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Performative global finance: bridging micro and macro approaches with a stratified perspective

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Theories of performativity can enhance the study of global finance. Taking everyday financial practices seriously, they emphasise the potentially structuring effects and disciplinary nature of finance, and foreground the performative role of economics, financial models, and formulas. It has remained largely overlooked to date that the literature on the performativity of finance can be divided into two distinct approaches. ‘Microperformativity’ is the more actor-oriented approach, beginning its analysis with the exploration of agencements and their practices, or the examination of the social history of mathematical formulas in finance. ‘Macroperformativity’, in contrast, takes its point of departure from the social structure of finance itself, often in relation to national, international, or global power structures. Neither approach provides for an intermediary concept that more explicitly links the micro and macro level. Nor does either approach give adequate analytical consideration to social conflicts and power struggles. To fill these gaps, the paper applies poststructural hegemony theory to reconceptualise performativity as an articulatory logic which accounts for the transition of a particularity towards a universality within a framework of stratified hegemony. Framed accordingly, the concept of performativity accounts more strongly for the social and political processes, ruptures, contestations and contradictions in global finance.

Any concrete economy is reflexive; the only change is in the social organization of reflexivity. (Callon 2005: 8)
It is always possible to ask how a banality becomes established as such. (Butler 2010: 148)

Introduction

During the past few years, Austin’s (1962) concept of performativity has been rediscovered as a tool and theoretical approach to global finance, stimulating new and highly fruitful perspectives from which to pursue social and political analysis.1 The concept of performativity makes it possible, on the one hand, to analytically zoom in on the inner workings of the financial system by exploring such issues as financial modelling, investment and credit rating practices, as well as risk management strategies, and, on the other, to study the relations between finance and the social and political domains embedded in the financial world.

In neoclassical economics, finance is conceptualised as being disembedded from society. In contrast hereto, the concept of performativity points explicitly to the social contextualisation of economics as well as finance and the global financial markets. At the same time, and unlike more
structure-oriented approaches, theories of performativity examine the financial practices that constitute the financial system, while carving out potential ruptures and contradictions introduced by these practices. Whereas the structural properties of the financial structure itself are considered central to structure-oriented studies, at times being treated as ‘almost law-like’ contradictions of capitalism, theories of performativity open up those properties by looking at how the structures are performed by the actors. Finally, theories of performativity do not follow constructivist approaches with their main focus on norms and ideas and their ‘separation […] between the symbolic order and the particular situations within which that order is realised’ (Anderson and Harrison 2010: 5, quoted in de Goede et al. 2014: 413).

Approaches to finance based on the concept of performativity explore how financial practices shape, and are shaped by, finance. They argue that finance does not work without rituals, rules, and symbols. They emphasise the importance of trust, cooperation, and herd behaviour in financial markets. What is more, they see mathematical equations, economic models, and calculation techniques as not merely describing, but also constituting, financial transactions. This route of research implies the necessity to comprehend the social and political dimension of seemingly technical processes and instruments such as the evaluation of financial products, or the dynamics of price formation on capital and goods markets, or the securitisation of mortgage debt. In this way, the field of research becomes more ‘fuzzy’, by accounting for diverse reflexive processes. Moreover, it becomes more difficult to ascribe responsibility to certain actors although some studies explicitly engage with normative and political questions (de Goede 2005, Lockwood 2014).

While the paper holds that performative approaches make a fruitful contribution to the analysis of (global) finance by extending previous research in important directions, it points out noteworthy and largely unrecognised tensions within these approaches: First, it is claimed that the performativity of finance literature has to be divided into two distinct research programmes: In this paper, they are called microperformativity and macroperformativity. The microperformative approach to finance is more actor-oriented and situated within the social studies of science and technology studies (STS). As a rule, the analysis starts by exploring the practices of agents or the social development process of certain formulas. The social structure is then derived from this micro analysis. By contrast, in the macroperformative approach the starting point is the social structure of finance itself, often in relation to national, international, or global power structures. This approach is chiefly encountered within the poststructural branch of International Political Economy (IPE). Daily practices of agents are derived from an examination of these social structures, making the research process as well as the epistemological starting point exactly the opposite of those in the micro approach. The prefixes ‘micro’ and ‘macro’ are used here as a heuristic in order to point to these basic epistemological differences. In contrast to Clarke (2012), the paper argues that micro- and macroperformativity are not two different forms of performativity but different epistemological approaches to the study of finance. The ontological logic of performativity, however, remains the same.

While it is possible to complement each approach in a fruitful way, it is important to be aware of the differences between the two, as each one has its own specific theoretical home domain. Contrary to its theoretical framework, microperformativity tends to individualise socioeconomic processes in finance. Macroperformativity, again contrary to its theoretical conceptualisations, tends to structuralise these processes. Second, it is argued that micro- and macroperformativity both lack a ‘transmission belt’. In the case of microperformativity there is a need for such an intermediary concept to explain how the different and manifold performative acts lead to social structures. Macroperformativity, on the other hand, needs a bridge to explain how and in what way practices of specific actors are inscribed into the social structure. Furthermore, and in a related manner, both approaches are astonishingly silent when it comes to analytically including social conflicts and power struggles in broader terms. Put differently, the logic of performativity works too smoothly in both approaches, either because there is no analytical framework to account for struggles and conflicts (as in the case of microperformativity) or because the discursive power structure is so central to analysis that
the concrete struggles which constitute, reiterate, alter, contest, and transform this structure are lost from sight at least in analytical treatments (as in the case of macroperformativity). While theories of performativity have the potential to scrutinise the social and political dimension of finance, these gaps are the reason why the logic of the political is tendentially obscured in such approaches. These problems, however, are not insurmountable. On the contrary, they can be tackled by introducing the poststructural theory of hegemony. Drawing on Butler and Laclau, this paper seeks to contribute to the performativity of finance literature by reconceptualising the concept of performativity. In so doing, it is possible to link the micro and the macro approach and to account more strongly for the social and political processes, ruptures and contradictions in which the realm of global finance is embedded.

