



## **Speculation: Futures and Capitalism in India**

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# Speculation

## *Futures and Capitalism in India*

Laura Bear, Ritu Birla, and Stine Simonsen Puri

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This special section of *Comparative Studies of South Asia, Africa and the Middle East* investigates speculation as a crucial conceptual tool for analyzing contemporary capitalism. Speculation here is understood to be the making present and materializing of uncertain futures. It is an engagement with uncertainty for profit as well as for survival. Read together the articles demonstrate that the situated materialities and magical realities of global capital flows can only be fully understood through attention to such practices of anticipation.

The word *speculation* comes into increased circulation at the end of the sixteenth century, its currency tied to the adventures of the age of conquest and the global navigations of mercantilism. If in that era speculation literally mapped the globe, in our contemporary world it marks the new geographies of globalization that extend from the centers of high finance to street vendors. Today, speculation is largely associated with the well-known pirate tactics of finance capitalism. Popular discourse on financial markets thus expresses outrage and writes off speculation as a moral failure.<sup>1</sup> But such moralizing is not sufficient to build a textured understanding of contemporary globality and its radical inequalities. For this, we must address speculation as not simply the effect of greed, but as a range of practices that work with and produce an instability of value. Speculation refers to processes that, like concepts of economy, are located deeply in the ethicopolitical systems we call culture and society. And like that modern abstraction we call “the economy,” speculation must be historicized, situated, and investigated in its intimacies with practices of governing.<sup>2</sup> Analysis of it reveals how knowledge, futurity, and value are produced through attempts to predict and govern the economy. These processes and their contradictions are most visible in the context of emerging markets such as India and across Africa and the Middle East, where feudal forms of expropriation are reproduced within a capitalism fueled by spectacular visions of technology, urbanism, and middle-class aspiration. So although economists and sociologists continue to make the United States and Europe central to their accounts of capitalism and inequality, this special section illustrates why this is an inadequate approach.<sup>3</sup>

Marking a continuum between epistemology and economy, knowing and managing, and materializing and imagining, speculation evokes myriad ways of seeing. The term’s origins in the Latin *speculari*, to spy out, watch, examine, or observe, from *specula*, a lookout or watchtower, link it to empirical ob-

1. See, for example, Tett, *Fool’s Gold*.

2. See Mitchell, “The Properties of Markets,” and Birla, *Stages of Capital*.

3. See Piketty, *Capital in the Twenty-First Century*, and Bear, “Capital and Time.”

servation and scientific method, as well as to governing, surveillance, and security. In its most contemplative incarnation, speculation also suggests other methods of seeing—divination, prophecy, and imagination. Playing with futurity and affect, the act of speculation conjures value and channels the invisible and unknowable. It can therefore be distinguished from routes to apprehension that involve the methodic fixing and mapping of calculation. It does not reckon risk or probability or tame uncertainty; it is a practice that aims to realize incalculable possible futures. Speculation therefore relies on practices different from those commonly described in the literature on risk and financial markets<sup>4</sup> as well as on risk and governance.<sup>5</sup> Speculation fuels, and is fueled by, a heightened state of anticipation in which routines of calculation are often suspended. It has much in common with the practices of divination as described in classical anthropological literature, as Laura Bear describes in her contribution. But speculation is unlike classic cases of divination in one important respect.<sup>6</sup> It always exists alongside the formal knowledge practices of modernity—risk, evidence, and calculation. Working in between the visible and invisible, the observable and the empirically unknowable, calculation and the divination of the spirit medium, speculation reminds us of capitalism's specters and spirits, from Karl Marx, to Max Weber, to John Maynard Keynes. As Arjun Appadurai has provocatively argued in his recent works "The Spirit of Calculation" (2011) and "The Ghost in the Financial Machine" (2012), the global reach of contemporary financial capitalism's speculative practices calls for new attention to uncertainty and its imaginaries: "[A] set of attitudes, dispositions, and intuitions, in short an ethos (or what we might today call an imaginary) about uncertainty is certainly discernible, and it cannot be directly deduced from any social or technical study of practices in which risk devices are embedded. In what does this imaginary consist?"<sup>7</sup>

