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The household frontier

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> ... there is no foundation in nature or in natural law, why a set of words upon a parchment should convey the dominion of land; why the son should have a right to exclude his fellow creatures from a determinate spot of ground, because his father had done so, before him ...
>
> Blackstone (1765-1769)

The frontier, and the empire that presupposes it, are a complex mix of reinscription and indeterminacy. By definition and in practice, this is the problem of empire. In debates over what is the same and what is new, and in more recent discussions around the meaning and implication of crisis, or (re-)regulation, or global (financial) hegemony and so on, it is some version of these terms and their combination that comes into play – but is so rarely analysed as constitutive of empire's horizon. In a particularly suggestive piece on frontier republicanism, populism and finance, Martijn Konings situates the current era of financialization within the longue durée of American continental imperialism. Countering assumptions that securitization marks a completely novel and recent development, Konings argues that the socialization of finance was already well underway in the nineteenth century, where it aligned with the idea of an investor's republic loosened from the model of centralized political authority. He notes that before "the US was an imperial power in the world, it was an imperial power at home" (2008: 50); and goes on to show that the American dream of infinite expansion was "not merely allied to extensive empire, but rather to intensive empire – not to the geographical expansion of American institutions but rather the inwardly directed intensification and growing connectivity of social life". In this sense, and conveyed as it was along the itineraries of republicanism and populism, finance "no longer appeared to be an obstacle to self-government and economic independence, but an excellent means of realizing it" (2008: 54).

We would add a further point to Koning's argument, one which we think can specify both the historical and contemporary manifestations of financialization, and its peculiar volatilities. The household was never peripheral to American imperialism. It was, on the contrary, the space through which the legal form of value was defined and imposed. After all, it is at the frontier that the boundaries of property law and its tenure unfold, that legitimate labour (the very distinction between wage labour and slavery) and authorised reproduction (as with the master's legally recognized and bastard children) are decided. The egalitarianism of a diasporic sovereignty situated the household as the intimate sphere of a sentimental and self-managed equivalence. It is this household that would become the efflorescent machinery of that sentiment's limits and their multiplication. With its attendant claims of inheritance, labour and right, the Jeffersonian domestic economy envisioned perfect symmetries of contractual reciprocity. And so, in the violent positing of the frontier as a space of exploration, cultivation and the extraction of wealth – in the scarcities that are obliged as precondition and condition of a market in labour, in the criminalisation and recapture of fugitive and wayward (re)production and, not least, in the ambivalent play of the value form's genera as simultaneously universality, hypostatization and arbitrage – there would be a periodic recourse to the naturalising magic of genealogy to settle matters of orderly progression and authenticity. The frontier furnished the household as the elaboration of an architectural and intimate dynamic through which limits were escaped and restored. Situated across the hyphen between politics and economics, as the means by which law makes markets, in the frontier the household attained a plasticity and portability that confound European understandings of empire and flight. Briefly put, what is at stake in financialization is the deterritorialization and reterritorialization of the household as a site of legitimated (re)production.

The contemporary era of financialization marks a continuation, albeit at another level of innovation, of these processes of intensive and extensive accumulation. With the decline of its convertibility against gold, the US dollar has become so diffused as to occupy a privileged – some would say exorbitant – role in world financial markets. At the same time, financialization has intensified and expanded through the household, turning credit on the house, health, education and a multiplicity of other life risks into tradable securities. This phenomenon is explored in detail by Randy Martin (2002) and, in the Australian context, by Fiona Allon (2008). The link between the intensive and extensive expansion of American finance is far from incidental. In its 2005 World Financial Stability Report, the IMF noted that the "American household" had become the world's consumer of last resort, serving as a convenient "shock absorber" to the risks of financial integration (IMF, 2005: 89). It had been assumed that the shock absorber would be infinitely "resilient".

