Book reviews

Benjamin Braun, Kai Koddenbrock, eds. · 2023

Capital Claims: Power and Global Finance.

London: Routledge

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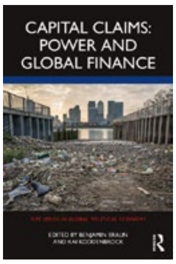

The remarkable importance and resilience of financial markets has given rise to academic analyses from a myriad of perspectives and disciplines. Trying to decipher how modern financialized capitalism operates and reproduces itself, *Capital Claims: Power and Global Finance*, edited by Benjamin Braun and Kai Koddenbrock, constitutes an attempt at reconciling these perspectives by providing a common vocabulary for the study of power relations within financialized capitalism as well as bringing forward a theory to bridge the gap between scholars from diverse disciplines. Most notably, the book speaks to scholars of comparative (Culpepper 2005; Zysman 1983) and international political economy (Strange 1988; Walter 1993), sociology of finance (Krippner 2005), and finance studies (Arjaliès et al. 2017; Jordà et al. 2019), but it tries to go beyond disciplinary borders and cater to a broader audience. Accordingly, researchers from diverse disciplinary backgrounds contribute to the volume to answer the motivating question of the project that is the result of the Politics of Money network funded by the German Research Foundation (DFG): "Does the capacity still exist to envision ways of planning and coordinating economic activity that is guided by the logic of social and environmental purpose, rather than by the logic of private profit?" (p. 251).

Two important distinctions are made in the introductory chapter of the volume that set up the remainder of the book. First, the focus is shifted from capital flows – the concept commonly used by scholars of finance – towards capital claims, especially cross-border claims. In this way, Braun and Koddenbrock bring to the foreground the fact that financial instruments, defined as "priced and traded claims on future value creation," by their nature are associated with power relations. Additionally, through the analysis in terms of claims, the hierarchical relationships between creditors, debtors, intermediaries, and states are highlighted. Second, the editors divide these power relations into three novel concepts corresponding to the three phases of the "life" of a financial instrument – creation, circulation, and enforcement – which are leverage power, infrastructural power, and enforcement power. After the introduction by the editors, the three power concepts reflect the three parts of the volume. The first four chapters are devoted to leverage power, the next three to infrastructural power, and the last four topical chapters to enforcement power. Pistor then pulls the different threads together to answer the motivating questions of the volume in her conclusion.

In the first part of the volume, leverage power, defined as the ability to issue debt or equity liabilities, is exemplified by four case studies. Elucidating the main actors in this regard, Beck, Knafo, and Sgambati dissect the modern banking system that is increasingly indistinguishable from the activities of proprietary traders and how this development spread across the globe. In doing so, they bring forward a critical political economy theory of banking finance that posits that contemporary banks use their leverage power by constructing suitable assets to fund their claims on money markets, in effect empowering themselves. Subsequently, Dutta critically assesses the notion of "definancialization," which he theorizes not to be contingent upon the reversal of liberalization trends but rather on a political agenda that emphasizes the leverage aspect of the modern financial system and how the ability to borrow is used to empower certain actors. He does so highlighting the process of financialization of non-financial corporations (NFCs), which he argues is not due to the commonly depicted exogenous force of financial actors but to a conscious choice of these corporations as part of an institutional process that dispossesses other actors and inflates asset values. Following this, Binder highlights how offshore money markets have, through the bifurcation of currency and jurisdiction, provided sovereign borrowers with leverage power. She uses the cases of Mexico and Brazil in the 1970s to show how sovereign borrowers of offshore money can, under certain circumstances, use their leverage power to gain liquidity and resist the creditor's enforcement power. Sahr concludes the section on leverage power by laying out two competing understandings of what money is, alluding to what can be understood as the leverage power of states. He posits that in the classical "technical imaginary" of money in mainstream economics, money creation by the government to increase spending must be understood as fraud, as money must reflect a claim on already existing goods. In "Modern Monetary Theory" (MMT), on the other hand, money's "political imaginary" dictates a more active inclusion of monetary policy, and thus central banks, into the state's toolkit, as money is understood as a claim to redemption.

