



Interview with Robert Meister: Capitalism, Confession, and the Initiative

Peter Dimock

Q: We're speaking a few weeks before the second Bruce Initiative Conference on Rethinking Capitalism. The Keynote Panel to be held on Thursday night is titled "Telling the Story of 2008: Realistic, Utopian, and Apocalyptic Narratives of What Could Have Happened." Appearing on this keynote panel, among others, are Kim Stanley Robinson, a distinguished science fiction writer, Graham Ward, a theologian known for his interest in the relation between postmodernism and the language of contemporary religion, and Lynn Stout, an internationally recognized legal scholar of corporate governance and ethics, who early on warned against the hazards of speculative derivatives trading.

You yourself, a political philosopher, have just published a book on human rights as a dominant global discourse after 1989, interpreting it as a profound shift in the way the time of history is experienced by the present and one that restricts the political project of global social justice. You are also the author of a forthcoming article to be published by *Representations* on universities as a major global industry being transformed by derivatives-based finance to the detriment of their potentially important role as places in which new critical thought about the future could and should be created and debated.

One of the goals of the Bruce Initiative is to bring together some of the best thinkers across many scholarly disciplines grappling with the implications of the global financial crisis for the future of global capitalism. More specifically, the Bruce Initiative has as a goal to create expert, formal, and technical knowledge about the future of capitalism at the highest levels of thought, delivered and made public in a form—and within a frame of address—that makes that knowledge both useful and

resonant across many communities not usually in direct conversation with each other. These communities include bankers, financial traders, regulators, policy-makers, politicians, journalists, activists, students, and general educated readers as well as the many relevant disciplines within the academy.

I sense there is a deep method in the intellectual range represented by the Keynote Panel and subsequent conference sessions listed in the program. It seems to me to exemplify your interest in creating a new way of thinking and a new community of discussion and debate about contemporary global capitalism. Could you say something about how you came to choose the subject of the Keynote Panel specifically—and how you hope it will set the tone and intellectual agenda for the rest of the panels at this year's conference?

A: There are now at least ten important books revealing—I would say confessing—the fragility of a financial system that people like Alan Greenspan once described as natural and self-correcting. I don't regard "Rethinking Capitalism" as the best place to debate the policy recommendations of each writer. What we can do, instead, is to ask how this entire genre of literature should be read. Now that we know how fragile capital markets are, and how much backing they may ultimately require from states and taxpayers, what attitude toward the present should follow from such knowledge?

As a philosopher my lifelong project has been to understand the connections and distinctions between confession and critique. What does it mean to acknowledge historical injustice--or perhaps even our responsibility for global warming--and then go on as though everything has changed now that we know? One view of confession is that the time of the present is becoming short for redemption of the past and that a final judgment would be apocalyptic. Another view is that our greatest imperative now is to prolong what we had as long as possible, but without any illusions that it can go on forever. Here the implicit critique is directed at the hypocrisy of those who believe the present can be prolonged without confessing that there is nothing just or natural about it, and that as post-hypocritical realists we nevertheless keep going at all costs because the alternative is apocalypse.

Much as I've learned from the books on 2008, I think that many of them do imply that economic justice would be apocalyptic and that the capitalism we have has to be preserved in the final analysis at incalculable cost to governments and civilians. All of the policy recommendations are attempts to avoid the "final analysis" (by which I mean that the U.S. government may have actually pledged up to

\$13T—its entire tax base--as a guarantee required to prevent additional financial institutions from collapsing).

The final analysis of capitalism is of course what interests all of us in the whole “Rethinking” project. To introduce this year’s conference, I’ve invited speakers who will come at this from very different perspectives. Lynn Stout is not only a major scholar on securities regulation—she also works on behavioral finance and moral philosophy. One question I would ask Lynn is whether our post-2008 narratives of market behavior and collapses have become “realistic,” rather than utopian, in a way that requires the state to either regulate derivatives contracts or withdraw its support for them in the form of enforcement. Stan Robinson’s *Mars Trilogy* presents a post-apocalyptic view of economics—the apocalypse having occurred on earth. Is this the form utopian thought should take? Graham Ward’s work melds post-modern philosophy and pre-Thomistic theology. My Marxist question to him would be about the relation of confession to conversion, and what role critique has in this process.

