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It's hard to believe that after almost two centuries of analysis, there is still more to learn about capitalism. As Murray Bookchin so aptly described, much of this is solely reserved for academics, with little worth as praxis. Karen Ho's "Liquidated: An Ethnography of Wall Street" is different though. It provides some unique insight into the very heart of Capitalism. The book is an ethnography of the Wall Street firms which have dominated the global economy and changed the face of global capitalism over the past few decades. I won't summarize the ethnography in its entirety (no ethnography can be summarized; they're one of those things you must read in their entirety) but there are some important points that elucidate our world, our position in contrast to capital, and our tactics.

An important, but not new, lesson from "Liquidated" is that capitalism can be subdivided into financial capital and productive capital. Financial capital is what we're seeing today. This is an extremely important position because the two forms of capital are, in some ways, antagonistic to one another. Productive capital is what you or I think of most often when we think of the word capital – it is tangible capital. It's processing plants, fisheries, farms, factories, etc. Financial capital on the other hand is represented by Wall Street, by firms which make money without making tangible goods.

Karen Ho describes productive capital (post War) as a "social institution". While it certainly stood opposite to labor, it understood labor as a resource to be used. This is where the idea of job creators comes from. If a corporation expands, it creates new jobs. It's easy to see how Karen Ho takes this a step further and argues that production capital is a social institution. In Ho's argument, productive capital sees itself as looking out for the shareholder in the long term. This means offering competitive, superior products; investing in the community and society around it; offering employment to the local community; and resisting the leveraged buy outs and divestitures that represent financial capital's takeover attempts. This is not to say that productive capital didn't partake in financial schemes but that by and large, shareholders were seen not as temporary investors, but backers to the company. A part of this caricature of productive capital is that it has brick and mortar locations, be they factories or stores or whatnot they are tied to a geographic location. Relationships are continuously formed and reinforced with employees and customers; companies interact regularly with the same people around them. In this sense, even though productive capital stands in direct contrast to labor, it is a member of a community. How destructive or helpful a figure it was is a question of history. Regardless, this characteristic means that those who oppose productive capital **have a target**. Bosses can be confronted, factories can be occupied, goods can be boycotted, and lines can be picketed.

In Ho's understanding, the **most** important characteristic of productive capital is this: companies were interested in long term profit and held a long term view. For example, once it became evident that the exploitation of the 19th and early 20th century were no longer possible, productive capital supposedly buckled down and came to the table, producing the "glory" of the post War years. This is the story we're commonly told and shows up somewhat in "Liquidated". Let's not forget that productive capital is also represented by the Pinkerton Agency. I'm more inclined to side with Murray Bookchin and believe that the state forced minor concessions from capital in order to curtail the threat of Soviet influence over the unions. But, all in all, I think that Ho's description of productive capital is an important one. It highlights the economic long term view, the geographic location, and the community. Regardless, for Ho, this focus on long term profit represents a certain historical America, one with an extra dash of apple pie and summer baseball.

Now, financial capital is very different characteristically than productive capital. Financial capital is geographically displaced. It has no ties to one community or another. Offices in New York City deal with corporations all over the country and even internationally. There are no brick and mortar locations meaning there are no interactions with any one community. The clients of JPMorgan Chase and Lehman Brothers are CEOs, dispersed across the world. The firm managers themselves live in Connecticut. The employees are from Brooklyn, the Bronx, and Queens. Even the offices themselves are no longer restricted to geographic Wall Street or even Manhattan. Occupy Wall Street may have "occupied Wall Street (well, nearby anyways)" but it didn't disrupt very much. Even if they'd stormed Lehman Brothers (not actually on Wall Street) they'd have done little to disrupt the bank's business. Ironic for the anarchists, financial capital is dispersed. It is dispersed because its products are immaterial.

Whereas productive capital managers regularly saw and were forced to interact with their employees, decision makers at financial firms regularly interact only with CEOS and their own corporate circle. You can see how in the case of the former, a manager of a store could empathize with or be the target of employees. They are from the same town perhaps or maybe even grew up together. They have a relationship that is based upon daily interaction and encountering each other's' way of life. I would say those relationships exist in financial capital too. Decision makers at financial firms cultivate relationships with CEOs; they golf together, rack up $1,000 dollar meals at NYC restaurants, and meet at extravagant international business outings and conferences. Where the relationships of productive capital may inclusive, forcing cross class interaction, financial capital relationships are the opposite. They are exclusive and potentially have led to the culture of wealth we see today. With neoliberalism, CEOs make hundreds or thousands times the average worker and are no longer confronted with the reality of what life is for most people. They don't take public transportation, their children don't go to public schools, and their idea of a business dinner may be taking a jet plane to London. Ho describes how seniors at the firms would Jet to Iceland for a game of golf. That is their day to day life and that is their reality.

In contract to productive capital, which saw itself as invested in long term gains (maintaining customer relationships, increasing product quality, even occasionally appeasing labor), financial capital has a different goal. Its goal is not necessarily to profit over the long haul but to increase stock prices and shareholder value. Leveraged buy outs are a perfect example of this: a few investors buy a company for a fraction of its price, using the company's revenue as collateral and backing their offering price with leveraged bonds (the infamous so called junk bonds). The investors then sit on the company for a few years, laying off employees and cutting product quality to increase revenue to expenditure and pay off their leveraged debt, increasing their own equity percentage. Three or so years down the line, the company is sold off to the public once again for a massive profit. This profit never gets reinvested

I've seen of such policy though scholars have been referencing it for at least the past decade (Paul Pierson's "The New Politics of State Welfare"). Previously, such policy has been branded as temporary, or as "deregulation" or "privatization," labels which put a pretty veneer over the reduction of social services and people having to work two or three jobs. It is not a matter of putting the right people in office, or protesting enough. Occupy demonstrated the latter and the Supreme Court is making sure of the former with its Citizens United ruling and possibly extending that ruling to state level elections with McCutcheon v. FEC.

