Stipe Grgas, University of Zagreb, Croatia

Postmodernity Grounded

1.

The following contribution to a discussion that purports to “rethink the humanities” stems from the field of American Studies which has, since its beginnings, challenged and put pressure on disciplinary borders and institutional structures of both the humanities and the social sciences. The approaches it has espoused has led observers to see it as a domain of inquiry where virtually anything goes. One of the explanations that has been put forth to account for the heterogeneity of both the research agendas and the multiplicity of methods within American Studies is the dynamics of demography within the United States and the way that this dynamic has impacted both the enrollment statistics at American universities and the diversifications of its teaching staff. According to this oft-repeated view, the research agenda of American Studies reflects the stages of empowerment of the different groups making up the United States polity. Although one would be hard put not to acknowledge these, distinctly American, developments, on the present occasion my point of departure is a more general rationale which American Studies, like other disciplines today, rely upon when setting their research agenda and deploying their methods: in simplest terms, they harbor a desire and feel a need for relevancy.

For some time now the humanities or, to be more precise, those who are their practitioners have tended to overstep the fields of their specialist knowledge and inquiry. Scholars in the humanities have ventured and are continuously venturing outside of what would seem their habitual scholarly pursuits and are tackling issues of politics, culture understood in the broadest sense, questions of identity and other similar matters. Some are of the opinion that we are witnessing a movement from institutionally compartmentalized and parceled-out scientific /scholarly enterprises into a postdisciplinarity[1] that seems to have shifted its focus of interest onto, at first glance, non-academic, mundane agendas and happenings.

eISSN 1847-7755; doi: 10.15291/sic/2.1.lc.1

Just as these changes owe something to the immanent logic of the development of the disciplines themselves, I am of the opinion that they are equally consequences of the urge to be relevant or, said otherwise, to think, to use Judith Butler's phrase, "the state we are in" (Butler, Spivak 2). If the humanities are set this task and purpose what to my mind becomes an imperative is to reappraise their methodological premises and to rethink the priorities of the objects of inquiry that they have habitually targeted. In one of the exchanges with Butler in the book from which I borrow the above phrase, Gayatri Spivak makes a point which is to a certain extent self evident and, I will maintain, hermeneutically indispensable for the "state we are in". Spivak at one point remarks: "We need a sense of the determining role of something which is neither national nor determined by the state. This is capital and Arendt does not think about it" (78). These two quotes help me delineate the circumstances in which the humanities, I believe, are to be rethought and to bring to the fore the domain of human life which demands to be addressed within that temporal conjecture. Put in a nutshell, the task of rethinking the humanities now has to take cognizance of economic matters, a fact that even the interdisciplinary field of American Studies has insufficiently acknowledged.

Following up on the disciplinary turn, which seeks to address the urgency of the present and the necessity to foreground the role of the economic, enforces us to address the issue of postmodernism or of postmodernity in a manner which shows it to have been a rather evanescent affair which has dissolved and been grounded in the first decade of the new millenium. The reality – capital and its dynamics - on which it has found itself grounded can be said to have been the radical other of postmodernism especially if the latter is defined as an artistic style, a philosophical outlook or a break with an earlier historical formation. Alan Kirby's brief article "The Death of Postmodernism and Beyond" not only accords with what I think has happened to postmodernism but points to factors that have contributed to its fate:

"Their every step hounded by market economics, academics cannot preach multiplicity when their loves are dominated by what amounts in practice to consumer fanaticism. The world has narrowed intellectually, not broadened, in the last ten years. Where Lyotard saw the eclipse of Grand narratives, pseudo-modernism /his designation for the contemporary, S.G./ sees the ideology of globalised market economics raised to the level of the sole and over-powering regulator of all

social activity … pseudo-modernism was not born on 11 September 2001, but postmodernism was interred in its rubble."

Opting for the term postmodernity in my title instead of postmodernism in designating the subject matter of my presentation ought to signalize to those who have followed the discussions on postmodernism my take on the sub-topic ("Postmodernism and its Others") under discussion. Returning to the narrower issue set by the organizers of our conference, I stress that my reading of the other, as the horizon in which the discussion of postmodernism is here staged, is neither metaphorical nor dematerializing relational but rather I see it as the subversive opposite of the initial term, that what disrupts and radically questions it. At a first glance these two statements appear to be contradictory. Namely, if, unlike postmodernism that focuses on an eclecticism of styles or the undermining of epistemological certainty, the term postmodernity gestures to a historico-economic formation or, to be more specific, designates the latest phase of capitalism, the question that insinuates itself is how can we speak of the mundane reality of the economic sphere as being the other of this very formation. Instead of rehearsing the arguments of writers such as David Harvey (1990) who have convincingly unearthed the material conditions of postmodernity, the central part of my paper will enumerate and deal with a number of developments that have worked to keep these conditions hidden or that have played a part in creating a postmodern condition which from the present moment seems to have been a short-lived reprieve from the constraints of what I, knowing full well the explosive nature of the word, designate as the real.

Theorizations of postmodernism have played their part in the marginalization of the economic sphere and have therefore contributed to the conceptualization and experience of existence as being free of the said constraints. The post-structuralist orthodoxy has contributed a great deal to dematerializing, to use a term I will return to below, manifold structures of life and making them into discursive not material practices. In their introduction to a collection of papers exploring the relation between culture and economy after the "cultural turn", Larry Ray and Andrew Sayer begin with the following assessment:

"One of the most striking features of social science at the end of twentieth century has been the growth of interest in culture and a turn away from economy. The cultural turn has been especially strong in radical social science and studies of history, including a turn towards discourse and away

from materialism and the Marxist-influenced political economy which was so strong in the 1970s and early 1980s. What was previously secondary, namely superstructural, is now primary, and notions of structure are regarded as suspect in many circles. Where previously language reflected material being, it is now treated as itself the 'house of being'. Where previously radicals were concerned with capitalism, they now talk of modernity and postmodernity. Postmodernism itself is overwhelmingly cultural in that it concerns, with economics notable by its absence, political economy being presumably tainted by its association with materialism and grand narratives" (Ray, Sayer 1).

