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From Profit to Prediction: Labor and Social Relations in the Iowa Electronic Markets

Collapses are hallmarks of capitalist economies as historically inevitable accompaniments to the boom periods that precede them. In this process, financial markets rationalize that which the state belatedly deems irrational and reconfigure themselves in preparation for the next bubble as part of a cyclical 'business as usual.' Thus, instead of government bailouts, such monetary commitments are best understood as subsidies.

These subsidies reveal the articulations of particular state-finance assemblages the study seeks to explicate. I focus on prediction markets: a type of futures market where contract prices correspond to the probability of real-life events such as presidential elections. From a conjunctural perspective on labor, I analyze the social relations of prediction traders as they negotiate the contradictory divisions between the political and the economic. Thus, the study moves beyond a monolithic, neoliberal notion of class to contextualize and repoliticize the sociality of state-finance structures and reinvigorate their conditions of possibility.