You may go "Sure, yah, so what. The state collaborates with capital, what's new?" and they're correct to. Nothing is really new. America's economy has fallen to finance before. But what the above suggests is that in the near future, record numbers of people can potentially be radicalized. And that is something to be excited about.

in the company, much less the local community, and does nothing to "create jobs". Instead, it lines the investors' pockets.

Productive capital infamously has attempted to resist these buy outs, often having to make layoffs of their own to raise stock value. But Wall Street, when it offers shareholders inflated stock prices, claims it is doing what productive capital couldn't – increasing the stock price. Ho mentions that this is consciously done by Wall Street firms. They aimed to eliminate the managerial work force and make managers invested in shareholder value. In the Wall Street mindset, people who work normal jobs (even the secretaries, janitors, mailmen, etc. at the Wall Street firms themselves) lack the "smartness" (a term Ho demonstrates is heavily used in a particular way by Wall Street) and work ethic that financial managers possess. The financialization of the American economy was a part of this. Many leveraged buy outs were conducted by groups made up of one or two corporate CEOs and several outside investors. Thus, the manager was no longer worried about his or her own job or even salary but about shareholder value (where his wealth was really stored). Managers no longer managed but used corporations as a tool to increase shareholder value. They supposedly returned corporations themselves to the market. Thus, a company no longer sells a product. The product is secondary to corporate value – it is nothing more than a means to pay down debt. Now, the company itself is the product. Ho describes how some CEOs have directly addressed the differing goals of financial and productive capital, warning their stock holders and employees of incumbent layoffs, a fall in product quality, and the misuse of the corporation once it is bought out by financial firms. In the eyes of financial capital, Traditional methods of increasing shareholder value, through profit and outcompeting rival firms, is far too slow and finicky a method. It's susceptible to seasonal variations, people's changing desires, and other factors in a corporation's environment. **One might say that traditional profit-seeking is unacceptably**

susceptible to the very market that Wall Street claims to worship. Financial America has found a way to avoid this unruly and uncooperative market.

Ho goes much more deeply into Wall Street's logic and it makes for an interesting story. Much of the book discusses how Wall Street employees consider productive labor as wasteful and lazy, even self-serving. Managers were inexcusably worried about their own wages and the bottom line, leading to self-serving policies and bureaucratic corporations. Wall Street pats itself on the back for returning these businesses to the so-called-market where corporations are solely beholden to the shareholders. This is a short term view that directly contrasts with productive capital's long term view. Wall Street is about nothing more than making investors more money. T**he byproduct of capitalism that is often used as its defense, of producing goods, researching and developing new technologies, and increasing the standard of living, stands in direct contrast to the goals of financial capital.** The most regular recommendations made by financial firms on behalf of their corporate clients is downsizing ("cutting the fat" is the term Wall Street employees use). This causes the company's employees to have to do more work often for less pay so that the corporation appears more efficient and stock prices go up. It's interesting to note that Wall Street even employs the technique internally, and the financial firms themselves are often downsized like the rest of America. The difference being though, on Wall Street it is really just a reshuffling and more of a rite of passage for young analysts to be fired then immediately rehired by another firm rather than fall behind on medical bills or a mortgage and lose their home.

"Liquidated" is a really interesting book and I can't recommend it enough. It takes an ethnographic look at what is most usually treated economically or historically. It delves right into the heart of the capitalist forces that built the world around us. It does all of this while looking at what drives these agents

of capital psychologically and culturally. "Liquidated" tells a story that isn't often told, it's an internal but critical look at the powerful, not just lambasting from outside their walls. Overall, I think the book tells us a few important things. First (1), Capitalism is not an internally cohesive system. It has its own politics and competing blocs and factions. Occupy Wall Street is a great example of this. The people who would, and historically did, fervently support productive capital were working with anarchists, communists, and socialists because financial capitalism had slimmed down their piece of the pie. This partly explains the dynamics of the American Tea Party as well. Off course, Occupy was no success and in only a few cities was it truly radical in any sense of the word but it is a demonstration of the internal divisions of capital and making use of those internal divisions. Another such example is the American Revolution: American capitalists no longer wished to be financially subservient to and politically dependent on their colonial superiors. In the case of Occupy, the middle class eliminated any radical potential. In the case of the American Revolution, local productive capital organized a flat out coup. Understanding these internal divisions is important to be more active and less reactive as a movement.

Second (2) and perhaps most importantly is this: no economic recovery is in sight. No economic recovery is **meant** to be in sight. The policies which financialized the global economy were put in place to achieve that end. The policies which lead to the 2008 bubble achieved their goals; they destroyed labor and increased the wealth gap. The bubble was an unintended side effect but it's important for middle class America to learn that economic policy is put in place for a reason. The post War period is truly over and we will never return to it. Full employment has been replaced by the lean-mean, budget slashing machines that corporations became under the direction of financial firms. David Cameron's recent call for permanent austerity is the first explicit political acknowledgment