Introducing the poststructural theory of hegemony serves to frame the micro–macro relation as a relationship between the particular and the universal. Such an approach not only accounts for each of the two epistemological branches or tendencies but also offers an alternative ontological approach to the concept of performativity itself. By way of such an approach it becomes possible to account for specific socioeconomic practices that perform financial structures, and, at the same time, to take serious heed of the fact that the financial realm, understood as a specifically sedimented discursive matrix, is already structuring the horizon of truth and thereby framing and limiting the space of possibilities for socioeconomic practices. Moreover, bringing social struggles and contestations to the fore accounts for the conflict-ridden structuring of the different layers of financial structures as well as the hierarchies inscribed in these layers and global finance. This, in turn, makes it possible to analytically include the structuring effects of everyday routines and deliberate strategies as well as the sedimented selectivity that privileges some actions and economic processes over others.

A closer look at the two approaches is necessary to address these points. The first section of the paper is devoted to a discussion of the microperformative approach and the concepts of Callon, who was one of the first theorists to apply Austin’s concept of performativity to the social study of economy and finance with his proposition that economics performs the economy. An examination follows of the macroperformative approach as an alternative that draws mainly on Foucault (and to a certain extent on Butler). Taking the financial structure as its analytical starting point, the macroperformative model scrutinises the ways in which certain notions of normality, morality, and rationality are sedimented into the social texture of finance in the form of unquestioned objectivities and everyday common sense. After outlining the underlying concepts of micro- and macroperformativity, the paper proceeds to examine the tensions between the two approaches and their shortcomings, which are interwoven with their epistemological matrix. To address these problems, it reconceptualises performativity with the help of poststructural hegemony theory, and looks at the question of how ‘the name becomes the ground of the thing’ (Laclau 2005: 105). Based on this approach, it goes on to reframe the notion of performativity as an articulatory logic which accounts for the transition of a particularity towards a universality. To account for the various struggles accompanying performative processes, the concept of stratified hegemony is introduced and then exemplified in an analysis of the performative power of austerity policies in the governance of the eurozone. The paper concludes with a discussion of the notion of the political in each approach.

**Microperformativity of finance**

The microperformative approach largely builds on the concepts and methodologies of actor-network theory as developed by Latour and Callon (Callon et al. 1986, Latour 1993, 2005). Since the mid-1990s Callon and others have transferred actor-network theory to the study of economics, the economy, and finance (Callon 1998a, Callon et al. 2007). Basically, this approach explores the role of science and technology in finance. The point of departure for analysis is not the economic structure, but the agencies constituting that structure. Although most often the agents concerned are concrete persons such as economists, hedge funds managers, or mathematicians, from a theoretical perspective the issue is not about agents but about *agencement*. As Callon further argues, agents are always...
embedded – or in his words: entangled – in social relations. This entanglement, however, is not external to the actor but internalised. Agents ‘contain their world. Agents are actorworlds’ (Callon 1998b: 8). Hence, the social structure – the networks, as Callon says – does not connect agents with fixed identities. Networks overflow and so do agents, which means that identities – interests, preferences, objectives, etc. included – are in constant flux. Accordingly, markets are webs of entanglements between and among agencements. Callon and Latour (1981) reject the distinction between micro and macro as an objective distinction. Instead, and this argument shall be taken up below, they argue that ‘all differences in level, size and scope are the result of a battle or a negotiation’ (Callon and Latour 1981: 279).

Equipped with these general considerations we can now turn to the microperformativity of finance. At the most basic level, Callon (1998b: 2) states that economics ‘performs, shapes and formats the economy’, as do accounting tools, marketing tools, mathematical models, and technical instruments (Callon 1998b: 27). Accordingly, economics is part of the infrastructure of financial markets and modern markets in general. This leads Callon (1998b: 30) to the controversial claim that the ‘economy is embedded not in society but in economics’ (see also Callon 2005: 9). In claiming this, however, Callon does not mean that society is not important. His aim is rather to clarify that society for him is not the proper starting point for analysing the economy. For him, that starting point should be economics. A microperformative approach to finance and financial markets, which more often than not is based on profound ethnographic empirical observations, starts with financial agencements (Callon 2005: 5). Guiding questions are how certain agencements change over time, why they become accepted as facts or in what way they constitute the daily routines of financial markets. Without doubt, the strength of this approach lies in the incredibly detailed study of microeconomic and financial relations (it is not restricted to microeconomic analysis, however).

Transferring the assumption that economics is shaping the economy to the realm of finance, implies, first and foremost, the need to explore how financial economics shapes financial markets. In a number of studies, MacKenzie, Millo, and others (MacKenzie and Millo 2003, MacKenzie 2007, Millo and MacKenzie 2009, see also Knorr Cetina and Preda 2006) go into great detail in their elaboration of the development of the academic study of finance from low-status models to modern (high) finance theory. These studies, however, are not simply an account of the professionalisation and legitimisation of a formerly disregarded scholarship. They meticulously scrutinise the logics of certain financial models and their attractiveness for subsequent development into new concepts. In this process, financial actors take up, rebuild, reject, and re work former formulas and ontologies, or parts thereof, and transform the very field they purport to study (Millo 2007, MacKenzie and Spears 2014a, MacKenzie and Spears 2014b).