The current phase of financialization expanded the boundaries of creditworthiness, well beyond the avenues of class, race and gender that had hitherto marked the limits to mortgage lending practices and consumer debt. This is not to suggest that the movement is simply one of colonization. The financial services sector did not so much extend across empty space as it followed in the steps of the so-called New Social Movements of the 60s, 70s and 80s that – in often ambivalent ways – had led to the destabilization of the genealogical wage structure of the Fordist household and the New Deal welfare state. Which is also to say: some of the most significant and heated debates over the same period within, most notably, gay, anti-racist, anti-colonial and feminist movements turned around (and oftentimes found their impasse in) questions of rights, representation, and recognition. More recently, and in its efforts to profit from new markets in consumer credit, the financial sector invited the non-white, the migrant, the unemployed, the unmarried woman and – even, it is claimed – the non-citizen into the ostensibly expansive embrace of financial democracy.

That such a capacious understanding of consumer credit partakes of a distinctly American ethos of freedom is underlined by the economist Robert J. Shiller, vocal advocate of the "democratization of finance" (2003). Shiller's elegant solution to the growing labour inequalities generated by three decades of punitive workplace reform is an expansion of credit beyond the conventional boundaries of creditworthiness and financial innovation. In his vision of the American future, the social wage is to be replaced by an expansive socialization of credit – the "freedom to work" of classical liberalism is to be superseded by neo-liberalism's "freedom to invest, trade and accumulate". This is the intimately free subject of a revisioned democracy and its scalable contracts. We are all accumulators, risk hedgers and managers – seeking not only to invest in and appreciate our human capital but also to skilfully manage the portfolio of risks that come with every singular life course (including, not least, gender risks, race risks, class risks). The point of securitization, after all, is that some risks cannot be underwritten in the traditional (actuarial) sense of the term. But if the state does not underwrite these life risks in the form of citizenship, social welfare and its attendant regularizations, is one not free to take one's chances by entering into a whole portfolio of contracts which can be traded, hedged and liquidated at will on the securitized risk markets?

Shiller's call for the financialization of the household represents the amplification of an expansive logic – one inaugurated, it should be recalled, by the New Household Economics of Gary Becker in the 1960s. What the neo-liberals realized, long before those now returning to Keynes, is that the stable structures of the Fordist household were losing ground to the anti-racist, civil rights and feminist movements of the New Left. For them, Keynesian uncertainty had infiltrated the micro-economics of the household, liquidating the most solid of foundations. The response, on the part of the neo-liberals, was to reconstitute the household itself as the sphere of utilitarian market relations. Shiller goes further, offering the liquidity of securitized life-risks to the newly enfranchised citizens of financial democracy. It is more than ironic, then, that his vision of a democratised finance revisits many of the demands of the original anti-redlining movement that, in the early 1970s, sought to expand affordable credit to the marginal households of the US economy.

What Shiller glosses as a democratization of finance is, however, also a pre-emptive limitation on the forms and conditions of credit. The expansive moment of financialization contains within its very contractual terms a kind of coded triage, whose limits only become visible when investor confidence starts to wane. This much was confirmed by retrospective enquiries into the subprime debacle, which show that the creditworthiness of borrowers (prime, semi-prime and subprime) was more often than not calculated on the intangibles of race, gender and marital status as on net income, credit histories, and assets. The greater proportion of subprime was composed of women, and African-American and Latina women in particular (most of those demographed as "single-parent" households or living in non-normative "arrangements"). Moreover, the interest rates and contractual conditions of the subprime market were more exacting than in other loan markets – in some instances, those women were relegated to subprime loans even when earning as much as their white male counterparts. It is not so much the case then that the logic of contract is opposed to the speculative moment of credit expansion (Best, 2004), but rather that "financialization", as a recurrent, episodic event, pushes the law beyond its own limits, inventing ever more arcane, baroque variations on the contract-form itself. With its teaser rates, steep rescheduling fees and adjustable interest, the terms and conditions of the subprime mortgage contract sought to make high-risk lending a viable business option, even when the prospects of long-term default were factored in.

