

Brian Judge, *Democracy in Default. Finance and the Rise of Neoliberalism in America*, Columbia University Press, New York, 2024.

Brian Judge's book aims to highlight the role of the rise of finance in the twentieth century in a way that is not strictly tied to neoliberal ideology. According to the author, the emergence of neoliberalism in America and the rise of pervasive worldwide financialization are not strictly connected; instead, finance exploits neoliberalism.

The author argues that the liberalization of the "deep forces" of capital following the accumulation crisis of the 1970s was not purely conceived by the theorists and policymakers behind the liberal turn. Stagflation is the final blow to the post-war public Keynesian model. Elites tied to capital emerged from the economic quagmire by blaming the state and presenting themselves to the public as the only alternative to maintaining and increasing collective well-being, partly due to the need for legitimizing a winning and self-reproducing capitalist model during the Cold War. As the author recalls, "Finance is empowered by liberal democracy to depoliticize distributive conflict and that finance, in turn, transforms everything it touches around the imperative to generate a monetary return."

The rise of finance within neoliberalism's ideological and progressively institutional container enables capital to free itself from the constraints of regulation. The liberalization of capital flows, even short-term for speculative purposes starting in the 1970s, allows finance to impose its own rules on states. Now, the state serves capital, and fiscal policy reflects this change. The ability of finance to create wealth (according to the Marxist formula $M-M'$ replacing the traditional production

formula M-C-M') frees it from many of its institutional ties. Finance now acts as the primary force that legitimizes the economic order of the state. The space left to the market absolves the state from its distributive struggle between various social forces. As the author states, "the market is able to transmute conflicting private interests into collectively beneficial outcomes without requiring a single public vote." The financial turn allows the state to waive its responsibilities with the society, providing politics with a convenient exit from the deadlock phase described by O'Connor in his classic "The Fiscal Crisis of the State". The author does not fail to recall how "neoliberalism discursively neutralizes the problem of distributive conflict while financialization works beneath and behind these discourses to secure a new regime of distributive depoliticization." Furthermore, the author argues that the rise of finance plays an additional role in depoliticizing the distributive conflict. Neoliberal reformism creates a new system of rules to position finance as the economic vanguard. The dominance of finance redefines the social structure in favor of the elites who control it. These elites become increasingly powerful not through greater financial power within national borders but through their ability to move capital internationally.

This revolution is only possible thanks to a specific type of globalization, which, with its rules, gives an advantage to finance (and not, for example, to labor forces) by reducing the state's sovereignty. With the increase in public spending first (from the 1960s onwards) and private spending later (especially from the 1980s), capital negotiates from a position of strength in its engagement in national markets. The political-national system weakens, whether it is more compliant (creating growing internal inequalities) or less compliant (using debt as leverage to force states to follow a line closer to the interests of the financial elites).

The book is divided into six chapters plus a concluding section. The focus on the case of California does not reduce the national and international scope of the book. Beyond the first chapter, which is more theoretical, the book leaves the reader with a clear understanding of the author's thesis.

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