The microperformative approach offers a highly sophisticated and detailed analysis of the inner workings of financial markets. Epistemologically, it starts with the agents/agencements to explain how certain socioeconomic structures arise out of their activities and operations. For the most part, financial agents are explored in terms of professional groups such as financial market traders (Knorr Cetina and Bruegger 2004), hedge funds (Beunza et al. 2006), financial mathematicians and quants (MacKenzie 2006), ‘gentlemanly capitalists’ of the City of London (Augar 2000), economists or non-human artefacts or equipment such as financial models (MacKenzie 2004, 2006), stock ticker (Preda 2006), and trading screens (Knorr Cetina and Bruegger 2002a; Knorr Cetina and Bruegger 2002b). In these detailed and precise studies of the practices of financial agents, however, the bigger picture is lost. To be sure, the explanations offered by the microperformative approach do not stop at the micro level. Rather, the overall (macro)structure is derived from the analysis of the micro level. Knorr Cetina and Bruegger (2002a) use the term ‘global microstructures’ to denote ‘patterns of relatedness and coordination that are global in scope but microsocial in character and that assemble and link global domains’ (Knorr Cetina and Bruegger 2002a: 907). Macrostructures are not taken for granted, but are instead inferred from the micro analysis. However, while the overall economic and political structure is mentioned as having effects on the micro level (see, for example, MacKenzie 2004: 326), it is only occasionally included in the analysis.
The analytical problem is that there is already a macro level in place – global financial networks have already existed, although not statically, for a few hundred years. By starting from the level of micro analysis, microperformativity can nicely scrutinise how certain aspects, logics, and agencements are being constructed, reconstructed and modified. What is missing, however, is serious acknowledgment of the fact that this macrostructure already frames and constrains the possibilities of the agents and their activities as much as it is shaped by the actions of the agents. Callon (2005) himself maintains that the meaning of a statement derives from the context in which it is enunciated. But an analysis of the context (for the most part) is missing.

This critique is not only valid for the microperformative approach to finance, but goes back to Austin himself. While being very precise in examining the specific speech acts, he completely undertheorises the context that frames and embeds these acts. He merely states that ‘it is always necessary that the circumstances in which the words are uttered should be […] appropriate’ (Austin 1962: 8, italics original, see also 76–82) for an utterance to be performative. Although he acknowledges the significance of the context, he does not conceptualise it in any way: ‘Austin has not taken into account that which in the structure of locution (and therefore before any illocutory or perlocutory determination) already bears within itself’ (Derrida 1982: 322). At the same time, ‘Austin’s analyses permanently demand a value of context’ (Derrida 1982: 322, italics original). Is this a shortcoming that can be solved by just adding an analysis of the context to existing studies? In the opinion of Derrida, it does not. The social structure ‘confuses all the ulterior oppositions whose pertinence, purity, and rigor Austin sought to establish in vain’ (Derrida 1982: 322). Similarly, Butler (2010: 148) argues that ‘utterance alone does not bring about the day, and […] we would be mistaken to over-value the subject who speaks’. This leads us to the macroperformative approach to finance.

**Macroperformativity of finance**

From the angle of macroperformativity, the analysis of the social structure is of utmost importance: ‘The judge learns what to say, and must speak in codified ways, which means that the codification and ritualization of that discourse precedes and makes possible the subject who speaks’ (Butler 2010: 148). For Butler it is not the specific purposeful act or utterance, but the social structure that has performative effects: ‘[P]erformativity must be understood not as a singular or deliberate “act,” but, rather, as the reiterative and citational practice by which discourse produces the effects that it names’ (Butler 1993: 2). It is the ‘power of discourse to produce the phenomena that it regulates and constrains’ (Butler 1993: 2). This is not to say that citational practice and structure can be conflated, but rather that it is not possible to understand the specific practices unless we analyse the discourses enabling, strengthening or impeding these practices: Hence, for Butler ‘the speech act is a reiterated form of discourse, so we would be mistaken to over-value the subject who speaks’ (Butler 2010: 148). The microperformative approach, however, remains quite silent and overly cautious when it comes to statements concerning the overall social structure. In this way, the microperformatory approach, contrary to its own claim, ‘imputes a certain sovereign agency to the operation of performativity that foregrounds the illocutionary over the perlocutionary’ (Butler 2010: 153).

Macroperformatory approaches to finance draw largely on Foucault and sometimes on Butler and usually only indirectly on Austin himself. Here, the analytical starting point is the discursive financial structure. Macroperformativity shares with microperformativity the notion that a structure does not exist ‘out there’, detached from the actions of agents. It explicitly rejects notions of global finance as spaceless, timeless, and somewhere external (de Goede 2001, 2004, Aitken 2007, Langley 2008a). At the same time, Langley (2008a: 6–7) criticises the microperformative approach for focussing its examination of finance mainly on professional groups in the principal financial centres such as London, New York, and Chicago. He contends that in doing so, the approach separates finance from society at large. A macroperformatory approach, by contrast, analyses the ways in which certain notions of normality, morality, and rationality are sedimented into the social texture of finance in the form of unquestioned objectivities and everyday common sense. It examines how the Other –
abnormal practices, irrationality, exuberance, and immorality – have been constructed, and it explores the attempts to draw and stabilise boundaries between these realms (Aitken 2006). Furthermore, it looks for spheres, issues, and practices which do not appear on either side of this antagonistic representation but which were silenced, invisibilised, and treated as non-existent.