Writing back in 1999, the editors made the following observation: "The paradox of a turn away from economy to culture at a time of continuing if not growing economic problems is becoming increasingly apparent. The silence on these matters cannot continue much longer, and a fresh examination of the relationships between culture and economy is required" (Ray, Sayer 21). If in 1999 this was paradoxical, it would be even more so in the midst of the severest slump since the Great Depression of 1929.

That slump has landed a great many people in a reality that a large part of these people had forgotten existed during the heyday of postmodernity. It has devastated multitudes; it can be heard in the urgency of everyday parlance, in the sobering and anxiety-filled statistics that we are constantly bombarded with, in the diminishing expectations for the near future, in the straitened circumstances of our lives. The designation of what has erupted since the onset of the recession as constituting the real has appeared in different contexts, from academic writings to the everyday pronouncements of the press. I offer a sampling of these uses. In her fieldwork study of corporate practices and rating agencies, Alexandra Ouroussoff speaks of risk analysts and what they do in the following manner: "too young to have a knowledge of the real world" (23) and "the effect of legislation designed to keep shareholders informed about the risk to their capital, far from improving their knowledge, actually serves to disconnect them from the reality" (25), concluding that "institutional values that define the objectives of the rating agencies do not permit analysts to perceive the realities that would shatter the illusion of a continuity of the investment principle" (110). Matt Renner offers a poignant summary: "Our economy for the past decade or more has been built on lies. Superfueled by greed and so-called "innovation"in the financial sector, it finally careened off the road and slammed head-on into the cement wall of reality". In his revealingly titled

study Zombie Capitalism Chris Harman uses the term reality in a similar fashion: speaking of those that did not heed warning signs he writes:

"The words of those who saw things differently were ignored, as the media poured out candyfloss layers of celebrity culture, upper middle class self-congratulation and senseless nationalist euphoria over sporting events. Then in mid-August 2007 something happened which began to sweep the candyfloss away to provide a glimpse of the underlying reality." (8)

In addition to those who would critique the use of the word reality in this context as simplistic, I mention Slavoj Žižek's comment on the relation between the real and the implied unreality of finance: "Consequently, those who preach the need for a return from financial speculation to the "real economy" of producing goods to satisfy real people's needs, miss the very point of capitalism: self-propelling and self-augmenting financial circulation is its only dimension of the Real, in contrast to the reality of production" (14). And again: "The self-propelling circulation of Capital thus remains more than ever the ultimate Real of our lives" (Žižek 37). However, although one readily concedes Žižek's point, the sophistry behind his pronouncements neither neutralizes the surreal quality of financial scams that we have been permitted a glimpse of nor does it alleviate the dire reality of lives that they have left devastated in their wake.

Leaving aside on the present occasion the question of the extent to which these observations are relevant beyond the field of American Studies, I am of the opinion that many of them have a particular pertinence to the culture and society of the Unites States. This has to do with the broader question to what extent was postmodernism or the historical conjuncture of postmodernity a largely American phenomena. Thusly, Andreas Huyssen has remarked on the "underlying American parochialism of the postmodern craze"(64). In an earlier article,[2] arguing for a geographically differentiating methodology, I attempted to depict the United States as the exemplary postmodern nation and to show how September 11 and the subsequent policies of the Bush administration designated a break which shed a relativizing light on what had been deemed epochal changes in the nature of nations and their cultures. September 11 and the later outbreak of the financial crisis inaugurated a state of the present, to repeat Butler's phrase, whose reality cannot be explained using the parameters and the explanatory paradigms of the postmodern episteme.

These events brought out into the open the reality of a capitalist economy which had previously been taken for granted or strategically hidden. Bill Brown in his essay "Dark Wood of Postmodernity (Space, Faith, Allegory)" wrote that September 11 put under scrutiny our understanding of postmodernism and maintained that the attacks "seem to signal something other than the postmodernity we too comfortably imagined; it is as though the hyperreal has dried up in the sands of what Slavoj Žižek has named the 'desert of the real'" (735). The full impact of Bill Brown's other can be appreciated if we keep in mind that the attacks occurred and targeted the epicenter of the so-called New Economy which the editors of the collection of papers Frontiers of Capital describe in the following manner:

"In the halcyon days of the New Economy, optimists contemplated a world without business cycles, where technology, ever-increasing productivity, and globalization were to usher in unprecedented prosperity and unrelenting expansion. At the very least, venture capitalists, start-up entrepreneurs, and other investors began to think that the numbers would always go their way: the indexes would continually rise in defiance of old rules of stock valuation" (Fisher, Downey ed. 1).

Although the attacks brought everything to a "standstill", to quote David Harvey, capitalism did not collapse and various initiatives were made to get things moving again:

"So suddenly, Mayor Giuliani and President Bush are pleading the public to get out the credit cards and go shopping, go back to Broadway, patronize the restaurants. Bush even appeared in a TV ad for the airline industry encouraging Americans to start flying again." (The Enigma of Capital 12).