And so, while it may be true that we are "all subprime now" (in that the Keynesian ideal of life-long stable employment is the exception rather than the rule), in practice the pricing of risk remained overtly contingent on the more or less normative (familial, sexual, racial) status of the borrower. Esteemed to embody the least exotic and least profitable of risks, the white male borrower was also offered the safest of mortgage contracts. Other contractors were assigned to the volatile fortunes of the variable interest rate. It was these risks, deemed to be the most exorbitant on offer, which would be repackaged into the more ostensibly exotic mortgage-backed securities, promising to render profits as vertiginous as their dangers – threatening also, at some point, to test the limits of "market confidence" in their long-term investment quality. In the meantime, what were once casually referred to as exotic financial instruments, by virtue of their incalculable promise, are now just as unthinkingly renamed toxic assets, which everyone wants to purge from their balance sheets.

As Keynes explains in the *General Theory*, the pricing of risk in the capital markets is comparable to a beauty contest in which investors assign their votes not so much on the basis of "real or fundamental aesthetic value", but rather on a continual, nervous assessment of other peoples' judgements (2008: 156). While the housing boom momentarily offered a kind of renewable redemption contract for the erstwhile Welfare Queen and other undesirables of the US economy, the very terms of the subprime contractual arrangement meant that these minority contestants would be the first to suffer the consequences of declining investor confidence. Pushing beyond the limits of normalizable risk, the specificity of late 20th century financialization is to have extended credit of all kinds to the riskiest of at-risk populations, including, it would seem, even undocumented migrants in the expansive citizenry of financial democracy. Now that the exuberant phase of credit creation has lost its nerve, the subprime class is exhorted to live within its means in a virtuous gesture of belt-tightening – that is, to return to the productively interlocking flows of race, sex and class. As the exotic sours into toxic, the expansion of investor confidence, ecumenical, liberal and even daring in its tastes, suddenly demands the immediate redemption of all debts.

For Marx, the significant difference between European and American class struggles lay in the "constant transformation of the wage-labourers into independent producers", in view of a relative absence of surplus labourers and the availability of free land in the colonies. By this logic, the possibility of land ownership and a labour shortage opens up the chance of escaping the condition of wage labour – but, importantly, that escape takes the (largely idealised) form of becoming a small property owner. Marx cites Wakefield, who complained of a "parcelling-out of the means of production among innumerable owners" that, Marx adds, "annihilates, along with the centralisation of capital, all the foundations of a combined labour" (1978: 720-21). Turner would present the frontier as the very thesis of American exceptionalism (1961), in terms not entirely dissimilar to Marx. For Turner, the frontier is productive of individualism and therefore of a democracy and egalitarianism grounded in the diffusion and perpetual expansion of property in land. But it is the household that determined, through precedent and approximation in common law's unfolding, the extent to which property, contract and credit were recognized, considered as heritable and therefore guaranteed across time. It is this conjuncture – perhaps since William Blackstone articulated empire's horizon as that of an increasingly "incorporeal hereditament" – through which, as he put it (Morrison, 2001: 12), "grand ends" are pursued by "steadily pursuing that wise and orderly maxim, of assigning to every thing capable of ownership a legal and determinate owner" at the moment of its greatest ontological uncertainty. In contrast to the possessive logic of the land frontier, the intensive expansion of the financial frontier turns wage-labourers and erstwhile welfare recipients into independent contractors and investors in the self. Here it is no longer the contractual forms of classical liberalism (property in the self and land tenure) that determine the architecture of household relations but rather the imperative to continually appreciate the value of one's self and home, through the capitalisation of its risks and opportunities (Feher, 2009). The psychology of "resilience" begins to predominate over that of self-possession and autonomy.