Global finance and the financial system exist because they are reiterated by the social agents. Macrop erformativity emphasises, however, that these social structures enjoy a relative and temporal stability. More important still, social structures constrain the possibilities for actions, and they promote and foster certain actions and identities over alternative actions and identities, which in end effect is the same. While microp erformativity views the everyday actions of agencements as the only valid objects of study, macrop erformativity sees the need to analyse the power relations within the structure. This is one of the reasons why Foucault’s theoretical framework underpins many macrop erformativ e studies on finance. First, as is known, he links power and knowledge while exploring what he calls the politics of truth (Foucault 1984a: 72–3). Second, he sets forth the notion of disciplinary power, perhaps the strongest concept to account for powerful structural confinements. Third, he proposes a concept of governmentality which allows the specific study of the relation between an agent’s practices and social structures – a link which is ‘fragile and continually under threat’ (Foucault 1991: 90).

Using a macrop erformativ e approach to finance in this sense, various scholars have explored the specific modes of truth production. In her excellent genealogy of finance, de Goede (2005) closely dissects the politics of border drawing that distinguish between illegitimate gambling and legitimate finance. Another superb example is Langley (2008a), who systematically elaborates how a specific liberal mode of government created a discourse in the United States and the United Kingdom which changed individual saving and borrowing practices in such a way that many savers actually became financial investors. Financial truth is created within and cannot be explained outside discourses. The task is to consider ‘matter, not as site or surface, but as a process of materialization that stabilizes over time to produce the effect of boundary, fixity, and surface we call matter’ (Butler 1993: 9, italics original, see also de Goede 2005: 7). For the analysis of finance in terms of macrop erformativity, this, above all, implies ‘that processes of knowledge and interpretation do not exist in addition to, or are of secondary importance to, “real” material financial structures, but are precisely the way in which “finance” materializes’ (de Goede 2006: 10–11, italics original).

The macrop erformativ e approach to finance exceeds the microp erformativ e approach by explicitly asking about the effects, exercise, and operation of financial power and its limits to normalise certain practices and horizons of truth. One of the problems with macrop erformativity is that the force of disciplining and identity-shaping discourses is tendentially overstated.7 This is partly due to the Foucauldian framework: Especially the young Foucault (1978, 1979) has in its baggage a still strong structuralist notion of discourses: The subject is dispersed in subject positions provided by discourses. Hence, the notion of scattering and dislocation is applied to the subject, but not to the structure. As a result, the subject is a docile body encaptured within discourses. It follows that the subject is theorised as a moment of the discursive structure (see for a critique Laclau 1990a, Laclau 2000a). This is true for macrop erformativ e approaches to finance as well, as Langley himself acknowledges ‘in which the embodiment of financial transformations and self-disciplines appears to proceed relatively smoothly […] as a somewhat mechanical process that is far from precarious’ (Langley 2008a: 34).

**Reconceptualising performativity**

It is evident that the micro and the macro approach to performativity remain detached. While microp erformativity puts much emphasis on the practices of specific agents by tendentially obscuring the context that strengthens and constrains those practices, macrop erformativity puts weight on the structural power of discourses by tendentially losing sight of the practices which articulate and create these financial structures. Depending on the respective research perspective, finance is either perceived as a practice of agencements or as a diffuse but powerful structure.
As has been shown, both approaches capture different aspects of performativity in relation to finance. What is missing in each, however, is a concept which, first, relates the micro- with the macro-perspective, and, second, accounts more strongly for the ruptures inherent in the performative process itself. As Riles (2010) points out: ‘In the nature of markets, I suggest, the breaks in the network, the points of disconnect and mistranslation, are as constitutive as the mechanisms for portability and translatability; the “friction” is as important as the network flow.’ The poststructuralist concept of hegemony developed by Laclau (Laclau and Mouffe 1985, Laclau 1990b, 2005) offers a promising analytical extension in this respect.8 Such a theory of hegemony shares with theories of performativity an emphasis on analysing ‘the way in which the social world is made – and new social possibilities emerge – at various levels of social action through a collaborative relation with power’ (Butler 2000: 14).

From the perspective of poststructuralist hegemony theory it is possible to scrutinise the performative act as such: ‘the identity and unity of the object result from the very operation of naming […]’. In order to perform this role, the signer has to become, not only contingent, but empty as well’ (Laclau 2005: 104). Seen in this light, something becomes performative and can shape the realm of finance when it transcends its own particularity. By being emptied of its particular content, it becomes (closer to) a universality in the form, for example, of a prevailing practice, a principle of common sense, or a popular model. It requires several steps to theorise this transition from a particularity to a universality. First, from a structural linguistic point of view, meaning arises out of a relational system (de Saussure 1986 [1916]): it is not an inherent property of a thing – a positivity – which defines its meaning. It is rather the case that its meaning emerges by way of its relations and differences to other elements, that is to say, on the basis of its structural position within the relational ensemble. In order to make sense of a financial crisis, for example, we need to differentiate it from such factors as times of financial stability, other financial crises, or non-financial crises and so on. Against this structuralist conception of meaning, however, Wittgenstein argues that this relational process never reaches an end. He asks: ‘Could one define the word “red” by pointing to something that was not red?’ (Wittgenstein 1953: #30). But how do I know, then, that this is red? According to Wittgenstein, a realist response would be that something is red because it is (objectively/in reality) red. A nominalist, on the other hand, would answer that it is red because it is named red. While Wittgenstein criticises realists for their adherence to transcendentual truth, he accuses nominalists of being blind to the contexts of the words’ usage. He argues that, ‘[i]t would be an answer to say: “I have learnt English”’ (Wittgenstein 1953: #381).