The second part of the volume, consisting of three contributions, revolves around infrastructural power, which is exercised by actors who provide the services that facilitate the creation and circulation of financial claims, thus by actors who do not create, hold, or trade financial instruments themselves. Fichtner, Heemskerk, and Petry point to index providers as prominent examples, who act as "gatekeepers" in the world of asset manager capitalism by defining the rules on inclusion and exclusion in their indices and thus wield considerable infrastructural power over companies and even countries. Considerable parts of international financial claims can be indirectly moved by index providers, dictating adherence to their privately determined criteria of inclusion. From a perspective that highlights the unavailability of public infrastructure in the financial sphere, Thiemann explains the emergence of private, profit-oriented central counterparties (CCPs) that act as a quasi-insurance for derivate trading. Their emergence has been deliberately pursued by policymakers, underscored by the central bank backing of CCPs that takes away the risk of default for these entities. Thiemann highlights the profitability of these private enterprises against the backdrop of the state's incapacity to provide a public solution to the derivate conundrum in cross-border claims, thus making them critical infrastructure with an accordingly high degree of infrastructural power. In a similar spirit, Nölke points to the infrastructural power wielded by a global payment system, SWIFT, that is in private hands but has been politicized as a geo-economic weapon, which has led to the emergence of alternative payment systems and digital central bank currencies. According to Nölke, SWIFT had acquired such a high degree of infrastructural power that non-western players in the global financial system were forced to come up with alternatives, thus showing that the weaponization of SWIFT ultimately hurt its infrastructural power.

The third part of the volume shines light on enforcement power in its four chapters. Enforcement power is exercised by creditors and their lawyers seeking repayment, mostly through the legal system. First, Mertens and Metz show how non-performing loans – "zombie" financial claims – have been turned into profitable assets through deliberate legislation in Germany and the EU by tracking the legislative process that led to this outcome. This leads the authors to conclude that the expiration of financial claims is ultimately a political decision. Following this, Dafe and Phillips Williams elucidate how arbitration of investor-state disputes has also been used strategically by private actors to prolong the lifespan of financial claims. The authors trace how this has been achieved through the introduction of third-party funding that helps creditors enforce their claims vis-à-vis foreign governments, thus wielding enforcement power. Conversely, Reurink and Garcia-Bernardo show how transnational corporations use fragmentation of their firms to avoid tax claims from states. Thus, they call into question the attainability of some states to achieve growth via FDI, as they show that considerable parts of FDI is used to shift assets to subsidiaries for reasons of tax avoidance rather than being invested productively. In the final topical chapter, Lemoine and Piganiol take a closer look at the case of Greece in the era of "Troika-"enforced privatization of public assets. In their tracing of the political legal battle that successive Greek governments fought over privatization, they show how the strategic use of different jurisdictions in cross-border claims can be used to either wield or escape enforcement power.

In her concluding chapter, Pistor then closes the arc by addressing the main question posed in the introductory chapter. Connecting the findings of the volume with her own work on the legal theory of finance (Pistor 2019), she comes to the conclusion that financial actors have indeed acquired autonomous power independent from the state in the spheres of claim creation, trading, and enforcement.

Overall, the sections of the volume flow into each other logically. What can be criticized, though, is that while the sections are coherent in themselves, the interplay, interdependency, and connectedness of the different power concepts is left largely unexplored. It can be contended that the relational power dynamics of leverage, infrastructural, and enforcement power do not only coexist, but rather intersect in the current status quo and have shaped the emergence of each other that is explored in the topical contributions to the volume. This could be understood as a fruitful avenue for further research. Scholars of the sociology of finance might also note that the role of "the state" in the emergence of the proposed areas of autonomous power of finance is given too little attention in the volume. Focusing on the state as an actor that either actively pushed for more autonomy of the financial sector or created it as an unintended consequence of its actions could add theoretical depth to the understanding of the emergence and status quo of the different power concepts laid out in the volume.

Nonetheless, the book's merits far outweigh its shortcomings, as *Capital Claims: Power and Global Finance* succeeds in reconciling the different academic debates around financialization, financial power, and state capacity by creating a common glossary of terms and concepts and showing promising and important directions for further research. In doing so, it is an essential read for social scientists from all specializations and for anyone who is interested in understanding the underlying power dynamics at the heart of contemporary capitalism.

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Jonathan Levy · 2021

Ages of American Capitalism: A History of the United States.

New York: Random House

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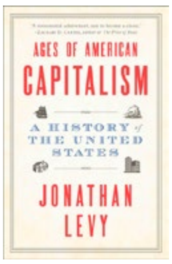

Strange as it sounds, nine years ago, in an online conversation between leading American economic historians, Stephen Mihm announced that "this thing we call 'the history of capitalism' is new." It's not that historians hadn't studied capitalism, but that history's many subfields tended only to look at the portion of the capitalist "elephant" that concerned them. The "new" history of capitalism is a conscious attempt to use multiple angles and disciplines to see the whole animal.[1] It was also a product of a post–financial crisis reckoning with the post–Cold War belief that capitalism was the only economic form standing.

Jonathan Levy's nearly 800-page synthesis provides an astonishingly rich tour of this field although, as its title suggests, it's not a history of capitalism so much as a history of the United States and the variants of capitalism in which its history is embedded. Americans have for so long taken for granted that capitalism was synonymous with their national origin story that Levy felt the need for a corrective. "Not coincidentally," he writes, "the United States, perhaps the most capitalist of all countries, has long been distinguished from other countries for its pronounced historical amnesia" (p. 740). So what is it exactly that Levy wants Americans to remember?

