Book Review/Compte rendu

Urs Stäheli, *Spectacular Speculation: Thrills, the Economy, and Popular Discourse*. Stanford, CA: Stanford University Press, 299 pp., 978-0-8047-7132-0 pbk.

The case can certainly be made that the financial crisis of 2008 made speculation a hot topic for analysis and a serious cause for public concern. Also, the associations between speculation and gambling reappeared in full force: the pejorative "casino capitalism" has often been used to characterize the neoliberal era of deregulated markets and banking, with the concomitant rise of financialization and its destructive global effects. But speculation has accompanied capitalism from the beginning, with spectacular early examples, such as the Dutch tulip craze of 1637 and the South Sea Bubble of the early 18th century. *Spectacular Speculation* analyzes the historical and popular relationship between speculation and spectacularity: speculation not only has effects on the broader society — plainly evident post-2008, it cannot be understood without grasping its "outside" to which it attempts to draw legitimizing boundaries — in this case the realm of the popular. Thus, the book, while contributing to the sociology of finance and economic sociology, is also a cultural and historical analysis. It is to be credited for this: while behavioural economics, for example, has sought to move beyond the abstract rationality of mainstream economics, showing awareness of "animal spirits" and crowd psychology, it does not adequately address the collective, communicative, and "non-rational aspect to economic processes" (p. 7). Spectacular phenomena are not only social, but emotional: they are spectacular because they draw many people communicatively into their orbit, and capture public attention at the affective level. Spectacular economic phenomena are thus too "non-economic" to be left to the economists; speculation requires sociological and cultural analysis.

Spectacular Speculation traces the rise to legitimacy of speculation in the period 1870–1930, an important period in the development of stock markets. In the introduction, Stäheli challenges cultural studies, noting its reluctance to consider the relationship of the market to the popular. The market needs to be examined for its popular, and not just ideological aspects, and Stäheli provides examples of where the popular has been mobilized through market discourses. While Foucault and Derrida are called upon as methodological supports for discursive analysis, Stäheli's approach is informed primarily by Luhmann's systems theory. The communicative aspects related to the legitimizing of speculation, and the emphasis on inclusion/exclusion and boundaries surrounding the question of who can or should and should not speculate are of primary interest. The emphasis on inclusion/exclusion generates some interesting insights, for example, the relationship of gambling to the economy: if economies are functionally organized around scarcities of goods and money, gambling does away with the goods to orient to money alone. Gambling not only grows alongside the modern institutionalizing and reflexivity of money, it manifests an "entertaining" orientation to money and celebrates contingency. In contrast to speculation, gambling's "non-economic" discursive status prevented it from being included in legitimate market discourse.

While the book explores the popular and affective aspects of speculation, it also contributes a genealogy of *homo oeconomicus*. The first two chapters examine the relationship between speculation and gambling. In the early development of capitalism, social values did not discriminate between the two, as they were both antithetical to social order. Gambling and speculation are both conceived as "parasitic" on the legitimate productive economy and the "wild contingency" of these activities is a threat to rationality. As markets develop, the conceptualizations and moral framings of gambling and speculation take interesting turns: speculation manages to take on the "disguise of economic responsibility … masking non-economic forms of communication" (p. 42). In chapter two, speculation's rise to economic respectability is examined through its functionalization and modes of inclusion. Speculation supports the market through the discovery of prices; it entails a future orientation and enables prediction; it supports the market by "bringing the market into agreement with itself" (p. 51). Speculation is thus incorporated into economic functioning and made legitimate. However, it also requires modes of inclusion which seek to separate the legitimate market speculator from the gambler. Speculation thus undergoes processes of "purification and normalization" that distance it from gambling, but the cost is the discursive representation of its "fictionality," i.e., its distance from real productive objects. This fictionality contributes to popular fascination and spectacularity.

In chapters three, four, and five, Stäheli discusses the historical relationship between speculation and crowds, beginning with Charles McKay's classic work *Extraordinary Popular Delusions and the Madness of Crowds*. Significantly, McKay's work continues to inform contemporary orientations to stock market investing. The work of Gabriel Tarde, Gustav Le Bon, and Boris Sidis are explored as each tried to formulate the social mechanisms of crowd psychology. The role of "suggestion" becomes a powerful explanation of the crowd's suddenness and sensitivity to affective influence: the stock market panic thus becomes a topic for professional market experts and speculators. Relatedly, the democratization of markets and speculation sees an influx of small, naïve speculators. Should they be integrated into the market (they provide more liquidity), or do they contaminate it through their market ignorance, contributing to panics and impeding market efficiency? Stäheli discusses the interesting status of rumour and other forms of market communication. Over and against the affectively oriented crowd, the successful speculator needs to be able to read the crowd in order to profit: the crowd is now acknowledged as being "inside" the market, but the speculator must learn "techniques of the self" to not succumb to crowd psychology and the seductions of the market itself. Thus we see some of the discursive attributes of *homo oeconomicus* as well as the rise of the market "contrarian." In the US, speculation and democracy have cultural affinities, and we get insight into the speculative and risk-taking impulses that have shaped American culture.

The equality that speculation offers in the American context, however, is offset by the gendering of the market, which is explored in chapter six: the rational speculator must contend with the seductions of contingency the market offers. While the market is characterized as "feminine" by early market experts, it is no place for a lady, as women are deemed to lack the attributes necessary for speculation. Stäheli offers the intriguing story of the first female brokerage, run by two sisters (also editors of a socialist newspaper), who sought in speculation a route to emancipation. Their story, however, is shaped by the gendered assumptions then prevalent, that their "failure" was due to their being women, who could be observed in their brokerage displaying "nervous excitement." The gendering of the market: seducer, fickle, volatile, represents characteristics that the ideal speculator must master in order to be successful. This gendering thus offers another discursive frame through which *homo oeconomicus* — the rational observer of markets — is constructed. However, the risk is always that the "rational" speculator will get caught up in the feminine crowd. Affective forces can never fully be conquered in market participation.

It is the noneconomic forms of communication and phenomena that Stäheli discusses in showing the linkages between speculation, the spectacular, and the popular: crowds, audiences, panics, affectivity, entertainment, rumour, contingency, seduction. The book's focus is markets and speculation in the late 19th and the early 20th centuries. However, the themes of the book speak to the present. What does spectacular speculation look like in the early 21st century, post-2008? The financial crisis of 2008 was certainly spectacular, and speculation has since had to justify itself in the face of accusations that it is gambling and/or unproductive, if not dangerous for social order — not to mention the instances of fraud and other illegalities engaged in by members of the speculative class. An interesting question arises: what forms of communication — economic and noneconomic, are used to sustain a global financial system that has generated dissent in many countries, and produced high levels of inequality and economic exclusion? What are the strategies and modes of inclusion now being used to remedy this situation, and to connect global markets to the popular and the "people"?

Spectacular Speculation provides a fine sociological analysis of speculation and the discursive fashioning of *homo oeconomicus*. It will thus be of great interest to sociologists and historians of finance, economic sociologists, cultural studies of the market/popular nexus, and anyone else interested in representations of "the market." It should also be of interest to economists: given the spectacularity and destructiveness of 2008, it would seem that the noneconomic, affective, and collective aspects of economy need to be brought back in.

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