SOCIETY of the SECURITY

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Portfolio Society: On the Capitalist Mode of Prediction, by Ivan Ascher, Cambridge, MA: Zone Books, 2016, 192 pages, £20.95 (hardback), ISBN 978-1-935408-74-1

Ivan Ascher is a social theorist whose current project is concerned with the continuing relevance of Marx's and Weber's work to the critique of contemporary capitalism. As part of this project, *Portfolio Society* draws on a (re)reading of Marx to critically analyze the constitutive role of finance in the social world. In this respect, the book is situated within a growing literature that has emerged in the aftermath of the 2008 financial crash, which has tasked itself with exploring the ways in which finance shapes both society and the individual (see Feher 2009; Lazzarato 2012, 2015).

Nevertheless, Ascher's approach differs from those of other contributions to this literature. Rather than drawing on Marx's own writings on finance as but one theoretical resource (Lazzarato 2012, 2015), *Portfolio Society* is an appropriative rewriting of Marx's *Capital*. It uses a series of substitutions to render Marx's major theses commensurate with the transmutations of a capitalism that has profoundly changed since the advent of financialization in the 1970s. Fundamentally, *Portfolio Society* asks whether Marx's analysis of capitalism can critically interrogate the ways in which finance now shapes society. Where Marx conceptualized the social world as a "civil society" mediated by market exchanges, Ascher describes finance as a mode of "prediction and protection" that forms the constitutive basis of portfolio society, whose relationship to the future "is itself mediated by financial markets" (24).

The first of *Portfolio Society*'s substitutions begins in the second chapter, which reworks Marx's analysis of the commodity form around the concept of the financial security. Here, Ascher reads the portfolio theory of orthodox financial

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economics through *Capital* to create new, if still familiar, theoretical terms. Ascher's thesis is that, as the imperative of calibrating one's financial portfolio has come to dominate financial markets, securities now have a "hedging value," insofar as they can be hedged against one another to mitigate the risks of an investor's portfolio and ensure its profitability. The source of this value, Ascher contends, is the "abstract risk" that is entangled in the speculative activities of all market participants, which crystallizes—and is thus expressed—as specific quantities of risk in the securities they hedge. Importantly, Ascher argues that the social relations of risk bound up in securities come to be hidden: a kind of fetishism takes place whereby risk's social character is obscured by its reification as securities, "things" that are seemingly emptied of their social aspects.

Ascher then treads in Marx's footsteps, following his character, Moneybags, to the financial market. Making this journey, Ascher provides an account of financial capitalism's ability to generate power and wealth for some while making most of us more precarious. Tracing the historical development of the credit score, Ascher shows that Moneybags has created techniques that enable her to assess other people's credibility and predict their risk of default. These techniques enable Moneybags to find and utilize credit-seeking individuals, assembling them into a diversified portfolio of calculable risks. This portfolio provides Moneybags with a credibility that forms the basis of her power. It entitles her to "not only borrow money on the financial markets, but lend it anew, potentially repeating the process ad infinitum" (76). Here, Ascher sketches the terms of portfolio society's class division—between financier and the rest—which becomes the focus of rest of the book.

Pursuing this trajectory, Ascher appropriates Marx's account of primitive accumulation in order to understand how we came, for the most part, to be credit-seeking individuals. In doing so, Ascher argues that the social protections derived from social democracy have been dissembled by the neoliberal programs that have dominated global politics since the late 1970s. In other words, following a process of enclosure, we have been expropriated from the "commons" of social democracy. As a result, Ascher argues, we have had no choice but to find alternative forms of protection and to seek credit. This process has led to our increasing indebtedness, engendering new forms of discipline that, while encouraging credit-worthy behaviors, make use of already socially embedded data that amplify preexisting social patterning. The implications of this point for Ascher's analysis of class are crucial: past inequities around race and class remain built into this system, even if conceived within the newer and seemingly neutral bounds of the credit score.

In the final chapter Ascher hones his account of class after financialization into a precise theoretical position. For Ascher, the fundamental division of society is not simply the veiled hierarchy between the debtor and creditor, as Maurizio Lazzarato (2012) has argued. Rather, class difference is rooted in the structure of the very securities at the heart of the 2008 financial crash. There are those of us who speculate in order to mitigate existential life risks, and there are others who are able to speculate on our ability to successfully navigate these wagers. In other words, Ascher contends, class in portfolio society is rather like a day at the races: there are, of course, those of us whose lives are precarious and whose life risks implore us to run a race, but there is also a financial

class who, with relative security, can bet on the outcome of this race and win, even if we, the racers, lose.

In the main, *Portfolio Society* provides an interesting and insightful analysis. Occasionally, however, the tension between imposing Marx's terms upon the present and reworking them in order to understand the contemporary moment feels strained. This is particularly true when Ascher enters the section on primitive accumulation. Here, the historical parallel drawn provides a rather Western-centric view of the contemporary mechanisms of primitive accumulation, which largely sidesteps the ways in which the developing world has been subjected to these processes as an absolutely essential component of the development of late capitalism. Furthermore, *Portfolio Society* tends to operate at a curious distance from some of the theoretical innovations made across the humanities in the last decade, some of which neatly articulate the fundamental differences between nineteenth- and twenty-first-century capitalism. For example, Ascher deploys terms such as *neoliberalism* and the *neoliberal subject* but leaves them relatively undeveloped. A more sustained attempt to situate his appropriation of Marx within this body of work might have provided a more multifaceted account of the distinctions between these historical epochs.

Nevertheless, *Portfolio Society* makes use of simple but engaging examples to provide an excellent introductory text for those working across the social sciences and humanities interested in the relationship between finance and society. Moreover, *Portfolio Society* sketches out an innovative and exciting theory of class under financial capitalism, which, above all, serves as an invitation for others to think through the implications of Ascher's inventive appropriation of Marx's work.

References

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