The claim follows from these considerations that there is no such thing per se as a universal ahistorical transcendentual meaning. A first, although tentative, response to this claim is that something becomes meaningful because of its relative position within an open and potentially limitless framework of differential relations. If the differential system of meaning remains permanently open, however, the question presents itself as to how some meanings can be accepted as being true or at least truer than others. From a poststructural perspective, the reason why some truth claims are accepted as being more true, in other words more universal, than others, is not the result of a random process or because these claims are closer to a transcendentual truth: ‘what particular content is going to symbolise the latter is something which cannot be determined either by an analysis of the particular in itself or of the universal’ (Laclau 1996a: 15, italics original). Poststructuralist hegemony theory sees the explanation in social struggle. This is because the relationship between the particular and the universal is not objectively given. It is rather the conflictual outcome of competing truth claims each struggling to represent the universal truth. The poststructural notion of hegemony in this sense describes the logic of sociopolitical struggles seeking to define the validity of some truth claims over others so as to discursively and forcefully close the open-ended character of the differential system. A necessary ontological requirement for this theoretical move is the assumption that the universal as such is an empty space: ‘the universal has no content of its own, but is an absent fullness or, rather, the signifier of fullness as such, of the very idea of fullness’ (Laclau 1996a: 15; see also 60). Precisely because the space of the universal is empty, it can be filled by different meanings.9
On the basis of these considerations, a particular financial practice, model, or truth claim is performative once it succeeds in transcending its former particular meaning so as to become the truth for a broader public. This transition is (a) contingent, that is to say neither determined nor random; (b) not a neutral process but based on social struggles between both specific actors and specific practices, models, claims and so on; and (c) dependent on specific sociostructural conditions:

[F]or the claim to work, for it to compel consensus, and for the claim, performatively, to enact the very universality it enunciates, it must undergo a set of translations into the various rhetorical and cultural contexts in which the meaning and force of universal claims are made. (Butler 2000: 35)

Something becomes performative once people consent to practice, follow, or believe a particular practice, claim, or piece of knowledge, while excluding other possibilities. At the same time, this process involves force because there can be quite a high price to pay for deviating from hegemonic discourses. Butler additionally argues that even if people try to comply, the hegemonic discourse is by definition closer to some agents or subject positions than to others, which may be the source of more dislocations: 'The assertion of universality by those who have conventionally been excluded by the term often produces a performative contradiction of a certain sort. But this contradiction [...] is not self-cancelling, but exposes the spectral doubling of the concept itself' (Butler 2000: 38).

Precisely this point is important in order to understand the relation between social structure and agency in poststructural hegemony theory: The rejection of an autonomous subject is an aspect shared by the approach with structuralism. At the same time, the structure does not determine the practices of the subject. This is because of 'the fact that a strict, enactment of a rule via an institutionalised performance is ultimately impossible. The application of a rule already involves its own subversion' (Laclau 2000b: 77; see in detail Wittgenstein 1953). In like manner, Butler (1993: 122) highlights 'this constitutive failure of the performative, this slippage between discursive command and its appropriated effect'. The social structure is always already dislocated in different degrees. Derrida (1992) calls this an inherent undecidability of a structure. In other words, a structure does not have the wherewithal on its own to reconstruct itself. Butler, as well, argues: 'If such a structure is dependent upon its enunciation for its continuation, then it is at the site of enunciation that the question of its continuity is to be posed' (Butler 1997: 19). The subject is neither totally within the structure nor is it completely outside it: 'the subject is nothing but this distance between the undecidable structure and the decision' (Laclau 1990a: 30). It is not the absent structural identity, but the failed structural identity that renders the subject possible (Wullweber 2015b: 5).

Framed accordingly, each performative process by definition entails potential ruptures. Tension also exists within the universal itself because it is split between its former particularity and the universality that it comes to represent. Stated differently, the universal representation will always remain somehow inadequate because reminders of its particular meaning cannot be completely deleted. The 'traces of particularism will always contaminate the universal' (Laclau 2000a: 193). Moreover, the existence of alternative particularities cannot be fully concealed. It follows that the universal is always provisional. Meaning, just as identity, is never complete, although the ideal of universal truth remains intact. Such a concept of performativity ontologically claims that it can always have been otherwise, and, more important, that it will most likely be otherwise within a given timeframe. The relation between a particularity and a universality, when viewed from this angle, is a hegemonic relation. Accordingly, the concept of hegemony is able to fill the gap between the micro- and the macro approach: On the micro level, the different particular practices are viewed as performative once they transcend their own particularity and become universal. The macro level, on the other hand, enables to explore the discursive formations which have already become hegemonic.

The results of these processes are stratified social structures with different layers of sedimented discourses. The more sedimented a specific discourse becomes, for example in the form of habitualised practices or knowledge claims, the more it is taken for granted and, hence, stabilised. It becomes a black box, as Callon and Latour would say (Callon and Latour 1981; see also Latour 2005: 1). The countermovement, in the form of a re-politization of seemingly objective truth claims and habits,
is termed reactivation (Husserl 1978: 164–70). I suggest using the term stratified hegemony to refer to the discourse formation as a whole. As Wæver (2005: 36, italics original) notes, an ‘advantage of the concept of layered structure is that it can specify change within continuity’. While some structures are easily questioned, others are deeply inscribed into the social matrix. Hegemonic practices refer to conscious and unconscious strategies to stabilise (or destabilise) a hegemonically structured discourse.10

This layered model serves to illustrate that all social layers develop out of a conflict-ridden political process. It is assumed that each layer selectively affects the formation of the specific texture of the other layers. Borrowing from the state theorist Jessop, such a ‘relatively invariant structure may privilege some actors, some identities, some strategies, some spatial and temporal horizons, some actions over others’ (Jessop 2001: 285). At the same time, ‘actors (individual and/or collective) consider this differential privileging in “strategic-context” analyses when deciding how to act’ (Jessop 2001: 285). Each layer, in a sense, is located as a protective wall above the layers beneath it. Since the onset of the financial market crisis, for example, the regulation of financial markets has become re-politicised. At the same time, there has been a revitalisation of critique on neoliberal politics in general. The profit-driven market economy, however, has not been at stake. The model of stratified hegemony visualises different degrees in the stability of social relations and practices. The empirical field, however, is multi-dimensional with crisscrossing interconnections and nodal points between the layers. Furthermore, the layers are not completely fixed. Shifts and displacements still take place. From a poststructural point of view, all social structures are precarious.11