I should hasten to add, Peter, that I’ve not yet met any of these three panelists, and that what I really expect is to be surprised.

You’ve asked how all this relates to my recently published book, *After Evil*. The book treats human rights discourse as the affective, political side of capitalist triumphalism between the fall of communism in 1989 and the conceivable collapse of capitalism in 2008. It’s original focus was on the question of beneficiaries in the late 20th-century era of transitional justice: Does a moral consensus that the past is evil require a political consensus that the evil is past, allowing beneficiaries to keep their gains? But because the book took too long to write, it also spans the early 21st Century doctrine of R2P (Responsibility to Protect), and encompasses the moral theory that turns beneficiaries into would-have-been rescuers and compassionate witnesses of suffering that is always in the process of becoming past. “Rethinking Capitalism” is an obvious sequel to my work on human rights discourse in that it deals with the material side of capitalist globalization.

But in a broader, methodological sense, “Rethinking Capitalism” also deals with questions of the temporality of justice, its post-confessional deferral that is an underlying theme of *After Evil*. The concluding chapters deal with the weaknesses of political theories that deal only with interpersonal dimensions of justice—those involving the declension of nouns (who does what to whom, for whose sake and at whose expense). A critical approach to options theory would allow us to consider the inter-temporal aspects of justice, the part that deals with the conjugations of

verbs, and that is usually the province of classicists and theologians. Part of my goal in this conference is to bring critical political economy--particularly as it applies to derivatives--into conversation with political theology and ethics.

Q: Am I right that the vision you and Steve Bruce have come up with for the Bruce Initiative is the creation of intellectual and deliberative space in which scholarly knowledge in the contemporary humanities and social sciences directly and specifically engages the question of the consequences of the financialization of the world economy over the last 30 to 40 years? Could you say something about why you and Steve believed two years ago that such an institution as the Bruce Initiative was needed?

A: Options theory was the way capitalism rethought itself in the late 20th century. If the kernel of capital was the option form rather than the commodity form, then there seemed to be no mystery of surplus value (you were simply in the money)—and no reason to think about long term tendencies except for the purpose of managing the shorter-term “uncertainties” they create. I don’t think you can do a critique of capitalism today unless you at least consider the paradigm of a pure “financial product,” something that is always already capital and subsequently gets traded as a commodity.

Steve spent his career in the world of financial products, and when we reconnected some years back, he thought it would be fun to do a conference on derivatives in Santa Cruz. My question was “Why UC--Santa Cruz rather than someplace with a law school, a business school and all the networks that connect to them?”

The financial collapse of 2008 answered my question: UC Santa Cruz was a center for rethinking capitalism when I arrived to teach in 1973 and Steve was an undergraduate. We had on our faculty Norman O. Brown, Gregory Bateson, Maurice Natanson, Herbert Marcuse, Hayden White, James O’Connor, Robert Alford and by the ‘80s Richard Musgrave, Fredric Jameson, and Harry Harootunian. It seemed to me we could restart the kind of conversation we had at UCSC in the ‘70s and ‘80s by inviting some of today’s most provocative thinkers about capitalism--people like Karin Knorr, Bob Brenner, Bill Maurer, Nelson Lichtenstein, Prabhat Patnaik, Karen Ho, Randy Martin, Andrew Barry, Shyam Sunder, Philip Goodchild. Steve and I both hoped that “Rethinking Capitalism” at UCSC would provide a venue for them to discuss their current research and also to reflect more broadly on the heightened self-consciousness of capital markets about the material conditions under which they can survive.