He starts with three definitional "theses" about capitalism, and traces them through four distinct "Ages" of US history: Commerce (1660–1860), Capital (1860–1932), Control (1932–1980), and Chaos (1980–). He defines capitalism not as a mode of production nor the pursuit of profit, but as a "process" that sees assets for their "pecuniary value," namely their capacity to yield future pecuniary profit. His third thesis is less definitional than historical, but the two are connected: "The history of capitalism is a never-ending conflict between the short-term propensity to hoard and the long-term ability and inducement to invest." Capitalism's fluctuating "liquidity preferences" cause it to swing between "orgies of speculation" and panicked "hording" (pp. xiv–xxv). Understanding these cycles requires tracing how pecuniary anticipation affected – and is affected by – historically specific conditions.

Levy's periodization is conventional enough. "Commerce" involved the transition from mercantilism to "Smithian growth," that is, the moment when triangular trade between England, the American colonies, and the West Indies created such an extended market that we see the features Adam Smith had identified as self-sustaining growth: increasing specialization, divisions of labor, banking systems (the credit which fueled speculative moments), and enough income in taxes to create a "fiscal military state." Levy reminds us it was also undeniable that the cornerstone of this take-off was an "imperial commitment to black slavery" (p. 28–29). Likewise, the "domestic economy" of America, built on "free land," and the laws of female coverture, underscored the indispensable role played by violent dispossession and labor expropriation to the later emergence of wage labor capitalism.

The forgetful side of US history always assumed that free labor simply overwhelmed the logic of the south's plantation system. Levy insists that "nothing about the development of capitalism, per se, fated the end of racial slavery" (p. 151). Slaves were a "fixed-cost investment in potential labor," and in that sense a pecuniary bet on future profits. As the price of cotton recovered from the Panic of 1837, and fed England's industrial mills, America embraced "'slave racial' capitalism" (p. 151). But the north also developed its own westward trajectory, dependent on "free waged male labor," steam power, and the sphering of home from work. Over time, the gap in social formations between the two systems became untenable and the fight was set for the zero-sum domination of the nation's political economy.

The Age of Capital thus sprung from the settlement of this struggle, in which the post–Civil War Republican state committed itself to industrial development, through land grants to railways (across Indigenous land that had to be cleared by force), high tariffs, and a national currency and banking system that funneled credit through New York City. The twin dynamics of this Age were a linear increase in productivity and regular cycles of speculative boom-and-bust. All this led to the familiar Gilded Age story of how corporate concentration, high tariffs, labor unrest, and ethno-racial violence led to the first Populist revolt of the 1880s and 1890s. Its energy was diverted into "Progressive income politics" (p. 323). That is, liberalism picked up Jacksonian ideas of antimonopoly and attached them to new efforts to contain but not weaken corporate power through modest regulation.

At this point Levy turns to the extraordinary importance of Henry Ford, when industrialism moved from capital to mass consumer goods. Ford's Promethean project was not for mere profit; it was about creating "a new man" (p. 328), a worker as devoted to production as a soldier to warfare, and rewarded with a wage that enabled him (and the target was always the white male earner, who was the 20th century's version of Jefferson's yeoman farmer) to buy the consumer goods he assembled. The boom this created in the 1920s collapsed *because of* the twin combination of productivity and a concentrated credit cycle. Levy argues that the problem started with the government's orthodox insistence on restoring the gold standard after the war. This required higher interest rates, which created a high bar for future expected profits. Yet because of Fordism, the expectation of high profits had never been greater, so investment grew even under these costs. Ironically, the very success of mass production in making average Americans wealthier became part of the problem: more people had money that could either promote investment or suddenly sap it if it got too excited or too nervous. In pre-industrial America, where wealth was fixed on land, there was more resilience during credit panics. When the 1920s cycle started to reverse, and US money that had been invested in Germany to fund reparations and war debts pulled out, global liquidity collapsed, and with it, international trade. The psychological shock to Americans was unprecedented.

Roosevelt's New Deal and, more importantly, the mobilization of the US state during the Second World War ushered in Levy's Age of Control. Regulation of banking restored confidence, and the stabilization of the incomes of the most vulnerable (through Social Security and union protection) were important in the long run. But Levy also notes with approval that the New Deal had a critical developmental arm: public investments in infrastructure. But it retreated in the end to regulatory management for political reasons. Opposition to FDR triggered a new "*politicized* liquidity preference": resist New Deal regulation, or capital would pull back its investments (pp. 427–28). The patriotism of the Second World War shielded the New Deal state for a few years, during which, Levy insists, public spending – not private investment – ended the Depression.