When considered from this point of view, global finance can be understood as ‘a continuous process of formation and superseding of unstable equilibria’ (Gramsci 1971: 182). Methodologically, an analysis of such a process would imply, first of all, the need to explore the different articulations, practices, and strategies of the actors in question: why and how it became possible for some actors to construct a universality, and what reasons led their construction to prevail. Such a performative approach to the financial crisis, for example, would be based on the assumption that ‘material practices of financial markets and financial regulation intimately depend upon the ways in which discursive understandings of financial crisis unfold’ (de Goede 2009: 299). How was it possible, example given, for an austerity discourse to exert such a strong performative power in the governance of the eurozone crisis despite its failure to solve the crisis, and although in many respects it has even made the situation worse (Blyth 2013, Schäfer and Streeck 2013)? To understand the performative power of austerity policies, it would be necessary to explore historical developments such as the current role of Germany in Europe in general and its role in structuring the European Monetary Union and the politics of the European Central Bank in particular, as well as the historical relation between Ordoliberalism and neoliberalism. Science and especially neoclassical economics and monetarism also play an important role, not only in the sense of a scientific legitimation of economic policies but also in the broader sense of performatively shaping global finance and European economic policies. Specific economic studies are significant, as well, such as the highly influential paper ‘Growth in a Time of Debt’ by Reinhardt and Rogoff (2010), in which Reinhardt and Rogoff argue that the growth rate of an economy would collapse once government debt exceeds 90 per cent of GDP. This research paper has served widely as a scientific legitimation for fiscal austerity, not least by the institutions of the so-called Troika.12

Second, it would be necessary to dissect the different sedimented layers of hegemony to determine what kind of power relations have become inscribed into the discursive matrix, and how the actors’ strategies account for and adapt to these discursive layers. In terms of the euro crisis, there are hegemonic layers which are quite stable, such as the European Monetary Union and the Single European Market, which, in turn, are embedded in a liberal international economic order. Then there are the slightly more challenged but still very sturdy Stability and Growth Pact criteria, which impose a ceiling of 60 per cent on the government debt-to-GDP ratio while limiting the government budget deficit to 3 per cent of the GDP. This layer is followed by the more strongly criticised,
and hence more unstable time frame for meeting the targets of the Stability and Growth Pact as well as the question of how to achieve said targets. Highly politised and barely sedimented is the question that has arisen more recently about the role of government spending and investment programmes designed to counter recession in the eurozone (see Figure 1).13

Third, it would have to be examined how the *universal* exerts (or exerted) its performative effects, and in what way its internal split produces dislocations. The effects and dislocation of the European fiscal consolidations and structural reforms – the empty signifiers provided by the Troika for austerity policies – are quite obvious: Millions of people have lost their jobs and the unemployment rate in many European countries has surged. Economic recession has a firm grip on the eurozone while the gulf between rich and poor has widened. The internal split in austerity policies is also very evident: a logic which could be useful as a particular approach on a micro level (the household) constitutes a problem when it becomes articulated as a universal principle on the macro level – the state and/or all of its citizens (this is generally known as the paradox of thrift).

Last but not least, it would be important to identify who and what is excluded from the hegemonic grid, who benefits from this construction and what kind of coercive elements support the hegemonic layers and the discourse formation. According to Scherrer (2014: 348–9; also Krugman 2013) the governance of the eurozone crisis is more favourable to creditors and money holders than to employees. At the same time a liberal form of governmentality fosters an ownership society with subjects which act as leveraged investors who see their homes as assets. Everyday finance involving ordinary people and the growing importance of retirement funds has played a key role in legitimising and universalising such financial practices (Langley 2008a).14 Strong elements of coercion accompany the austerity measures because force and fiscal surveillance measures play a central role in the governance of the European monetary union and especially of the eurozone crisis. Policies and agreements such as the Stability and Growth Pact, the ‘Six Pack’, the ‘Two Pack’, the Fiscal Pact and the introduction of the so-called European Semester constitute a strong force to push the member states to comply with austerity policies. The burden of the neoliberal austerity programme is even stronger for those states that had to receive credit lines from the European Stability Mechanism and the International Monetary Fond. All in all, despite the fact that austerity policies are highly contested and criticised by many citizens in various European countries, this resistance is currently only able to repoliticise the most superficial layers. However, the performative power of the austerity discourse could weaken if social critique and protest continue and advance to deeper layers. For now, there seems to be almost no alternative to current austerity policies and measures.

![Figure 1. Stratified hegemony and European austerity policies: own illustration.](image-url)
Challenges and outlook

Theories of performativity enrich and enhance existing studies of global finance in different ways. First, they take the daily practices of agents/"agencements" seriously. They view global finance not as an area detached from politics and daily processes, but rather as a network that is made, remade, and changed by concrete practices of specific actors. Second, they emphasise that finance potentially performs structuring discursive effects by disciplining bodies, providing incentives for acts of self-governance, and offering subject positions which "live by finance" (Martin 2002: 3). And third, they bring to the fore the performative impacts of non-human "agencements" such as neoclassical economics, financial models, and mathematical formulas.