Capitalism's growing self-consciousness is now everywhere apparent—sometimes expressed in a voice of looming danger and sometimes in form of reassurance that the danger has past, now that we know. Steve and I believe that other voices must be found—voices that find political opportunity where others see only threats to the status quo; voices that see danger in the measures taken to preserve what we have. It makes perfect sense for UC Santa Cruz to be a place where such voices can emerge.

Q: Once these different constituencies are talking to each other—once they are in the same room together, as it were—how do they speak to one another?

A: They speak hesitantly at first. At the beginning of last year's conference we all met around a table and every participant seemed curious about why he or she was invited, given who the others turned out to be. Quite early in the conference, triggered by a bravado performance by Dick Bryan, people started to speak outside their prepared presentations. And by the end most of us were saying things we hadn't planned in response to each other.

A tone was set at last year's conference that will make it easier for those returning to take up where we left off. And thanks to the website developed by Bernie Richter and Courtney Mahaney, everyone who comes can see in advance the kind of conversation we all hope to continue.

Q: What common language do they speak?

A: Last year there was a great willingness to speak a common language, rather than illustrate what this or that discipline can contribute to understanding capitalism. Marxism is of course the most obvious choice for a common language for criticizing capitalism that crosses disciplines. But one theme of last year's conference was the need to “rethink capitalism by rethinking Marxism” as well. Our discussions addressed many Marxian questions, but did so in a language that owed as much to Foucault, Keynes and behavioral economics as to Marx.

Q: Who sets the agenda of the conversation?

A: We ask each presenter on a panel to make an argument of about 20 minutes; many of them have never met each other and have no idea what will be said. It's gratifying that participants are so willing to think outside their comfort zone, and to welcome surprise. To the extent that this happens the panel sets its own agenda.

Q: To what audiences are they speaking?

A: In the first instance we hope that our presenters will start speaking to each other in the presence of a wider audience. We don't invite them merely to hear the

views for which they are known; we ask them to think out loud with people whom they don't normally encounter at conferences. The real challenge for each panel is to imagine an audience for the kind of discussion about capitalism that the Bruce Initiative is trying to initiate. Last year we had impressive participation by an audience who were actually present, which included undergraduates, grad students, activists, people from the town, and some journalists. Their passionate participation made it a lot easier for onstage panelists to imagine a broader audience for the conversations they were having.

Q: Who is overhearing what they say to one another?

Well, there's our streaming webcast, the live audience of 200 or more, and the website, www.rethinkingcapitalism.org, where videos of our conference panels can be found. Our ultimate goal is to produce a body of work, you could call it research, that rethinks capitalism in an enduring way—a body of work that perhaps (with your help) through publication can protect and extend more broadly the critical spirit that comes out of our conferences and the personal interactions of those who meet there.

In my opinion, however, the first task is to find a voice in which capitalism can be rethought. Most post-2008 writing on the fragility of capitalism has an ironic voice—it's ironic that financial markets turn out to be so dependent on regulation, government guarantees, and perhaps, ultimately, sovereign debt. But, as I said in answering your earlier questions, it's not clear that this is any kind of critique, much less a transformative critique. This is not just a problem afflicting so-called mainstream economists. My UCSC colleague, Hayden White, describes Marx's *Capital* as itself an ironic text, suggesting that irony is an attitude toward capitalism that enables us to live with it in the midst of our failures to transform it.

Q: How can these conversations be translated into choices to be acted upon (or not) by individuals, institutions, publics?

A: Well, how would one read Marx's *Capital* non-ironically—perhaps as a threat to the existing system or at least an expression of historical urgency? A big hurdle is how to deal with Marx's own apparent claim that the collapse of capitalism is historically inevitable. My teacher, Isaiah Berlin, insisted that this false claim was all that distinguished Marx from any other bourgeois historian demonstrating that capitalism first emerged as the future of a highly particular past. Isaiah had no interest in Foucault, and would not have thought that a philosophy that stressed historical contingency, rather than historical necessity, could restore critical force to Marx's account. "The plasticity of power" (to use Roberto Unger's

phrase) is not something he had much patience for. Is historical determinism all that distinguishes Marx from Foucault, when both are properly understood? I don't think so—at least not in the deadly, shorthand way “determinism” is often used.