The immediate postwar decade was therefore the most important "hinge" in the history of American capitalism because of the way the US transitioned to a high-employment economy in the context of a volatile postwar environment. The keystone was Bretton Woods, which provided cross-border capital controls to prevent the capital flight that triggered the Depression's global contagion. Conservative resistance emerged with a reluctant acceptance of greater union density, progressive taxation, and modest regulation. More remarkable was the discovery of the Keynesian "fiscal multiplier": the government spent during recessions to achieve economic growth but retreated from public investment in development (p. 466). With highways and suburbs also came shopping malls, and an entirely new landscape for consumption and living, prosperous but segregated through self-consciously racist zoning policies.

By the 1970s, the system was in trouble, however, as the high US dollar under Bretton Woods made its manufacturing sector uncompetitive. Nixon capitalized on white working-class resentment to buttress his power, but abandoned America's postwar role as the currency of confidence, and that, combined with the OPEC oil crisis, a tax cut, and countercyclical spending, created the "stagflation" of the late 1970s. Enter Levy's "Age of Chaos," dominated by a new form of post-Fordist post-Keynesian capitalism. Paul Volcker's "shock" tamed inflation and, by 1982, confidence was back. But the new macroeconomic expansion was "led by a speculative investment boom" (p. 588). The Reagan administration celebrated the "magic of the market," but manufacturing had moved overseas, the budget deficit ballooned, and there was no surge in national investment or savings, and no great reduction in welfare spending.

Like the 1920s, this was an era of abundant capital under conditions of high interest rates. "Speculative investment was back as the dynamic factor in economic life, joining hands with an insatiable American consumerism" (p. 589). For the first time on record, macroeconomic expansion was accompanied by a declining level of fixed investment in GDP. None of this came from a precise economic philosophy. "Instead, a new, persistent pattern of expectations arose, defined by a … busy eventful speculation that had no particular purpose or end in itself" (p. 632).

When the Cold War ended, Bill Clinton's "New Democrats" celebrated the optimism of an emerging Silicon Valley which generated massive investment – sometimes in real things, but often in things that had not yet figured out how to make a profit. As in the 1920s, this speculative enthusiasm for a dawning "internet-based economy" that had not yet emerged, posed a question whether "financial asset appreciation" could actually break free of profit-making altogether. The post-dot.com collapse tempered that optimism, but under Ben Bernanke the Fed's aim was to elongate "macroeconomic expansions" (p. 670–72). Under Bush Jr., though, the goal was the expansion of home ownership for those who couldn't afford it. The "politics of income" was replaced by the "politics of asset possession/price appreciation," which still mostly flowed to people who had financial assets in the first place. The catch was that this stood entirely on the back of a housing bubble that was unsustainable.

The book ends, then, with the Great Recession and its aftermath. Levy is both entertaining and exasperated by the tortured story of how mortgage debt was converted into a speculative asset until it wasn't, forcing the state to rescue the institutions that had been treating the national economy like a giant pyramid scheme. The Age of Chaos, Levy concludes, celebrated flow, risk, individualism, collapsing borders, and small government. The result was not only widening economic segregation in America but a stiffening of national borders.

After this impressive *tour d'horizon* of American capitalism, it's clearer where Levy's loyalties lie. He admires the energy that capitalism unleashes, particularly when its wealth generation is more equitably shared. But he is intellectually and ethically frustrated by its predictable flights of speculation, its indifference to suffering, its environmental costs, and its structural complicity in racial, sexual, and global inequity. (If Levy doesn't always go out of his way to emphasize these political faces of capitalism, he also doesn't fail to mention them). At one exasperated moment in his examination of the Great Recession, he writes simply of the unmistakable "stench of moral rot."

This is a superb one-volume history of the United States seen through the continuous interplay of markets and political authority. For Levy, what has defined the structural characteristics of the four "Ages" of US capitalism has, intriguingly enough, been "state action." In the Age of Chaos, state action lagged behind the speed of global capital in search of new speculation in asset expansion. In the days after the arrest of Sam Bankman-Fried and the collapse of his cryptocurrency trading platform, it's clear these are lessons not easily learned. And this, Levy hopes the long history of American capitalism shows, will be to our detriment.

Endnote

1 See: Sven Beckert, Angus Burgin, Peter James Hudson, Louis Hyman, Naomi Lamoreaux, Scott Marler, Stephen Mihm, Julia Ott, Philip Scranton, and Elizabeth Tandy Shermer. "Interchange: The History of Capitalism." *The Journal of American History* 101, no. 2 (2014): 503–36.

Michel Callon · 2021

Markets in the Making: Rethinking Competition, Goods, and Innovation.