Moving beyond an established focus on formal market devices, these essays address Appadurai's question. While we recognize the important insights of approaches that focus on economization or the "processes through which activities, behaviors and spheres or fields are established as being economic,"<sup>8</sup> we argue that serious attention to the worlds of global capitalism requires further development. Running alongside methods of calculation are routinized practices of speculation that intentionally seek to move beyond formal knowledge, as well as governmental practices that seek to tap into or regulate speculation.<sup>9</sup> These essays show such practices do not only exist in the context of gambling or illicit finance where we would expect them. They are also at the core of real estate markets, the film industry, public-private partnerships, the economies of special economic zones, and financial markets, as the essays by Swagato Sarkar, Tejaswini Ganti, Jamie Cross, Ritu Birla, and Bear explore. In fact, as Stine Puri's article argues, the extreme case of gambling only illustrates the methods of valuation through which the wider state and society are framed. As a result of the investigation of speculative practices and imaginaries as part of the operations of capitalism, the articles in this special section are able to open up new vistas on classic theories such as those of Karl Marx, David Ricardo, David Harvey, Bronislaw Malinowski, Clifford Geertz, and Michel Foucault.

Our approach here is both influenced by and departs from the recent formation of an anthropology of finance. Speculative technologies, particularly in the realm of finance, are increasingly popular sites for ethnographic and theoretical inquiry; however, much of this recent work has focused on high finance in a Western setting, and especially in the United States.<sup>10</sup> The 2008 financial crisis has also produced what we might call a speculative bubble in historical studies of US capitalism.<sup>11</sup> However, speculative markets are global

4. See LiPuma and Lee, *Financial Derivatives*.

5. See Callon et al., *Acting in an Uncertain World*; O'Malley, "Moral Uncertainties"; and O'Malley, *Risk, Uncertainty, and Government*.

6. See, for example, Evans-Pritchard, *Witchcraft, Oracles, and Magic*.

7. Appadurai, "The Ghost in the Financial Machine," 524.

8. Callon and Caliskan, "Economization, Part 1," 370. See also Callon, "The Embeddedness of Economic Markets."

9. See Bear, *Navigating Austerity*.

10. For a fuller discussion see Zaloom, *Out of the Pits*; Ho, *Liquidated*; and Miyazaki, *Arbitraging Japan*.

11. See Schuessler, "In History Departments."

phenomena.<sup>12</sup> One of the key consequences of the democratization of finance, the spread of shareholder capitalism, and the growth of the “castle in the air” (as Marx put it) of global financial derivative markets since the 1970s has been a worldwide intensification and popularization of speculation.<sup>13</sup> This special issue calls for attention to a wider range of sites in which the speculative generation of value occurs in global capitalism today. Showcasing deep located research, it highlights a key emerging empire of speculation, India, to open up investigations beyond Wall Street, the City of London, and the virtual faceless geography of online trade.

### India: A Significant Comparative Site

India provides an important site for exploring capitalism in new ways, theorizing its contemporary formations, and comparing these findings to the regions of the Middle East and Africa and beyond. The ethnographies in this special section show why we cannot tell the story of contemporary economic life from the limited context of Europe and the United States. Our focus on India thereby seeks to correct the bias in theories constructed out of research on high finance in Western contexts. Fourteen years after critiques of the provincialization of India and its confining in transition narratives derived from the West, we still need to forge a comparative path not centered on the West.<sup>14</sup> Speculation, associated with the illicit and informal worlds of the bazaar, can provide an anchor for such a project, for the “peripheral arenas” that are thought to cultivate it are here posed as central to the operations and scope of contemporary capitalism.

