

APPROPRIATING FINANCIAL CRISIS: A COMMUNICATION STUDIES READING

A APROPRIAÇÃO DA CRISE FINANCEIRA: UMA ABORDAGEM A PARTIR DOS ESTUDOS DE COMUNICAÇÃO

LA APROPIACIÓN DE LA CRISIS FINANCIERA: UNA APROXIMACIÓN DESDE LOS ESTUDIOS DE COMUNICACIÓN

Jesus BECERRA

Researcher professor at the Political Science Department in the Autonomous . University of Zacatecas, Mexico. Bachelor of Communication Sciences, Master of Methodology of Science and Doctor of Education Sciences.

E-mail: jebevi@gmail.com

ABSTRACT

This paper discusses the financial crisis outbreak in 2008 from the perspective of current communication systems. The analysis was carried out as a contribution to a team project on Science, development and democracy. The paper offers a critical revision of appropriation, a notion that is often used in Communication Studies literature and in the analysis of rentist capitals. Appropriation is discussed as a historical form of social struggle, especially associated with crises, and as defining the ultimate goal of the production. By approaching this concept from a Communication Studies reading, a renewal of the Marxist proposal of subsumption of labor under capital is offered, i.e. the symbolic subsumption as a central feature of the Communicational Mode of Appropriation.

Keywords

Appropriation. Capitalism. Financial system. Communication system. Crisis. Labor subsumption.

RESUMO

O texto aborda a eclosão da crise financeira em 2008 a partir da perspectiva dos Sistemas de comunicação atuais. A análise foi realizada em um projeto de pesquisa coletiva sobre Ciência, Desenvolvimento e Democracia. O artigo fornece uma revisão crítica da apropriação, conceito amplamente utilizado na literatura em estudos de comunicação e análise de capital rentista. A apropriação é discutida tanto na sua qualidade de forma histórica da luta social, especialmente relacionada com as crises, como em objetivo final da produção. Por abordagem de estudos de comunicação, é oferecido uma renovação da proposta marxista de subsunção do trabalho ao capital: a subsunção simbólica como uma característica central do Modo Comunicacional de apropriação.

Palavras-chave

Apropriação. Capitalismo. Sistema financeiro. Sistema de comunicação. Crise. Subsunção do trabalho.

RESUMEN

El documento aborda el estallido de la crisis financiera en el año 2008 desde la perspectiva de los Sistemas de comunicación actuales. El análisis se llevó a cabo dentro de un proyecto de investigación colectiva sobre Ciencia, desarrollo y democracia. El artículo ofrece una revisión crítica de la apropiación, un concepto ampliamente utilizado en la literatura especializada en los estudios de la comunicación y en el análisis de los capitales rentistas. Se discute la apropiación tanto en su carácter de forma histórica de la lucha social, especialmente asociada a las crisis, como de objetivo último de la producción. Mediante la aproximación desde los estudios de comunicación, se ofrece una renovación de la propuesta marxista de la subsunción del trabajo en el capital, esto es, la subsunción simbólica como una característica central del Modo Comunicacional de Apropiación.

Palabras clave

Apropiación. Capitalismo. Sistema financiero. Sistema de comunicación. Crisis. Subsunción del trabajo.

INTRODUCTION: APPROPRIATION IN COMMUNICATION SYSTEMS

Appropriation has become an important concept in the academic field of Communication Studies since the 1990s. It refers customarily to the way users relate to communication and information devices and, through them, to the social settings of communication systems. Attitudes of users towards them can be either passive or active but are always effective, at least when measured in terms of economic growth, which stands well even in time of recession. Perhaps due to the rapidness of development in entertainment, communication and information technologies and the lability of State-of-the-Art grades, Communication Studies examines appropriation frequently through ethnographic methods in order to produce an abundance of descriptions, but minimal explanations or theories. Other scholars conceive this relation in terms of political embodiment, as hegemonic struggle or negotiated resistance (NEÜMANN, 2008).