Princeton, NJ: Princeton University Press

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Markets in the Making is Michel Callon's ambitious attempt to theorize and explicate his understanding of key economic concepts – and realities – in the actor-network framework he and Bruno Latour have developed in past decades in their French Science and Technology Studies (STS) school. It is a rich book attesting to the scope of Callon's reading in far-flung literatures of economics, sociology, and anthropology, in particular related to market processes and commercial and noncommercial transactions. It must be appreciated that the French scholar helped to bring STS – social studies of science – to the study of social sciences, and he certainly provokes curious audiences with an emphasis on the "active qualities" of material things and devices in close proximity to the epistemic actor status of human agency. Most social scientists continue to privilege human agency embedded in a material world, of course. Another major intellectual contestation undertaken by Callon is curiously absent in the book if we consider the literature to which Callon does not refer much arguably due to his objection to a close association of markets and capitalism: the Marxist body of work on markets[1] and the Marxist claim of the need to overcome capitalist modes of market economies in order to end commodity fetishism and to enable human emancipation. In Callon's imagination exists an alternative agenda of designing markets. Scholars from different disciplines could and should participate in this effort in addition to economists who are considered to be involved by default. Although he considers market shaping admittedly difficult, he advocates a pragmatic attitude and thinks of it as a viable route to pursue in light of the insights he gains in his writing. This is the core of his older performativity argument, of course (see MacKenzie, Muniesa, and Siu 2007). But let us first consider his new book more completely.

Callon opens with observations of market transactions of street merchants in London and in the gaming venues of Las Vegas. From these lively observed processes, he distills four common elements: building the edge (attracting attention), flashing (making the case to buy), ramping and batting (establishing the competitive price), and twirling the edge (expanding attention to additional potential customers). Relying on anthropological accounts of such experiences moves the attention away from the customary supply and demand curves in economics to introduce a wider range of aspects and factors involved in what he holds are the myriad of commercial transactions.

What is a market? Put this way, the question is already phrased in a Callonian sense, since it does not ask: What is *the* market? The latter question would suggest the possibility of an abstract theoretical answer somehow uniting all sorts of different markets. In economics, markets are considered the economic institution that mediates acquisitions and sales and generates a price. Callon calls this general common understanding and similar exchange-focused identifications in traditional economic sociology the "interface model." For Callon, this understanding comes from the reference to a site that brings together buyers and sellers (interface). The interaction is governed by mechanisms of competition and requires rules or conventions, i.e., institutions in the sociological sense (p. 35). Callon proceeds to deconstruct the constitutive abstractions of sellers, buyers, and (platform) goods, and standard notions of competition and institutions. Contrary to what we all think we know about the meaning of these abstractions, Callon introduces multiple meanings that render a unifying understanding unsatisfying or possibly misleading. Instead he alerts us to the relevance of different understandings of each and multiple dimensions involved in *market processes* that require a redefinition of markets. To this end he enters his own model of "market agencement," which is introduced more fully in the fourth chapter of the book. There he discusses the devices that are developed to organize market encounters, which he introduces with the matchmaking analogy of varieties of marriage arrangements (from family to milieu to dating platforms). To mitigate against the preconceived interface model understanding of markets, Callon speaks about the different elements necessary to study market processes as framings, of which there are five different sets that operate conjointly. To each he devotes one chapter of his book.

Before getting to the third framing of market agencement, he introduces two other framings corresponding to operations held to prepare and format commercial transactions in conjunction with the other framings (hence operations). The first two framings refer to the split between goods and evaluations, which Callon holds to require a range of different efforts. The formatting of entities for commercial transaction is called market-oriented passiva(c)tion, involving a range of activities including the qualification of goods in the process of their making. A table on page 144 alerts readers to relevant differences between entities subject to commercial transaction, such as land or labor or money, and thus the potential of resistance to commercialization. Callon is always eager to emphasize the material dimension of processing goods and their transformations (raw materials become a car becomes scrap material), and the dependency of specific goods on wider preconditions (a car needs roads), which sometimes makes for rather trivial statements and left me wondering about the public noncommercial activities needed to enable commercial transactions, for example; and not only, but also: what about the state? The attribution and transfer of property rights are Callon's second framing. The valuation process requires what he calls "qualculation" devices. What is frequently conceived as quantification in economics in fact needs to be considered a mix of qualitative and quantitative constructions frequently (if not always) aided by technical devices that acquire their own agency in the process. It is nice and helpful in this context to read about Callon's early work assignment in a company where he was invited to observe and assess innovations (p. 173f.). To his surprise, his study, for which he was liberally drawing on calculative devices developed by consultancies, helped to save projects within the company that were still relatively far from market stage, because executives managed to use Callon's study to legitimize their value. The biographical example sheds light on Callon's conception of device agency, although one might also conceive the processes leading to the outcome as a complex interaction of different human parties drawing on supporting material rather than breathing an independent soul into the product of a shop-floor student written in conjunction with consultancy lyrics. The first two framings, tackling separation of goods and evaluations (passiva(c)tion and qualculation), in any case are tackled in chapters two and three, respectively.