Performative approaches to finance are divided into two different strands with quite different epistemological assumptions and methodological strategies. In each strand, finance takes on a different look. The macroperformative perspective highlights the global scale of finance. From this perspective, finance can be viewed as a diffuse network with relations to many other fields, some connections being longer and others shorter, some more sturdy, and others rather loose. It is an all-encompassing network of power relations, deeply embedded in historically sedimented socioeconomic and political structures. From a microperformative perspective, with its focus, as it were, through a zoom lens, attention concentrates on concrete daily practices and relations of humans, non-humans, and artefacts that together as a whole form the texture of finance. As argued in this paper, both approaches lack an intermediary concept which more explicitly relates the micro and the macro level. As an alternative and complementary approach, the poststructural theory of hegemony puts emphasis on the contested interplay between the particular and the universal. Something becomes performative and can shape the realm of finance when it transcends its own particularity. By being emptied of its particular content, it becomes (closer to) a universality in the form, for example, of a prevailing practice, a principle of common sense, or a popular model. This framing raises a number of questions: What does the perspective imply for the notion of performativity? Do we need a meso-performative approach to finance, or rather an integral or holistic approach? Or would an intra-, or trans-performative approach be more fitting? In particular, if we take Callon’s claim seriously that the very distinction between micro and macro is already the outcome of a struggle: Why not go back to the roots and just call it performativity without any specification?

To start with the last question: As has been shown, there are significant theoretical differences between the approaches to performativity. To denuance these differences would not only imply imprecision. More important still, it would mean ignoring tensions, contradictions, and ruptures between the approaches. The same applies to an integral or holistic approach. The idea behind this is to open a possibility to overcome the limitations of each of the two approaches by developing a theory capable of addressing all relevant micro- or macro-research questions. This, then, would not be so very different from the theoretical monism envisioned by Popper: “[A]ll theoretical or generalising sciences [should] make use of the same method’ (Popper 1957: 130). Such an attitude, however, is quite simply incompatible with the concept of performativity and postpositivist theories within which it is embedded. Those theories emphasise that “[r]igorous scientific standards” should be embraced; the rigor mortis of a single scientific approach and research program (whatever its nature) should not’ (Leander 2009: 325, italics original). Would, then, the meso-scale do the trick as the golden middle? The answer to this is that there is no such thing as a simple and univocal meso-scale, the reason being that the terms micro and macro do not point to a specific scale. Rather, they indicate epistemological tendencies (Rose 1999: 5–6). Microperformativity brings those practices to the fore which shape social structures, the ‘network of personal interconnections that often underpins even the most global and apparently impersonal of markets’ (MacKenzie 2006: 3). Macroperformativity, on the other hand, emphasises the social structure within which the practices are embedded. Ontologically, however, they are not so different from one another. They agree that ‘there is not on the one hand a reality (concrete markets) and, on the other, discourses’ (Callon 2005: 8). What differs is the way in which each approach organises its knowledge production, that is to say, its
epistemology and, even more, its methodology. The point is that neither of the two perspectives is closer to reality. Each perspective reveals some aspects of finance by obscuring others.

Finally, I would like to reflect on another point of dissent between micro- and macroperformativity – one that transcends epistemological consideration. This point is related to the notion of the significance of politics, or, in more general terms, of the political dimension in scientific research. The microperformatory approach is aware of power relations, but is very reluctant when it comes to drawing conclusions which are not directly observable. It does not want ‘to explain the actors’ behaviour and reasons, but only to find the procedures which render actors able to negotiate their ways through one another’s world-building activity’ (Latour 1999: 21, cited in Langley 2008b: 471).

Callon, as well, argues: ‘What is very important is to abandon the critical position, and to stop denouncing economists and capitalists and so on’ (Callon 2002: 301). Mirowski and Nik-Khah (2008: 91) argue that because of this abandonment of critique and its systematic theoretical exclusion of society ‘Callon’s version of “performativity” […] turns out to be an overture to a prospective alliance to be struck up with neoclassical economists’ (see also Bryan et al. 2012: 306–8).

Similarly, Riles (2010: 796) maintains that this approach ‘unwittingly reifies the ideological claim that markets are proto-scientific’. However, even though Callon claims that ‘homo economicus really does exist’ (Callon 1998b: 51), this existence comes about by processes of construction. This means that there is also the possibility of undoing Homo Oeconomicus.15 Callon himself emphasises (2010: 164–5): ‘The fact there is room for choice implies the possibility and, in a democratic society, the necessity of political debate.’ Nevertheless, the microperformative approach hardly explores the question of how the economy could have been performed otherwise (such an approach can be found in Gibson-Graham 2006, 2008).

In contrast hereto, the macroperformative framework makes it possible to analytically account for and criticise ‘the art of manipulating relations of force’ (Foucault 1991: 90). Butler (2010: 153) argues accordingly:

> And though I agree wholeheartedly that it will not do to say that one opposes ‘capitalism’ as such, even when it is clear that there is no one capitalism, I am less clear that this means abandoning any effort to evaluate and oppose those multivalent operations of capitalism that augment income disparities, presume the functional necessity of poverty, and thwart efforts to establish just forms for the redistribution of wealth.

To be sure, the significance of these questions is not completely neglected in the microperformative approach (see Callon 2010). MacKenzie (2004: 328), for example, at one point poses the question ‘what sort of a world do we want to see performed?’. Furthermore, he reflects on his research techniques as a political act that changes one’s own personality. He remarks that conducting interviews includes face-to-face human interaction and cautions that ‘this involves a certain blunting of oppositional political passion. […] Opposition and condemnation do not sit well with interviewing those who will be opposed and condemned’ (MacKenzie 2005: 579). This is certainly true. However, even if we accept that boundaries are always porous and shifting, it does not follow that the political question can or even has to be excluded from research:

> The question for theorists of performativity is not merely, how are economic matters made? Or how are certain effects instituted? But also, how do we think about the political value of certain economic effects? […] After all, if certain operations of performativity fail, then it is useful to know when and why they do, and whether they ought to. […] How do we reintroduce such normative questions into the theory of performativity? (Butler 2010: 154)

The world is complex, and, yet, this does not imply shunting the political question. We are part of, and take part in, scientific, sociopolitical and economic changes. It is almost unavoidable for us to take a position.