Much of the academic production within Communication Studies regards media in a number of ways: property regime, mode of operation, contents, influence, reception strategies and markets. A common acronym for the media is New Technologies of Information and Communication (NTIC) or simply Technologies of Information and Communication (TIC), which emphasizes the technical component of the industry and appliances. When related to crisis, NTICs are usually looked at in relation to the impact they suffer, at least among Latin American circles. This approach overlooks the role played by the NTIC or, more widely speaking, by the social systems of communication at producing crisis outbreaks and at keeping them profitable for certain people. Marshall McLuhan (1996, p. 32) testified in the early sixties that "recent studies" on media already dealt with the cultural matrix within which the media operated. However, the continuous achievements of technology increase its appeal both among consumers and academics, leading to a dismissal of the broader social milieu.

The decision to approach communication as a social system instead of taking it by the technologies which, at the same time, enable and dull it, implies keeping in mind that any machinery made available is a social outcome, preceded by a history of decisions and struggles (BOLAÑO, p. 2011). Social settings function as the physical build for the material and symbolic productions of a society. What becomes appropriated and how, as well as what remains untaken, largely obeys the arrangement of social sense. A good example of it can be found in the review of the media effects premises as described by Guillermo Orozco (1994): media influence surpasses the exposure time of individuals to the physical medium. This means that the so-called "effects" operate within the boundaries of a broader communication system - the "state of the system", but **not necessarily in the presence of the apparatus**. Despite its apparent technical nature, the media is essentially social.

Communication systems are complex entities that serve as environs to produce, move and use shared contents of symbolic value within societal boundaries in time, space and positions. Culture systems should not be regarded much differently. However, in academic practice they are what some institutionalized disciplines have made them to be. For instance, a definition of culture as "the knowledge necessary to act as a member of a given social group" (PRIEST, p. 1996, p. 14, italics in original) neglects the fact that not

acting can be meaningful to any culture which recognizes and norms interests, aspirations, tastes and fears. Every culturally differentiated group has a way of being among others. From that fact, cultures make sense and construct their identities. Furthermore, it is culture as a collective and often conflictive elaboration that makes groups behave as complex entities, evolving through their internal and external struggles. In real social settings, individuals are part of many groups, occupying different positions and having personal histories within their relationships with people, groups and institutions. People maintain communication relationships with whosoever or whatsoever they relate, and are, at the same time, the active agents through which groups and institutions communicate. It should be noted that people embody individual and social modes of being, with relation to places, situations, motivations and expectations. A useful term for this is **appropriation of modes of being**, a characteristic way of, at least, owning them and making use of them. Appropriation means a process of mutual implication, which might mean to double what unidirectional communication studies have set. However, some other appropriations outside of the whole or negotiated adoption of technologies, contents and forms of use to communicate, should be explained by the approach described if they are to really model complex social entities and processes.

THE STRUGGLE FOR APPROPRIATION

A political issue in Economics consists of defining who gets a greater share of the social wealth, and how and why they get it, which is different to asking who contributes more to creating it. By positing accumulation of capital as the main objective of capitalism, Marxist theory establishes a framework to define the modes of wealth appropriation, where direct and indirect social struggle plays a central role. For Marxists, among the three forms of capital, *i.e.* financial, commercial and productive, it is the third the one that defines the Capitalist Mode of Production (CMP) and delivers the greatest contributions to the creation of wealth for accumulation. The other two should play a complementary function by assisting the circulation of resources and transformed goods in the capitalist market. However, non-productive capital activities are not the only profitable areas where economy produces wealth in an indirect form. Luc Boltanski and Ève Chiapello (2002) collect and discern, from specialized literature published in the 1990s, the emerging forms within capitalist enterprises that outline a different **spirit of capitalism**. New configurations of practices and representations have rendered a CMP plenty of renewed contradictions when measured to the enterprise of accumulation. Although not treated explicitly by Boltanski and Chiapello as conflicts between production and rent, it is possible to treat as such fairly all of the contradictions they analysed. With accumulating and appropriating, productive capital contrasts against **rentism** in its many forms. Profits gained outside the efficiency parameters of production should account as rentist, due to the fact that they imbalance capital forces making appropriation a process contrary to accumulation. This means that any activity that does not contribute at an extent that corresponds to the state of the complexity and efficiency reached by the CMP, and yet gets access to the social wealth, offsets the delicate stability and the development conditions of the regime.