The fourth chapter, on "market agencements," is devoted to the broad range of situated calculative devices with different technical-material components (matching algorithms, fairs and trade shows, etc.), with textual and audiovisual elements of the participants' encounters in the commercial transactions and with the "human components" (p. 59) that are of course also involved, such as intermediaries or consultants. Once the making of encounter arrangements is covered, Callon directs attention to what he calls the co-constitution of the good and the buyer, involving emotional dimensions (affect) in particular. Such emotional connection between good and buyer is considered highly relevant in addition to, and even more important than, interest, use, etc. The fifth and last framing refers to the ways in which the price for a good is established beyond the supply and demand equation type of understanding of neoclassical economics. Callon calls this "price formulation" to emphasize both qualitative and quantitative procedures involved in the outcome of a given price, which also has functions beyond the agreed-upon value of a specific good.

The final chapters are devoted to the evolution and transformation of market arrangements, in which again the agency of the arrangement is noted, thence the "agencement." Historical studies of concrete markets such as French funerals and British housing construction are perused to drive home points that challenge "efficient market" ideas in economics and highlight the interplay of commercial and nonmarket spheres – pardon, agencements. Reasons for limited economic universality are found in different sets of "qualculations" and participating producers, customers, and the like that are easily overlooked if economic calculations in a narrow sense only are applied to the cases. Arrangements are dynamic and subject to quite different concerns. There is no general trajectory in the commercialization and financialization process where Marxists would probably see an expansion of the capitalist dynamics at the expense of nonmarket concerns, but Callon admits to an increasing relevance and complexity of market agencements that in his reasoning are always subject to influences that need to be considered diverse.

Callon gives us the reason for writing the book in the last chapter. Unsurprising in light of his emphasis on varieties of influence, he raises the question of option and opportunities of political engineering and market design following public deliberation instead of behind-the-scenes direction by (economic?) experts. While answering requires an additional book, he says, he proceeds to make the case for responding in the affirmative by way of looking into concrete examples of market issues in finance, climate change, and genetically engineered crops. In a surprisingly stylized way given his taste for historical and anthropological detail, he argues for pragmatic approaches and the belief in fourth best ways that would easily be dismissed by the old-school economists he considers to anyway now belong on the list for species extinction. The alternative would be resignation, which Callon surely does not fathom, even if he addresses the many constraints that fourth best solution designers have to consider due to the different positions of participating powers and devices. Given the relevance of economics and economists in policy-making nowadays, he suggests following them first to understand their proposals, and then inverting their messages. Rather than going for an optimum, Callon suggests we need to strive to get as far a distance from the *pessimum* as possible. Theorizing all along the "cycle of agencements" is the way to get this done, according to Callon: raising new concerns, reframing, designing new frames, and so on. Evidently Callon returns to his previous claims of the performativity of economics and the particular role of economists, among others, in the constant reengineering of market processes that are not considered inherently adverse to human well-being. For those interested in the comparatively greater role of big corporations and their assignment of roles to economists, I can refer to the work of Mirowski and Nik-Khah (2008). For those who will probably think Callon's recognition of market-engineering economists occasionally subject to shifting mainstream as suitable partners of problem-solving rather to be an element of the fortification of capitalist market relationships, Marx's *Grundrisse* still remains the place to study the reasons for searching for alternatives to markets altogether rather than submitting to taking part in market reforms. Callon certainly shares with critical sociologists the recognition of "wicked problems," but the "clumsy solutions" he proposes seem to err on the side of markets. While such a market pragmatism might still be preferable to voluntarism and revolutionary illusions, a stronger recognition of both Marx and Weber with regard to the larger dimensions of the capitalist and bureaucratic relationships in which social actors in conjunction with nonhuman components nowadays have to make their history might still be desirable as an additional compass to seek ways out of the labyrinth of commercial transactions and the myriad of market agencements.

Endnote

1 Marx shows up briefly in the discussion of the difference between gifts and sales following Marcel Mauss and in a short consideration of the transformation of human labor into labor power as a vivid and brutal example of what Callon calls commercial passiva(c)tion, the process rendering noncommercial entities into goods for sale. For Callon, the interesting aspect of this transformation is in the detachment of labor from specific milieus (e.g., subsistence farming) necessary to be reattached to other worlds (e.g., industrial production, p. 107), which of course has already been subject to many Marxist works on historical materialism and class formation, for example.

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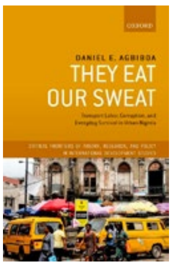
Conversation



between the book review editor Sebastian Kohl and Daniel Agbiboa on his recent OUP book "They Eat Our Sweat: Transport Labor, Corruption, and Everyday Survival in Urban Nigeria" (Oxford University Press, 2022)

Sebastian Kohl: Hello Daniel, thanks for agreeing to answer some questions from the editor on your recent book *They Eat Our Sweat* in which you offer an ethnographically very rich account of corruption practices in everyday road transportation in Lagos.