Similarly for Foucault, scientific research comprises ‘a movement of critical analysis in which one tries to see how the different solutions to a problem have been constructed; but also how these different solutions result from a specific form of problemization’ (Foucault 1984b: 389). The poststructural approach to hegemony makes this point explicit, too, and even grounds it ontologically: From
this perspective, the conflictual, open-ended and permanent interplay between the particular and the universal is not a curse but a chance:

It is because of this that we can have democratic politics: a succession of finite and particular identities which attempt to assume universal tasks surpassing them; but that, as a result, are never able to entirely conceal the distance between task and identity […]. Incompletion and provisionality belong to the essence of democracy. (Lacau 1996b: 15–16)

Indeed, it is ‘the value of universality that no politics can do without’ (Butler 2000: 32).

Theories of performativity are some of the most promising approaches currently available in terms of potential for providing new insight into the realm of global finance – insight which is so urgently needed in today’s world. Considering the variety of research approaches, and the pluralist nature of IPE in general (Hveem 2009, Wullweber 2014), it is crucial for us to be aware of all their respective strengths and boundedness. The perspectiveness of each analytical framework must be taken seriously. Every claim of truth must be confronted with a critical mind. Performativity, after all, points to a research process which is dynamic, surprising, often dislocated, and, last not least, fascinating.

Notes

1. I have very much benefitted from discussions with and comments from Nina Boy, Marieke de Goede, Mareille Kaufmann, Andreas Langenohl, Paul Langley, Donald MacKenzie, John H. Morris, Carsten Ochs, Loren Sammlowski, Timo Walter, Benjamin Wilhelm, and the two anonymous reviewers.
2. The performativity approach can be subsumed under the reflexive turn in the social sciences (Hamati-Ataya 2013). However, the concept of performativity is more specific than the term reflexivity. Moreover, it has already shown an impact on the disciplines of IR and especially IPE, although its overall potential is still underestimated (Helleiner 2011, see already Campbell 1992, 1998).
3. The expectations of market actors are crucial in shaping the market, as Keynes has already observed: ‘A monetary economy […] is essentially one in which changing views about the future are capable of influencing the quantity of employment and not merely its direction’ (Keynes 1973 [1936]: 2).
4. Borrowing this term von Deleuze and Guattari (1987), Callon uses it to designate the relationship between states and their worlds, which he calls sociotechnical agencements. By using this term, Callon seeks to avoid the impression that a divide exists between acting humans and non-acting things. His intention is rather to convey that humans, non-humans, and dead matter are endowed with the possibility of acting (Callon 2005: 4).
5. It is also true for actor-network theory, see Latour (1987).
6. Austin distinguishes between illocutionary and perlocutionary performatory acts. While illocutionary acts directly produce a new reality, the effect of perlocutionary acts only occurs when certain conditions are in place: [T]he former are speech acts that, in saying do what they say, and do it in the moment of that saying; the latter are speech acts that produce certain effects as their consequence […] The illocutionary speech act is itself the deed that it effects; the perlocutionary merely leads to certain effects that are not the same as the speech act itself. (Butler 1997: 3)
7. Clarke (2012: 265) criticises a lack of clarity of this approach. This argument, however, somehow misses the point: A social structure rarely has straightforward and directly observable effects with a cause-effect-chain. This is particularly true for postpositivist approaches which problematise a clear-cut separation between agency and structure.
8. See in more detail Wullweber (2010).
9. Another requirement for such an operation of closure is the construction of an antagonism (Wullweber 2015a: 81).
10. Strategic articulations are modes of organizing reality that are usually not guided centrally. Furthermore, to analyse strategies does not mean that we have to know the intentions of actors: ‘[W]e find only different subjects whose activities are more or less coordinated, whose activities meet more or less resistance from other forces, and whose strategies are pursued within a structural context that is both constraining and facilitating’ (Jessop and Sum 2006: 312–13).
11. Methodologically, the identification and definition of social layers is, of course, not an easy task (Wæver 2005: 38–9).
12. Later, in 2013 it was discovered that there were serious arithmetic flaws in the study and that no correlations exist between the growth rate and government debts. In general, the way in which correlation had been modelled is crucial to understanding the financial crisis (MacKenzie 2011, MacKenzie and Spears 2014a, 2014b). These developments in financial economics, in turn, are embedded within a general thrust to ‘calculate, diversify, price and exchange all manner of future economic uncertainties as “risks”’ (Langley 2010: 75).
13. The ECBs sovereign debt-buying plan (quantitative easing) and the so-called ‘Investment Plan for Europe’ (European Commission 2014) are concessions to more Keynesian demands in this respect.

14. One important reason for the eurozone crisis and for the global financial crisis was the urge for profit, of course. This driving force that – not as a natural given, but as a discursively constructed, strengthened, and carefully protected horizon of truth within the economic sphere – is deeply embedded and sedimented within private-profit oriented market based economies. This drive for profit constantly bears new processes of commodification, and searches for and produces innovative financial asset streams and products (Leyshon and Thrift 2007, Aitken 2011: 125–31).

15. I am grateful to Carsten Ochs for this argument.

Disclosure statement

No potential conflict of interest was reported by the author.

Notes on contributors


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