As detailed in a later section, current capitalism has largely dominated its fundamental counterparts in order to expand itself and reduce the undesired effects of being a logical and historical mode of social struggle. However, contradictions and conflicts remain inside and around: enterprises and formal powers undermine the capacity of CMP to prolong the periods of good performance, thus providing constant reasons to fall into recessions and crisis or, as defended by neoliberals (HUERTA DE SOTO, 2009), to break into them to restore order. Having derived from struggle, the order obtained after a crisis period is never the same as the one previous to it. That is a major reason why crises are never the same, as regulationists argue (BOYER, 2007). Much of the imbalance within and around the productive sector originates in the political configuration, making capitalist crises exhibit features of the contradictions between the economy and political practice.

Back to Boltansky and Chiapello (2002), vestiges of domestic traditions make a capitalist company both inefficient and unfair. Remainders behave as dead loads to corporate objectives while making a living out of it, thus compete for the appropriation of benefits, just as rentists do. From the point of view of productive capital, fair struggle is only that held against similar competitors, not one coming from privileged sectors like inside hierarchies, foul regimes of financing, production or circulation, and economic or political sectors that obstruct what they call "legitimate" productive activities. This entire state of things counts -again to productive capital- as **rentism**, a mere outcome of the position occupied in an order that often, by means of crisis must be revoked. However, social outbreaks are at the hand of other sectors of the economy, such as financial, and other realms, such as politics, which has the additional tool to enact laws, produce reforms, call to trial, prosecute and punish. Most rarely, it is the civil society that bursts social crises. An important explanation of this is that individuals and groups are not associated the way real powers are, *i.e.*, they lack common perceptions of what occurs or of what they should do. Indeed, the civilians' role throughout history has been limited to witnessing and bearing the majority of conflicts among dominant forces. Historical markers record popular uprisings as revolts or revolutions, a most rare happening when compared to crises. As will be proposed later, in this era of symbolic domination of capital, horizontal communication brings the only possibility to revert the *status quo*, either by the actions of individuals or of institutions. While popular appropriation remains appropriated by major dominators, civil society will not be able to pose a serious threat.

APPROPRIATION IN FINANCIAL SYSTEMS

The recurrence and complexity reached by economic crises (LICHTENSZTEJN, 2010) correspond to the development of a global system of representation and management of wealth, which occupies a position increasingly central in economy and politics. This system allocates the liquid forms of social resources through efficient mechanisms such as printing money, brokering with fractional reserves, externalizing, and the financing of nations made to adopt models alien to their history and expected future. The financial system relies on the deployment of established markets and legislatures as well as on technology and symbolic availability to open new rent-oriented forms, capable of surpassing State reach. The most profitable and increasingly dangerous outcome of these operations is a

customized market of financial nature and social impact.

A crucial moment for the gestation of the new global financial engineering occurred during the Clinton administration, with a central role played by his Treasury Secretary, Robert Rubin -a pre and post-office banker. Among other important actions, commercial and investment banks were reunited after the repeal of the Glass-Steagall Act. Diagnostics plenty of technicism urging to modernize the financial system, lead the United States Congress to approve practices that decades before had proven to be quite fallible even in far less complex versions. With the permission to take federally backed risks and ultimately to operate with insufficient protection, financial derivatives were designed with an appetite for the world market. Their engineering was not only a technical innovation, but a license to geographical, legal and ethical reason, with results that now burden companies and people worldwide.

The way it has evolved, it is accepted that a complex economy based on the production, distribution and consumption of goods, requires getting benefits from serving the mobilization of processes and products through conversion units and sufficient capital resources as to achieve a sustainable large-scale economic system with all its institutions involved. However, the reason for financial capitalism actually existing is to appropriate capital rather than contribute to the production process, neglecting its role as "the nervous system of the economy", which would imply allocating capital to wherever it is needed. In a regime whose parameters allow the reception of benefits, it is not legitimate, however, to obtain positive balances by compromising the performance of the broader economic system, much less the viability of the social whole. Counterproductive and illegitimate results of the financial sector are due to the admission of mechanisms and practices that, left to their inertia, take unsustainable options over time, in exchange for an immediate return. As the economic world grows in size and complexity, the disappearance of the financial sector becomes unthinkable and its tendency to overwhelm its limits turns out to be tolerable.