India is perhaps the most famous historical signifier of speculative adventure (from at least Columbus onward). It was a key experimental site for the first global corporations in the form of the East India Company and for a colonial economy that asserted the unique value of English capitalism.<sup>15</sup> More recently, India has since its liberalization in 1991 been hailed by corporations, management consultancies, and its own citizens as a place

of limitless potential. We reinterpret its emergent global power and BRICS branding as a bricolage of narratives of speculation. Seen from this perspective, India is a central site for current experiments in the democratization of speculation, as Bear, Sarkar, and Cross discuss, and a productive setting for developing new comparisons and theories.

India has comparative potential for countries in the Middle East and Africa because it shares their complex historical legacy of persistent inequality. Within India, as in these other geographical zones, the histories and temporalities of the colonial economy, postcolonial nation, and planning-oriented developmental state exist alongside the frenzied “emerging market.” The contradictions of a new imaginary and its practices are experienced particularly acutely by its citizens. Their strategies and negotiations reveal the limits and potentials of current economic formations and their governmental techniques. The articles in this special section trace speculation across these multiple temporal and spatial frames, engaging a full scale of economies and their inequalities (reading against the grain of management discourses’ economies of scale). Our essays here travel from the nineteenth-century bazaar to the special economic zone, the port trust to the courthouse, connecting the smallholding peasant to the middle-class consumer dreaming of the spectacular urban condo. At the same time, our analysis of Indian capitalism requires the development of new, more general ethnographies of dream making and its economic logics, beyond familiar scripts given to us by the American Dream. Imaginaries like these, we argue, are staged on sites in India such as the racecourse and its theater of betting, the real estate market, private-public partnerships, and in the speculative industry of Bollywood cinema. We expect that ethnographies and histories of such stages of imagination and anticipation can be scaled up to broader cross-regional and global currents.

Our focus on speculation in India also allows us to rupture the conventional separations between formal and informal, or regulated and un-

12. See Cooper, “Turbulent Worlds.”

13. See Marx, *Capital*.

14. The canonical work on provincialization remains Chakrabarty, *Provincializing Europe*.

15. See Birla, “Maine (and Weber),” and Bear, *Lines of the Nation*.

regulated, economies, which anthropologists and historians have long argued are normative classifications used among other things to reform and/or disenfranchise popular economies.<sup>16</sup> Importantly, speculative practices in India crosscut these separations. This is because they work through the extension of speculation across classes and between regulated and unregulated economic forms. Also the hidden potential they seek to tap into often involves imaginings of, and negotiations with, illicit economies controlled by charismatic individuals.<sup>17</sup> The volume offers an investigation of what we call vernacular practices of speculation (building on the concept of vernacular capitalism<sup>18</sup>). These practices carve out spaces for profit and anticipation in between what have been defined as formal and informal economies. Vernacular speculative capitalism, in other words, conjures and navigates regulated and unregulated economies.

Via India, we show how speculation has a deep history of colonial governmentality, which established corporate and contract law as a mode for projecting possible futures, engaging uncertainty, and fortifying powers of administration and security. In the present, India is a site for the reemergence of a governmental project primarily focused on the generation of speculation, making it distinct from social welfare or developmental or socialist economies. Importantly, this speculation is often driven by the dreamscape of media imaginaries. This makes public culture not just a distraction from economic inequality, but one of its key infrastructures. This contemporary empire of speculation has its own aesthetic forms, material artifacts, and predictive practices, as the articles in this special section demonstrate. There are new street-level experts in this divination of hidden potential, from film producers and horse race bettors to low-ranking bureaucrats, industrial workers, and farmers. We open up this reality in order to provoke further cross-regional and interdisciplinary conversations that can challenge conventional accounts of capitalism with attention to uncertainty, speculation, and its future imaginaries. ■■■■

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16. See Birla, *Stages of Capital*; Roitman, *Fiscal Disobedience*; Mitchell, "The Properties of Markets"; Bolt, "Waged Entrepreneurs, Policed Informality"; and Dunn, "Standards and Person Making in East Central Europe."

17. Hansen and Verkaaik, "Urban Charisma."

18. Birla, *Stages of Capital*.

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