Daniel Agbiboa: Thank you for the opportunity to share some insights into my recent book. In any society, social norms dictate the extent to which individuals engage and expect others to engage in corruption. There is a common tendency in Nigeria to see corruption as a way of life, so much so that we routinely speak about a "culture" of corruption. A key motivation for writing *They Eat Our Sweat* was to go beyond such culturalist explanations by showing that corruption is not embedded in Nigerian culture but is in fact shaped by popular efforts to manage insecure lives. Which is to say, the struggle for economic survival compels many ordinary Nigerians, notably the commercial transport workers that I studied, to participate in the reproduction of the transgressive system they denounce. The implication is that ordinary Nigerian citizens are not passive in the face of corruption but instead use it in a variety of ways to minimize risk and impose predictability on their precarious labor. A related motivation for writing *They Eat Our Sweat* was to challenge the dominant paradigm of simplifying corruption into "petty" and "grand," and instead show how they interpenetrate and shape each other. Given the vital role of social norms in the diffusion of corruption, particularly on risky if profitable roads, *They Eat Our Sweat* closely examined the complex intertwining of street- and state-level corruption. This is why mutuality and complicity are key concepts that sew the book together. Nowhere is that mutuality more conspicuous than at the motor parks, bus terminals, and junctions on Nigerian roads where state and nonstate actors – and formal and informal logics – regularly collide and collude. As constitutive elements of the political economy of everyday life, these transit spaces meld state politics and subaltern politics, giving rise to a shared moral economy of corruption.

How would you summarize the book's main argument?

The main argument of *They Eat Our Sweat* is that a proper understanding of corruption must first locate it within the everyday contexts out of which it emerges and with which it routinely interacts. Corruption may be a global phenomenon, but it is intelligible only in its local context. To grasp corruption, one must attend to the underlying narrative and interpretative frames that ordinary people deploy to negotiate with power and make meaning of life's events. Many average Nigerians who participate in corruption feel that the context of political and moral economies in which they live compel them to do so. Although they recognize and denounce corruption in the abstract, these subalterns feel locked into a *system* of corruption. While the road transport workers whom I studied in Lagos, Nigeria's commercial capital and Africa's largest city, resented corruption and were generally in favor of stamping it out, the pursuit of survival forced many to reproduce the corrupt practices that they routinely denounced. This is why a core argument of *They Eat Our Sweat* is that ordinary Nigerian citizens are not passive but ambivalently complicit in the face of corruption; they deploy corruption in various ways to minimize risk and impose some order and predictability on their workaday world. The commercial driver, for example, is not just a victim; invariably, he is a participant in a state-society "dance."

Could you elaborate a bit more on how you were able to study corruption empirically?

To study everyday corruption in a megalopolis and struggling economy like Lagos, it was important for me to immerse myself in the practice of city life, and to experience how people encounter, navigate, survive or subvert corruption and coercion in everyday life. And there was no better way to do that than to become a minibus (*danfo*) conductor, one of the most stigmatized occupations in Nigeria. Throughout my fieldwork, I was constantly aware of my precarious positionality as a researcher navigating a terrain of insecurity, risk, and radical uncertainty, as well as the social stigma attached to bus conductors. The spaces occupied and navigated by the conductor – the motor park, bus terminal, and junctions – are popularly seen as cesspits of corruption, violence, drug dealing, prostitution, and magic. And yet, at their core, motor parks, and the markets surrounding them, are microcosms of social life, which facilitate the unceasing flow of goods, passengers, and information. The conductor embodies all that is wrong with the city. He is a sacrificial lamb onto which anyone can displace their daily frustrations with a dysfunctional urban system. At the same time, being a bus conductor was perhaps the most effective, if dangerous, way for me to experience first-hand the extortion and brutality of the mafia-like National Union of Road Transport Workers (NURTW), the most politicized and violent trade union in Nigeria. The fact that many conductors have been shot dead for resisting union or police demands for bribes reinforces the ephemerality of life on Lagos roads. For me, being a bus conductor was a process of *learning by doing*, consistent with the apprenticeship approach that emphasizes the participant dimension of fieldwork, turning researchers into observing participants more than participant observers. My positionality as a bus conductor raised the kind of self-reflective questions that Laura Routley encountered: "Was I an observer or a participant? Was I working with them, or studying them?" (Routley 2016, 13). These are the kind of boundary-crossing questions that I believe ethnography and economic sociology are well-placed to negotiate. I believe that participant observation is most authentic and reliable when the researcher can go unobserved, because it provides critical access to "naturally" unfolding events. This is particularly true for a phenomenon like corruption, which is located in twilight zones between the legal and the illegal, embedded in ordinary forms of sociability, and shaped by violent and shifting mutualities between formal, informal, and semi-formal actors.

What would you say are the key takeaways of your book for economic sociology, the sociology of money, or financialization scholarship in sociology?