For me, “Rethinking Capitalism” is a way of getting beyond the question of how to read Marx after Foucault in order find choices that need to be acted upon. The first question, I think, is to find a voice in which these choices can be expressed as an argument about capitalism itself. This question of voice is the topic of our conference this year.

Q: Can the choices inherent in global financial decision-making be made subject to democratic deliberation?

A: Insofar as capital markets are global there is presently no political institution, whether democratic or not, that could possibly control them in a way that democratic states might once have tried to govern national economies. The lack of a procedural site for democratic deliberation about global capitalism is itself a problem—a topic for critique.

It became easier to make such a critique after 2008, when decisions to save financial markets, by bailing out particular corporations, were made by central banks and treasury officials who were able to commit most, and arguably all, of their own state's resources for this purpose without any pretense of democratic deliberation about the future of capitalism. Surely, it is no longer possible to argue that the market now operates above the level of states, rather than through the deliberate suspension of democratic deliberation within states.

The remaining question is what democratic deliberation could mean in the absence of an institutional site for it. Is it any different from what some philosophers call critical resistance where the objective is to find sites, both virtual and geographic, in which deliberation is possible. Several of our participants, such as Andrew Barry, Karin Knorr, and Prabhat Patnaik, have a lot to say about this topic, coming from very different perspectives.

Q: How is democratic deliberation to be fostered?

A: How indeed. “The point,” as Marx once said, “is not to merely interpret the world, but rather to change it.” There's nothing to deliberate about, democratically or otherwise, in the absence of a politics in which both resistance and repression are already occurring. So, yes, we need to find the subject-position from which democratic deliberation is possible as a result of the endangerment that saving capitalism for the capitalists has now produced. I addressed this problem ab-

stractly in my book on Marx, *Political Identity: Thinking Through Marx*. “Financing Public Higher Education”

(which you’ve excerpted in this newsletter) gives a much more concrete sense of how rethinking options theory might be useful to an emergent student movement that now opposes privatizing public universities. That said, the kind of analysis I offer could not exist without the student movement. **Q:** How do you see the work of the Bruce Initiative expanding in the future to achieve the goals you and Steve first set for it two years ago?

A: Two years ago, we didn’t know whether this kind of conversation is possible outside the world of financial specialists. We now know that it clearly is. Today, the question is how to bring financial specialists, like Woody Brock, into the conversation we’re having.

Things have changed a lot in the past two or three years. During the Wall Street bailout almost everyone in the financial sector was interested in what went wrong and how to fix it. Now that the financial sector has come back, even though the economy has not, it seems that governments will do whatever it takes, and at whatever cost to democratic institutions, to avoid such apocalyptic scenarios as “liquidity traps,” which no economist knows how to fix. This has given those running large financial institutions enormous confidence. They would no longer need to rethink capitalism, or anything else, to the extent that they could ultimately control the state.

I think an opportunity was missed to exercise greater state control over financial institutions, which were shown in 2008 to be far weaker than anyone imagined. One reason this opportunity was missed is that the most powerful states happen to be run by bankers in the interest of banks. Another reason, however, is that no one in power had a political analysis of the crisis of capitalism as anything more than a liquidity problem for bankers. This intellectual vacuum needs to be filled. Initiatives like “Rethinking Capitalism” can help to fill it, especially because we’re putting people like Lynn Stout, Shyam Sunder, and Paolo Quattrone who come from law schools and business schools into conversation with big thinkers about process like Karin Knorr and Nelson Lichtenstein, and big thinkers about apocalypse like Stan Robinson and Graham Ward.

For the moment, Steve and I are no longer thinking we’ll get much help from bankers--which may turn out to be ironic.