In my earlier reading of the United States as an exemplary postmodern nation ("Where is Postmodernity") I argued that the strategies deployed to cope with the disruption of September 11 revealed the United States to be no more exceptional than any other nation. What I had not fully appreciated was how the emphasis that was placed on devising policies to restore confidence in the economy showed the American order of priorities. It was the subsequent economic crisis and the largely unsuccessful efforts to contain it that have marked the end of "halcyon days" which both Bush and Giuliani had tried to prolong and that have made powerfully clear the "manifest gap that arose between capitalist fantasy and material reality" (Fisher, Downey ed. 3). From this side the

crisis I find little fault with the following assessment: “The New Economy was an episode of collective euphoria sparked when people witnessed real changes and many mistakenly assumed (or fraudulently asserted) that shifts in everyday life would necessarily translate seamlessly, quickly, into economic opportunity” (Fisher, Downey ed. 4).

When I speak of “postmodernity grounded” I am referring to the destruction of this collective euphoria amidst circumstances which have been brought about by the crisis. In the next part of my paper I want to briefly outline how this euphoria, this fantasy or what Chris Harman called “the great delusion – the belief that capitalism had found a new way of expanding without crises” (Zombie Capitalism 15-16) - took hold and swamped not only the US but the rest of the world as well. Put otherwise, I want to enumerate a number of processes that hoodwinked[3] us and led us to believe and live this fantasy. As the next step in my presentation I will list a number of developments during this period, coinciding to a great extent with postmodernity, that up to the irruption/intrusion of the real or up to the grounding, have impacted on human behavior, processes that seemed to have put the possibility of the return of that reality under erasure. Put otherwise, I ask the question what stratagems were spawned and deployed by market utopias to obfuscate the material realities of contemporary capitalism in a wonderland of somnambulant producers, eager costumers and never satiate consumers.

2.

The following are the developments that I will briefly describe as contributing to the delusionary (in the sense Chris Harman uses the word) way of being espoused by postmodernity: its processes of dematerialization; financialization; credit and debt; new technologies; new use of knowledge; eclipse of labor; and the end of history. Needless to say each of these topics has engaged enormous scholarly interest which I will only haphazardly and impressionistically make references to. From the vantage point of the post-9/11 world and in the aftermath of the economic crisis, these seem to me to be amongst the foremost factors that have to be taken into account when delineating United States postmodernity or when trying to understand the cultural-political shock of the later economic disarray. I speak of these processes as discreet units out of purely analytical

reasons. As will soon become evident they are interdependent, interlocked into a totality that is more than the sum of its parts.

I use the phrase processes of dematerialization fully aware that the negative formulation does not mitigate the problematical nature of the concept of the real. Nonetheless, the reservations I have offered above ought to have paved a way for an understanding of the notion of the disavowal of real, to reformulate my initial phrase, as having to do with the rudimentary workings of the economy during late capitalism. That disavowal was ardently promulgated by one of the high priests of postmodernism Jean Baudrillard who in The Mirror of Production written back in 1973 critiqued Marx's bias for productivist ideology and its reality principle. "Marxist labor is defined in the absolute order of a natural necessity and its dialectical overcoming as a rational activity producing value. The social wealth produced is material; it has nothing to do with symbolic wealth which, mocking natural necessity comes conversely from destruction, the deconstruction of value, transgression, or discharge" (42-43).

The concentration or the emphasis placed on the material is elsewhere identified as a theory "of a surpassed stage of commodity production" (117). At the point when he was writing this, that is in the early days of postmodernity, Baudrillard could actually state that "the epicenter of the contemporary system is no longer the process of material production"(130).

Returning for a moment to American Studies it is amazing how they have steered clear from issues pertaining to the material production or the economy as such and have preferred to deal with, amongst other things, the domain of the symbolic. Not only was this due to their long-enduring unease with Marxism but the contemporary system and its performance seemed to have relegated issues of production, the very existence of capitalism together with its ideological foe, to history. Laws of economic life which had previously reflected the constraints of the givens of human life seemed to have been suspended. An inkling of what was happening can be gleaned from a recent article in which Stephen Gudeman describes economies as consisting of "overlapping and conflicting spheres" and concludes: "They are increasingly abstracted from the material economy of everyday life, and increasingly liquid: the speed and number of transactions multiply in the upper spheres of finance and meta-finance"(4). However abstracted they were purported to be, the grounding which we are now experiencing painfully reveals that the disavowal of reality had landed

us in what Paul Krugman has dubbed "fool's paradise"("Our Giant Banking Crisis – What to Expect"). That these are not offhand comments but that they accord with a general tendency is corroborated by an observation in David F. Ruccio's and Jack Amariglio's study Postmodern Moments in Modern Economics (2003) where they remark on the "dematerialization of economics as a whole, its increasing "unreality" and obliviousness to the real pains and pleasures, the real suffering and needs of the economic agents it purports to represent" (97). Apposite to what I am arguing, I quote an insight made by P.A. Samuelson which Ruccio and Amariglio put at the beginning of their book: "Darwinian impact of reality melts away even the prettiest of fanciful theories and the hottest of ideological fancies" (qtd. in Ruccio and Amariglio 1).