This is not to suggest that one form of appropriation and contract simply supplants the other. On the contrary, in places such as China and Australia, where resource extraction is intimately tied to the fortunes of high finance, the expansion of the financial frontier into the urban household coexists with and drives the continual carving up of new and reinscribed spaces of land appropriation. *Terra nullius* is continually being declared, as if for the first time. The relationship between China and the United States could thus be illuminated from the other side, by looking at the historical transformations of the Chinese household registration (or *hukou*) system and its role in shaping China as the world's producer of last resort. In a similar fashion, the special relationship between China and Australia points to the frontier role of the household in the current crisis. The particularity of the Australian situation lies in the coincidence of a housing bubble in the metropolitan centres with a mining boom in the Northern Territory and Western Australia, fuelled by rising demand in China. The mining boom is not incidentally related to the Northern Territory Intervention, a barely disguised land grab that has seen Australian military forces and welfare workers descending on indigenous communities in the wake of claims about an epidemic of child sexual abuse and via a genealogical turn in the discourses of "failed states". In one respect an act of humanitarian warfare, the Northern Territory Intervention also advertises itself as a campaign to foster the arts of proper household management amongst indigenous people, not least through the promotion of "financial education" and home mortgage contracts. Here the reconstitution of the frontier as a space in which debt can be accumulated is performed through the redemarcation of land tenure and the imposition of proper household relations on what are deemed to be recalcitrant people. In a reprise that is reminiscent of recent US history, the political claim to self-determination returns as the neo-liberal imperative of financial self-management.

The financial and legal hermeneutics of the household are not limited, we think, to the historical example of the American frontier, nor to the subprime crisis in the US housing market. Rather the household can be understood in a general sense as the frontier space in which the value form is (re)produced; the point of articulation uniting the genealogical transmission of inheritance, property and name, with the reproduction of labour and the intimate sexual economy of indebtedness, gift and "life". For this reason, it is also the space in which the value form can come undone, fail to reproduce, or produce otherwise; a foundation that can be liquefied by the failure to fulfil obligations, both sexual and economic (Cooper and Mitropoulos, 2009). It is not then a question of counterposing the liquefaction of securitized investment to the illiquid 'needs' of labour, the family or the household, as if the solidification of the latter could offer 'us' some kind of protection against the speculative excesses of the former. What the subprime crisis has made manifest, on the contrary, is the possibility of a social liquefaction escaping even the most liquid of securities markets.

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That is precisely where the economics of the household recognizes the possibility of both cooperation and conflict. I will elaborate this later in this presentation. But first, let's discuss the economic functions of the household.Â The possibility frontier has become steeper in the gender equal norm scenario as compared to the gender stereotype norm scenario. In a gender equal norm scenario, the household income is bigger, but the total leisure time is less, although now it is distributed more equally. Household Inventories, Historical Sources. Frontier Households. Meet the Burgers. Generation 1: Barend Burger and Marietjie van der Merwe.Â Frontier Households. 10After a half century of land claims, the Cedarbergâ€"though still governed from a distanceâ€"was within the colonial orbit to the extent that travelers like Swedish botanist Carl Thunberg visited the region in 1773â€"74. He noted Frontier internet comes with no data caps or additional equipment charges. Get FiberOptic Internet with speeds up to 940 Mbps for the ideal internet experience.Â No hidden fees â€" Frontier internet plans require no contract and include your equipment rental plus unlimited data. FiberOptic delivers fiber-fast speeds at competitive prices â€" With gigabit speeds starting under $80/mo. and 500 Mbps under $60/mo., Frontier FiberOptic plans are as fast and competitively priced as about any on the market. Where on the Pareto frontier this outcome lies can be modelled as the result of maximisation of a household social welfare function that is the weighted sum of the utility functions of the individuals that make up the household, in which the Pareto-weights can be influenced by prices, householdâ€™s total income and â€œdistribution factorsâ€.3 The latter are variables that can.