In 1958, the sociologist Everett Hughes (1962) used the phrase "dirty work" to describe occupations that are perceived as disgusting or degrading. This term well describes the workaday world of the minibus drivers that I studied in Lagos, many of whom are partially blind and suffer from hypertension. Despite lengthy workdays, these drivers take home meager incomes due to the exacting demands of minibus taxi owners, bribe-eating law enforcement agents, and especially the extortionate powers of the *agberos*, a cohort of dreaded male youths who survive through their parasitic dependence on the spatial regulation of public transportation in Nigeria. These bribe extractors roam transit spaces, collecting onerous fees from minibus drivers on behalf of the NURTW, as well as the notorious Nigeria Police Force. Rough estimations show that at least N200 billion ($514 million) (Olawoyin 2019) is generated yearly from bribes collected by *agberos*, representing about one half of Lagos State's internally generated revenue. Moreover, during elections (and Nigeria is gearing up for one in a few weeks), *agberos* transmogrify into political thugs used by the incumbent to attack rival political candidates, coerce members of the public, and for rigging. An important takeaway of my book for economic sociology, specifically the sociology of money, is a need to better understand the shifting mutuality, complicity, and political settlements at the heart of corruption by *following the money* that flows between formal and informal economies. Where, for example, do the vast revenues generated by *agberos* end up? How are they distributed? Who are the beneficiaries of this extortion racket? What, exactly, is the trickle-up and trickle-down economy at play here?

What are some recommendations for public policies concerning corruption based on your findings?

Evidence presented in *They Eat Our Sweat* suggests that it may be more constructive for public policy to reroute corruption as a collective action-social trap problem rather than the more conventional principal-agent mode of thinking. My findings break with normative analytical models of corruption based on comparative macrolevel econometric data. Specifically, they challenge the continued public policy reliance on perception-based data and the conflation of data aggregation from various surveys into one figure used in international corruption barometers such as Transparency International's Corruption Perception Index (CPI). It calls into question the dominant paradigm of simplifying corruption into "private" and "public," and instead shows their overlapping logics. The problem with an evaluation such as the CPI is that because corruption varies so much from country to country, no single number can accurately compare the wide range of forms that corruption takes from one country to the next. Can a polyvalent phenomenon such as corruption be measured at all, let alone reduced to a single number? As my book attests, corrupt practices are extremely difficult to extricate from other social behaviors due to their embeddedness in wider everyday practices that are not corrupt sensu stricto but tend to enable and legitimize corruption. This is why public policies concerning corruption must go beyond the essentialist, culturalist, and functionalist explanations that constrain dominant approaches to corruption in Africa and the Global South generally. *They Eat Our Sweat* offers us an approach to corruption from street-level that is always in dialogue with corruption from state-level.

Finally, what are some limitations of your book? If you could go back into the field or do the book over again, what would you change?"

My fieldwork in Lagos spanned an extremely difficult four-month period (July to October 2014), when the sprawling metropolis suffered the outbreak of the deadly Ebola Virus Disease (EVD). The resultant fear of contagion in everyday life forbade intimacies and the usual gathering of Lagosians, from public spaces (e.g., motor parks) to sacred grounds (churches and mosques). The tentative mood during this period was palpable in the unwillingness of many Lagosians to be interviewed by a random stranger. I was a bus conductor in Lagos during these difficult Ebola months and recall many occasions when a poor passenger would pay for two extra seats – one to his left, the other to his right – so as to reduce the chances of bodily contact with fellow passengers. The Ebola months in Lagos affected the quality of social interactions. As one journalist neatly summed it up at the time: "Once rated in a United Nations survey as the 'happiest people' in the world, Nigerians seem to have lost their natural good humor and increasingly more people are scared of shaking hands with or hugging other people, especially strangers, for fear of getting infected with the virus" (Punch 2014). At that time, of course, few people could have foreseen that another viral disease, COVID-19, would tear across the entire world, threatening all that is normal and disrupting daily routines and social practices in every corner of the globe. The politicized and violent nature of the NURTW presented its own challenges as I navigated crowded transit spaces, non-places where collective fear has become a way of life for many. Conversations with some *agberos* were frankly quite intimidating, and some rival union gangs did not particularly appreciate my constant presence in the motor parks and terminals. This led to considerable fear and anxiety, as I was uncertain about whose toes I was stepping on at any point in time. As my fieldwork unfolded, it became clear that I was becoming too familiar with a mafia-like world in which people could suddenly disappear, and that keeping me under surveillance would allow those implicated – the NURTW, local government, and law enforcement agents – to maintain a unified front that concealed the mutualities at the epicenter of corruption. But, as I ask in the book, does one abandon urgent research simply because a predatory trade union and a complicit state government do not want their extortion racket to be documented and exposed?

Thank you, Daniel, for taking the time.

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