The stunning growth of finance both within the economy at large but also in everyday life has to be numbered amongst the most significant developments contributing to what I have referred to as the process of dematerialization. It needs to be kept in mind that periods of financialization have regularly occurred within the cycles of capitalist development. What seems distinct during the last half century is the sheer disproportion of finance capital in relation to other capitals and the innovations that have been introduced within this sphere. Returning to the American context, a note must be made of the fact that policy makers in the United States were eager to embrace the opportunity and further rather unorthodox economic options. In his book Bad Money: Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism (2008) Kevin Phillips refers to an article Professor John C. Edmunds, a Latin American specialist, wrote in 1996 in which he argued that "wealth could be increased without creating or manufacturing anything, save for paper that rearranged and added value and marketability to new and existing loan arrangements" (96-97). According to Phillips the turning point occurred in the eighties of the past century, a decade that "can be identified as the launching pad of a decisive financial sector takeover of the U.S. economy, consummated by turbocharged, relentless expansion of financial debt and eventual extension of mortgage credit to subprime and other unqualified buyers"(39-40). The consequences of this takeover for the United States are summarized as follows:

"Without much publicity, the financial services sector – banks, broker-deals, consumer finance, insurance, and mortgage finance – muscled past manufacturing in the 1990s to become the largest sector of the U.S. private economy. By 2004-6, financial services represented 20 to 21 percent of

the gross domestic product, manufacturing just 12 to 13 percent. And finance enjoyed an even bigger share of corporate profits"(Phillips viii).

According to Phillips this state of affairs marks a stage when a world economic power is passing its zenith, letting "itself luxuriate in finance at the expense of harvesting, manufacturing, or transporting things"(20).

Without going into the intricacies of the rules and laws of exchange and circulation within the capitalist order, which according to the Marxist paradigm are based on the relations between money and the commodity, the extreme form of financialization which we are here dealing with seemed to have inaugurated an exchange process that had broken free from the constraint of having to produce commodities. William K. Tabb explains how the traditional triad of Marxist theory (either C-M-C or M-C-M) was replaced by a dyadic relation:

"It seemed that finance had developed a new magical M-M' circuit, in which money could be made solely out of money, without the intervention of actual production. The new secret of accumulation was presumed to be leverage and risk management, which allowed the purchase of assets that promised higher returns even if they carried a higher risk, and the borrowing of many times the amount the investor had in equity capital – perhaps ten, twenty, thirty, or in some cases a hundred times as much." ("Four Crises of the Contemporary World Capitalist System")

In a more flippant manner John Lanchester, a novelist whose book I.O.U. :Why Everybody Owes Everyone and No One Can Pay (2010) exemplifies how the economy has become a pressing issue to those who are not professional economists and therefore not dissimilar to what I am attempting in this paper, writes that finance "like other forms of human behavior, underwent a change in the twentieth century, a shift equivalent to the emergence of modernism in the arts – a break with common sense, a turn toward self-referentiality and abstraction, and notions that couldn't be explained in workaday English" (45). This break with common sense has to do with Tabb's "magical circuit" and was viewed with anxiety by those who were not wholly convinced, as Lanchester writes, by "the hegemony of economic, or quasi-economic, thinking" (217). Melissa S. Fisher and Greg Downey come to a similar conclusion:

"The extraordinary flows of virtual capital in financial markets, for example, especially in currency trading, derivatives, and mergers and acquisitions, creates the impression of prodigious economic activity by some traditional measures. The total face value of derivatives or the daily flow of currency exchange, for instance, far exceeds the volume of traffic in the "real" economy of products. (Already in 1998, the trade in derivatives had a face value ten times greater than total global production.) As skeptics point out, the hyperactive shuttling of virtual value among offshore accounts, when viewed from above – the perspective of aggregate numbers – seems monumental, but it also appears to have only an indirect effect on productive processes, except in moments of crisis" (22).

At this moment of crisis the skepticism has proved to be more than founded.

The third development which abetted the processes of both dematerialization and financialization and which is particularly relevant to how they played themselves out in the United States is the profound role of technology. The place of technology in the American cultural imaginary as well as its role in the material history of this polity is immense. John Dinerstein makes an pertinent observation when he says that today "for Americans, it is not the Christian God but technology that structure the American sense of power and revenge, the nation's abstract sense of well-being, its arrogant sense of superiority, and its righteous justification for global dominance" (273). Amongst the new technological breakthroughs, it was the electronic network that promised to create a "friction-free" capitalism, a "virtual plane of electronic transactions where capital could shed the encumbering peculiarities of the material realm" (Fisher, Downey ed. 139). Marco Magrini recognizes the new state of affairs but supplements the insight by generalizing its impact:

"For some time now the financial markets have been electronic, even though just a few years ago only the professionals could afford the expensive equipment involved in electronic securities trading. But with the advent of the internet and the on-line debut of discount brokers (many of whom began in the 1970s with the law deregulating brokerage commissions) digital investing has become available to everyone" (qtd. in Marazzi 6).

These observations suggest how these technologies and their impact spread throughout the population at large.

If dematerialization is an abstract notion and financialization to a large extent something in which a restricted elite participated at least on the winning side of the transactions, it was the technological revolution that colonized the everyday world of people and coopted them into these processes. John Urry is another observer who recognizes that the "finance system bubble was especially facilitated by the virtualization of money" but then goes on to add:

"There were until then two distinct kinds of things that provided the background to people's everyday lives: the 'natural world' of rivers, hills, lakes, soil, storms, crops, snow and so on; and the 'artificial' object of the industrial revolution, such as trains, pipes, steam, screws, watches, lights, paper, radio, cars and so on. But from 1990 onwards a new background emerges. This is the world of 'virtual' objects, of computer and mobile screens, cables, computer mice, signals, satellites, ringtones, texts, sensors, software and so on. In the background of the twenty-first century life are virtual objects, hovering and increasingly taken-for-granted, 'smart', sensing, adapting to and transforming especially lives within financial corporations"(6).

