that not only reveals prospects for social change but also contributes to that change" (Herzog 2016: 282).

Konings finds inspiration in the work of a variety of sources, beginning with Niklas Luhmann, whose work "seeks to understand how systems endogenously generate their conditions of possibility," and for whom "an emphasis on self-referentiality is the only way to do something useful with the idea of postfoundational theory, a theory appropriate to a society that is able to understand itself in terms of risk, and its institutions as contingent constructions" (33). Luhmann's key insight here is the problematic of the eye that cannot see itself: a system "cannot observe the totality of its own operations in real-time and it cannot therefore ever fully predict or comprehensively control the effects of its own functioning" (Konings 2018: 140). As a result, the reproduction of the system is inherently speculative and generative of complexity and uncertainty, within a world where actors and systems are engaged in the same effort to reproduce whilst responding to the impacts of other actors and systems.

Yet while Luhmann himself is argued to have relegated the economic sphere to the status of a subsystem, Konings builds on the work of other authors to propose a full reinstatement of the economy into a Luhmannian social system that is itself conceptualized as a response to the problematic of "how order arises out of uncertainty" (56). This is described elsewhere by Konings as "double contingency," whereby our own speculations combine with the speculations of others to create "more or less stable (but never static) forms of organization from within its own logic" (Konings 2018: 141). This problematic of radical uncertainty has been recognized within the Post Keynesian tradition

(Davidson 2002), but for Konings the dualistic separation of uncertainty from calculable risk is itself "highly problematic" (Konings 2018: 141).

Konings' elevation or restoration of the economic sphere within a Luhmannian system is justified not least because of what Joseph Vogl (2015: 100) has observed as the "waning of functional differentiation" between different social spheres, with money assuming a central role in "the total process of social reproduction" (Deutschmann 2011: 91). This is reminiscent of the critique of "financialization," although once again Konings does not explicitly acknowledge this, possibly due to a reluctance to be associated with the moral critique often associated with that. As for immanence, Luhmann thought it impossible to settle "the question of immanence and transcendence, norm and exception" (67). Konings sees located in this tension neoliberalism's intuition of its "productive force."

The result of this is an increasing social awareness of contingency, and, associated with that, speculative risk. This has penetrated the heart of governmental rationality such that decision-making "functions on a logic of pre-emption, a paradoxical practice that fully blurs the distinction between prevention and activation" (67). This can be seen in the evolution of central banking, which has become ever more implicated in the support of activities that it was originally intended to prevent or punish: "central bank policies amplify leveraging dynamics and sustain the practices that gave rise to instability in the first place" (90). In a manner similar to that of Joseph Vogl (2017, uncited), albeit more briskly, Konings traces the symbiosis of state and capital to the foundation of central banks, conceived as ameliorative or even preventative institutions in the event of bank crises, with their "lender-of-last-resort function seek[ing] to prevent the procyclical logic of balance sheet contractions from working itself out" (81).

It is at this point in his argument that Konings refers to the work of Hyman Minsky, for whom the balance sheet metaphor is central to his concept of economic entities as “clusters of promises received and promises made” (75). Relatedly, for Minsky “there is no clear dividing line between practices of banking and their governance; no qualitative break exists between the ordinary logic of risk navigation and the management of system risk” (82). The logic of “too-big-to-fail” is “thus a core feature of capitalist financial management;” indeed, it is “the core operational modality of central banks” (82-83). Once again we are confronted with the blurring or erasure of theoretically separate concepts in practice, underscoring the limitations of traditional means of understanding, and the simultaneous arbitrariness and precariousness of efforts to apply value standards originating independently of the system to which they are supposed to be applicable.

This is demonstrated with reference to the always more inherently speculative US financial system (Konings 2012), and specifically regarding the notorious “Volcker shock” heralding the turn to monetarism. This had been preceded by an acceleration of credit creation innovations that the Federal Reserve proved unable to thwart, despite their contribution to systemic inflationary pressures since the 1950s. In 1979 recently retired Fed chairman (and student of Wesley Clair Mitchell) Arthur Burns complained of the risk of collateral social and political damage required in any serious effort to tackle inflation, in a speech entitled “The anguish of central banking” (reprinted in Burns 1987). His eventual successor, Paul Volcker, demonstrated exactly what Burns meant.

For Konings the significance of the Volcker shock is its demonstration effect, the use of monetary targets “a means to affect expectations … a rhetorical device” with which the state would “productively engage—rather than just accommodate—the endogenous dynamics of banking and money production" (98-99). Volcker employed the levers of the state to recalibrate the state's role within "a process it was constitutively implicated in and could not just extricate itself from" (98). Consistent with the central Luhmannian problematic of how order emerges from uncertainty, Konings enlists the aid of Friedrich Hayek's doctrinaire anti-statism to highlight Minsky's contrasting prescience in recognizing that the centrality of the state's role "in the production and definition of money *was* in fact the outcome of an evolutionary process characterized by its own internal rationality" (107, see also Vogl 2017). Equally, he shows how the Volcker shock "set in motion wider political, economic, and social adjustments," including a "dramatic expansion of the shadow banking system" (110). This was simultaneously the application and vindication of neoliberal logic: the deliberate expansion of uncertainty in order to create disciplinary austerity that would encourage productive credit-financed speculation (cf. Klein 2007). Its intellectual antecedents in the depiction of the market as neutral and "a bulwark against unearned privilege and concentrations of power" (123) can be observed in the practical politics of the Tea Party movement that swept the US Republican Party following the collapse of Lehman Brothers in September 2008.

Capital and Time is a significant and timely intervention that does much to go beyond what often feels like ritual denunciations of neoliberalism that rely heavily on moral condemnation as compensation for their lack of expository insight. Konings is asking probing questions not only of neoliberalism, but also of political economy's ability to properly come to grips with it. On the evidence of this book, he seems to be making good progress.

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