New productivity rates, tenures, rights and benefits are constantly renewing economic, political and cultural relations in favor of those who hold a better position to negotiate in the markets of material and symbolic goods as well as in congresses. Although this procedure adds up to the benefits of the capital, it is particularly the national and global financial systems that are the main global winners, as they ultimately make up the sector that retains most of the wealth made available by currencies. It can be argued that all issuance of purchase units in the economy beyond physical support, yet set in motion to acquire value in its circuits, as well as overproliferation of investment instruments, insurance and mortgages (MARICHAL, 2010) are not practices of leverage in the virtual, but an institutional form of **laundering** the illegitimate and charging it to the sustainability of the economic whole. At a conservative estimate due to the nature of financial accounting, fluctuations in value and data hiding, Samuel Lichtensztejn (2010) estimates that in the first decade of this century financial expansion exceeded fifteen times world GDP. In particular, the author notes the pre-crisis behavior of European and U.S. banks in financial derivatives transactions, which could only back their transactions by 5%. J.P. Morgan traded derivatives in amounts 66 times higher than its total assets; HSBC, 33 times, and City Bank and

Bank of America, 30 times (LICHTENSZTEJN, 2010)

Stiglitz (2010) describes the *status quo* that preceded the outbreak of the 2008 crisis: a market flooded with liquidity, low interest rates, real estate bubbles in several countries, subprime credits poorly managed to deceive regulators, and public and trade deficit in richer countries. It was precisely in these countries where individuals, companies -especially those associated with housing and technical infrastructure-, banks and governments committed the greater and deeper debt errors. All of them are unfavorable conditions to the production system, for they consist mainly of rather sterile anticipated consumption, payable by wealth yet to be created but already unfairly distributed. Additional attention should have been directed to the increasing complexity of the financial system lacking function hierarchies (HALDANE, 2009). This system traded products complex enough to require the separation of financial product owners and the agents who made decisions (STIGLITZ, 2010). Free to operate in a hyper-fragmented market impossible to be properly scrutinized, financial agents assumed positions of rapid gain but increasingly exposed their clients to bankruptcy. Securitization or dispersion by the fractioning of the products and their placement in diversified instruments along spaces and ways, instead of diminishing the risk, caused more extensive and severe damage because time was gained to hide, prolong and exacerbate the errors. It was the same spread of toxic assets in a permissive legal framework that made losses public, while the benefits of the growth of financial and mortgage bubbles and later bailouts remained private and disproportionate.

It is very unlikely that the aforementioned would stand were it not for a huge legitimacy and semantic investment carried out by the industries of symbolic representation at the core of communication systems. Using all that they previously made available, the established order has set the notion that the financial system is at least: a) essential to the smooth running of the economy as a whole, b) highly complex to be internally hierarchical and externally regulated, c) expanded and implicated enough to be called seriously into account in case of error, d) emblematic of the rights to liberty and property as values above any other, which entitles it to benefit even on irresponsible behavior, e) too big not to be bailed out with public funds, if necessary. It should be agreed that this costly symbolic construction pursues the ownership of the state of affairs, which guarantees the continuity of private enrichment cycles, *i.e.* the appropriation by a few of as much as possible of social wealth. Regarding that, the discussions that follow provide a theoretical frame of domination forms in times of complex communication.

A COMMUNICATIONAL APPROACH

Our future historians will depict our epoch as one of youth movements of discontent and institutional legitimacy loss in times when technical accomplishments could -and should- sustain a certain base for unprecedented wellbeing. Sophistication is common ground in social practices, compared to the rather simple forms everyday life adopted just decades ago. Connectivity, synchronicity and innovative appropriation practices from users of che-

aper, more versatile and more intrusive technologies are signs of the times we are living. However, intricacies of life show themselves to be contradictory, both continuous and non-linear. This condition has affected the economic realm of social activities and understanding. From an outside perspective, the financial system appears as contrary to the so-called real economy, causing the latter a profound crisis that somehow is not affecting itself the same, but places the higher financial institutions in a more competitive position.