James Tobin critically appraises the use of computers in the new economic constellation:

"I confess to an uneasy Physiocratic suspicion … that we are throwing more and more of our resources … into financial activities remote from the production of goods and services, into activities that generate high private rewards disproportionate to their social productivity. I suspect that the immense power of the computer is being harnessed to this "paper economy," not to do the same transactions more economically but to balloon the quantity and variety of financial exchanges. For this reason perhaps, high technology has so far yielded disappointing results in economy-wide productivity"(qtd. in Foster, Magdoff 80).

The efficacy of the computer and the speed with which it has become integrated into human life can further be explained by an observation made by Mark Weiser: "The most profound technologies are those that disappear. They weave themselves into the fabric of everyday life until they are indistinguishable from it"(94). Any account of the crisis, how it can be differentiated from previous ones and how it might be contained, will have to pay heed to the difference that technologies make.

These new technologies presupposed but also produced new knowledge and they definitely contributed to the shift away from manufacturing toward a service and information-based world of postmodernity. That knowledge within the humanities underwent a process of transformation during this period was the starting point of this paper. What is not as well-known is that the economic sector, particularly the world of finance, also relied on new specialized knowledge. Felix Salmon in his article "Recipe for Disaster: The Formula That Killed Wall Street" reveals a fascinating story of how in the mid-'80s Wall Street financiers turned to quants –brainy financial engineers – to come up with new ways to increase their profits. In the article he describes the activities of the math wizard David X. Li who came up with a formula known as the Gaussian copula function. For five years this formula looked like an unambiguously positive breakthrough, a piece of financial technology that allowed hugely complex risks to be modeled with more ease and accuracy than ever before. With his brilliant spark of mathematical legerdemain, Li made it possible for traders to sell vast quantities of new securities, expanding financial markets to unimaginable levels. A remark Salmon makes in the paper clearly reveals the pertinence of this kind of knowledge to our topic: "Clean equations help both quants and their managers forget that the real world contains a surprising amount of uncertainty, fuzziness, and precariousness" ("Recipe for Disaster").

Mathematical "legerdemian", the tricks of the knowledgeable on the economic stage, to rephrase only one of its dictionary meanings, created a financial sphere of such complexity that it stupefies not only those with no economic expertise but even those who we would expect to be in the know. This has led Jerry Z. Muller to name the crisis through which we are living an "epistemological depression":

> *"What seems most novel is the role of opacity and pseudo-objectivity. This may be our first epistemologically-driven depression….That is, a large role was played by the failure of the private and corporate actors to understand what they were doing. Most heads of ailing or deceased financial institutions did not comprehend the degree of risk and exposure entailed by the dealings of their underlings – and many investors, including municipalities and pension funds, bought financial instruments without understanding the risks involved"(2).*

Felix Salmon underlines that the mathematicians simply did not heed the constraints of reality nor did they make their calculations respecting the evidence of historical data:

"In the world of finance, too many quants see only the numbers before them and forget about the concrete reality the figures are supposed to represent. They think they can model just a few years's worth of data and come up with the probabilities for things that may happen only once every 10,000 years. Then people invest on the basis of those probabilities, without stopping to wonder whether the numbers make any sense at all" ("Recipe for Disaster").

This mathematization of the economy and the wizardy of the financiers did not only make it an arcane discipline but contributed to the disawoval of the reality which eventually took its revenge on the lives of real people.

Those lives are being ravaged by the indebtedness of the populace once the illusion of easy credit had evaporated. Therefore, as the fourth development that contributed to the creation of the great delusion I will remark upon the enormous expansion of credit and the explosion of debt in the United States. David Harvey gives a convincing explanation for the availability of credit during the last half century and how it functioned to camouflage anomalies in the real economy:

"Ever since the 1970s we've been in a situation of what I'd call wage regression in which real wages didn't really rise at all. But that led to problems in the market. If you restrict wages you have a problem with aggregate demand. One way that problem was solved was by giving working people credit cards and allowing them to go into debt. Household debt in the US has tripled in the last 20 years or so" ("Exploring the logic of capital").

Elsewhere he gives concrete statistics: "the gap between what labor was earning and what it could spend was covered by the rise of the credit card industry and increasing indebtedness. In the US in 1980 the average household owed around $40,000 (in constant dollars) but now it's about $130,000 for every household, including mortgages" (The Enigma of Capital 17).

Erinc Yeldan's argument which sees financialization as a response to the problem of overaccumulation is on the same track:

"It was at this juncture that the introduction of debt instruments under the post-1980 financialization had enabled the middle classes to sustain their positions as a component of final demand. During a period of falling current incomes, newly created debt instruments with various options of indebtedness helped the American – and elsewhere – working class to be part of the consumerist culture. As private savings fell to negative ratios to the gross domestic product, household debts accumulated rapidly. Financialization, thus, was not an opportune moment only for the captitalists as a class in compensating the loss of industrial profitability, but it also meant expanded consumption power for the working class which otherwise experienced significant income losses" (11).

While it lasted, the credit frenzy greatly enhanced the sense of opportunity and expansion. The material givens of life were not seen as obstacles to consumer desire and to emulating life-styles that overreached available resources. A study of the credit card would surely show the extent to which it contributed to the decoupling of human behavior from material circumstances.This forgetfulness was brought about by another sleight of hand which can be traced though the cultural archives spawned during the last decades.

All of the enumerated factors have contributed to my fifth development – the eclipse of the significance of labour and work. In the American case this has been an ongoing project as witnessed, for example, by the absence of issues of class in Americanist discourse. Paul Smith gives a trenchant appraisal of this feature of the American polity:

"Far from recognizing that festering wound, this is a nation, after all, that has been chronically hesitant to face up to ressentiment in its own history, and mostly able to ignore and elide the central antagonisms of class that are produced by its primitive dedication to capitalist social relations. This is and has been a self-avowed "classless" society, unable therefore to acknowledge its own fundamental structure, its own fundamental(ist) economic process (except as a process whereby some of its subjects fail to emulate the ability of some of the others to take proper advantage of a supposedly level playing field, or of the fantasized equality of opportunity in America.)" (8)

This is certainly one of the reasons why, excepting Marxists, the stagnation and reduction of wages was not given the weight it deserved. In addition to this I believe that United States postmodernity

continued to evince a trait which Cindy Weinstein, working within literary studies, has termed "the cultural anxiety about labor" (The Literature of Labor and the Labors of Literature 80). Although Weinstein's object of study has only a tangential bearing on the present argument I suggest that "the ideal of invisible labor" which she explores in literary artefacts has a broader application and that it can be used to delineate a structural feature of postmodernity. Accompanying the substantial changes in the workplace, before the onslaught of the crisis I believe that the dominant ideological assumption in the United States projected a world where labor was no longer a necessity.

Epitomizing the society of the spectacle, indulging its various life-styles, enthralled by its entertainments and its promise of ever-expanding consumption, the United States was the epicenter of postmodernity. What has been frequently forgotten is the extent to which these developments and the attendant marginalization of labor were produced by its own fundamental structure, its own fundamental(ist) economic process, to use Paul Smth's words. David Harvey goes beyond the spectacle and provides an explanation which has a bearing on my argument:

> *"Consider the cultural response to the recent speed-up and acceleration of capital turnover time. The latter presupposes, to begin with, a more rapid turnover in consumption habits and lifestyles which consequently become the focus of capitalist social relations of production and consumption. Capitalist penetration of the realm of cultural production becomes particularly attractive because the lifetime of consumption of images, as opposed to more tangible objects like autos and refrigerators, is almost instantaneous. In recent years, a good deal of capital and labor has been applied to this purpose. This has been accompanied by a renewed emphasis upon the production of controlled spectacles (of which the Los Angeles Olympic Games was a prime example) which can conveniently double as a means of capital accumulation and of social control (reviving political interest in the old Roman formula of "bread and circuses" at a time of greater insecurity)" (The Condition of Postmodernity 427).*

That insecurity, stemming, in this context, from the economic circumstances in which one works and lives, was displaced not only by ideology as such but by the distraction of various cultural products and gadgets. An observation made by Paul Connerton shows that the stratagem of distraction is not a novelty but constitutive of the capitalist process of production:

"The fundamental transformative practice of human labour, what might be called the diachronic process of labor time, is misperceived as the illusory synchronicity of exchange-value. The labour process is obscured. In his great essay on reification in History and Class Consciousness, Lukacs argued that the capitalist process of production was constituted by the loss of its memory of the very process through which it is produced … the genesis of the commodity form, the human agency that creates manufactured artefacts in this particular social formation, falls prey to a cultural amnesia. Since the labour process is rendered opaque, certain crucial memories about how this type of society is produced are made unconscious, the production of commodities being, at the most significant level, made unavailable to consciousness" (How Modernity Forgets 43).

This brings us to the final developement I will comment upon as contributing to the great delusion of postmodernity.

The cultural amnesia which Paul Connerton pinpoints in his account is only an element in the loss of memory which, in a more general sense that I cannot go into here, is a constituent component of the self-congratulatory proclamations of the end of history. On this occassion I will only focus on the practice of relegating historical precedent to insignificance and how this was a contributing factor to the latest crisis. Regarding this, Slavoj Žižek makes a perceptive comment: "The only truly surprising thing about the 2008 financial meltdown is how easily the idea was accepted that its happening was an unprecedented surprise which hit the markets out of the blue" (9). The world that was spawned by the developments which we have examined was based upon assumptions about human behavior and the belief in the infallibility of the market which ignored hundred of years of historical evidence. Paul Krugman and Robin Wells contend that the reason the crisis found people so unprepared was because "almost veryone believed that historical precedents were irrelevent" ("Our Giant Banking Crisis" 11). That this erasure of the relevance of history or, put otherwise, the proclivity to map the contemporary in ever shorter time spans[4] is not a sporadic phenomenon but a systematic feature of the present world has been remarked upon by Fredric Jameson who is one of the authors Paul Connerton refers to in describing "how modernity forgets": "our entire contemporary social system has little by little begun to lose its capacity to retain its own past" (qtd. in Connerton 2).

I would contend that if this experience of time characterized modernity then the "abbreviation of history" (Connerton 40) has accelerated in postmodernity and has infected agents of whom we would have expected more acumen and a more balanced understanding of temporality. Evidence proves otherwise. During his appearance before the Committee of Governement Oversight and Reform on October 23, 2008, Alan Greenspan the former chairman of the Federal reserve Board made the following statement:

> *"The whole intellectual edifice … collapsed in the summer of last year because the data imputted into the risk management models generally covered only the past two decades, a period of euphoria. Had instead the models been fitted more appropriately to historic periods of stress, capital requirements would have been much higher and the financial world would be in far better shape today" ("Greenspan Testimony on Sources of Financial Crisis").*

The short-sightedness of constructing models on periods of growth and prosperity meant that the reality of the cycles of capitalism were simply ignored. These models, which I have shown are only a part of a concerted complex of developements constitutive of postmodernity, produced what Mike Davis has dubbed a "casino capitalism" which has evaporated into thin air leaving in its wake an epistemologically but also, more importantly, an existentially challenging reality. The vignette which follows, which Davis wrote in the midst of attempts to contain the crisis, puts in relief what I have delineated as the salient points of postmodernity and its grounding:

> *"For years, with all the economic bells and whistles, all the mansions and yachts, all those arcane derivatives, all the high-tech glamour and glory, with Americans pouring into the stock market (or at least their pension plans and mutual funds doing it for them), you could almost not notice the increasing barren, rocky world outside the American casino. You could almost not notice the shrinking of real value, of actual productivity in this country. These last weeks, Americans – those who weren't already outside, at least – have been rudely shoved into the real world to assess what their value (personal, national, global) actually is." ("Can Obama See the Grand Canyon?")*

3.