How has this complex society reached such an unsustainable state of affairs if not by an efficient domination of the many by the few? It has to do certainly with the possibility of making-believe, which is a strategy that capital, especially that associated with the communication systems, has been able to refine enough to make it a motif of the era. In order to discern how domination functions in different times of CMP, we must refer back to what Marx established as subsumption.

The central conflict of CMP is the labor-capital opposition, a relation that confirms the double register of the major categories of Marxism in an abstract domain, which is the logical, and a concrete one that is the historical. Because labor is controlled in its purpose, its intensity and its reason for being, the worker becomes necessarily subjected. It is important to distinguish two initial types of control: one that is purely formal, contractual and organizational, against another that adds a technical development able to dictate the forms of productive operation. The idea of domination present in the various writings of Marx opposes capital to labor; the first must appropriate the second in order to be reproduced as an apparent product of itself.

Unpublished Chapter VI of Book I of Marx's Capital, "The direct production process", refers to the subsumption of labor under capital, the latter being a socially accepted form of wealth that achieves accumulation by subordinating concrete labor to reproduce into more capital by a formal or a technical process of production. In order for capital to appropriate labor to its logic and ownership, it must dominate working conditions. This happens in two historical periods marked by the form of producing surplus value, either absolute or relative. The first corresponds to the formal subsumption, just another kind of appropriation not too different from those Marx called "usurer's and merchant's capitals". The second is achieved by real subsumption, upon the arrival of capital to a technical mode by means of which it organizes the very process of labor under proper conditions. Either one can be understood as the domination of the abstract over the concrete, of form over process. After some time, subordination becomes structural and produces special conditions for reproduction, whatever the hardware configuration in which it materializes. Marx explains what makes a formal domination stage become a real one:

What is generally characteristic of formal subsumption remains valid in this case too, i.e. the direct subordination to capital of the labour process, in whatever way the latter may be conducted technologically. But on this basis there arises a mode of production -the capitalist mode of production- which is specific technologically and in other ways, and transforms the real nature of the labour process and its real conditions. Only when this enters the picture does the real subsumption of labour under capital take place. (MARX, 1864, italics in original).

Marx's identification of the real subsumption mode to CMP has provoked his followers to remain attentive to this final general form of capitalism in such a way that, whenever they have to face new phenomena derived from the emergence of complex forms, they undervalue or even overlook the new kinds of struggle to dominate and to resist. Memes, virals, hackings and virtual communities for any thinkable purpose are exemplary cultural outcomes capable both of deterring people and of mobilizing enough forces to destabilize regimes. They should at least be treated as pieces of an unexpected encore to the claimed final stage. Instead, it has become a convention in specialized studies to reduce communication systems to NTIC and these to an industry like the rest, operating by the same basic principles that explain the surplus value extraction at the labor process moment.

There is an academic need to put forward a third logical and historical era, consisting of Symbolic subsumption, a form of domination that adds enough features to the two first to be considered different. The so-called formal subsumption appeared, according to Marx, when the direct producers were separated from their means of production to sustain themselves. It was not necessary to actually deprive workers of their tools; new market conditions, helped by the adequate legislation, placed producers in an unfavorable position to compete against capital productions. So, they came into the market to sell their labor force and their craftsmanship to survive in the emerging mode of production. However, as cited above, capitalism arrived at plenty once it could organize the labor process with the proper techniques and regulations, making workers' previous knowledge insufficient to establish the intensity and profitability of labor contracted by the capitalist. Once the means of production and the laboring knowledge made it useless for the workers to resist the domination of capitalism, there still remained an important issue to subsume: the representation capacity that could be used to resist the authoritative notions either within the production process or outside it. A symbolic subsumption has been shaping a new era when representations have become a commodity and the industries around them continue to flourish. This is what we referred to by stating that the present struggles are held among capitalists more than against the civil society. It does not mean that the latter is finally safe, at the margin of the conflicts of others; on the contrary, somehow it means that part of society is done, deprived of the real picture of a complex society that is made for directed and accepted consumption.