From my first paragraph and then throughout my presentation I have constantly evoked the present as the temporal deictic frame of reference of my argument. If by choosing to do so I have opted for relevance, I am well aware that changing circumstances can easily make my observations seem ephemeral and quickly dated. Or, put otherwise, perhaps policies implemented to contain the damage of the crisis, if successful in the near future, will again obfuscate the significance of the workings of capital and hide it from view. This anxiety of ephemerality, to which I confess on the present occasion, is coupled with a disciplinary anxiety which anticipates the reproach that issues of the economy ought to be dealt with by economists. However, having kept watch over discussions of the crisis I am stunned by the multiplicity of explanations and by the bafflement over what has actually occurred voiced time and again by those of whom we would expect expertise knowledge. This need not surprise us. Such puzzlement was voiced by the highest authorities at similar junctures of economic history. For example, Chris Harman quotes two Nobel economic laureates, Edward C. Prescott and Robert Lucas, who, respectively, spoke of the Great Depression as a “pathological episode” defying explanation and the latter confessing that “it takes a real effort of will to admit you don’t know what the hell is going on in some areas” (9). If economists were willing to admit the limitations of their explanatory paradigms at certain points of history, I see no reason why other scholarship should not avail itself of its interpretative potential to assail one of the most fraught events of our time. I would wager the proposal that the economy, the way it permeates cultural-political identities, the way that it determines and impacts upon human lives, the truth that capitalism constitutes, in Paul Smith’s words, the “fundamental structure” of the United States, that these matters are of such weight and significance that they cannot be left to be dealt with by economists alone.

I will conclude with a few remarks about the fact that this conference is being held in Croatia. Such a recognition of positionality is particularly pertinent to the project of American studies which, when practiced outside the United States, always register the concerns and the interests of the locality where they are being carried out. Looking back on the developments that I have remarked upon in my account of United States postmodernity it is remarkable to what extent the same processes,

with local differences, have permeated Croatian polity after its emergence from the socialist order. The differences have to do both with the sweep and the agency of the processes and with the severity of the crisis that has been produced in their wake. The question of the extent United States postmodernity and its geopolitical agenda played a role in the dismantling of the socialist world can here only be mentioned and must await some future occasion to be explored. Formulated succinctly, the question that will have to be addressed is, to re-paraphrase a well-known query, to what extent is the "post" in post-communism related to the "post" in postmodernism. To delineate that imbrication we could do worse than go to the Marxists that I have relied upon on the present occasion. In the post-communist world we would be able to recognize the relevance of Marx's thought to the present predicament but we would also be able to address the utopian projections that some of these writers still harbor with a grounding critique.

Works Cited

Baudrillrad, Jean. The Mirror of Production. St. Louis: Telos Press, 1975.

Bauman, Zygmunt. Living on Borrowed Time. Cambridge: Polity, 2010.

Brown, Bill. "The Dark Wood of Postmodernity (Space, Faith, Allegory)." PMLA: Publications of the Modern Language Association of America Vol. 120 No.3 (2005).

Butler, Judith, and Gayatri Chakravorty Spivak. Who Sings the Nation-State. New York: Seagull, 2007.

Connerton, Paul. How Modernity Forgets. Cambridge: Cambridge University Press, 2009.

Davis, Mike. "Can Obama See the Grand Canyon? On Presidential Blindness and Economic Catastrophe." 15 Oct 2008. http://www.tomdispatch.com (accessed 15 May, 2009)

Dinerstein, Joel. "Technology and Its Discontents: On the Verge of the Posthuman." American Quarterly Vol. 58 No. 3 (2006): 569-595.

Fisher, Melissa S., and Greg Downey. Frontiers of Capital: Ethnographic Reflections on the New Economy. Durham: Duke University Press, 2006.

Foster, John Bellamy, and Fred Magdoff. The Great Financial Crisis: Causes and Consequences. New York: Monthly Review Press, 2009.

Greenspan, Alan. “Greenspan Testimony on Sources of Financial Crisis.” Wall Street Journal, October 23, 2008. http://blogs.wsj.com/economics/2008/10/23/greenspan-testimony-on-sources-of-financial-crisis/

Grgas, Stipe. “Where is Postmodernity.” Synthesis Philosophica Vol. 17 No. 2 (2002): 257-272.

Grgas, Stipe. “Komparatisička relevantnost američkog "sada"." Istodobnost raznodobnog - Tekst i povijesni ritmovi. Split-Zagreb: Književni krug, 2010:15-24.

Gudeman, Stephen. “Creative Destruction: Efficiency, equity or collapse?” Anthropology Today Vol. 26 No.1 (2010).

Harman, Chris. Zombie Capitalism: Global Crisis and the Relevance of Marx. Chicago: Haymarket Books, 2009.

Harvey, David. “Between Space and Time: Reflections on the Geographical Imagination.” Annals of the Association of American Geographers, 80.3. (1990).

Harvey, David. The Condition of Postmodernity. Oxford: Blackwell, 1990.

Harvey, David. The Limits of Capital. London: Verso, 2006.

Harvey, David. “Exploring the logic of capital.” Socialist Review, Interview by Joseph Choonara. 2009. http://www.socialistreview.org.uk/article.php?articlenumber=10801

Harvey, David. A Companion to Marx’s Capital. London: Verso, 2010.

Harvey, David. The Enigma of Capital: And the Crises of Capitalism. London: Profile Books, 2010.

Huyssen, Andreas. “Postmoderne-Eine amerikanische Internationale?” Postmoderne: Zeichen eines kulturellen Wandels. Reinbek: Rowohlt, 1986.

Kirby, Alan. “The Death of Postmodernism and Beyond.” http://www.philosophynow.org/issue58/The_Death_of_Postmodernism_And_Beyond

Krugman, Paul. “How Did Economists Get It So Wrong?” New York Times, September 6 (2009).

Krugman, Paul, and Robin Wells. “Our Giant Banking Crisis – What to Expect.” The New York Review of Books, May 13-26 (2010): 11-13. http://www.nybooks.com/articles/archives/2010/may/13/our-giant-banking-crisis/

Lanchester, John. I.O.U.: Why Everybody Owes Everyone and No One Can Pay. New York and London: Simon & Schuster, 2010.

Marazzi, Christian. Capital and Language: From the New Economy to the War Economy. Los Angeles: Semiotext(e). 2008.

http://archives.acls.org/op/49-Marketplace-ofideas.htm (assessed June 15, 2010)

Muller, Jerry Z. “Our Epistemological Depression.” The Journal of the American Enterprise Institute

Ouroussoff, Alexandra. Wall Street at War: The Secret Struggle for the Global Economy. Cambridge: Polity Press, 2010.

Perkins, John. Hoodwinked: An Economic Hit Man Reveals Why the World Financial Markets Imploded – and What We Need to Do to Remake Them. New York: Roadways Book, 2009.

Phillips, Kevin. Bad Money: Reckless Finance, Failed Politics, and the Global Crisis of American Capitalism. New York: Viking, 2008.

Ray, Larry, and Andrew Sayer. Culture and Economy after the Cultural Turn. London: Sage Publications. 1999.

Renner, Matt. “Killing the Poor Instead of Taxing the Wealthy in Arizona.”

http://www.truth-out.org/killing-poor-instead-taxing-wealthy-arizona65214, Nov 17, 2010. (accessed December 2010)

Ruccio, David F., and Jack Amariglio. Postmodern Moments in Modern Economics. Princeton: Princeton University Press, 2003.

Salmon, Felix. “Recipe for Disaster: The Formula That Killed Wall Street.”

http://www.wired.com/print/techbiz/it/magazine/17-03/wp_quant, 23 February, 2009. (accessed June 2010)

Smith, Paul. Primitive America: The Ideology of Capitalist Democracy. Minneapolis: University of Minnesota Press, 2007.

Tabb, William K. “Four Crises of the Contemporary World Capitalist System.” Monthly Review, October 2008. http://monthlyreview.org/2008/10/01/four-crises-of-the-contemporary-world-capitalist-system

Urry, John. “The Great Crash of 2008: Pouring Oil on Troubled Waters.”

http://www.lwbooks.co.uk./reading Room/public/creditcrunch.html (assessed June 2010)

Weiser, Mark. “The Computer for the Twenty-First Century.” Scientific American, Vol. 265, No 3 (1991): 94-104.

Weinstein, Cindy. The Literature of Labor and the Labors of Literature: Allegory in Nineteenth-Century American Fiction. Cambridge: Cambridge University Press, 1995.

Yeldan, Erinc. “On the Nature and Causes of the Collapse of the Wealth of Nations, 2007/2008: The End of a Facade Called Globalization.” Political Economy Research Institute, February 2009-04-27

http://www.peri.umass.edu/fileadmin/pdf/working_papers/working_papers_151-200/WP197.pdf

Žižek, Slavoj. First as Tragedy, Then as Farce. London: Verso, 2009.

[1] An inquiry into this term will not yield many results. One of the writers who has attempted to define the term is Louis Menand. In his article “The Marketplace of Ideas”, Menand attempts a definition of postdisciplinarity:“Once the antidisciplinary stage has passed, the academy entered into a different phase, which might be called the phase of postdisciplinarity. Some professors now establish themselves as stars not by attacking their own disciplines, but by writing books on subjects outside, or only tangentially related to, their disciplines. That is one meaning of postdisciplinarity. More often it simply means a determined eclecticism about methods and subject matter.”http://archives.acls.org/op/49-Marketplace-ofideas.htm

[2] Grgas, Stipe, “Where is Postmodernity”, Synthesis Philosophica, vol.17, no.2, Zagreb, 2002.p. 257-272.

[3] I borrow the word from John Perkins' book Hoodwinked: An Economic Hit Man Reveals Why the World Financial Markets Imploded – and What We Need to Do to Remake Them, Roadways Books, New York, 2009. Although Perkins is primarily interested in revealing the clandestine and criminal operations used by United States corporations to destabilize, infliltrate and ultimately conquer foreign markets, the subtitle indicates the relevenace of his confessions to our problematic.

[4] I have elsewhere (Grgas 2010) maintained that, comparatively speaking, United States culture and society tend to identify the contemporary in a much more dynamic way than other cultures. If what is felt to be contemporary implies that we go back into history and mark a point of relevance it can be said that, unlike some cultures where the past is constantly insinuating itself, the present in the United States does not last a long time.



Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License