Mainstream messages manage to have users believe they can appropriate the material and the content of social offers anytime they desire. Tailor-made à-la-carte cultural products make it evident to capital clients that markets have finally become democratic, so to say. Neoliberals emphasize the power of consumers to behave themselves responsibly at impersonal yet fair markets, thus discharging the bigger payers from much of the accountability of foul behavior. Plenty of market signs show whoever is willing to read them accordingly, that regulation can be unfair as it interferes with the spontaneous enacting of human nature. This way, the owners of the capital and its markets have already appropriated their consumers' appropriations. Again, such a complex social arrangement cannot be explained by affirming it is just a part of real subsumption.

CONCLUSION

Capitalism, as feudalism before it and possibly any other regime, can be better understood when named "mode of appropriation". Indeed, there is a mode of producing in capitalism, but its arrangement finally shows that all this time, for individually considered capitalists, that it was not production for accumulation that they were after, but appropriation itself. A mode of production is just a social setting for appropriation purposes, which, incidentally, demands production first. Indeed, the capitalist market, taken as a whole, has become complex enough to embrace commodities from organic foods to state-of-the-art appliances or to risk associated financial derivatives and creditorships. Surely, such a varied market surpasses the real subsumption mode of producing and getting surplus value.

What the new spirit of capitalism brings out is latent features that have waited long to emerge. Visible from a privileged communicational reading, much of the novelty of the present is a direct product of the interactions made possible by the current communication systems as defined before. At least, this is one reason why this era deserves to be called Communicational Mode of Appropriation (BECERRA, 2010). If this conception is correct, much of the social struggle will be -and has already been- held in the communications arena. A unidirectional and dominant vertical model of communication at the service of the interests of the few is refuted by the mere existence of a decentralized and multiple horizontal model at the reach of the many. It seems that the Capitalist Mode of Production will meet its denouement -whatever it may be- in the vicissitudes of a Communicational Mode of Appropriation.

REFERENCES

- BECERRA, J. **El orden de la comunicación: I La producción de lo social**. México: Universidad Autónoma de Zacatecas, 2010.
- BOLAÑO, C. R. **Comunicación y crisis del capitalismo en América Latina**, Quórum académico, Venezuela, v. 15, n. 8, p. 133-146. 2011.
- BOLTANSKI, L.; CHIAPELLO, È. **El nuevo espíritu del capitalismo**. Madrid: Akal, 2002.
- BOYER, R. **Crisis y regímenes de crecimiento**: una introducción a la teoría de la regulación. Argentina: Ciel-Piette Conicet, Miño y Dávila, 2007.
- HALDANE, A. **Rethinking the financial network**. 2009. Available at: <<http://www.bankofengland.co.uk/publications/Documents/speeches/2009/speech386.pdf>>. Access: 12 Nov. 2012.
- HUERTA DE SOTO, J. **Dinero, crédito bancario y ciclos económicos**. España: Unión Editorial, 2009.
- LICHTENSZTEJN, S. **Fondo Monetario Internacional y Banco Mundial**: instrumentos del poder financiero. México: Universidad Veracruzana, 2010.
- MARICHAL, C. **Nueva historia de las grandes crisis financieras**: una perspectiva glo-

bal, 1873-2008. México: Random House Mondadori, 2010.

MARX, K. **Unpublished Chapter VI from Capital, The direct production process.** 1864. Available at: <<http://www.marxists.org/archive/marx/works/1864/economic/ch02a.htm#469a>>. Access: 13 Mar. 2013.

MCLUHAN, M. **Comprender los medios de comunicación:** las extensiones del ser humano. Barcelona: Paidós, 1996.

NEÜMANN, I. **Construcción de la categoría "Apropiación Social"**, Quórum Académico, Venezuela, v. 2, n. 5, p. 67 – 98, 2008.

OROZCO, G. **Televidencia:** perspectivas para el análisis de los procesos de recepción televisiva. México: Universidad Iberoamericana, 1994.

PRIEST, S. **Doing media research:** an introduction. Thousand Oaks, Ca.: Sage, 1996.

STIGLITZ, J. **Caída libre:** el libre mercado y el hundimiento de la economía mundial. México: Taurus, 2010.